

Retail Industry Profile for the Los Angeles Five-County Area



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Table of Contents

Southern California Retail Industry Profile -- 2003	1
L.A.'s Retail Landscape	1
New Names	1
The Coming Storm	2
Retailing By the Numbers	3
Employment & Wages	3
Retail Sales Trends	4
Retail Construction	5
A Sector-by-Sector Look	8
Issues	12
Facing Retailers	12
Facing Developers & Shopping Center Owners	13
Facing Government	14
New Opportunities	14
What's Ahead for L.A. Retail Market?	16
Statistical Appendices	18
Table 1: Total Retail Sales in Major Metropolitan Areas, 1992 and 1997	18
Table 2: Taxable Retail Sales in the Los Angeles Area	19
Table 3: Employment, Establishments, Payroll, and Average Wages	20
Table 4: Taxable Retail Sales by Store Type in the Los Angeles Area	22
Table 5: Taxable Retail Sales in Southern California Cities	24
Table 6: Retail Construction in Southern California	27
Table 7: Major Shopping Centers in Southern California	28
Table 8: Major Shopping Districts	31
Table 9: Major Outlet Malls	31

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As the premier business leadership organization, the LAEDC's mission is to attract, retain and grow businesses and jobs in the regions of LA County, as well as to identify trends and affect positive change for the local economy. Since 1995, the LAEDC Business Development team helped in the creation of more than 68,000 jobs from 368 projects.

The LAEDC Economic Information and Research Department is a key source for current and forecasted data on Southern California's economy. Regular publications include *Business Resource Guide of Southern California*, *Economic Forecast & Industry Outlook*, *International Trade Trends & Impacts*, *L.A. Stats*, *Roadmaps to Industry Clusters*, and *regional economic reports*. All reports and industry profiles are provided free to the general public via our website or printed copies can be purchased individually.

The LAEDC Economic Consulting Department offers custom research with expertise in transportation, the environment, infrastructure, regional economic trends and regional industry analysis.

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Southern California Retail Industry Profile -- 2003

L.A.'s Retail Landscape

Southern California is one of the largest and most competitive retail markets in the nation, with \$140 billion in taxable retail sales in 2002. Any retailer with long-term nationwide growth strategies cannot simply ignore this huge market. Thus in the past few years several new retailers entered and expanded in the five-county area. Of the top 100 retailers in the country, 65 have stores in the Greater Los Angeles area.

Los Angeles and Orange counties are mature areas in terms of retail development. With the exception of north Los Angeles County (Antelope and Santa Clarita Valleys) and south Orange County (Irvine to San Clemente), these two counties are fully built out and large sites for retailers are somewhat difficult to find. Orange County's residents, on average, are more affluent than L.A. County residents. Riverside and San Bernardino counties have land available and are seeing higher population growth rates. This expansion in the consumer base is supporting further retail development. Average income in these two counties is lower than the other three counties, however. Ventura County is an affluent area but its residents are somewhat resistant to large developments.

A tectonic shift is underway in the Southern California retail sector. The retail industry is in a period of turmoil, as consumers increasingly focus on either value or high-end merchandise. Consumers now want more bang for their buck, and they don't see that much "value" in many of the middle-range stores. They find that many "discount" chains have moved up the quality ladder and offer fashionable items at great prices. Nowadays buying at Target is no longer seen as déclassé. For high-end merchandise worthy of cocktail party conversations, consumers are still willing to pay despite the recent recession. This trend is putting intense pressure on middle-range and/or "me-too" retailers who offer similar items because they all buy from the same narrow range of suppliers.

On a larger scale, too many malls have the same stores, making shopping less fun than before. Even food courts are dotted by the same fast-food restaurants. The "chain reaction" spreads as more chain stores try to invade unique shopping areas such as Santa Monica's Third Street Promenade and Pasadena's Old Town. Shoppers' boredom is becoming a major problem. As a result, retail developments that are seen as "different" are drawing huge crowds while many malls have depressingly low traffic especially on weekdays.

Southern California has a huge and diverse population, which have its own distinct demands. However, some needs are not well met by mainstream retailers who do not understand the local clientele. This means a huge opportunity awaits true retail entrepreneurs.

New Names

Several new kids have moved on the block in the past few years, including Kohl's, a value retailer that opened 28 stores in March of 2003 (with more planned). Kohl's massive one-day rollout attracted much media attention. Its presence is putting more pressure on middle-market retailers.

Lowe's, a home improvement/hardware store, is also expanding. Lowe's entered the L.A. market through the purchase of Eagle Hardware, and is now taking on Home Depot, which has the dominant position in this area. Another home improvement chain, HomeBase, tried to transform itself into a home decoration store named House2Home, but ran onto the rocks of poor financials and weak locations.

Dillard's would like to be in the Southern California market, but their efforts have been stymied by the veto power of other department store anchors at major malls. Southern California is unusual -- a large market with only two major department store chains (Macy's and Robinsons-May). There's only one Dillard's around the Southland -- at the Antelope Valley Mall in Palmdale. The other existing California store is in Stockton, and another will open in a mall in El Centro in Imperial County. Interestingly, Target is now viewed as a viable anchor for a regional mall, and doesn't get blackballed. Another hurdle to entry to the Southern California market is the availability of land or suitable existing structures. Bankruptcies of existing retailers are one (unfortunate) way for expanding retailers to acquire the properties they need (e.g., Target taking over several former Fedco locations in L.A.).

The Coming Storm

The storm on the retail horizon is Wal-Mart's proposed opening of Supercenters in Southern California. These are basically enlarged Wal-Mart discount stores with full grocery service similar to common supermarkets. In fact, Supercenters now dominate Wal-Mart's expansions plans, with 146 of the 166 store openings in the U.S. (88%) during the first eight months of 2003 being Supercenters. Roughly two-thirds of Supercenters will be conversions or relocations of existing stores.

The focus on food is not too surprising given that traditional Wal-Marts already put more emphasis on food than competitors like Target. Adding fresh groceries to its offerings will move Wal-Mart closer to providing the "all-in-one-trip" shopping experience (for the value-conscious or the time-constrained, at least). Wal-Mart's highly efficient inventory control and logistics system will allow it to undercut existing supermarkets in terms of costs. Wal-Mart also has an advantage in labor costs, thanks to its non-union operation and other cost-saving efforts. In other areas of the nation where Supercenters

"All-in-one-trip" Shopping Experience -- Hype or the Future

Many general merchandise retailers want to provide an "all-in-one-trip" shopping experience by hosting ancillary features such as photo processing, pharmacies, mini bank branches (that operate beyond normal business hours), coffee shops, fast-food restaurants, and even gas stations. What's next? They could be pondering limited auto service (more than just tire installation), carwash, USPS/UPS, indeed, whatever that brings in customers and helps keep them there (to shop) for a while.

For time-constrained consumers, an "all-in-one-trip" retailer with reasonable prices looks very attractive. The key is to find the optimal mix of features, provide them at competitive prices and quality, and all without causing too much inconvenience for other shoppers not needing those services. One danger in this strategy is retailers getting into something that's far from their core competency and not gaining from economies of scale. Smaller chain retailers unable to sign up partnerships with large service providers are not necessarily doomed either. With a proper store mix, a group of small retailers and service stores can create a similar experience without each having to be everything to everybody.

Some retailers provide low-cost or free services to their shoppers. Free parking lots (which we take for granted in most areas of L.A.) are the best example. The logic of free parking is simple -- if you can't park your car, you won't go and shop. Similarly, playgrounds at Ikea and Wal-Mart help these retailers attract childrearing families and retain them for longer shopping trips. The playgrounds help these stores sell lucrative children's products. Perhaps retailers can figure out better ways to help ladies "park" their husbands, boyfriends, and kids. Some malls do well because of an abundant offering of stores aimed at men who would otherwise despise shopping with ladies.

have invaded, prices at local supermarkets have declined as stores try to compete with Wal-Mart. Consumers benefit from Supercenters even if they do not shop there. The big losers, however, would be the existing grocers and other discount chains that may lose customers to Supercenters if they don't come up with viable responses.

Are Supercenters coming to Southern California? Wal-Mart is currently fighting some political battles against local groups opposed to Supercenters. Often these officials are under pressure from existing supermarkets and the unions representing their workers. But there are legitimate concerns about traffic problems and job losses at smaller local shops. Wal-Mart's real challenge, however, would be to find the suitable properties for its Supercenters in Los Angeles and Orange counties, which typically require a much larger footprint than its discount stores -- 20 to 25 acres.

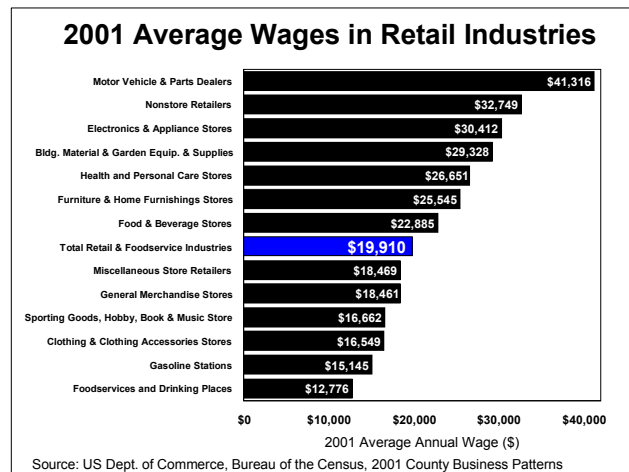
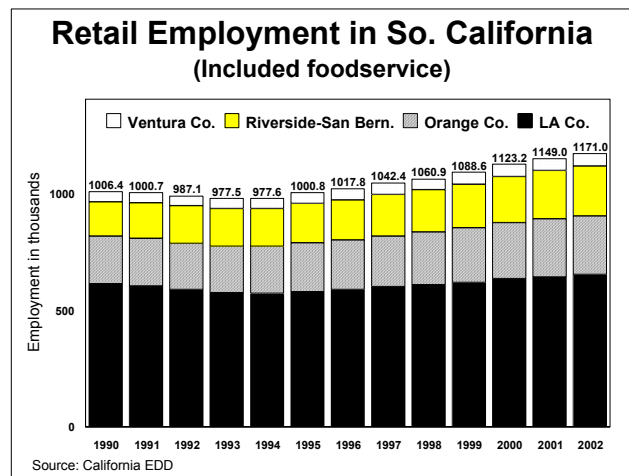
Some customers, however, complain that Supercenters are sometimes too crowded and parking lots are often packed. The large interior also makes it difficult to find things. Supercenters are not a quite shopper's paradise. They will save money, but not all shoppers will enjoy the experience.

Retailing By the Numbers

Employment & Wages

Employment in the retail and foodservice sectors (which are now reported separately by government agencies) is characterized by seasonal surges and relatively low wages. With 723,200 employees in the five-county area in 2002, the retail trade sector is the second largest industry sector under the new North American Industrial Classification System (NAICS), behind government which has 1,018,800 employees. Add in foodservice (447,800 jobs in restaurants and drinking establishments), and the combined total "retail sector" makes it the largest industry group in the region at 1,171,000 employees.

At \$24,500/year (in 2001), the average wage in the retail trade sector (excluding foodservice) is below all non-service, non-farm industries. It's just higher than agriculture, hospitality, and foodservices. The average wage in the foodservice sector was even lower at \$12,800/year. The average wage for all industries in the Los Angeles five-county area was \$35,600 in 2001.



Many of the jobs in retailing are part-time, which helps to explain the lower wages. In the case of foodservice, many workers get a significant part of their income from customer tips, which are not reported as wages by the companies (and thus won't show up in the statistics we used). Employees, however, are required to report income from tips on their income tax forms.

Among retail industries, disparities are striking. Employees at auto dealers, particularly new vehicle dealers, have some of the highest wages in this sector. (Some of these sales people work long hours and on weekends in order to meet their quotas. Once their wages are calculated on a per hour basis, their salaries may not look that outrageously attractive anymore.) There seems to be a positive correlation between the average value of merchandise sold and the average wage. Many of the more costly products require more knowledgeable salesmen and supporting technical staff, which may help explain their higher wages. Furthermore, many high-end retailers such as Saks have commissioned agents and their take-home pay is much higher than the average apparel retailing jobs. Merchandising representatives at the cosmetics counters in department stores may get low wages from the stores, but they also get hefty commissions or subsidies from the brands they represent.

Retail Sales Trends

Retail sales are cyclical. The recent economic downturn and the 9/11 terrorist attack put a break on the double-digit growth in retail sales in the region during 1999 and 2000. LAEDC's estimate and forecasts for taxable retail sales growth rates are 4.6% for 2002, 6.4% for 2003, 7.2% for 2004, and 7.0% for 2005. These growth rates are higher than the State forecasts of 3.2% for 2002, 4.6% for 2003, 6.5% for 2004, and 6.3% for 2005.

The giant in the retail sector is Wal-Mart, which accounted for around 10% of the total non-auto U.S. retail sales in 2002 (\$247 billion out of \$2.4 trillion). Its sales were greater than the next five retailers' (Home Depot, Kroger, Target, Sears, and Costco) combined. The top 10 retailers accounted for over 25% of the non-auto retail sales. Of the top 15 retailers, only Ahold does not have a presence in the Southland. Of the top 100, only 35 are not already here.

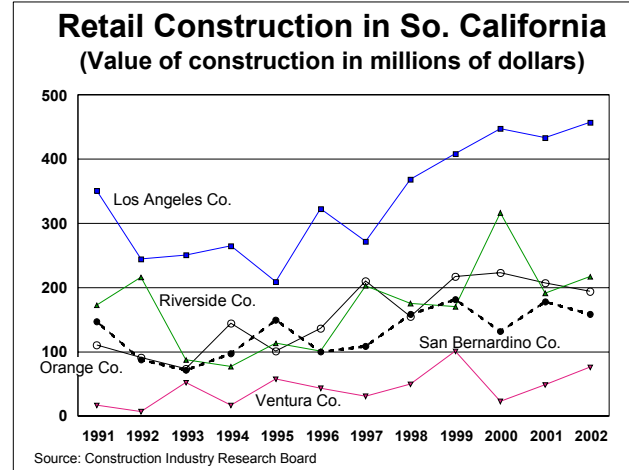
Consumer spending has helped sustain the economy during the recent recession. With inflation rates low when the economic slowdown began in mid-2000, the Federal Reserve aggressively cut interest rates beginning in 2001. These lower interest rates helped support consumer spending. Two notable beneficiaries were autos and housing. As cash poured into the bond markets, mortgage rates dropped and many homeowners refinanced their mortgages to get lower rates, and in many cases, also took cash out. This boosted their spending power through this past recession and beyond.

American automakers, worried about lagging sales, were able to offer low financing rates (e.g., 0% financing) and cash rebates to entice customers to buy new cars. Auto sales have held at strong levels despite the recession. Profits, however, have suffered.

Retail sales taxes support state and local governments. In some cases, an extra portion of the sales tax goes into transportation. The basic sales tax rate in California is 7.25%, with the following distribution: State of California, 6.00%; county government, 0.25%; and city government, 1.00%. (If the sales occurred in an unincorporated area, the county government will also get the city government share.) The State's portion goes into the General Fund, which is combined with other revenue. Los Angeles County has two additional 0.50% levies for transportation; while Orange, Riverside, and San Bernardino counties add 0.50%. City governments rely heavily on sales tax revenue. Since they are responsible for local planning, they have the incentive to favor retail development over other less-revenue-generating projects. This phenomenon is called the "fiscalization" of land-use decisions.

Retail Construction

Retail construction is also highly cyclical. During the early 1990s -- when the Southern California region experienced a major economic restructuring due to aerospace cutbacks and a poor business environment -- retail construction permit values dropped from over \$1.1 billion in 1989 and 1990 to a low of \$532 million in 1993. There has been a gradual recovery since the 1993 trough, and retail permits finally broke the \$1 billion mark in 1999. The recent high was \$1.14 billion in 2000. During the first half of 2003, \$509 million of new retail construction was permitted. This was a 10.5% decline from the \$569 billion during the first half of 2002. Of the \$509 billion, \$211 billion was in L.A. County (41%), \$113 and \$120 million in Riverside and San Bernardino counties respectively (for a combined 46%), \$43 million in Orange County (8%), and \$22 million in Ventura County (4%).



These retail construction permit numbers do not include alterations and additions, which are listed separately but are not broken down by type of building. In the case of retail properties, the amount of alterations and additions is substantial.

Retail industry experts say there is too much retail space in Southern California, but new construction continues. Some retailers seem to have the idea that they must constantly expand or be overshadowed by their competitors. Many mall developers have to upgrade their properties to attract customers. As mentioned before, local governments also favor retail developments over residential and other commercial projects because they bring in much-needed sales tax revenue.

Among developers and investors, there is a continuous search for viable retail development concepts. Traditional regional malls are now considered to be dinosaurs (although a couple are under development in the region). Currently, the "in" things are big box type centers, "experience" centers such as The Grove, or "main street retailing" that evokes old-time town centers. But these new concepts do not guarantee success. Hollywood & Highland and Paseo Colorado (in Pasadena) are two big projects that have seen disappointing traffic and sales. Meanwhile, some traditional enclosed malls such as the Glendale Galleria are still prospering.

Many older regional malls are being re-developed, and some are constantly making improvements, in order to stay competitive. After seeing how a modern movie theater can generate traffic, Westfield Shoppingtown Santa Anita (in Arcadia) is now adding a movie complex by building a new annex. Puente Hills Mall (in Industry) was revitalized with the opening of a 20-screen AMC theater several years ago, and it has since added an outdoor swimming pool to its 24-Hour Fitness in an effort to generate more customer traffic. The Westside Pavilion is also adding a movie theater to replace a small operation.

Some retail property owners are seeking non-retailers to fill up space (and maybe generate some traffic also). The jury is still out on whether this strategy will work in the long run. At least the space is not totally wasted.

Promising Retail Markets

The Riverside-San Bernardino area has a fast-growing population and lots of raw land that support new retail development. In fact, classic regional malls are still being developed there.

Ventura County is well known for being anti-growth and sensitive about losing its non-urban ambience. However, it has high income levels that are attractive to some retailers. Still, residents are picky about what stores should be included. They often want "prestige" stores such as Nordstrom (and are getting one in a rehab of "The Oaks" mall in Thousand Oaks) over practical stores such as Home Depot.

Some older downtowns, like Long Beach and Los Angeles, have new residential projects that can support new retail development. Public transit systems (e.g., the new Gold Line connecting Pasadena and Downtown LA) can also be part of revitalization strategies. Some retail areas are avoided because of parking and traffic concerns. Public transit can make these areas more attractive to visitors and local residents.

Sectors in Distress

"Strip" retailing is struggling, especially those along major streets. Problems for these retailers include parking, which is often scarce and difficult during busier hours, as well as visibility to potential customers driving by. Oftentimes customers will only come because they know the store has exactly what they need. These retail locations have light pedestrian traffic and have to work very hard to get new customers. These properties often have high tenant turnover and deteriorating structures, as owners don't want or can't afford to spend for upkeep.

Downtown -- The Forgotten Retail Land?

Downtown Los Angeles is not generally thought of as a major shopping destination, but it has a wild & woolly retail scene. On weekends parts of downtown come alive with small shops, street vendors, and casual shoppers looking for bargains. If nothing else, a trip to downtown's shopping districts is a fun adventure that's hard to duplicate elsewhere in L.A.

The **Fashion District Business Improvement District** and its famous offspring **Santee Alley** are known for many things. The Fashion District BID is the largest BID in the nation and the first in the L.A. area. "Santee Alley" is now 16 square blocks of retailing. A 1999 report reveals that the Santee Alley had \$6 billion in sales. The whole area is more like a bazaar than a typical shopping area in America. Its textile shops carry fabric at bargain prices, and most are open to retail shoppers. Its arts & crafts shops are full of items for do-it-yourselfers and parents with school-age children. Want to save on your wedding costs? Wedding accessories can be found at exceptional prices, and frugal couples can even create their own wedding favors and decorations. There are also two wholesale fashion marts that sometimes open themselves to the general public for special sales. One hint: if you plan to buy anything, bring cash. This is true for most shopping areas near downtown.

The **Flower District**, which is part of the Fashion District BID, is where many commercial florists and casual floral enthusiasts come for fresh flowers at down-to-earth prices. While the general public is allowed as early as 6am on certain days, many shops that serve commercial florists open as early as 2am. The district closes at 12pm.

The **Toy Town BID** is really the toy wholesale district (and a lot of other merchandise). Since a very large portion of the toys sold in the U.S. are imported from East Asia (now mostly China), much of the cargo comes through the ports of Los Angeles and Long Beach. Downtown L.A., which is the first major rail hub outside the ports area, naturally makes sense as a place for import-export dealers and wholesalers to process and distribute their cargo. Shops are often open to the general public. Many of these businesses are owned by Asian immigrants who utilize their connections back home.

Strip malls that do provide parking but have no strong traffic-building anchors can still fail to generate a critical mass of shoppers. The situation is particularly dire for those centers too small to host a "power tenant." These can range from general merchandise stores such as T.J. Maxx and Marshalls to specialty shops such as PetsMart. In some cases, a highly successful supermarket can be a great anchor. One example is 99 Ranch Markets which serve the Asian communities in the San Gabriel Valley.

Shops in a strip mall are better suited for targeted shoppers who know what store they want rather than weekend/ evening browsers. There are cases in which being located in a strip mall rather than a large shopping center is an advantage, as there are usually no mandated hours of operation. Stores in strip malls can also operate around the clock, if permitted by the landlord and neighbors. This is crucial for restaurants and coffee shops. Some stores tend to serve clients who just want to drop in and get out quickly, such as video rental stores, dry cleaning shops, and convenience stores. There are some operations that are considered "undesirable" by other retail venues, such as coin-op launder mats. Thus strip malls still have their niche market that large shopping centers cannot serve effectively.

Finally, there are the **middle-market retailers**, which some call the "me-too" retailers. They often carry the same or similar brands of apparel and cosmetics, and they compete with each other as well as with the value retailers. Their offerings do not attract the higher-income shoppers, and during the economic downturn they lost mid-income customers to value retailers who are now catching up in terms of style and product offerings. As a result, the "me-too" retailers had to turn to brutal price competition to attract customers. Constant sales have driven down prices and profit margins and lowered the stores' prestige. Some customers are now conditioned to wait for the next sale, which is often within the next few days.

Downtown -- The Forgotten Retail Land? (cont.)

The **Jewelry District BID** is where jewelry shoppers go to find bargains. Situated just to the east of the Financial District and close to the Pershing Square subway station, the Jewelry District is fairly well-known by those who work in the downtown area. *Caveat emptor* -- bring a friend who knows jewelry. Many prices are subject to bargaining, and so check the current gold/silver/platinum prices before you go, and compare, compare, and compare.

Broadway (between 2nd St. and Olympic Blvd.) is undergoing major changes. Most residents perceive it as a Latino shopping area, but that market is shifting to venues in outlying areas. In the meantime, the Jewelry District is moving onto this street, along with some adaptive re-use projects (e.g., converting empty office buildings to apartments) underway. In a few years, Broadway will have another new orientation.

Finally, there are the ethnic enclaves of **Little Tokyo** and **Chinatown**. Little Tokyo is no longer a hub of Japanese-American life, but it hosts a museum and still has many Japanese-themed retail venues and restaurants. Many Japanese Americans had moved to the suburbs after World War II. Similarly, Chinatown is also no longer the heart of Chinese-American life in L.A. That honor belongs to certain cities in the San Gabriel Valley, such as Monterey Park and Alhambra. (Chinatown is still a hub of an older generation of Chinese Americans, however, while the San Gabriel Valley has a larger proportion of new immigrants.) Merchants in Chinatown hope to reap the benefits of the new Gold Line light rail, which has a stop near its core artery of Broadway. The light rail will bring in visitors who may have ignored Chinatown because of traffic and parking concerns. Dim sum is now just two blocks away!

Yet not all middle-market retailers are faring poorly. JC Penney stands out as an exception. With its successful private label brand development (e.g., Arizona Jeans), it distinguishes itself from others that carry mostly outside brands that can be found at many venues. Sears is also trying to differentiate itself by buying existing apparel brands (e.g., Land's End).

A Sector-by-Sector Look

Auto dealers have done fairly well in the past few years thanks to low interest rates and aggressive financial incentives offered by manufacturers, especially among the Big Three (GM, Ford, and DaimlerChrysler). All these ads about factory-sponsored 0% financing instead of performance have some customers wondering if auto dealers sell cars or financial incentives. (Interestingly, many dealers earn more from factory-to-dealer incentives and financing than from vehicle sales.)

Shoppers are also more educated about auto pricing, thanks to the Internet, and auto dealers are finding it more difficult to sell significantly above the actual factory prices. One major concern now is whether the current rate of auto sales can be sustained when interest rates rise or if California's tripling of vehicle license fees takes effect.

Apparel retailers are a diverse group. Upper-end retailers such as Saks cater to higher-income consumers who are willing to pay for the prestige factor or the latest fashion. Lower-income consumers are natural shoppers at value-focused stores like Mervyn's and Kohl's and would rarely venture into pricier stores. Mid-market retailers, however, face pressure from both sides. Offering products with styles found in cheaper stores, there are few reasons for shoppers to spend more money there. Some mid-range stores are experimenting with shopping carts and centralized checkouts, which makes purchasing easier for shoppers but further clouds the stores' image. Some (e.g., JC Penney) develop their own private labels to help distinguish themselves from their competitors. Many popular, established consumer brands also have their own stores. Many mid-market department stores have fallen into the trap of sameness as a result of "matrix buying."

Kohl's, a newcomer to the Southland, focuses on developing large, standalone stores. As a result, it sees more "shoppers" than "browsers" when compared to other stores located in malls. Kohl's then constantly bombards these shoppers with incentives to return to its stores. Value shoppers tend to respond to such incentives more than the fashion-forward crowd or higher-income spenders.

General merchandise & drug stores are now becoming more like each other. Many of these stores are indiscernible from supermarkets (but without the fresh groceries), which have set up pharmacies, photo-processing kiosks, and seasonal merchandise displays to meet the needs of their customers. The encroachment by expansion-minded supermarkets is understandable, but many general merchandise/drug stores do not seem to have a comprehensive strategy to counterattack. With Wal-Mart Supercenters looming on the horizon, many of these stores will face even more competitive pressure. Wal-Mart, which has around 10% of total U.S. non-auto retail sales in 2002, can use its enormous pricing power to quickly grab market share from existing retailers. Instead of confronting Wal-Mart head-on, most retailers are seeking survival strategies. One strategy is to find what Wal-Mart does not do (or do well) and secure those niche markets.

Grocery stores in Southern California are dominated by three large supermarket chains: Ralphs/Food4Less (Kroger), Vons/Pavilions (Safeway), and Albertsons. They often use select loss leaders to bring in customers, who end up paying higher prices for other items that are not on sale. By carefully selecting items whose prices are most often tracked by consumers, many supermarkets have been able to maintain the impression that their overall prices are low. This strategy may not

work well once Wal-Mart enters the grocery business with its Supercenters. Wal-Mart has established itself as the low price leader, and that impression will be hard to break. (Wal-Mart also has grocery stores called Neighborhood Markets which are more like traditional supermarkets, but they are not the current focus of the company's expansion plans.)

Many supermarkets are preparing for the Wal-Mart challenge by adding ancillary features such as take-out food, pharmacies, photo processing (instead of just a drop-off kiosk), dry cleaning, floral stands, and even gasoline pumps. (Many supermarkets had added mini bank branches years ago because they believe having more services for customers within their establishment would bring more shoppers. Now they have to expand on this strategy in order to fight off Wal-Mart.) Expect these supermarkets to either lower their prices when the Wal-Mart invasion begins, or focus more on what Wal-Mart does not do, such as higher-end, specialty items.

Some local supermarkets also do not completely address the needs of local ethnic markets. Being an ethnically diverse area with rapidly changing demographics, Southern California is a difficult market to grasp. There's no "typical market basket" to re-create, and there are different needs even within a single ethnic group. For instance, there are different types of rice for different uses among the Asian population. Also, some ethnic shoppers dislike pre-packaged meat and prefer a full-service meat department (locally-based Stater Bros goes full-tilt on this). These differences in preferences help ensure a healthy niche market for ethnic grocery stores.

Another growth sector is natural and organic foods. Smaller chains such as Trader Joe's, Whole Foods Market, and Wild Oats are doing brisk business but their pace of expansion is carefully controlled. In fact, they mainly focus on affluent communities whose residents are willing to pay more for healthier groceries. For them, being a bit hard to reach adds to their perceived value.

Closeout discounters (e.g., BIG Lots and 99 Cents Only Stores) help liquidate excess inventories and provide retail outlets for small manufacturers unable to secure shelf spaces from the larger chain stores. Their success depends heavily on savvy purchasing agents who find merchandise at bargain prices. These discounters thrive on the perception of low general prices.

Home improvement and decoration stores have, in recent years, come to be dominated by big chains like Home Depot, Lowe's, and Bed Bath and Beyond. Competition is very heavy in the home improvement sector, as Home Depot moves into smaller markets and Lowe's moves into larger markets. But there's still room in the L.A. metro area for more home improvement stores -- at the expense of some independent stores and smaller chains such as OSH, which is owned by Sears. Some host free workshops, which in effect create additional demand for their merchandise. Sears has experimented with a concept called The Great Indoors, which focuses on interior design and consumer home decorations instead of the weekend homefixers. Home Depot's Expo Design stores also fall into this category.

One question on the home improvement sector's mind is: will there be a slowdown in business when the housing market cools due to higher mortgage rates? Often people buy furniture, carpet, garden items, and home decoration products when they buy new homes.

Home decoration stores now get competition from an unlikely source. Many apparel stores are now "lifestyle" stores, selling apparel alongside home decorative items. Often these decorative items are very distinct in style and match certain apparel items the store carries. One such example is Anthropologie. While home decoration stores have much larger selection, these "lifestyle" stores may have the edgier products that are really eye-catching.

Electronics stores are unique in the sense that they must constantly battle falling prices. Thanks to growing manufacturing capabilities in countries such as China, electronics have become commodity items. Furthermore, many information technology products have become easier to install even though their functionalities are constantly improving. These two trends combined make electronics and computer products more and more suitable for stores like Wal-Mart, which do not have knowledgeable salesmen to "assist" customers with purchases.

Facing competition from general merchandise stores, electronics stores have taken some different routes to make sure they survive. Circuit City's strategy is to be more like Wal-Mart -- focus on cheaper goods and eliminate commission-based salesmen. Best Buy, which made a similar move many years ago, is now emphasizing newer, pricier products and related services (e.g., installation and troubleshooting). Wal-Mart, in the meantime, is trying to sell more expensive gadgets, even though it does not currently have the knowledgeable sales force traditionally found at high-end electronics stores. Customers would have to do their own research at home before coming to the store. Indeed, online product information and comparison is one area where many electronics stores have invested heavily, hoping that customers will eventually buy from them.

Bookstores are going through a quiet revolution. No longer do they sell just books, music, and videos; they now sell a "reading experience." Large chains like Barnes & Noble and Borders are much larger than the Waldenbooks (part of Borders Group) and B. Dalton (owned by Barnes & Noble) stores that used to be in every mall in the region. Now many bookstores include reading areas for both adults and children, and cafes with limited service to serve the readers who prefer to read or study at the stores. A pleasant environment often helps to open wallets. These bookstores also sponsor special events such as book signing by authors. These events draw traffic, increase sales, and add to the prestige of the store. Perhaps more importantly, they help distinguish these stores from mass merchandise stores (imagine Tom Clancy signing his latest novel at a Wal-Mart...), which carry a far more limited selection and offer no special services such as book ordering.

When Amazon began the online bookselling revolution, there was talk that established bookstores would become uncompetitive because of their high fixed costs (e.g., rent). That prophecy failed to take hold. Instead, these bookstores have adapted e-commerce to provide even more services to their customers, such as store inventory searching, in-store pickup and returns (after buying online), special orders of rare items, used book buying and selling (mostly college textbooks where the market is large and certain), and targeted promotions via e-mails.

Outlet stores offer name-brand merchandise at prices usually below those in retail stores, but they are often quite distant from the urban markets. A notable exception in Southern California is the Citadel in the City of Commerce, which is being expanded by 34 stores (this has not yet aroused the ire of department stores carrying Bass or London Fog). There are two main kinds of outlet stores: retailer outlets (e.g., Nordstrom Rack and JC Penney Outlet Stores) and factory outlets (e.g., Eddie Bauer Outlet and Bass outlet stores). Retailer outlets mostly carry surplus merchandise from their stores. Some also carry other items and become stores that target the lower-end market (e.g., Nordstrom Rack carries lower-end basics not found in traditional Nordstrom stores). Factory outlets can carry surplus store items, but sometimes they can carry items specifically made for their outlet stores. For example, at Ann Taylor Factory Stores, customers can find apparel with three labels: "Ann Taylor" (the regular store), "Ann Taylor LOFT" (the cheaper and more casual sibling), and "Ann Taylor Factory Stores" (outlet-only merchandise). These items may be of lower quality or less popular styles, or just simply not compatible with the current retail strategy of the stores.

Most outlet malls located outside urban markets have fashionable in-season products of big-name shops. Due to their remote location from their main markets, these outlet malls are for serious shoppers looking for really good deals. Developers have strategically located these outlet malls so they also get some passing-through traffic (e.g., Factory Merchants Barstow gets the L.A.-Las Vegas travelers, Cabazon's two outlet centers gets the L.A.-Palm Springs crowd, and Carlsbad Company Stores feeds on L.A.-San Diego travelers).

The **Internet** is creating new classes of retailers. On one hand, there are the e-commerce retailers (a.k.a. e-tailers) such as Amazon. These retailers have their own websites, supply chain management systems, order-taking and distribution systems. They often focus on specific products and services that they consider to be their core competence, and they stay efficient in that field. In some cases, they provide a vehicle for other established retailers that find it more efficient to outsource e-commerce operations to experienced e-tailers. For example, Amazon, which started out as a book and music e-tailer, now handles e-commerce operations for a diverse range of retailers, including Target and Toys R Us. (Toys R Us had tried its own e-commerce site but failed miserably.) In fact, Amazon itself is ranked 55th in the list of top retailers in the country. It is the only pure-play e-commerce retailer to be in the list of top 100 retailers (by STORES Magazine).

At the same time, a new class of semi-retailers has emerged, thanks to online auction giant eBay and its imitators. These auction sites allow both individuals and companies to reach a global audience without having a large advertising budget, retail storefront, or websites. The savings from large fixed costs such as rent and advertisement easily offset the commission charged by these auction sites, and often this is enough to give them a price advantage over full-service retailers, both online and offline. (This method is also a good source of income for people who, for one reason or another, need to spend most of their time at home.) With this in mind, perhaps having a UPS or USPS station in local supermarkets is not such a bad idea after all.

Competition in the **foodservice industry** is fierce, even among the high-end restaurants. Restaurants have a special "glamour factor" for entrepreneurs (there was a reality TV show called "The Restaurant" but no "The Supermarket" or "The Bookstore"), and they remain one of the few retail sectors not dominated by chain operations. As a result, there's a constant supply of new restaurants. Each new owner seems to think he has a special knack, and some locations host new owners quite frequently.

Mirroring the recent trend in other retail sectors, customers demand "value" even in high-end restaurants. This is one reason that Cheesecake Factory, which serves generous portions, is wildly popular. Innovation is important in this business, even in fast-food restaurants. Many restaurants now introduce new items on a faster cycle than ever before. Just last year people would not think of McDonald's as a place for quality salad. Restaurants at all levels have to adjust to customers' changing tastes or risk extinction.

The Cheesecake Factory and California Pizza Kitchen are two locally based restaurant chains that have achieved national recognition. They are perhaps the standard bearers of "California cuisine" to most non-Californians. "California cuisine" is really an amorphous concept subject to different interpretations, but most people would agree that it is a blend of different international cuisines (often in the same dish, e.g., Kung Pao spaghetti or California roll [avocado-filled sushi]) or something totally novel, made with fresh produce (why not, we grow it in California), and more likely to be health-conscious (gotta stay fit for the beaches!).

Southern California probably has the most diverse offerings of ethnic cuisines, thanks to its status as a major gateway for foreign immigrants. In fact, exceptional culinary masters from around the world have come to Southern California in search of the American dream or to escape unfriendly governments. For example, many experienced chefs from Hong Kong left for the U.S. and Canada just before the 1997 handover to China. (Cooks can apply for either an immigrant or a non-immigrant visa under the H-1B program.) A critic at New York Times once said the best Chinese food in the world can be found in Southern California due to the quality of ingredients. The same can probably be said with many other cuisines from around the world.

Issues...

Facing Retailers

In this environment of price-conscious consumers and intense price pressures, retailers have to focus on increasing the efficiency of their supply chain. Successful **supply chain management** can reduce costs, increase the turnover rates, and boost profits. Whoever can cut costs the most wins the price war, for the Southern California market is too big for a successful predatory pricing scheme to be sustained for any extended period of time. Unfortunately, successful inventory control and supply management depend on intelligent use of information technology, which is a weak point for many smaller chains and independent stores.

Product selection and sourcing is another major concern. Betting on the wrong items can easily ruin one's most important shopping season. For some toy stores, having just a few of the hot-selling toys during the Christmas season can mean the difference between a profitable year or not. In the case of apparel retailing, changing styles and trends can be hard to detect. As taking risks and betting on catching the latest fashion is not mass retailing's strength, they engage in "matrix buying" which helps them identify what products from which manufacturers sell well and consistently. Then the matrix determines the next set of procurement. As a result, many retailers end up with similar items from the same or similar suppliers, which can bore consumers who like to have something that stands out among the crowd. Some consumers are far more willing to pay full price for unique and novel products.

Some stores in Southern California do source from local designers. For example, Target is the exclusive retailer of Mossimo apparel, from which it licenses the design and name but manages manufacturing itself. The results are impressive -- nearly \$1 billion in sales in 2002. Now Target is signing similar agreements with other designers in apparel, linen, and home accessories. Another success story is Bisou Bisou, which is now found exclusively at JC Penney. These arrangements allow the designers to focus on their core competence -- designing -- and leave the minute details of manufacturing, advertising, and logistics to the retailers who know it best. These retailers, whose large volumes of purchases give them bargaining powers small designers cannot possibly match, are able to maintain high quality while keeping costs down.

Shopper fatigue is becoming an epidemic in retailing. Many malls look and feel like each other -- same shops and restaurants. Even the names can be the same, such as "Westfield Shoppingtown..." Rejuvenating shoppers' interest and sustaining it is the key to the success of a shopping center. Having unique stores is one way to distinguish oneself, but this is not a viable option for many malls as lenders want "credit" tenants. Having novel building designs can help bring in curious customers, but the novelty factor can wear out quickly (e.g., Hollywood and Highland). The Grove at Farmers Market is successful not just because it has unique shops such as FAO Schwarz and Anthropologie.

Its stores feel more welcoming thanks to larger floor space and less crowded layouts. A pleasant shopping environment helps open up customers' wallets. Its various special events, such as free concerts, help draw crowds from near and far.

Many retailers are anxiously awaiting the day when big-spending **international visitors** return to L.A. Since no retailer can really influence whether these visitors return, it would be wise for stores and properties targeting international visitors to re-focus on local residents and domestic visitors.

Shops should also re-evaluate the financial returns of having more **service personnel**. Great service is why some people couldn't imagine shopping without stores like Nordstrom. Finally, there are **labor issues** to deal with. Stores with a unionized workforce face higher labor costs and will be even less competitive with non-union shops coming in (e.g., Wal-Mart). New overtime rules also complicate shift management and raise labor costs.

Facing Developers & Shopping Center Owners

The **lack of uniqueness and innovation** in shopping centers contributes to shopper fatigue. Developers of shopping centers know the need to innovate and stand out. But they are forced to make risk-averse decisions in order to get financing for their projects. It is easier to get financing if developers fill the properties with recognized tenants instead of taking risks with unfamiliar local retail tenants.

Many owners see **anchor stores** as key to the success of their centers. However, with many traditional department store anchors doing poorly, the concept of what makes a good anchor is being re-evaluated. Could a discount/close-out chain like 99 Cents Only Store be an anchor? What impression will that give to potential shoppers? What's the value of a favorable impression? Once a property is seen as low-end, it is hard to move up the ladder without a major reworking (e.g., turning Plaza Pasadena into Paseo Colorado). On the other hand, Target is now considered an anchor-worthy store because of its good balance of traffic generation and image. Its efforts to move up the fashion ladder have been successful. Wal-Mart is now in a local regional mall, with no complaints from other tenants.

Many traditional anchor stores are alarmed at the trend of malls losing retail market share. Between 1995 and 2002, malls' market share fell from 38% to 19% (source: Robin Reports). The new breed of standalone (i.e. not stuck in an enclosed shopping area), big-box retailers and discounters can be more flexible with locations, hours of operation, and special promotional efforts (e.g., hanging big banners off the outside wall). Anchors also see their fortune as tied to mall operators' decisions, some of which are outside of their control or influence. In short, standalone stores have more freedom and control over their own destiny. Shoppers who visit standalones also tend to go with the purpose of shopping in mind, while mall anchors get a lot more browser and passer-by traffic. In malls seeing disappointing traffic volume, it's easy for anchors to lay blame on mall operators. Frankly, many mall anchors could do a better job at pulling in shoppers themselves and converting browsers and passers-by into actual paying customers.

Mall owners may see another wave of **store closures** as department store chains prune themselves of unprofitable branches (e.g., May Department Stores Co. trimming 32 Lord & Taylor stores). For many department and specialty stores, this is long overdue.

Parts of L.A. & Orange County pose a challenge to newcomers as **no large blocks of attractive land** are available. Kohl's got lots of buzz for moving into Southern California, but has huge gaps in

coverage in Los Angeles County. The problem for Kohl's (and perhaps Wal-Mart Supercenters): getting the land or the properties needed for their standard floor design. The solution will be to come up with a more compact footprint.

Facing Government

Cities in California continue to chase after **retail sales tax dollars**, favoring retail projects over other types of development. In some cases, cities approved predatory projects just inside their borders so those stores can steal sales from their neighboring cities. Although there has been legislation introduced in Sacramento to limit this, the "fiscalization" of land-use will not be stopped unless there's comprehensive reform in California's tax system. One proposed solution was tax revenue sharing among cities, but this has not been well received.

A simple comparison of per capita taxable retail sales in the incorporated cities of Southern California shows a striking disparity among the localities (please see Table 5 on page 24). With a 2001 population of just 780 people and taxable retail sales of \$1.4 billion, the City of Industry had around \$1.8 million of sales per resident (and around \$150,000 of sales tax revenue per resident) in 2001. The city benefits from large shopping centers (e.g., Puente Hills Mall, Costco, Sam's Club, Wal-Mart, etc.) and several auto dealers. Vernon, another commerce/industry-focused city, has only 90 residents but \$64.7 million in taxable retail sales, resulting in a per capital sales of around \$718,000 (and \$59,000 in tax revenue per resident). Some cities with less attractive demographics (e.g., lower income) have very low retail sales relative to their population, resulting in very low per capita retail sales tax revenue. For instance, Bell Gardens has a per capital retail sales tax revenue of just \$119. Some cities clearly "lose" retail sales to their neighbors. One such example is La Puente, which is next to City of Industry. Its per capital retail sales tax revenue was \$380 in 2001, or around 0.26% of City of Industry's astronomical number. Some cities like Costa Mesa have major retail presence (e.g., South Coast Plaza) but their numbers do not look too impressive because they also have large population. Some cities with very affluent residents, such as Rolling Hills and Hidden Hills, deliberately avoid retail and have very low sales numbers, but these are matters of choice.

Union-led **opposition to non-unionized stores** such as Wal-Mart does not "protect" higher-wage union jobs. Such non-unionized stores can always locate just outside political boundaries of cities that ban such stores. Those cities, in essence, will lose both jobs and tax revenue.

New Opportunities

Advancement in new technology is giving retailers more tools to attract and retain customers. **Customer loyalty/incentive programs** have mushroomed in recent years. Store cards (e.g., Vons Club and Ralphs Club) and credit cards (e.g., via the Upromise or iDine programs) allow tracking of consumers and their consumption patterns, which in turn allows more targeted and thus effective promotion. They also help keep track of incentives for loyal customers, which can take the form of cash, airline miles, free coffee, or whatever the stores see fit. Target's Visa with Smart Chip technology brings store card capabilities to its credit card. Users can download "smart coupons" from the web and these discounts will automatically apply if the proper merchandise is purchased. One issue of concern is the loss of consumer privacy, but few customers seem to care about someone knowing how many bags of diapers are consumed in their households each month.

Cross marketing is becoming big business now, and retailers can now leverage their outreach capabilities for financial gains. On one hand, retailers can get a portion of the earnings from their

partners such as credit card issuers. On the other hand, they can offer "rewards" to the customers that will induce them to come to their stores. These rewards can range from store credits and free merchandise to special discounts for their partners (e.g., \$10 off at a local theme park). Thanks to information technology, their impacts can be measured precisely, and profit sharing is now possible.

Further **store-and-Internet integration** can create new business opportunities that were not possible before. In fact, having physical retail stores gives retailers an advantage in the e-commerce arena. These joint "bricks-and-clicks" operations can include in-store pick-up, exchanges, returns, service, etc. Wal-Mart, for example, now offers on-line DVD rentals, to the dismay of Blockbuster and Hollywood Video. The natural next step would be to have in-store pick-up and drop-off for the more common, recent releases. This can help bring customers to its retail stores and get Wal-Mart into the lucrative video rental business in both off-line and online arenas.

Many stores use their websites to advertise their in-store specials, but some are aggressively moving beyond those elementary uses. Besides selling directly online, websites can allow customers to set up gift registries (which their friends can print in-store), research products before visiting the stores, submit and track rebates, and get special discounts through the printing (and downloading, in the case of Target) of coupons, order customized products (e.g., computers, NIKE shoes with your name and color choices), and get customer support.

One possible way to reduce the risk and burden for retailers themselves and to spice-up the merchandise mix, in particular for fashion-related retailing, is to switch into a landlord mode. **Space leasing** can relieve the retailers of the burden of product selection and allow manufacturers to take responsibilities for the items sold in the stores. In effect they become profit-sharing lessees of space. Retailers can also get involved in promotion efforts and avoid predatory pricing among the lessees. One success story is Selfridges in England -- the current "hot" retailer that's basically an intelligent landlord rather than a classic merchandiser. There are drawbacks, however. This scheme can severely limit the ability of new or small merchandise designers and manufacturers to get shelf space at these larger retailers. Perhaps retailers should still reserve some space for the small guys and make sure space allocations can be adjusted quickly to reflect changes in consumption patterns (e.g., more space for summer apparel-focused companies during spring and summer, or less space for someone not doing particularly well).

Many retailers can use better **supply chain integration and information sharing**. In fact, this is one secret behind Wal-Mart's success. If retailers and their suppliers can get and utilize real-time information on the sales and inventories of all items of interest, they will have the information they need to maximize sales. Retailers can help manufacturers gauge customers' needs and demands and give them some flexibility in choosing what to put on the shelves. This can lead to better inventory management, which can cut costs for both suppliers and retailers. One concern is that such a lean-and-mean inventory system opens up retailers to potential risk from supply disruptions. After 9/11, the port shutdowns, and the 2003 East Coast blackouts, many retailers have re-evaluated their just-in-time system and wonder if some just-in-case inventories would be prudent also.

Finally, retailers have to be attentive to the **demographic shifts** underway in Southern California. The Hispanic population has become the majority, and retailers need to grasp their preferences and adapt accordingly. In general, Hispanics are more likely to have children, being family-oriented, and they have diverse cultural tastes (it's not a homogeneous group). Having multi-lingual staff would help, but so is having the right product mix. The Asian population is also very diverse in terms of tastes and preferences. In particular, they pay more attention to food. Having great eateries in the

shopping center is never a bad idea in an area with a significant Asian clientele. In all cases, a retailer serious about breaking the ethnic barriers should get down and dirty in the trenches, and find out what really works for a given ethnic group. Research reports or statistics can't tell the real story since there's really not a "typical consumer" for a retailer to target. Local conditions and consumers' habits must be studied carefully.

A trend covering all of the developed countries is the aging of the population. In Southern California this is less obvious because of the large influx of younger immigrants. Making retail properties elderly-friendly will allow them to be more appealing to both local population and foreign tourist operators, who pay attention to the ease of access for their clients. Both groups are weekday shoppers, which means retailers can make their employees more attentive to their needs without ignoring other shoppers. In short, retailers need to recognize that there's no secret formula to success. They must evaluate each locale separately and develop the best strategies for that market.

What's Ahead for L.A. Retail Market?

Retailing in Los Angeles will see continued growth as the local (the five-county area) population grow to around 18 million and taxable retail sales surpass the \$170 billion milestone in 2005. In 2004, total retail sales in the Riverside-San Bernardino area should move ahead of Orange County's total. The ever-expanding customer base does not automatically mean increased sales for all retailers, however. The retail industry is a brutal war zone, and the fight are getting more intense in the coming years.

Consumers now demand good "value" for the prices paid. Yet many retailers cannot deliver "value" to the shoppers. When they resort to price competition, they find themselves unable to compete with discount chains like Wal-Mart and Target.

Some predictions for retailing in Southern California are:

- Wal-Mart will bring its SuperCenters to the Los Angeles area, but won't be able to develop as many as they would like.
- A few retailers like JC Penney and Target will continue to find success in private label brands or more exclusive designer agreements.
- More store closures are coming, and for many large retail chains, this is long overdue. Those that cannot adapt to changing consumer trends will go the way of the dinosaurs.
- Developers will continue to explore new retail concepts, but history has shown that novelty cannot replace good retail fundamentals. Retailing ultimately involves selling a product to a buyer. Anything else, no matter how beautifully done, is just a sideshow that does not bring in cash for the storeowner.
- More regional malls will get major makeovers in order to stay "competitive." Common strategies include adding movie theaters with stadium seating, adding non-retail stores that bring in traffic (e.g., a fitness club or a gaming center), adding family-focused playgrounds (so daddy and kids can play while mommy shops), and bringing in non-traditional stores as anchors (e.g., Target and Wal-Mart). But few are thinking about bringing in unique stores that would differentiate themselves from their competitors.
- Finally, there will be no real effort to address the issue of oversupply of retailing.

Some of the new frontiers for retailing in California include:

- Coachella Valley -- Palm Springs is becoming more than just a tourist destination. The growing population base is hungry for quality retailing.
- Western end of Inland Empire -- With some of the highest population growth rates in Southern California, this area is can handle more retail development.
- Downtown Los Angeles and Long Beach -- Efforts at redeveloping these older "downtowns" involve bringing in more residents, and they will demand more retail to serve their needs.
- Finally, retail experts are watching Santa Monica to see if it can keep the Third Street Promenade unique by stopping further encroachment of chain stores.

The coming years will be turbulent but exciting for the retail sector in L.A. Let the games continue!

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Statistical Appendices

Table 1: Total Retail Sales in Major Metropolitan Areas, 1992 and 1997

(In millions of current dollars. Ranked on the basis of 1997 totals)

Area \ Year	1992	< ----- 1997 ----- >			1992-'97
		Retail	Food Services	Sum	% Change
Chicago PMSA	58,832	73,673	8,473	82,146	39.6%
Los Angeles County/PMSA	63,127	69,534	8,889	78,423	24.2%
New York PMSA	46,187	53,829	8,504	62,333	35.0%
Dallas-Ft. Worth CMSA	35,359	49,966	5,379	55,345	56.5%
Philadelphia PMSA	37,903	47,692	4,255	51,947	37.1%
Washington DC-MD-VA PMSA	35,835	43,754	5,375	49,129	37.1%
Detroit PMSA	33,876	44,504	4,166	48,670	43.7%
Atlanta MSA	26,525	40,479	4,523	45,002	69.7%
Houston PMSA	27,871	36,556	3,938	40,494	45.3%
Boston PMSA	27,059	33,639	4,409	38,048	40.6%
Seattle-Tacoma CMSA	26,436	33,822	2,872	36,694	38.8%
Minneapolis-St. Paul MSA	22,603	31,196	3,021	34,217	51.4%
Nassau-Suffolk PMSA	24,547	29,993	2,497	32,490	32.4%
Orange County PMSA	21,240	26,173	3,082	29,255	37.7%
Tampa-St. Petersburg MSA	18,487	24,184	2,122	26,306	42.3%
Riverside-San Bernardino PMSA	17,972	21,952	2,132	24,084	34.0%
Ventura County PMSA	5,228	6,477	655	7,132	36.4%
Los Angeles five-county CMSA	107,567	124,135	14,757	138,892	29.1%

Source: US Dept. of Commerce, Bureau of Census, 1997 Economic Census

Table 2: Taxable Retail Sales in the Los Angeles Area

(In millions of dollars)

Nominal Taxable Sales (Millions of Current Dollars)

Area \ Year	1994	1995	1996	1997	1998	1999	2000	2001
Los Angeles	49,796.7	51,016.1	53,304.5	55,283.4	57,500.5	63,271.1	70,321.4	71,834.6
Orange	17,554.3	18,269.1	19,450.8	20,983.3	22,456.1	24,788.6	27,485.0	28,518.7
Riverside	7,131.2	7,435.4	8,003.1	8,508.0	9,276.4	10,685.7	12,190.5	13,173.3
San Bernardino	8,133.5	8,484.9	8,916.1	9,359.6	9,974.9	11,335.8	12,801.4	13,525.4
Ventura	4,336.7	4,447.2	4,628.9	4,891.6	5,227.6	5,879.4	6,503.7	6,848.0
Total 5-County	86,952.4	89,652.7	94,303.3	99,025.9	104,435.5	115,960.6	129,301.9	133,899.9
California	187,088.1	195,378.1	205,746.8	217,248.7	229,406.5	255,589.4	287,067.7	293,956.5

Inflation-Adjusted Taxable Sales (Millions of 1982-1984 Dollars)

Area \ Year	1994	1995	1996	1997	1998	1999	2000	2001
Los Angeles	32,685.7	32,989.9	33,849.5	34,559.3	35,435.8	38,097.9	40,991.8	40,515.8
Orange	11,522.3	11,813.8	12,351.7	13,117.3	13,839.0	14,926.1	16,021.6	16,085.0
Riverside	4,680.8	4,808.1	5,082.1	5,318.6	5,716.8	6,434.3	7,106.1	7,429.9
San Bernardino	5,338.7	5,486.8	5,661.9	5,850.9	6,147.2	6,825.7	7,462.2	7,628.5
Ventura	2,846.5	2,875.8	2,939.5	3,057.9	3,221.6	3,540.2	3,791.1	3,862.4
Total 5-County	57,074.1	57,974.5	59,884.7	61,904.1	64,360.5	69,824.2	75,372.7	75,521.7
California	123,490.5	126,868.9	130,965.5	135,357.4	140,138.4	151,685.1	164,226.4	161,781.2

Nominal Change from Prior Year

Area \ Year	1994	1995	1996	1997	1998	1999	2000	2001
Los Angeles	5.19%	2.45%	4.49%	3.71%	4.01%	10.04%	11.14%	2.15%
Orange	4.41%	4.07%	6.47%	7.88%	7.02%	10.39%	10.88%	3.76%
Riverside	6.17%	4.27%	7.64%	6.31%	9.03%	15.19%	14.08%	8.06%
San Bernardino	5.28%	4.32%	5.08%	4.97%	6.57%	13.64%	12.93%	5.66%
Ventura	10.83%	2.55%	4.09%	5.68%	6.87%	12.47%	10.62%	5.29%
Total 5-County	5.39%	3.11%	5.19%	5.01%	5.46%	11.04%	11.50%	3.56%
California	4.51%	4.43%	5.31%	5.59%	5.60%	11.41%	12.32%	2.40%

Inflation-Adjusted Change from Prior Year

Area \ Year	1994	1995	1996	1997	1998	1999	2000	2001
Los Angeles	3.74%	0.93%	2.61%	2.10%	2.54%	7.51%	7.60%	-1.16%
Orange	2.97%	2.53%	4.55%	6.20%	5.50%	7.86%	7.34%	0.40%
Riverside	4.71%	2.72%	5.70%	4.65%	7.49%	12.55%	10.44%	4.56%
San Bernardino	3.83%	2.77%	3.19%	3.34%	5.06%	11.04%	9.32%	2.23%
Ventura	9.30%	1.03%	2.21%	4.03%	5.35%	9.89%	7.09%	1.88%
Total 5-County	3.94%	1.58%	3.29%	3.37%	3.97%	8.49%	7.95%	0.20%
California	3.06%	2.74%	3.24%	3.36%	3.42%	8.24%	8.27%	-1.49%

Inflation adjustment made using LA area Consumer Price Index from the Bureau of Labor Statistics
Source: California State Board of Equalization

Table 3: Employment, Establishments, Payroll, and Average Wages

(Data as of March, 2001)

Los Angeles County

	Employment	No. of Establishments	Annual Payroll (\$mil)	Avg. Annual Wage (\$)
Motor Vehicle & Parts Dealers	49,569	2,713	2,052.3	41,402
Furniture & Home Furnishings Stores	16,094	1,853	406.6	25,266
Electronics & Appliance Stores	14,506	1,500	396.5	27,330
Building Material & Garden Equipment & Supplies Dealers	22,976	1,542	667.3	29,042
Food & Beverage Stores	77,055	4,771	1,728.1	22,427
Health & Personal Care Stores	27,070	2,585	737.0	27,224
Gasoline Stations	13,160	1,947	196.1	14,900
Clothing & Clothing Accessories Stores	48,052	5,089	827.7	17,226
Sporting Goods, Hobby, Book & Music Stores	20,363	1,783	356.6	17,513
General Merchandise Stores	51,211	717	960.6	18,757
Miscellaneous Store Retailers	23,615	3,096	462.4	19,582
Nonstore Retailers	12,400	999	436.0	35,159
Foodservices & Drinking Places	247,513	15,187	3,266.6	13,198
Total Retail & Foodservice Industries	623,584	43,782	12,493.7	20,035

Orange County

	Employment	No. of Establishments	Annual Payroll (\$mil)	Avg. Annual Wage (\$)
Motor Vehicle & Parts Dealers	18,682	1,031	805.1	43,094
Furniture & Home Furnishings Stores	7,021	769	188.6	26,861
Electronics & Appliance Stores	7,787	587	311.2	39,966
Building Material & Garden Equipment & Supplies Dealers	10,553	594	334.7	31,718
Food & Beverage Stores	25,279	1,276	596.1	23,582
Health & Personal Care Stores	8,788	854	231.4	26,335
Gasoline Stations	5,118	645	82.8	16,183
Clothing & Clothing Accessories Stores	19,492	1,510	317.6	16,292
Sporting Goods, Hobby, Book & Music Stores	8,008	674	136.2	17,003
General Merchandise Stores	19,818	200	373.6	18,850
Miscellaneous Store Retailers	9,424	1,232	176.4	18,719
Nonstore Retailers	5,026	437	189.3	37,673
Foodservices & Drinking Places	96,880	5,216	1,244.2	12,843
Total Retail & Foodservice Industries	241,876	15,025	4,987.2	20,619

Riverside County

	Employment	No. of Establishments	Annual Payroll (\$mil)	Avg. Annual Wage (\$)
Motor Vehicle & Parts Dealers	9,772	567	383.0	39,195
Furniture & Home Furnishings Stores	2,173	297	53.1	24,454
Electronics & Appliance Stores	1,716	177	41.7	24,303
Building Material & Garden Equipment & Supplies Dealers	5,808	339	165.8	28,541
Food & Beverage Stores	11,453	581	270.2	23,588
Health & Personal Care Stores	3,859	340	100.8	26,118
Gasoline Stations	3,740	410	56.0	14,964
Clothing & Clothing Accessories Stores	6,475	725	99.2	15,323
Sporting Goods, Hobby, Book & Music Stores	2,381	248	34.6	14,541
General Merchandise Stores	12,105	111	222.1	18,349
Miscellaneous Store Retailers	3,109	488	49.1	15,787
Nonstore Retailers	2,776	124	54.7	19,701
Foodservices & Drinking Places	38,587	2,074	449.9	11,660
Total Retail & Foodservice Industries	103,954	6,481	1,980.2	19,049

San Bernardino County

	Employment	No. of Establishments	Annual Payroll (\$mil)	Avg. Annual Wage (\$)
Motor Vehicle & Parts Dealers	10,021	602	382.0	38,121
Furniture & Home Furnishings Stores	2,122	272	46.7	22,012
Electronics & Appliance Stores	1,879	193	40.3	21,423
Building Material & Garden Equipment & Supplies Dealers	4,855	307	136.6	28,142
Food & Beverage Stores	12,631	656	292.6	23,165
Health & Personal Care Stores	3,220	346	82.7	25,690
Gasoline Stations	4,577	450	68.7	15,016
Clothing & Clothing Accessories Stores	6,829	647	97.9	14,337
Sporting Goods, Hobby, Book & Music Stores	3,019	257	40.7	13,497
General Merchandise Stores	11,891	123	205.5	17,281
Miscellaneous Store Retailers	3,302	482	49.5	14,992
Nonstore Retailers	1,782	113	45.6	25,567
Foodservices & Drinking Places	37,887	2,140	413.5	10,915
Total Retail & Foodservice Industries	104,015	6,588	1,902.4	18,290

Ventura County

	Employment	No. of Establishments	Annual Payroll (\$mil)	Avg. Annual Wage (\$)
Motor Vehicle & Parts Dealers	4,917	267	218.4	44,414
Furniture & Home Furnishings Stores	1,601	172	46.0	28,740
Electronics & Appliance Stores	1,059	117	29.9	28,222
Building Material & Garden Equipment & Supplies Dealers	3,247	176	86.9	26,759
Food & Beverage Stores	6,403	335	152.6	23,832
Health & Personal Care Stores	2,380	196	55.8	23,461
Gasoline Stations	1,233	181	17.8	14,474
Clothing & Clothing Accessories Stores	3,412	393	52.0	15,243
Sporting Goods, Hobby, Book & Music Stores	1,863	194	25.6	13,745
General Merchandise Stores	5,145	51	87.5	17,008
Miscellaneous Store Retailers	2,187	267	31.6	14,432
Nonstore Retailers	1,445	91	41.7	28,860
Foodservices & Drinking Places	20,382	1,169	262.9	12,901
Total Retail & Foodservice Industries	55,274	3,609	1,108.8	20,060

Source: US Dept. of Commerce, Bureau of the Census, 2001 County Business Patterns

Table 4: Taxable Retail Sales by Store Type in the Los Angeles Area

(In millions of current dollars)

Los Angeles County

Store Type \ Year	1994	1995	1996	1997	1998	1999	2000	2001
Apparel Stores	3,490.6	3,456.9	3,606.7	3,612.5	3,651.4	3,326.3	3,669.2	3,812.2
Dept. & General Merchandise	8,067.9	8,102.7	8,224.8	8,576.5	8,895.6	9,900.7	10,577.9	10,860.2
Specialty Stores	7,438.1	7,817.0	8,678.3	9,304.0	9,835.4	10,741.3	11,754.5	11,541.7
Food Stores	3,464.7	3,501.0	3,638.5	3,813.5	3,848.3	4,036.0	4,213.0	4,210.3
Eating & Drinking Places	6,944.1	7,126.0	7,464.7	7,836.3	8,358.5	9,003.5	9,716.8	10,081.4
Home Furnishings	1,385.0	1,424.5	1,444.0	1,477.4	1,613.6	1,891.2	2,117.7	2,149.4
Home Appliance Dealers	1,348.0	1,381.2	1,077.8	948.5	1,031.0	1,088.3	1,154.7	1,044.2
Lumber & Building Materials	2,273.4	2,308.4	2,245.4	2,419.3	2,609.5	4,153.2	4,821.9	3,479.3
New Motor Vehicles	6,596.6	7,029.9	7,401.8	7,871.9	8,596.1	9,870.9	11,348.3	12,510.9
Used Motor Vehicles	655.3	733.8	795.4	811.9	948.2	1,171.6	1,317.8	1,222.9
Auto Supplies & Parts	975.3	990.5	953.3	950.4	974.1	992.0	1,046.6	1,004.3
Gas & Service Stations	4,922.3	4,952.2	5,497.1	5,359.9	4,631.9	5,522.1	6,881.4	6,649.1
Total (inc. others)	49,785.8	51,028.5	53,304.5	55,283.4	57,500.5	63,271.1	70,321.4	71,834.6

Orange County

Store Type \ Year	1994	1995	1996	1997	1998	1999	2000	2001
Apparel Stores	1,204.2	1,195.5	1,284.8	1,346.6	1,361.5	1,211.4	1,364.4	1,446.6
Dept. & General Merchandise	3,085.9	3,156.3	3,226.4	3,402.0	3,650.9	4,067.9	4,334.9	4,432.9
Specialty Stores	3,009.9	3,156.0	3,493.3	3,881.0	4,112.8	4,609.1	5,120.0	4,999.1
Food Stores	1,148.8	1,172.3	1,237.8	1,322.2	1,359.2	1,436.7	1,509.7	1,534.2
Eating & Drinking Places	2,387.2	2,476.9	2,616.6	2,790.1	2,990.9	3,247.1	3,535.3	3,749.6
Home Furnishings	527.7	555.8	604.9	658.5	761.2	892.1	998.7	1,029.5
Home Appliance Dealers	487.8	523.8	465.7	423.0	445.0	466.4	487.5	472.1
Lumber & Building Materials	1,103.5	1,135.0	1,218.8	1,400.2	1,581.9	1,842.9	2,013.7	2,157.2
New Motor Vehicles	2,241.0	2,454.4	2,583.7	2,819.8	3,192.0	3,676.5	4,206.5	4,895.3
Used Motor Vehicles	257.2	282.4	340.4	364.6	498.5	536.0	648.4	521.0
Auto Supplies & Parts	261.4	268.3	279.6	290.6	313.8	312.8	331.9	529.9
Gas & Service Stations	1,356.2	1,393.5	1,554.5	1,708.1	1,528.3	1,798.9	2,191.7	2,211.6
Total (inc. others)	17,554.3	18,269.2	19,450.8	20,983.3	22,456.1	24,788.6	27,485.0	28,518.7

Riverside County

Store Type \ Year	1994	1995	1996	1997	1998	1999	2000	2001
Apparel Stores	407.0	421.0	474.4	488.6	498.8	495.9	538.6	565.3
Dept. & General Merchandise	1,350.2	1,392.0	1,429.3	1,498.2	1,628.1	1,845.7	2,062.7	2,275.7
Specialty Stores	649.3	677.0	790.2	890.9	1,004.2	1,186.2	1,277.4	1,380.0
Food Stores	648.5	657.6	696.6	734.5	758.8	828.6	889.9	930.2
Eating & Drinking Places	885.0	919.2	979.5	1,030.7	1,117.9	1,233.3	1,364.8	1,465.5
Home Furnishings	171.8	181.5	250.6	227.3	262.1	323.8	376.7	387.6
Home Appliance Dealers	117.8	135.0	120.3	101.6	105.7	123.8	140.9	138.5
Lumber & Building Materials	550.5	559.3	606.8	718.0	848.7	1,017.6	1,210.8	1,339.0
New Motor Vehicles	976.1	1,066.8	1,159.4	1,212.5	1,408.2	1,698.2	2,101.0	2,450.0
Used Motor Vehicles	121.8	123.5	134.9	141.5	186.3	217.3	243.3	201.7
Auto Supplies & Parts	186.1	197.0	204.5	211.9	230.4	246.2	271.7	272.8
Gas & Service Stations	741.4	767.7	836.8	855.5	793.3	983.7	1,196.7	1,223.8
Total (inc. others)	7,131.2	7,435.4	8,003.1	8,508.0	9,276.4	10,685.7	12,190.5	13,173.3

San Bernardino County

Store Type \ Year	1994	1995	1996	1997	1998	1999	2000	2001
Apparel Stores	332.8	339.9	377.0	450.6	438.1	441.8	492.3	528.8
Dept. & General Merchandise	1,663.3	1,661.9	1,682.7	1,755.9	1,896.6	2,037.0	2,173.5	2,293.6
Specialty Stores	881.1	997.6	1,132.5	1,234.2	1,385.1	1,587.3	1,932.6	1,995.9
Food Stores	727.2	723.6	803.0	779.1	781.1	837.5	914.0	922.1
Eating & Drinking Places	923.5	963.6	1,007.4	1,076.6	1,158.3	1,251.5	1,348.3	1,447.0
Home Furnishings	154.4	158.0	165.5	178.3	195.5	235.4	257.9	275.6
Home Appliance Dealers	164.8	195.9	129.5	107.7	113.1	121.9	129.7	124.7
Lumber & Building Materials	631.2	611.0	649.9	693.2	735.6	943.1	1,040.9	1,155.1
New Motor Vehicles	1,149.9	1,229.0	1,288.2	1,310.9	1,448.0	1,692.1	1,895.3	2,208.7
Used Motor Vehicles	143.0	167.7	214.6	215.5	286.5	376.8	414.5	370.9
Auto Supplies & Parts	201.3	215.6	217.5	226.9	265.8	285.7	302.9	301.7
Gas & Service Stations	921.9	952.8	1,006.5	1,023.9	947.7	1,137.6	1,463.0	1,438.6
Total (inc. others)	8,133.5	8,484.9	8,916.1	9,359.6	9,974.9	11,335.8	12,801.4	13,525.4

Ventura County

Store Type \ Year	1994	1995	1996	1997	1998	1999	2000	2001
Apparel Stores	224.3	224.2	226.7	245.9	265.0	265.2	327.1	345.6
Dept. & General Merchandise	783.1	748.4	777.6	819.8	875.2	971.3	1,048.6	1,098.6
Specialty Stores	561.9	604.6	650.6	696.2	729.5	836.1	925.1	887.6
Food Stores	320.4	324.0	339.8	363.2	365.2	381.4	385.0	389.0
Eating & Drinking Places	509.0	518.7	533.0	569.1	608.5	667.6	722.6	758.8
Home Furnishings	109.4	106.7	111.0	124.5	142.5	167.6	187.2	198.4
Home Appliance Dealers	102.8	96.8	82.6	65.7	69.8	69.2	73.1	74.6
Lumber & Building Materials	325.0	330.2	340.4	368.8	416.9	510.5	549.9	620.6
New Motor Vehicles	789.8	859.6	887.1	939.8	1,046.2	1,170.1	1,359.9	1,519.9
Used Motor Vehicles	25.0	27.4	34.5	54.7	76.1	126.9	109.0	113.2
Auto Supplies & Parts	74.6	73.0	71.0	73.3	79.1	78.7	86.0	88.4
Gas & Service Stations	345.3	359.0	387.3	372.3	332.6	392.5	481.1	488.6
Total (inc. others)	4,336.7	4,447.2	4,628.9	4,891.6	5,227.6	5,879.4	6,503.7	6,848.0

Source: California State Board of Equalization

Table 5: Taxable Retail Sales in Southern California Cities

(In 000s of current dollars)							'96-'01	'01 Sales/	2001
City \ Year	1996	1997	1998	1999	2000	2001	%chg.	Person	Population
Los Angeles County	53,304.5	55,283.4	57,500.5	63,271.1	70,321.4	71,834.6	34.8%	7,441	9,653,900
Aqoura Hills	131.2	138.6	139.9	157.3	178.7	193.2	47.3%	9,288	20,800
Alhambra	734.2	727.5	758.7	847.0	917.6	993.1	35.3%	11,441	86,800
Arcadia	449.4	450.9	461.4	487.3	524.7	536.4	19.4%	9,971	53,800
Artesia	103.6	108.7	111.1	111.8	111.7	116.3	12.2%	7,007	16,600
Avalon	41.1	44.3	48.6	50.2	53.9	52.1	26.6%	16,423	3,170
Azusa	207.6	211.5	210.2	229.9	236.8	232.5	12.0%	5,143	45,200
Baldwin Park	157.4	174.9	194.4	219.6	261.9	284.2	80.5%	3,681	77,200
Bell	95.0	95.9	98.1	114.2	126.5	139.8	47.1%	3,767	37,100
Bell Gardens	92.2	93.0	97.6	98.8	108.0	106.0	15.1%	1,439	73,700
Bellflower	323.0	316.1	329.1	363.3	403.9	432.6	33.9%	9,710	44,550
Beverly Hills	1,031.3	1,080.8	1,110.3	1,174.2	1,331.8	1,254.6	21.7%	36,524	34,350
Bradbury	N/D	N/D	N/D	N/D	0.1	0.1	N/A	93	870
Burbank	923.3	937.6	997.0	1,061.5	1,142.6	1,214.8	31.6%	11,980	101,400
Calabasas *	109.2	116.2	141.4	193.5	250.3	307.9	182.0%	15,168	20,300
Carson	699.3	748.3	793.7	897.9	975.4	1,029.1	47.2%	11,186	92,000
Cerritos	1,361.4	1,378.2	1,482.0	1,615.8	1,743.7	1,821.0	33.8%	34,952	52,100
Claremont	162.0	167.5	180.8	194.3	226.7	260.3	60.7%	7,449	34,950
Commerce	335.5	335.2	319.1	370.8	350.2	313.6	-6.5%	24,694	12,700
Compton	171.8	157.1	182.4	187.1	205.2	205.7	19.7%	2,174	94,600
Covina	429.3	420.3	440.8	473.5	517.8	535.3	24.7%	11,294	47,400
Cudahy	48.7	51.9	52.6	56.8	62.7	61.0	25.1%	2,468	24,700
Culver City	788.1	802.6	823.3	912.8	1,025.1	1,012.9	28.5%	25,774	39,300
Diamond Bar	177.0	181.4	196.1	201.1	227.6	234.5	32.5%	4,114	57,000
Downey	698.9	765.5	783.4	865.3	936.4	956.2	36.8%	8,797	108,700
Duarte	199.8	204.6	204.0	232.9	293.6	312.7	56.5%	14,378	21,750
El Monte	764.0	846.5	935.5	1,068.7	1,199.3	1,275.8	67.0%	10,867	117,400
El Segundo	198.8	214.8	226.2	321.4	362.6	364.1	83.1%	22,404	16,250
Gardena	364.9	372.4	381.9	410.5	455.5	462.1	26.6%	7,873	58,700
Glendale	1,422.5	1,447.2	1,567.5	1,742.9	1,885.2	1,976.1	38.9%	10,016	197,300
Glendora	267.5	275.3	293.1	319.5	342.5	398.2	48.9%	7,949	50,100
Hawaiian Gardens	53.0	53.2	52.5	53.1	51.7	45.7	-13.7%	3,057	14,950
Hawthorne	476.0	490.8	472.3	475.3	506.1	535.8	12.6%	6,296	85,100
Hermosa Beach	127.3	144.5	156.9	171.2	198.3	207.8	63.2%	11,053	18,800
Hidden Hills	0.7	0.9	0.9	1.1	1.1	0.8	10.0%	423	1,920
Huntington Park	268.3	260.6	271.1	292.4	327.6	368.9	37.5%	5,941	62,100
Industry	1,163.6	1,185.0	1,142.2	1,188.0	1,326.7	1,405.8	20.8%	1,802.30	780
Inglewood	393.7	387.5	369.7	381.3	498.8	562.7	42.9%	4,945	113,800
Irwindale	33.9	40.1	49.8	56.6	69.8	91.0	168.0%	62,313	1,460
La Canada-Flintridge	110.4	119.4	123.4	131.1	140.2	138.2	25.2%	6,708	20,600
La Habra Heights	0.4	0.3	0.6	0.5	0.6	0.7	78.9%	126	5,800
La Mirada	245.8	271.7	263.9	297.8	380.1	313.9	27.7%	6,636	47,300
La Puente	144.8	149.4	155.1	170.0	176.9	191.6	32.4%	4,611	41,550
La Verne	150.1	149.4	148.1	160.2	176.5	199.0	32.6%	6,218	32,000
Lakewood	555.8	566.8	608.8	666.1	759.6	831.1	49.5%	10,350	80,300
Lancaster	732.0	736.6	778.6	895.7	960.8	991.7	35.5%	8,216	120,700
Lawndale	141.5	138.1	136.1	148.9	160.0	161.3	14.0%	5,031	32,050
Lomita	69.1	70.0	73.3	85.2	93.3	95.8	38.7%	4,732	20,250
Long Beach	1,574.1	1,714.6	1,753.2	2,074.6	2,662.6	2,573.5	63.5%	5,512	466,900
Los Angeles	17,570.2	18,086.4	18,651.1	20,463.0	22,642.4	23,010.2	31.0%	6,147	3,743,300
Lynwood	106.3	128.8	137.0	155.3	166.7	168.4	58.4%	2,382	70,700
Malibu **	111.5	117.4	116.2	132.6	143.9	145.7	30.6%	11,382	12,800
Manhattan Beach	354.5	373.5	379.9	432.5	457.8	458.7	29.4%	13,277	34,550
Maywood	56.0	55.0	56.2	59.0	59.9	62.7	12.0%	2,208	28,400
Monrovia	370.6	388.5	419.0	467.5	519.7	549.4	48.3%	14,690	37,400
Montebello	567.6	526.8	641.3	682.1	688.8	645.8	13.8%	10,268	62,900
Monterey Park	216.3	211.7	214.6	230.9	255.9	292.6	35.3%	4,766	61,400
Norwalk	432.9	422.1	422.8	495.7	566.1	587.0	35.6%	5,617	104,500
Palmdale	580.2	612.1	631.5	695.2	801.7	881.3	51.9%	7,357	119,800
Palos Verdes Estates	8.2	7.7	8.4	9.9	11.1	10.2	24.2%	753	13,500
Paramount	207.4	208.2	224.6	239.0	239.9	254.9	22.9%	4,560	55,900

City \ Year	1996	1997	1998	1999	2000	2001	'96-'01 %chg.	'01 Sales/ Person	2001 Population
Pasadena	1,297.3	1,376.8	1,452.7	1,596.8	1,692.6	1,723.6	32.9%	12,729	135,400
Pico Rivera	222.6	233.6	241.3	261.4	271.5	244.4	9.8%	3,806	64,200
Pomona	566.6	567.2	557.6	606.7	686.5	753.3	33.0%	4,963	151,800
Rancho Palos Verdes	51.6	54.1	53.1	53.3	59.2	60.3	16.9%	1,444	41,750
Redondo Beach	559.0	576.1	562.0	583.5	627.9	619.7	10.8%	9,652	64,200
Rolling Hills	N/D	N/D	N/D	N/D	0.1	0.1		76	1,900
Rolling Hills Estates	111.0	90.0	84.4	77.0	109.4	108.4	-2.4%	13,892	7,800
Rosemead	190.2	193.6	198.8	201.0	217.8	213.2	12.1%	3,913	54,500
San Dimas	152.9	187.4	200.4	215.7	228.7	228.1	49.1%	6,435	35,450
San Fernando	289.5	300.7	282.1	304.0	319.2	338.6	17.0%	14,166	23,900
San Gabriel	191.9	210.5	216.3	227.8	242.2	246.0	28.2%	6,105	40,300
San Marino	28.0	26.9	28.8	30.2	32.2	31.4	12.3%	2,400	13,100
Santa Clarita	1,071.4	1,111.2	1,165.1	1,303.2	1,429.8	1,590.0	48.4%	10,338	153,800
Santa Fe Springs	459.8	485.9	552.7	604.8	684.3	630.0	37.0%	35,695	17,650
Santa Monica	1,287.3	1,368.1	1,441.0	1,599.3	1,798.8	1,730.5	34.4%	20,240	85,500
Sierra Madre	10.1	11.0	10.9	12.9	14.3	14.3	41.9%	1,337	10,700
Signal Hill	508.1	545.4	610.9	571.0	669.2	712.4	40.2%	74,013	9,625
South El Monte	88.1	95.4	97.2	114.5	125.2	118.4	34.4%	5,534	21,400
South Gate	286.4	291.5	326.9	383.6	466.4	481.6	68.1%	4,939	97,500
South Pasadena	91.3	95.1	93.4	98.5	107.3	105.4	15.4%	4,283	24,600
Temple City	116.8	116.8	117.0	118.5	122.7	124.1	6.3%	3,677	33,750
Torrance	2,091.8	2,119.2	2,227.2	2,460.5	2,691.1	2,629.9	25.7%	18,812	139,800
Vernon	49.8	57.6	60.7	78.1	86.6	64.7	29.9%	718,333	90
Walnut	61.1	67.2	64.7	70.6	71.9	75.5	23.5%	2,488	30,350
West Covina	730.8	774.7	849.4	895.2	993.4	1,036.7	41.8%	9,652	107,400
West Hollywood	401.6	427.8	439.9	510.2	552.2	538.9	34.2%	14,929	36,100
Westlake Village	70.0	107.3	127.6	156.3	181.8	177.1	153.1%	20,899	8,475
Whittier	460.0	481.7	506.3	534.2	593.1	590.0	28.2%	6,974	84,600
Orange County	19,450.8	20,983.3	22,456.1	24,788.6	27,485.0	28,518.7	46.6%	9,902	2,880,200
Anaheim	1,699.1	1,780.2	1,813.4	1,913.5	2,095.4	2,330.6	37.2%	7,058	330,200
Brea	656.7	681.5	773.3	830.6	914.7	944.6	43.8%	26,421	35,750
Buena Park	618.4	659.1	699.1	713.0	804.2	852.5	37.9%	10,819	78,800
Costa Mesa	1,855.7	1,954.7	2,029.8	2,171.0	2,394.3	2,473.3	33.3%	22,628	109,300
Cypress	193.0	198.8	222.7	244.9	260.9	281.1	45.6%	6,039	46,550
Dana Point	152.7	167.1	184.3	209.6	259.0	253.3	65.9%	7,154	35,400
Fountain Valley	542.8	539.2	560.2	567.0	602.5	590.9	8.9%	10,686	55,300
Fullerton	867.1	899.4	900.3	941.3	1,003.1	989.3	14.1%	7,772	127,300
Garden Grove	808.3	850.7	879.7	923.0	1,041.6	1,104.9	36.7%	6,632	166,600
Huntington Beach	1,214.3	1,262.8	1,341.3	1,531.6	1,697.0	1,647.7	35.7%	8,604	191,500
Irvine	1,289.6	1,502.8	1,676.3	1,989.6	2,231.6	2,329.2	80.6%	15,717	148,200
La Habra	334.7	350.6	350.4	408.6	451.1	504.5	50.7%	21,065	23,950
La Habra Heights	0.4	0.3	0.6	0.5	0.6	0.7	78.9%	22	33,450
La Palma	37.7	110.8	111.3	121.6	149.5	174.0	361.2%	2,780	62,600
Laquana Beach	173.6	182.9	188.7	209.6	227.9	237.4	36.8%	14,299	16,600
Laquana Hills	367.9	462.3	503.4	530.8	520.3	511.1	38.9%	8,562	59,700
Laquana Niquel	368.8	392.9	440.0	528.3	587.2	625.0	69.5%	8,245	75,800
Los Alamitos	91.4	96.4	96.1	116.2	145.0	130.1	42.4%	8,396	15,500
Mission Viejo	685.0	721.5	764.7	855.8	1,024.3	1,074.1	56.8%	92,598	11,600
Newport Beach	878.6	1,011.7	1,109.0	1,216.7	1,346.1	1,335.6	52.0%	14,000	95,400
Orange	1,082.0	1,119.5	1,214.3	1,455.5	1,570.3	1,609.8	48.8%	22,578	71,300
Orange Cove	8.1	7.9	7.8	8.0	8.9	8.1	-0.4%	62	130,800
Placentia	219.0	235.3	249.9	267.8	299.6	312.4	42.7%	6,662	46,900
Rancho Santa Margarita	Not	Not	Not	Not	281.6	317.7		6,646	47,800
San Clemente	185.3	200.2	206.8	231.5	266.5	312.5	68.6%	6,020	51,900
San Juan Capistrano	270.1	303.2	347.0	394.1	436.3	497.4	84.1%	14,587	34,100
Santa Ana	1,650.9	1,744.5	1,874.8	2,020.8	2,199.6	2,194.0	32.9%	6,457	339,800
Seal Beach	106.7	111.9	112.3	117.5	126.4	159.1	49.2%	6,549	24,300
Stanton	159.8	187.5	199.4	220.0	232.3	220.0	37.7%	5,852	37,600
Tustin	899.3	984.3	1,043.5	1,124.7	1,194.7	1,202.6	33.7%	17,660	68,100
Villa Park	10.6	11.0	10.8	11.3	13.8	14.5	36.9%	2,401	6,050
Westminster	779.8	823.4	933.9	1,024.8	1,113.9	1,167.1	49.7%	13,158	88,700
Yorba Linda	195.4	237.2	291.3	313.2	342.2	372.9	90.9%	6,278	59,400

City \ Year	1996	1997	1998	1999	2000	2001	'96-'01 %chg.	'01 Sales/ Person	2001 Population
Riverside County	8,003.1	8,508.0	9,276.4	10,685.7	12,190.5	13,173.3	64.6%	8,319	1,583,600
Banning	116.4	122.0	126.5	137.3	158.6	152.3	30.9%	6,387	23,850
Beaumont	55.2	62.1	62.7	66.5	73.5	76.1	37.9%	6,620	11,500
Blythe	87.6	90.4	96.7	101.5	110.9	115.2	31.4%	5,537	20,800
Calimesa	17.8	17.6	17.5	21.7	27.1	28.4	60.2%	3,965	7,175
Canyon Lake	4.8	5.1	5.7	5.8	7.3	7.3	53.1%	724	10,100
Cathedral City	349.7	364.4	412.2	496.0	570.6	597.0	70.7%	13,599	43,900
Coachella	64.0	66.7	70.3	84.9	101.9	112.1	75.1%	4,824	23,250
Corona	763.9	824.6	867.0	981.9	1,097.7	1,279.7	67.5%	9,904	129,200
Desert Hot Springs	43.3	43.9	46.9	52.2	57.6	61.5	42.1%	3,683	16,700
Hemet	380.3	410.5	448.1	538.1	606.7	605.7	59.2%	10,128	59,800
Indian Wells	20.0	20.1	19.9	23.9	26.4	25.3	26.6%	6,133	4,130
Indio	254.8	261.2	273.3	319.0	385.1	444.5	74.5%	8,855	50,200
La Quinta	95.9	113.0	157.7	185.7	248.6	268.8	180.4%	8,990	29,900
Lake Elsinore	203.6	212.3	240.4	274.1	321.3	341.4	67.7%	13,132	26,000
Moreno Valley	545.5	552.9	580.2	629.2	704.2	765.1	40.2%	5,321	143,800
Murrieta	206.4	218.9	251.9	289.3	313.8	403.5	95.5%	8,725	46,250
Norco	187.4	210.1	246.6	301.0	341.1	371.8	98.4%	15,238	24,400
Palm Desert	621.8	682.8	768.6	912.7	1,020.0	1,015.9	63.4%	24,247	41,900
Palm Springs	325.1	342.1	369.0	400.2	454.2	481.2	48.0%	11,126	43,250
Perris	163.5	172.6	166.8	181.2	195.2	210.7	28.9%	5,734	36,750
Rancho Mirage	187.5	201.4	203.0	223.3	252.0	232.9	24.2%	16,874	13,800
Riverside	1,798.8	1,874.4	2,038.6	2,248.2	2,522.2	2,692.0	49.7%	10,306	261,200
San Jacinto	47.9	46.5	48.4	55.7	59.1	61.0	27.3%	2,488	24,500
Temecula	566.7	634.1	706.8	874.9	1,156.5	1,349.5	138.2%	21,943	61,500
San Bernardino Co.	8,916.1	9,359.6	9,974.9	11,335.8	12,801.4	13,525.4	51.7%	7,768	1,741,100
Adelanto	9.2	11.3	10.8	12.8	15.0	19.9	115.6%	1,089	18,250
Apple Valley	119.7	134.7	142.2	164.0	177.8	193.1	61.3%	3,497	55,200
Barstow	336.8	332.0	313.4	324.6	379.6	358.9	6.6%	16,971	21,150
Big Bear Lake	97.1	100.3	108.3	116.6	126.6	134.5	38.4%	24,227	5,550
Chino	535.7	579.8	614.4	699.7	883.7	676.7	26.3%	10,010	67,600
Chino Hills	78.8	92.5	141.0	181.9	216.2	251.3	218.8%	3,680	68,300
Colton	324.7	309.3	344.0	395.4	466.4	454.6	40.0%	9,471	48,000
Fontana	553.9	529.4	593.1	699.6	781.2	836.4	51.0%	6,303	132,700
Grand Terrace	19.5	20.7	25.1	26.6	26.8	30.1	54.1%	2,575	11,700
Hesperia	163.8	174.2	187.5	208.8	250.1	251.3	53.4%	3,969	63,300
Highland	68.2	68.9	69.9	74.6	86.5	94.9	39.1%	2,117	44,800
Loma Linda	89.3	97.5	106.0	127.7	152.4	151.9	70.1%	7,930	19,150
Montclair	687.5	658.6	710.1	775.0	849.4	820.3	19.3%	24,597	33,350
Needles	32.3	31.3	30.5	29.7	30.4	31.4	-2.9%	6,417	4,890
Ontario	1,159.4	1,384.5	1,521.5	1,744.9	2,058.9	2,464.1	112.5%	15,498	159,000
Rancho Cucamonga	567.5	616.6	659.0	765.6	820.6	879.6	55.0%	6,725	130,800
Redlands	396.7	428.6	446.6	493.7	550.6	627.9	58.3%	9,750	64,400
Rialto	245.2	267.7	263.8	315.3	397.6	383.5	56.4%	4,133	92,800
San Bernardino	1,469.6	1,486.3	1,580.5	1,768.2	1,895.6	2,017.4	37.3%	10,817	186,500
Twentynine Palms	42.3	41.9	42.9	45.4	54.7	57.6	36.2%	1,993	28,900
Upland	426.8	405.6	401.1	442.3	476.0	519.4	21.7%	7,516	69,100
Victorville	690.5	699.8	746.7	822.3	924.4	1,024.0	48.3%	15,399	66,500
Yucaipa	80.3	86.4	87.3	91.9	103.7	113.5	41.3%	2,719	41,750
Yucca Valley	140.2	148.7	148.8	161.5	172.5	181.6	29.5%	10,651	17,050
Ventura County	4,628.9	4,891.6	5,227.6	5,879.4	6,503.7	6,848.0	47.9%	8,949	765,200
Camarillo	286.0	343.9	391.9	446.7	523.4	552.3	93.1%	9,505	58,100
Fillmore	42.3	48.7	49.0	55.1	62.3	68.8	62.6%	4,984	13,800
Moorpark	68.6	77.3	75.5	85.6	87.8	100.0	45.7%	3,155	31,700
Ojai	56.0	57.2	61.6	66.8	69.9	72.7	29.8%	9,228	7,875
Oxnard	1,059.4	1,099.6	1,161.6	1,309.1	1,344.8	1,466.5	38.4%	8,257	177,600
Port Hueneme	42.1	42.6	41.7	43.4	51.4	52.7	25.3%	2,413	21,850
Santa Paula	93.6	92.8	95.3	105.0	109.8	111.3	19.0%	3,892	28,600
Simi Valley	564.2	608.4	633.3	739.1	838.2	911.0	61.5%	8,033	113,400
Thousand Oaks	1,266.6	1,342.7	1,461.3	1,598.1	1,774.2	1,839.4	45.2%	15,589	118,000
Ventura(SanBuenaventura)	991.9	989.7	1,058.5	1,178.3	1,340.9	1,367.2	37.8%	13,510	101,200

Note: Calabasas was incorporated on 7/1/91; Malibu on 4/1/91. Sales tax data include only those after incorporation

Source: California State Board of Equalization

Table 6: Retail Construction in Southern California

Year \ Type	Retail Const.	Yr/Yr % Chg.	Total Nonresid.	Retail as % of Total
<u>Los Angeles</u>				
1997	272	-15.5%	2,237	12.2%
1998	368	35.2%	3,125	11.8%
1999	408	10.9%	3,676	11.1%
2000	447	9.6%	3,296	13.6%
2001	433	-3.1%	3,538	12.2%
2002	457	5.6%	2,895	15.8%
<u>Orange</u>				
1997	210	54.6%	1,080	19.5%
1998	155	-26.4%	1,530	10.1%
1999	217	40.2%	1,614	13.4%
2000	223	2.8%	1,762	12.7%
2001	207	-7.2%	1,350	15.3%
2002	194	-6.3%	1,206	16.1%
<u>Riverside</u>				
1997	203	101.1%	517	39.3%
1998	175	-13.9%	591	29.6%
1999	170	-2.9%	611	27.8%
2000	316	85.9%	770	41.0%
2001	191	-39.6%	658	29.0%
2002	217	13.4%	716	30.2%
<u>San Bernardino</u>				
1997	109	9.1%	527	20.7%
1998	158	44.6%	643	24.6%
1999	181	14.5%	759	23.8%
2000	132	-27.1%	766	17.2%
2001	178	34.8%	765	23.3%
2002	158	-11.3%	724	21.8%
<u>Ventura</u>				
1997	31	-28.4%	200	15.3%
1998	49	60.1%	291	16.8%
1999	101	106.4%	367	27.5%
2000	23	-77.2%	282	8.2%
2001	48	108.7%	309	15.5%
2002	76	57.7%	282	26.8%
<u>San Diego</u>				
1997	104	-1.0%	958	10.9%
1998	131	26.0%	1,211	10.8%
1999	149	13.7%	1,337	11.1%
2000	176	18.1%	1,391	12.7%
2001	139	-21.0%	1,194	11.6%
2002	138	-0.7%	1,169	11.8%
<u>California</u>				
1997	1,694	17.3%	12,270	13.8%
1998	1,893	11.8%	14,976	12.6%
1999	2,194	15.9%	16,582	13.2%
2000	2,257	2.9%	18,625	12.1%
2001	2,165	-4.1%	16,765	12.9%
2002	2,547	17.6%	14,529	17.5%

Source: Construction Industry Research Board

Table 7: Major Shopping Centers in Southern California

Name	Phone	Fax	Address	City	Zip	Shops	SF (000s)	Cnty
2 Rodeo	310-247-7040	310-247-7070	9480 Dayton Way	Beverly Hills	90210	26	493	LA
3 Del Amo Fashion Center	310-542-8525	310-793-9235	3525 Carson	Torrance	90503	350	3,000	LA
8000 Sunset Limited	323-848-8156	323-848-8159	8000 W Sunset Blvd.	Los Angeles	90046	10	150	LA
Anaheim Plaza	714-635-3431	714-758-1374	530 N. Euclid St.	Anaheim	92801	32	493	O
Antelope Valley Mall	661-266-9150	661-266-9699	1233 West Avenue P	Palmdale	93551	155	900	LA
Baldwin Hills Crenshaw Plaza	323-290-6636	323-294-0467	3650 W. Martin Luther King, Jr. Blvd.	Los Angeles	90008	84	850	LA
Beverly Center	310-854-0070	310-854-6376	8500 Beverly Blvd.	Los Angeles	90048	160	900	LA
Beverly Connection	323-658-6085	323-825-0681	100 N. La Cienega Blvd.	Los Angeles	90048	30	365	LA
Brea Mall	714-990-2733	714-990-5048	1065 Brea Mall	Brea	92821	180	1,300	O
Buena Park Downtown	714-503-5000	714-761-0748	8308 On The Mall	Buena Park	90620	70	1,200	O
Burbank Empire Center	213-533-8100	213-533-8118	Empire Ave.	Burbank	91504	37	614	LA
Burbank Media Center	818-566-8556	818-566-7936	201 E. Magnolia Blvd., Ste. 151	Burbank	91501	125	1,000	LA
Canyon Springs Plaza	909-369-0308	909-369-5297	12125 Day Street, Ste. V207	Moreno Valley	92557	45	413	R
Carousel Mall	909-884-0106	909-885-6893	295 Carousel Mall	San Bernardino	92401	105	1,000	SB
Cathedral City Marketplace	760-321-1790	760-321-4750	N. Date Palm Dr. & Dinah Shore Dr.	Cathedral City	92234	48	212	R
Centerpoint Mall	805-487-1142	805-486-4600	2655 Saviers Road	Oxnard	93033	45	344	V
Cerritos Towne Square	562-865-8211	562-938-1744	Bloomfield Ave	Cerritos	90703	45	600	LA
Chino Spectrum	909-902-5555	909-902-5559	3880 Grand Ave.	Chino	91710	65	830	SB
Chino Spectrum Market Place	909-902-5555	909-902-5559	Pipe land & Grand Ave.	Chino	91710	60	800	SB
Chino Town Square	760-727-1002	760-727-1430	5525 Philadelphia St.	Chino	91710	51	525	SB
City Place	562-432-8325	562-432-8374	275 E. 4th Street	Long Beach	90802	22	450	LA
Courtyard of Encino	310-458-9800	310-458-9891	17401 Ventura Blvd.	Encino	91316	10	1,000	LA
Esplanade Shopping Center	805-485-1146	805-485-3031	195 Esplanade Dr.	Oxnard	93036	40	490	V
Fallbrook Mall	818-340-5871	818-885-0029	6633 Fallbrook Ave., Ste. 628	West Hills	91307	130	1,200	LA
Fashion Island Plaza	949-721-3300	949-720-3350	401 Newport Center Dr.	Newport Beach	92660	210	1,216	O
Festival Valley Center	310-215-1088	310-215-1695	24318 Hemlock	Moreno Valley	92557	30	203	LA
Galleria at Tyler	909-351-3112	909-351-3139	1299 Galleria at Tyler	Riverside	92503	183	1,100	R
Glendale Fashion Square	562-938-1722	562-938-1744	Glendale Blvd.	Glendale	91206	15	264	LA
Glendale Galleria	818-246-2409	818-547-9398	Central Ave. & Broadway	Glendale	91210	260	1,400	LA
Glendale Marketplace	310-250-4100	310-251-9200	450 N. Roxbury Dr.	Glendale	91206	20	155	LA
Hemet Valley Mall	909-652-7771	909-652-4389	2200 W. Florida Ave.	Hemet	92545	30	167	R
Hillside Village Shopping Center	310-373-4991	310-373-1418	24520 Hawthorne Blvd.	Torrance	90505	15	102	LA
Hollywood & Highland	323-817-0220	323-460-6003	6801 Hollywood Blvd.	Hollywood	90028	60	300	LA
Huntington Beach Mall	714-897-2533	714-894-7686	7777 Edinger Ave., Ste. #300	Huntington Beach	92647	12	626	O
Indio Fashion Mall	760-347-8323	760-342-8125	82227 Highway 111	Indio	92201	45	250	R
Inland Center	909-884-7268	909-381-0448	500 Inland Center Dr.	San Bernardino	92408	110	1,059	SB
Irvine Spectrum Center	949-789-9180	949-789-9184	8001 Irvine Center Dr.	Irvine	92618	130	1,260	O
Janss Marketplace	805-495-4662	805-495-4562	171 N. Moorpark Rd., Ste H	Thousand Oaks	91360	43	475	V
Kaleidoscope Center	714-241-1550	714-241-1551	27741 Crown Valley Pkwy	Mission Viejo	92691	31	219	O
Laguna Hills Mall	949-586-8282	949-586-8127	24155 Laguna Hills Mall, Ste. 900	Laguna Hills	92653	140	860	O

Name	Phone	Fax	Address	City	Zip	Shops	SF (000s)	Cnty
Lakewood Towne Center	562-633-0437	562-633-1452	500 Lakewood Center	Lakewood	90714	241	2,390	LA
Loehman's 5 Points Plaza	714-841-0036	714-843-5776	18593 Main St.	Huntington Beach	92648	35	165	LA
Long Beach Towne Center	562-938-1722	562-938-1744	Carson Street	Long Beach	90808	60	1,000	LA
Los Cerritos Center	562-402-7461	562-860-5289	239 Los Cerritos Center	Cerritos	90703	200	1,300	LA
Mall of Orange	714-998-0440	714-998-6378	2298 N. Orange Mall	Orange	92865	82	822	O
Manhattan Village	310-546-5555	310-545-9894	3200 Sepulveda Blvd.	Manhattan Beach	90266	90	552	LA
Marina Pacific Mall	562-598-2728	562-431-8413	6324 E pacific coast Highway	Long Beach	90803	25	725	LA
Metro Center Fullerton	714-526-6325	N/A	1361 S. Harbor Blvd.	Fullerton	92832	45	446	O
Mission Viejo Mall	949-364-1771	949-364-5460	27000 Crown Valley Pkwy.	Mission Viejo	92691	130	1,475	O
Montclair Plaza	909-626-2501	909-624-6195	5060 Montclair Plaza Ln.	Montclair	91763	200	1,230	SB
Montebello Town Center	323-722-8454	323-722-1268	2134 Montebello Town Center Dr.	Montebello	90640	161	1,260	LA
Moreno Valley Mall at Towngate	909-653-4010	909-653-1171	22500 Towngate Cir.	Moreno Valley	92553	113	1,200	R
Murrieta Town Center	909-696-5144	909-696-5143	39815 Alta Marietta, Ste. C-7	Murrieta	92563	90	390	R
Northridge Fashion Center	818-885-9700	818-885-0029	9301 Tampa Ave.	Northridge	91324	186	1,500	LA
One Colorado	626-564-1066	626-564-8441	24 E. Union St.	Pasadena	91103	30	600	LA
Ontario Mills Mall	909-484-8301	909-484-8310	1 Mills Circle, Ste. 1	Ontario	91764	200	1,700	SB
Pacific View Ventura	805-642-0605	805-642-8029	3301 East Main Street	Ventura	93003	140	1,045	V
Paddison Square	310-478-8757	310-473-4645	12209-12503 South Norwalk Blvd.	Norwalk	90650	24	314	LA
Palm Court	310-546-4520	310-796-0578	I-10 & Sierra Ave.	Fontana	92336	70	637	SB
Panorama Mall	818-894-9258	818-894-9250	8401 Van Nuys Blvd.	Panorama City	91402	63	368	LA
Paseo Colorado	626-795-8891	626-795-9038	202 Colorado Blvd.	Pasadena	91101	120	557	LA
Perris Plaza	909-657-6730	909-657-0323	1688 N. Perris Blvd.	Perris	92571	18	150	R
Pico Rivera Towne Center	562-938-1700	562-938-1744	Rosemead & Washington Ave.	Pico Rivera	90624	30	830	LA
Plaza at West Covina	626-960-1881	626-337-3337	112 The Plaza	West Covina	91790	215	1,200	LA
Plaza De La Paz	949-831-5158	949-831-4288	27241 La Paz Road Suite B	Laguna Hills	92677	54	293	O
Promenade Mall at Woodland Hills	818-884-7090	818-999-0878	6100 Topanga Canyon Blvd.	Woodland Hills	91303	125	380	LA
Puente Hills Plaza	626-912-8777	626-913-2719	449 Puente Hills Mall	City of Industry	91748	120	1,196	LA
Redlands Mall	909-793-0333	909-793-9279	100 Orange Street	Redlands	92373	40	160	SB
Riverside Plaza	909-683-1066	909-781-7985	3690 Riverside Plaza	Riverside	92506	50	504	R
Rodeo Collection	310-276-9600	310-273-5423	421 N Rodeo Drive	Beverly Hills	90210	40	562	LA
Rosemead Square	626-572-5101	626-572-5157	3500 Rosemead Blvd.	Rosemead	91770	30	504	LA
Santa Monica Place	310-394-5451	310-451-9939	395 Santa Monica Place	Santa Monica	90401	140	582	LA
Seventh & Figueroa	213-955-7150	213-955-1763	735 S. Figueroa Street	Los Angeles	90071	45	500	LA
South Bay Galleria	310-371-7546	310-371-0103	1815 Hawthorne Blvd.	Redondo Beach	90278	140	1,000	LA
South Bay Pavilion at Carson	310-327-4822	310-327-1486	20700 S. Avalon Blvd.	Carson	90746	90	1,000	LA
South Coast Plaza	714-435-2034	714-540-7334	3333 Bristol St.	Costa Mesa	92626	280	2,000	O
South Coast Plaza Village	714-435-2034	714-540-7334	1631 W Sunflower St.	Santa ana	92626	15	135	O
Stonewood Center	562-861-9233	562-923-7440	9066 E. Stonewood St.	Downey	90241	170	940	LA
Sunset Plaza	310-652-2622	310-652-0350	8623 W. Sunset Blvd.	West Hollywood	90069	20	150	LA
Temecula Town Center	909-308-2700	909-308-2703	Ynez Rd. & Rancho California	Temecula	92591	75	525	R
Terra Vista Town Center	909-989-2332	909-941-4582	Foothill Blvd. & Haven Ave.	Rancho Cucamonga	91730	57	611	SB
The Avenue of the Peninsula	310-541-0688	310-377-6062	550 Deep Valley Dr.	Rolling Hills Estates	90274	70	380	LA
The Block At Orange	714-769-4000	714-769-4010	20 City Blvd. West	Orange	92868	100	835	O

Name	Phone	Fax	Address	City	Zip	Shops	SF (000s)	Cnty
The Grove at Farmers Market	323-900-8080	323-900-8001	189 The Grove Drive	Los Angeles	90036	55	575	LA
The Mall of Victor Valley	760-241-3145	760-241-0501	14400 Bear Valley Road	Victorville	92392	100	500	SB
The Market Place	714-730-4124	714-730-2915	2777 El Camino Real	Tustin	92782	120	1,600	O
The Oaks	805-495-2032	805-495-9656	222 W. Hillcrest Dr.	Thousand Oaks	91360	176	1,084	V
The Pike at Rainbow Harbor	562-432-8325	562-432-8374	Shoreline Drive	Long Beach	90802	40	369	LA
The Promenade at Woodland Hills	818-884-7090	818-716-8992	6100 Topanga Canyon Blvd.	Woodland Hills	91367	60	600	LA
The Shops at Mission Viejo	949-364-1771	949-364-5460	27000 Crown Valley Pkwy.	Mission Viejo	92691	130	1,000	O
Triangle Square	949-722-1600	949-722-9118	1870 Harbor Blvd.	Costa Mesa	92627	20	365	O
Valencia Town Center	661-287-9050	661-254-3801	24201 W. Valencia Blvd.	Santa Clarita	91355	90	767	LA
Valley Central Shopping Center	310-641-4200	310-641-1806	Valley Central Way	Lancaster	93534	35	610	LA
Valley Plaza	818-762-1147	818-223-9303	Valley Blvd.	North Hollywood	91606	15	316	LA
Westfield Shoppingtown Cerritos	562-402-7467	562-860-5289	605 Fwy & South St.	Cerritos	90703	200	1,300	LA
Westfield Shoppingtown Eagle Rock	323-256-2147	323-256-6823	2700 Colorado Blvd.	Eagle Rock	90041	60	473	LA
Westfield Shoppingtown Fashion Square	818-501-1447	818-783-5955	14006 Riverside Dr.	Sherman Oaks	91423	130	850	LA
Westfield Shoppingtown Fox Hills	310-390-7833	310-391-9576	294 Fox Hills Mall	Culver City	90230	130	873	LA
Westfield Shoppingtown Mainplace	714-547-7800	714-547-2643	2800 N. Main St.	Santa Ana	92705	190	1,188	O
Westfield Shoppingtown Palm Desert	760-346-2121	760-341-7979	72-840 Highway 111	Palm Desert	92260	130	850	R
Westfield Shoppingtown Santa Anita	626-445-3116	626-446-9320	400 S. Baldwin Ave.	Arcadia	91007	150	1,122	LA
Westfield Shoppingtown West Covina	626-960-1881	626-337-3337	112 Plaza Dr.	West Covina	91790	235	1,200	LA
Westfield Shoppingtown Century City	310-553-5300	310-553-3812	10250 Santa Monica Blvd., Ste. 196	Century City	90067	162	771	LA
Westfield Shoppingtown Topanga Plaza	818-884-7090	818-999-0878	6600 Topanga Canyon Blvd.	Canoga Park	91303	125	1,054	LA
Westfield Shoppingtown Eastland	626-337-8888	626-337-3337	2648 East Workman Ave.	West Covina	91791	70	915	LA
Westminster Mall	714-898-2558	714-892-8824	1025 Westminster	Westminster	92683	175	1,200	O
Westside Pavilion	310-474-6255	310-475-0536	10850 W. Pico Blvd.	Los Angeles	90064	150	760	LA
Whittwood Mall	562-947-2871	562-947-6177	15603 E. Whittwood Ln.	Whittier	90603	100	873	LA

Sources: Thomas Guides for respective counties; The Business Press, List Edition 2003; Los Angeles Business Journal, The Lists 2003; and survey by the Los Angeles County Economic Development Corporation.

Table 8: Major Shopping Districts

Name	Approx. Location	City
2 Rodeo Drive	Dayton Way	Beverly Hills
Broadway	3rd to 8th Streets, Downtown LA	Los Angeles
Downtown Disney	Disney Dr. (in Disneyland Resorts)	Anaheim
El Paseo Entertainment Center	Garfiled Ave & Florence	South Gate
Historical Downtown Fullerton	Harbour Blvd. & Commonwealth Ave.	Fullerton
Main St. Downtown Alhambra	Main Street	Alhambra
Melrose Ave	7000 block, Melrose Ave	Hollywood
Montana Avenue	9th & 17th Street	Santa Monica
Old Town Glendale	Maryland Ave.	Glendale
Old Town Pasadena	West Colorado Blvd. & Fair Oaks	Pasadena
Pacific Blvd.	Pacific Blvd./Randolph to Florence	Huntington Park
Pine Ave.	Pine Ave, Downtown	Long Beach
The Fashion District	Santee Street & Main	Los Angeles
The Queen's Market Place	The Queen Mary C15	Long Beach
Third St. Promenade	3rd St.	Santa Monica
Town Center Drive	Valencia Blvd.	Santa Clarita
Universal Studios Citywalk	1000 Universal Center Drive	Universal City
Westwood Marketplace	Westwood Blvd.	Westwood
Whittier Blvd	Whittier Blvd. @ Atlantic Ave	East Los Angeles

Table 9: Major Outlet Malls

Name	Phone	Address	City	Zip	Shops	SF (000s)	Cnty
Barstow Factory Outlets	760-253-7342	2796 Tanger Way	Barstow	92311	25	105,950	V
Cabazon Outlets	909-922-3000	48750 Seminole Rd	Cabazon	92230	16		R
Camarillo Premium Outlet	805-445-8520	740 Ventura Blvd.	Camarillo	93010	90	330,000	V
Citadel Factory Stores	323-888-1220	100 Citadel Dr.	Los Angeles	90040	42	145,000	LA
Desert Hills Premium Outlet	909-849-6641	48400 Seminole Rd	Cabazon	92230	130	438,000	R
Factory Merchants Barstow	760-253-7342	2552 Mercantile Way	Barstow	92311	93		SB
Lake Elsinore Outlets	909-245-4989	17600 Collier Avenue	Lake Elsinore	92530	70		R
Lancaster Factory Stores	661-942-7897	44950 Valley Central Way	Lancaster	93536	30	258,739	LA
Oxnard Home & Lifestyle Center	805-485-2244		Oxnard		16		V

Sources: Thomas Guides for respective counties; The Business Press, List Edition 2003; Los Angeles Business Journal, The Lists 2003; and survey by the Los Angeles County Economic Development Corporation.



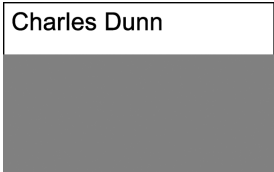
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