FINAL DRAFT

City of Pasadena Economic Development Strategy

Prepared for:

City of Pasadena 100 No. Garfield Avenue Pasadena, CA 91109 Eric Duyshart, Economic Development City Manager's Office (626) 744-4660

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CONTENTS

Exhibits		. 11
EXECUTIV	'E SUMMARY	. iv
CHAPTER	1 INTRODUCTION	1
1.2 1.3 1.4 1.5	Overview and Purpose Regional Context Geographies of Economic Analysis Outline of Report Data Sources Used in this Report 2 THE ECONOMY OF PASADENA	.1 .3 .3
2.2 2.3 2.4	Key Demographics Overall Economic Trends Comparison with Regional Economy Economic Analysis at the Sub-Area Level Distribution of Jobs across Focus Areas	. 8 14 19
CHAPTER	3 EVALUATION OF THE CITY ECONOMY	25
3.2	SWOT Methodology Overall Assessment of the City SWOT Analysis of Target Industry Groups	26
	4 ECONOMIC GROWTH SCENARIOS	
4.2	Developing Employment Growth Alternatives Drivers of Economic Growth in Pasadena Projected Economic Growth Alternatives	36
CHAPTER	5 ECONOMIC DEVELOPMENT STRATEGY RECOMMENDATIONS	40
	What is a Strategic Plan? Economic Development Framework for the Future	
APPENDIX	(A EMPLOYMENT ANALYSIS	44
APPENDIX	(B SUPPORT TABLES	46
APPENDIX	C ECONOMIC ORGANIZATIONS – PASADENA COLLABORATIONS	52
APPENDIX	(D KEY ECONOMIC INDICATORS	55
APPENDIX	(E PROJECT CONTACTS AND REFERENCES	56

i

EXHIBITS

1-1	Regional Context Map	2
1-2	Census 2010 Data Release Schedule	4
2-1	Population and Households, 1990 to 2010	6
2-2	Labor Force and Employment, 2008	
2-3	Estimation of Daytime Population, 2008.	
2-4	Household Income, 2008 and 2008	
2-5	Educational Attainment, 2008 and 2008	
2-6	Housing Tenure, 2000 and 2008	
2-7	Employment Trends by NAICS Sectors, 2002 and 2008	9
2-8	Distribution of Employment in Pasadena, 2008	
2-9	Average Wage Growth by Sector, 2001 to 2008	
2-10	Ranking of Sectors by Average Wage and Estimated City Average and Median, 2008	
2-11	Top 8 NAICS Sector Average Wages, 2008	
2-12	Bottom 8 NAICS Sector Average Wages, 2008	
2-13	Employment to Labor Ratios, 2008	
2-14	Ranking of Employment to Labor Ratios, 2008	
2-15	Unemployment Rates, 2010.	
2-16	Total Taxable Sales in Pasadena, 1990 to 2009.	
2-17	Retail Taxable Sales in Pasadena, 2009	
2-18	Retail Taxable Sales per Capita in Pasadena, Tri-Cities and Los Angeles County, 2009	
2-19	Average Annual Growth Rates of Growing Private Industry Sectors, 2002 to 2008	
2-20	Annual Average Growth Rate of Declining Private Industry Sectors, 2002 to 2008	
2-21	Location Quotient by Sectors (Higher than the Economic Region), 2002 and 2008	
2-22	Location Quotient by Sectors (Lower than the Economic Region), 2002 and 2008	
2-23	California Employment Growth, 1990 to 2010	
2-24	Los Angeles County Share of CA Employment, 1990 to 2010	
2-25	Los Angeles County Location Quotients Relative to CA, 2009	17
2-26	Firm Size, 2008: All Sectors	
2-27	Firm Size, 2008: Professional, Scientific and Technical	18
2-28	Firm Size, 2008: Health Care and Social Assistance	18
2-29	Focus Areas Map	19
2-30	Central District Focus Area	21
2-31	East Colorado Focus Area	21
2-32	East Pasadena Focus Area	21
2-33	Fair Oaks/Orange Grove Focus Area	22
2-34	Lincoln Areas Focus Area	22
2-35	North Lake Focus Area	22
2-36	South Fair Oaks Focus Area	
2-37	West Gateway Focus Area	
2-38	Distribution of Jobs by Focus Area, 2008	24
3-1	Major Issues Identified by City Staff	28
3-2	Overall Assessment of the City	
3-3	Assessment of the Scientific-R&D-Manufacturing Group	29
3-4	Assessment of Professional Services - Office	30
3-5	Assessment of the Healthcare and Related Services	31
3-6	Assessment of the Bio-sciences/ Biotech Group	32
3-7	Assessment of Regional-Destination Retail	33
3-8	Assessment of the Hospitality and Cultural Group	34

4-1	Alternative Growth Projections, 2008 to 2035	37
4-2	Comparison of Employment Growth	
4-3	Comparison of Employment Distribution	
4-4	Comparison of Employment Growth	
A-1	Comparison of Jobs Estimated by Various Sources, City of Pasadena, 2008	45
B-1	List of Jurisdictions in the San Gabriel Valley/Tri Cities Region	46
B-2	Comparison of Data Estimates, 2000 to 2010	47
B-3	Total Taxable Retail Sales, Pasadena, Tri-Cities, and Los Angeles County, 2009	47
B-4	Percent Distribution and Location Quotients of Employment, 2002 and 2008	48
B-5	Crosswalk between Employment and Land Use Categories, 2035	49
B-6	Comparison of Employment Growth Projections, 2035	50
B-7	Comparison of Total Projected Land Use, 2035	
D-1	Key Economic Indicators	55

EXECUTIVE SUMMARY

This report evaluates the economy of the City of Pasadena and prepares strategic recommendations for the City Staff to help reinforce the future economic growth opportunities in the City. The economy is evaluated using both a City-wide and regional Employment Base Analysis to estimate the base-line geographical distribution of existing jobs in the City by economic focus areas; the Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis is used to evaluate future growth potential for the identified Target Industry groups, identifying the internal and external factors that are favorable or unfavorable to achieving those goals; and three Employment Growth Scenarios are presented to compare local and regional growth trends to project alternative short- and long-term employment growth possibilities for the City.

Pasadena's Economy

<u>Labor Force.</u> The total labor force in the City was estimated 69,307 in 2008, and about half of the labor force was in the Management, Professional, and Related Occupations. The majority of residents in the City had a higher level of educational attainment, increasing from 2000 to 2008. <u>Employment.</u> In 2008, the employment of the City was estimated at 117,260 jobs; industry sectors comprising the largest shares of the City employment included Professional, Scientific and Technical (15.9 percent), Health Care and Social Assistance (12.0 percent), Educational Services (11.9 percent), Finance and Insurance (11.4 percent), Retail Trade (10.2 percent) and Accommodation and Food Services (8.4 percent); taken together these industries comprised nearly 70 percent of the City's employment base.

Economic Development Challenges

One of the City's main concerns is building upon its existing competitive advantages relative to its surrounding region and the need for creative solutions to adapt to current and emerging opportunities. There is also an understanding that the City has limited resources and that it would have to prioritize the targeting of its land and financial resources. An often cited case-study is that of Caltech and JPL generated start-ups leaving the City due to their inability to find affordable space and land to expand operations within the City. Conversely, Pasadena's strengths in Professional, Technical, Scientific and Tourism and Lodging sectors provide strong opportunities for long-term economic growth.

Drivers of Economic Growth

Pasadena has been a national attraction for visitors and tourists to Southern California because of its favorable year-round climate. It has a strong office market driven by demand from a variety of professional services in the technical, scientific, legal, finance and insurance, and management fields. Additionally, the City's educational and research institutions have historically attracted technology oriented companies to locate here. Along with these sectors, the healthcare sector continues to be a strong driver of the local economy.

Economic Strategy Recommendations

The Strategic Plan is a framework for short-term and long-term decision-making, which expresses a common vision for growth and sets priorities. It establishes goals, policies and recommended actions, which should be evaluated annually against key performance measures with quarterly progress reports. It is integrated with citywide budgeting process and coordinated with all city departments, particularly with planning, public works and redevelopment activities. A strategic plan is all the more important in times of economic crisis, as it also involves targeting revenue improvement. This report recognizes the financial challenges that the City is facing and that some of the recommendations are long term and require substantial investments. The main points for the Pasadena Strategy are summarized in Exhibit 1.

Exhibit 1: Strategic Recommendation Highlights					
Citywide/Regional	 Adoption of economic vision and strategy Coordinate economic strategies with General Plan Plan to align budgeting process with major public service and infrastructure needs Support programs that tie local workforce with potential employers in the City Maximize opportunities for locally-owned businesses Remain involved with regional economic associations Coordinate with City school system and community college on work-force training to expand local employment opportunities Construct and track economic and financial indicators 				
Industry Groups	 Identify incentives to retain and expand start-up, incubator and R&D type firms; strengthen existing forums like Entretech Continue to expand Pasadena's Green programs through its environmental initiatives and work with local colleges to expand training in "Green" jobs Coordinate with HMRI, Oak Crest and other local life science entities on opportunities for biological sciences in the City Work to resolve appropriate parking standards for office development especially around transit nodes Work with major City hospitals on expansion plans and facilitate support medical offices and laboratories, especially in the South Fair Oaks area 				
Destination Retail, Culture and Tourism	 Strengthen destination appeal of existing shopping districts like the Central District and East Pasadena by facilitating connectivity and walkability Build upon the City's ongoing lodging/hospitality study to expand the lodging and visitor serving facilities particularly targeting locations in the Central District as well East Pasadena Continue to strengthen and market the Pasadena brand as the most 'eventful' mid-size city in the country. 				
Source: Stanley R. Hoffman Associate	 Continue strong outreach program, as part of the General Plan process, with public meetings and workshops to discuss all parts of the economic development strategy and to seek new ideas Continue to maintain the regular City economic contacts with existing local businesses, prospective employers, and economic and business associations. Enhance the City's website to include information about the Economic Development Strategic Plan and accomplishments complete with graphics and video; make the website interactive so that residents and businesses can provide their comments es. Inc. 				
Source. Stainey K. Hoffman Associati	Co, IIIC.				

CHAPTER 1 INTRODUCTION

1.1 Overview and Purpose

The purpose of this report is to evaluate the economy of the City of Pasadena and to prepare strategic recommendations for City Staff to help reinforce the future economic growth opportunities in the City. The City's economy is evaluated along the following lines:

- City-wide Employment Base Analysis: To identify Target Industry groups and establish base-line conditions of growth over a historical time period;
- Sub-area Employment Base Analysis: To estimate the base-line geographical distribution of existing jobs in the City by economic focus areas;
- Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis: To evaluate the future growth potential of the identified Target Industry groups and identify the internal and external factors that are favorable or unfavorable to achieving those goals;
- Employment Growth Scenarios: To compare local and regional growth trends to project alternative short- and long-term employment growth scenarios for the City.

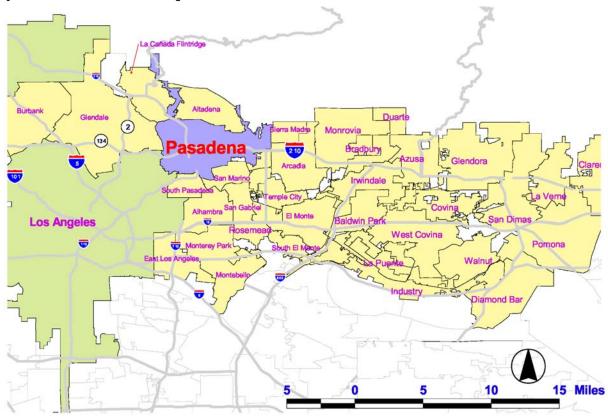
The above analyses are then drawn together to identify current and future economic development challenges confronting the City. The development issues are analyzed to form the basis for the Strategic Economic Development Plan for the City of Pasadena.

1.2 Regional Context

As shown in Exhibit 1-1, the City of Pasadena is located in the western portion of the San Gabriel Valley in Los Angeles County, just northeast of downtown Los Angeles. It is bordered by the cities of Los Angeles and Glendale to the west; La Canada Flintridge and Altadena to the north; Arcadia and Sierra Madre to the east; and South Pasadena and San Marino to the south. Accessibility to the City is provided by three major freeways that connects Pasadena to Los Angeles City and the San Gabriel Valley. These freeways are the Pasadena Freeway (Interstate 110), the Ventura Freeway (SR 134), and the Foothill Freeway (Interstate 210). This City is also served by the Pasadena Area Rapid Transit System (ARTS) and the Metro Gold Line light-rail that links Pasadena to Union Station in Downtown Los Angeles, which is the stop for the Red and Purple lines, and the Gold Line through East Los Angeles.

Exhibit 1-1: Regional Context Map

City of Pasadena and Economic Region



Source: Stanley R. Hoffman Associates, Inc.

1.3 Geographies of Economic Analysis

This study includes analysis at different levels of geography as they relate to Pasadena, including:

- City Level: City level analyses are conducted to understand changes occurring within Pasadena over the 2002 to 2008 time period at the industry sector level.
- Economic Region: The City is examined in the context of the larger regional economy which is composed of San Gabriel Valley, to the south and east of the City and the Tri-Cities, comprised of Glendale, Burbank and Pasadena. The list of all jurisdictions in the Economic Region is shown in Appendix Exhibit B-1.
- City Sub-areas: The City is subdivided into focus areas that are defined by City Planning Staff, largely centered on existing or future specific plan areas, as having distinct characteristics. Each of these areas is evaluated for relative employment specialization in relationship to the overall City.

1.4 Outline of Report

- Chapter 2 provides historical demographic and economic data for the City. The economic data includes information on historical employment and wage growth and retail sales performance in the City. The industry profile of the City is then compared to San Gabriel Valley in order to evaluate the relative economic strengths of the City and to identify Target Growth Industries. Employment estimates at the City sub-area level are developed to understand the diverse geography of the City's economy.
- Chapter 3 presents the Strengths-Weaknesses-Opportunities-Threats (SWOT) analyses of the City and selected Target Growth Industries. Issues pertaining to the Target industries are identified followed by a strategic evaluation of the City's ability to influence the growth of these industries.
- Chapter 4 identifies a range of growth possibilities in Pasadena based on analyzing regional growth trends and economic cycles.
- Chapter 5 discusses the purpose of and offers recommendations for the formulation of an Economic Development Strategic Plan for the City.

1.5 Data Sources Used in this Report

- Demographic information is based on the California Department of Finance (DOF) 1990 to 2010, U.S. Census Bureau American Community Survey (ACS) 2006 to 2008, U.S. Census Bureau, Decennial Census, 2000, and the U.S. Census Bureau, 2000 Census PHC-T-40 Report.
- Historical employment data was obtained from multiple sources for cross-checking and validation purposes, including data from the Census Longitudinal Employer-Household Dynamics (LEHD) 2002 to 2008, the California Employment Development Department (EDD) 2001 to 2008 provided by MuniServices and employment data by location for

- 2008 from InfoUSA, as provided by the Southern California Association of Governments (SCAG).
- A set of employment forecasts were obtained from the preliminary SCAG 2012 Regional Transportation Plan (RTP) dataset. These were analyzed to develop an alternative set of projections for this study.
- Taxable sales data for Pasadena and the adjacent cities was obtained from the California State Board of Equalization (SBOE) from 1999 to 2009.
- The 2010 Decennial Census PL-94 series was released by the U.S. Census Bureau during the completion stages of this report. We are aware of revisions made to the total count of population, households, and housing units for the City for the year 2010, as compared to the California Department of Finance (DOF) data. However, detailed calculations of the various socio-economic characteristics for the City have yet to be released by the U.S. Census Bureau and these data are scheduled for release as shown in Exhibit 1-2. We are therefore not attempting to recalibrate the socio-economic data at this time for this report. The comparison of the 2010 Decennial Census and the California Department of Finance (DOF) estimates as used in this report are shown in Appendix Exhibit B-2. We have used the American Community Survey's 2006 to 2008 estimates for the socio-economic characteristics.

Exhibit 1-2: Census 2010 Data Release Schedule

	Lowest Level		
Data Products	Geography	Planned F	Release Date
 State Population counts for race and Hispanic or Latino categories State housing unit counts by occupancy status 	Blocks Blocks	February, 2011 February, 2011	- March, 2011 - March, 2011
Selected population and housing characteristics	Places/MCDs ¹	May, 2011	
 Population counts detailed race and Hispanic or Latino categories Selected population and housing characteristics 	Census Tracts Blocks/Census Tracts	June, 2011 June, 2011	- August, 2011 - August, 2011
 Addition of urban and rural population and housing unit counts Addition of characteristics for urbanized areas and urban clusters 	Blocks Urban Clusters	October, 2012 October, 2012	
 Population and housing characteristics iterated for many detailed race and Hispanic or Latino categories 	Census Tracts	December, 2011	- April, 2012
 Addition of urban and rural population and housing unit counts Addition of characteristics for urbanized areas and urban clusters 	Census Tracts Urban Clusters	January, 2013 January, 2013	
 Age, sex, race, Hispanic origin, households, families, housing tenure and occupancy, population density, area measurements 	Places	May, 2012	- December, 2012
 Historical population, housing unit counts, population density, and area measurements 	Places	April, 2013	- September, 201
 Retabulation of Summary File 1 following the 2010 Census 	Places	June, 2013	
Public Use Microdata Sample (PUMS) Files	PUMAs	To be determined	d

Source: U.S. Census Bureau, 2010.

CHAPTER 2 THE ECONOMY OF PASADENA

This chapter discusses the key demographics of the City of Pasadena and analyzes the economic base of the City to identify its strengths and weaknesses. Also shown in this chapter are the employment growth trends for the City and the Economic Region, comprised of San Gabriel Valley and Tri Cities (Glendale, Burbank and Pasadena); target industries and the focus area specializations.

2.1 Key Demographics

Population and Households.

- As shown in Exhibit 2-1, the population in the City of Pasadena was 151,576 in 2010 and households were 56,114 with persons per household of 2.64.
- Population increased by 15.2 percent from 1990 to 2010 from 131,586 in 1990 to 151,576 in 2010. Households increased by 11.8 percent from 1990 to 2010 while persons per households increased 4.2 percent over the same time period.

<u>Labor Force and Employment.</u>

- As shown in Exhibit 2-2 Panel A, the total labor force in the City was 69,307 jobs in 2008, and about half of the labor force was in the Management, Professional, and Related Occupations, an estimated 34,109 jobs.
- Shown in Panel B of Exhibit 2-2, the total employment in the City was estimated at 117,260 jobs in 2008.

Daytime Population.

- Daytime Population in the City is estimated is estimated at 195,015, that is, accounting for residential population, resident labor force that commutes outside the city for work and workers living outside Pasadena that commute into the city for jobs.
- As shown in Exhibit 2-2 Panel B, 28,672 individuals who lived in Pasadena also worked in the City. This translates to 41.4 percent of the total 69,307 employed residents of Pasadena (labor force), but only 24.5 percent of the total employment of 117,260 jobs are estimated to be held by workers living in Pasadena in 2008.

Household Income.

• As shown in Exhibit 2-4, the average household income decreased from \$94,697 in 2000 to \$90,804 in 2008, in constant 2008 dollars while the median household income increased from \$60,333 in 2000 to \$64,184 in 2008, in constant 2008 dollars.

Educational Attainment.

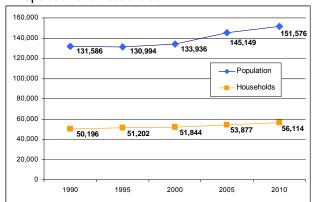
• As shown in Exhibit 2-5, a high proportion of residents in the City of Pasadena had at least a Bachelor's degree at 41.3 percent in 2000. In the 2000 to 2008 time period, the percent of the City population with at least a Bachelor's degree increased from 41.3 percent to 45.3 percent while City residents with no high school diploma decreased from 20.5 percent to 15.8 percent of the total population over the same time period.

Housing Tenure.

• As shown in Exhibit 2-6, the percent of owner occupied housing units in the City slightly increased over the 2000 to 2008 time period from 45.7 percent to 46.4 percent.

Exhibit 2-1: Population and Households, 1990 to 2010

A. Population and Households



B. Persons per Household

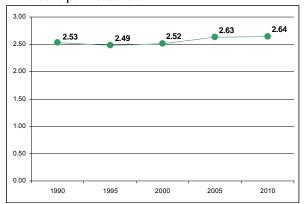
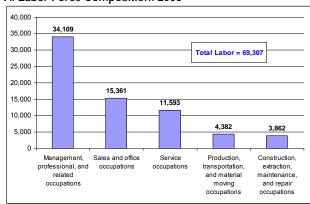


Exhibit 2-2: Labor Force and Employment, 2008

A. Labor Force Composition: 2008



B. Labor Force and Employment: 2008

	Total	Working and Living in Pasadena	Percent Living in Pasadena
Labor Force ¹	69,307	28,672	41.4%
Employment ¹	117,260	28,672	24.5%

- 1. Defined as the 'Civilian Employed Labor Force 16 years and Over' based on information obtained from the ACS 2006-08
- 2. Employment living in Pasadena is based on an estimation of 2008 Citywide employment by Stanley R. Hoffman Associates, Inc., detailed in the November 8, 2010 Memorandum

Source: Stanley R. Hoffman Associates, Inc. U.S. Census Bureau, 2006-08 American Community Survey (ACS).

Exhibit 2-3: Estimation of Daytime Population, 2008

A. Estimation of Daytime Population

Year	Population ¹	Labor Force ²	Employment ³	Daytime Population ⁴ A+(C-B)
2008	147,062	69,307	117,260	195,015

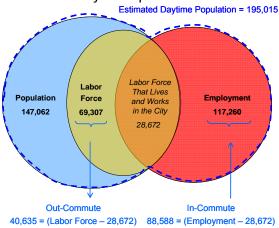
- 1. Population for the City of Pasadena for 2008 is obtained from the California Department of Finance (DOF).
- 2. Labor Force is defined as the 'Civilian Employed Population 16 years and Over' living in the City. Data for 2008 is based on ACS 2006-08.
- 3. Employment for 2008 is based on an estimation of Citywide employment by Stanley R. Hoffman Associates, Inc., detailed in the November 8. 2010 Memorandum.
- 4. The 2000 estimation for Citywide Daytime Population can be found in the 2000 Census PHC-T-40 Report of Estimated Daytime Population and Employment-Residence Ratios: 2000.

Source: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, 2006-2008 American Community Survey.

U.S. Census Bureau, 2000 Census PHC-T-40 Report.

B. Estimation of Daytime Population



Source: Stanley R. Hoffman Associates, Inc.

California Department of Finance, 1990 to 2010

U.S. Census Bureau, American Community Survey, 2006-2008.

U.S. Census Bureau, Decennial Census, 2000.

U.S. Census Bureau, 2000 Census PHC-T-40 Report

Exhibit 2-4: Household Income, 2000 and 2008

A. Median and Average Income

			AAGR ¹ from
	2000	2008	2000 to 2008
In Actual Dollars			
Median	\$46,012	\$64,184	4.2%
Average	\$72,220	\$90,804	2.9%
In Constant 2008 Dollars			
Median	\$60,333	\$64,184	0.8%
Average	\$94,697	\$90,804	-0.5%

^{1.} Average Annual Growth Rate

Source: Stanley R. Hoffman Associates, Inc.

- U.S. Census Bureau, American Community Survey, 2006-08.
- U.S. Census Bureau, Decennial Census, 2000.

B. Household Income in Constant 2008 Dollars

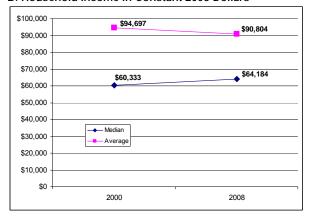
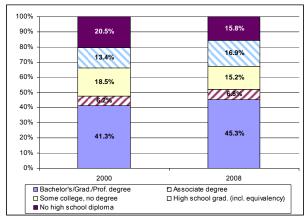


Exhibit 2-5: Educational Attainment, 2000 and 2008

A. Educational Attainment in Pasadena



B. Educational Attainment in Pasadena

	2000		2008		
Educational Land	T-1-1	Percent		Percent	
Educational Level	Total	Total	Total	Total	
Bachelor's/Grad./Prof. degree	37,590	41.3%	43,496	45.3%	
Associate degree	5,683	6.2%	6,559	6.8%	
Some college, no degree	16,828	18.5%	14,589	15.2%	
High school grad. (incl. equivalency)	12,180	13.4%	16,216	16.9%	
No high school diploma	18,653	20.5%	<u>15,165</u>	<u>15.8%</u>	
Total Persons	90,934	100.0%	96,025	100.0%	

Source: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, American Community Survey, 2006-08.

U.S. Census Bureau, Decennial Census, 2000.

Exhibit 2-6: Housing Tenure, 2000 and 2008

A. Housing Tenure in Pasadena

	20	000	2008		
	Total	Percent Total Total		Percent Total	
Owner Occupied	23,670	45.7%	24,299	46.4%	
Renter Occupied	<u>28,157</u>	<u>54.3%</u>	28,077	<u>53.6%</u>	
Total	51,827	100.0%	52,376	100.0%	

Source: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, American Community Survey, 2006 to 2008.

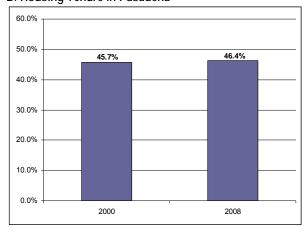
U.S. Census Bureau, Decennial Census, 2000.

Source: Stanley R. Hoffman Associates, Inc.

U.S. Census Bureau, American Community Survey, 2006-2008.

U.S. Census Bureau, Decennial Census, 2000.

B. Housing Tenure in Pasadena



2.2 Overall Economic Trends

Employment Estimation Methodology. In preparing an employment estimate for the City of Pasadena for 2008, several data sources and their methodologies were reviewed. The employment estimations presented in these studies are discussed in Appendix A. Based on the above review of the various employment estimates for Pasadena; a 2008 estimate of 117,260 for Pasadena was prepared, as shown in Exhibit 2-2. The detailed estimation methodology is discussed in Appendix A.

Employment Trends.

- As shown in Exhibit 2-7, employment in the City is estimated to have grown from 113,420 jobs in 2002 to 117,260 jobs in 2008 at an annual average growth rate of 0.6 percent.
- In 2008, as shown in Exhibit 2-8, of the estimated 117,260 jobs, industry sectors comprising the largest shares of the City employment included Professional, Scientific and Technical (15.9 percent), Health Care and Social Assistance (12.0 percent), Educational Services (11.9 percent), Finance and Insurance (11.4 percent), Retail Trade (10.2 percent) and Accommodation and Food Services (8.4 percent); taken together these sectors comprised nearly 70 percent of the City's employment base.

Wage Trends.

- As shown in Exhibit 2-9, according to EDD payroll data from a large sample of firms in the City, average wages in the City vary by the industry sector of employment.
- The average wage of jobs in Pasadena declined from \$52,584 in 2002 to \$51,448 in 2008.
- As shown in Exhibit 2-10 and Exhibit 2-11, in 2008, the highest average wages in the City were estimated for jobs in Finance and Insurance (\$99,984), Management of companies and enterprises (\$90,334), and Professional, Scientific, and Technical Services (\$82,831).
- The lowest average wages in the City were estimated for jobs in Accommodation and Food Services (\$19,975), Other Services except Public Administration (\$25,714) and Arts, Entertainment and Recreation (\$29,376), as shown in Exhibit 2-12.
- The average wage for all sectors in the City in 2008 was \$51,448, higher than the median wage for all sectors in the City at \$43,533.

Location Quotients.

- As shown in Exhibits 2-13 and 2-14, the location quotient, which measures the relative industry concentration in Pasadena versus the Economic Region, shows that the Professional, Scientific, and Management, and Administration and Waste Management Services (2.68) and Finance and Insurance, and Real Estate and Rental and Leasing categories (2.38) have the highest degree of concentration in Pasadena.
- Categories that were relatively less concentrated in the City included Manufacturing (0.16), Information (0.49), Transportation and Warehousing (0.23), and Wholesale Trade (0.44).
- As shown in Exhibit 2-15, the unemployment rate in the City was 9.7 percent as of December, 2010, lower than the unemployment rate for Los Angeles County at 12.7 percent.

Taxable Retail Sales Trends.

- As shown in Exhibits 2-16 and Appendix B-2, total taxable sales in Pasadena decreased 16 percent from \$3.1 billion in 1999 to \$2.6 billion in 2009, in constant 2009 dollars.
- As shown in Exhibit 2-17, the Other Retail Group comprised 25.3 percent of total taxable retail sales in 2009, followed by Food Services and Drinking Places at 17.1 percent, Motor Vehicle and Parts Dealers at 14.0 percent and General Merchandise at 10.1 percent.
- As shown in Exhibit 2-18, Pasadena had the second highest retail sales per capita at \$14,337 in 2009 compared to other neighboring cities, the Tri-Cities Total, and Los Angeles County.

Exhibit 2-7: Employment Trends by NAICS Sectors, 2002 and 2008

NAICS SECTORS	PASA	PASADENA 1			ECONOMIC REGION 2		
	2002	2008	AAGR	2002	2008	AAGR	
EMPLOYMENT							
Agriculture, Forestry, Fishing and Hunting	60	40	-6.5%	3,720	2,260	-8.0%	
Mining, Quarrying, and Oil and Gas Extraction	0	0	n/a	470	340	-5.3%	
Utilities	610	530	-2.3%	5,030	6,540	4.5%	
Construction	4,090	3,620	-2.0%	35,360	40,710	2.4%	
Manufacturing	1,920	1,560	-3.4%	98,890	79,490	-3.6%	
Wholesale Trade	2,120	2,480	2.6%	39,310	45,150	2.3%	
Retail Trade	10,810	11,910	1.6%	88,360	99,780	2.0%	
Transportation and Warehousing	400	530	4.8%	16,570	18,470	1.8%	
Information	5,190	2,410	-12.0%	76,380	105,020	5.5%	
Finance and Insurance	12,140	13,350	1.6%	36,770	38,420	0.7%	
Real Estate and Rental and Leasing	1,390	1,570	2.1%	15,170	18,350	3.2%	
Professional, Scientific, and Technical Services	18,070	18,660	0.5%	45,020	50,160	1.8%	
Management of Companies and Enterprises	2,670	3,180	3.0%	15,820	10,740	-6.3%	
Administration & Support, Waste Management and Remediation	7,840	7,940	0.2%	56,240	63,700	2.1%	
Educational Services	14,210	13,980	-0.3%	25,150	21,290	-2.7%	
Health Care and Social Assistance	13,800	14,120	0.4%	86,630	103,850	3.1%	
Arts, Entertainment, and Recreation	1,760	2,970	9.1%	17,720	18,970	1.1%	
Accommodation and Food Services	7,560	9,870	4.5%	56,530	65,840	2.6%	
Other Services (excluding Public Administration)	7,130	6,610	-1.3%	33,940	73,030	13.6%	
Public Administration	1,650	1,930	2.6%	68,850	69,450	0.1%	
TOTAL	113,420	117,260	0.6%	821,930	931,560	2.1%	

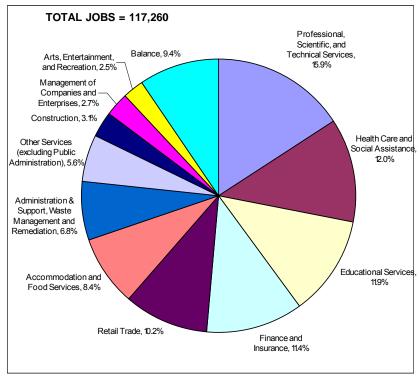
^{1.} Employment data for Pasadena is obtained from the Census Longitudinal Employer-Household Dynamics (LEHD), which collects data from the state-run ES-202 unemployment insurance programs. The obtained LEHD numbers are for primary workers and are adjusted to include estimated self-employment by sectors and data under-reporting, as also reflected in SCAG's employment estimation methodolgy for RTP process.

Source: Stanley R. Hoffman Associates, Inc.

Census Longitudinal Employer-Household Dynamics (LEHD)

Southern California Association of Governments (SCAG), Regional Transportation Plan (RTP) 2012.

Exhibit 2-8: Distribution of Employment in Pasadena, 2008



Note: The balance of jobs in Exhibit 2-8 includes Wholesale Trade, Information, Public Administration, Real Estate and Rental and Leasing, Manufacturing, Utilities, Transportation and Warehousing, Agriculture, Forestry, Fishing and Hunting, and Mining, Quarrying, and Oil and Gas Extraction.

Source: Stanley R. Hoffman Associates, Inc.

Employment data for the Economic Region is obtained from the California Employment Development Department, as provided to the consultants by MuniServices at the 3-digit level. These numbers have been adjusted, following the SCAG RTP methodology, to include estimated self-employment and data under-reporting.

Exhibit 2-9: Average Wage Growth by Sector, 2001 to 2008

(Constant 2008 Dollars)

	2001	2008	Percent Change
Agriculture, forestry, fishing and hunting	\$43,369	\$31,482	-27.4%
Mining	n/a	n/a	n/a
Construction	\$59,310	\$66,703	12.5%
Manufacturing	\$43,170	\$50,403	16.8%
Wholesale trade	\$83,437	\$73,420	-12.0%
Retail trade	\$36,196	\$31,687	-12.5%
Transportation and warehousing	\$30,277	\$37,606	24.2%
Utilities	\$188,653	\$58,398	-69.0%
Information	\$67,870	\$76,056	12.1%
Finance and insurance	\$98,877	\$99,984	1.1%
Real estate and rental and leasing	\$68,764	\$41,286	-40.0%
Professional, scientific, and technical services	\$79,973	\$82,831	3.6%
Management of companies and enterprises	\$101,217	\$90,334	-10.8%
Administrative and support and waste management services	\$35,936	\$43,533	21.1%
Educational services	\$43,472	\$39,742	-8.6%
Health care and social assistance	\$49,793	\$42,575	-14.5%
Arts, entertainment, and recreation	\$28,969	\$29,376	1.4%
Accommodation and food services	\$19,630	\$19,975	1.8%
Other services, except public administration	\$28,243	\$25,714	-9.0%
Public administration	\$46,026	\$59,975	30.3%
ALL SECTORS CITY AVERAGE	\$52,584	\$51,448	-2.2%

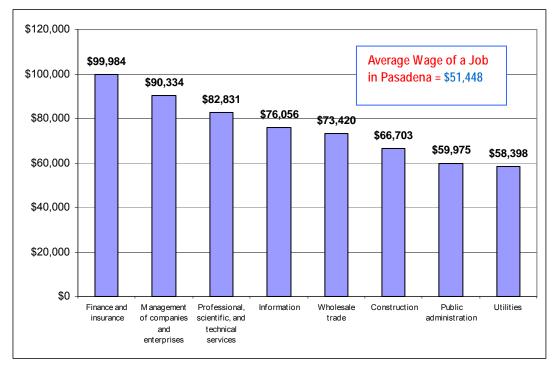
Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD)

Exhibit 2-10: Ranking of Sectors by Average Wage and Estimated City Average and Median, 2008

(Constant 2008 Dollars)

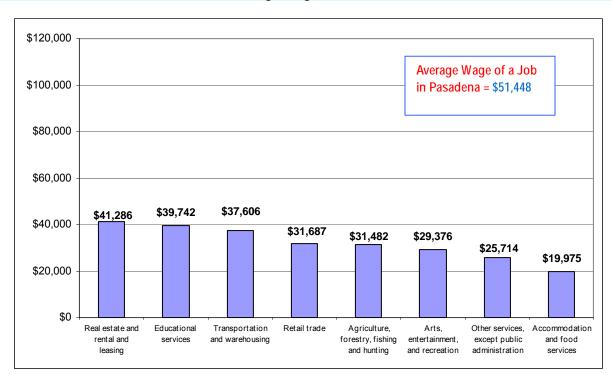
RANK	NAICS SECTOR	AVERAGE WAGE
1	Finance and insurance	\$99,984
2	Management of companies and enterprises	\$90,334
3	Professional, scientific, and technical services	\$82,831
4	Information	\$76,056
5	Wholesale trade	\$73,420
6	Construction	\$66,703
7	Public administration	\$59,975
8	Utilities	\$58,398
9	Manufacturing	\$50,403
10	Administrative and support and waste management services	\$43,533
11	Health care and social assistance	\$42,575
12	Real estate and rental and leasing	\$41,286
13	Educational services	\$39,742
14	Transportation and warehousing	\$37,606
15	Retail trade	\$31,687
16	Agriculture, forestry, fishing and hunting	\$31,482
17	Arts, entertainment, and recreation	\$29,376
18	Other services, except public administration	\$25,714
19	Accommodation and food services	\$19,975
	ALL SECTORS CITY AVERAGE	\$51,448
	ALL SECTORS CITY MEDIAN	\$43,533
Source	: Stanley R. Hoffman Associates, Inc. California Employment Development Department (EDD)	

Exhibit 2-11: Top 8 NAICS Sector Average Wages, 2008



Source: Stanley R. Hoffman Associates, Inc.

Exhibit 2-12: Bottom 8 NAICS Sector Average Wages, 2008



Source: Stanley R. Hoffman Associates, Inc.

Exhibit 2-13: Employment to Labor Ratios, 2008

City of Pasadena

			Employment to
Category	Labor Force ¹	Employment	Labor Ratio
Agriculture, forestry, fishing and hunting, and mining	165	40	0.24
Construction	3,476	3,620	
Manufacturing	4.178	1,560	
Wholesale trade	1,844	2,480	
Retail trade	6.083	11,910	
Transportation and warehousing, and utilities	1,656	1,060	
Information	3,327	2,410	
Finance and insurance, and real estate and rental and leasing	6,099	14,920	
Professional, scientific, and management, and administrative and	0,000	,020	2.10
waste management services	11,098	29,780	2.68
Educational services, and health care and social assistance	18,561	28,100	
Arts, entertainment, and recreation, and accommodation and food			
services	5,398	12,840	2.38
Other services, except public administration	4,737	6,610	1.40
Public administration	<u>2,685</u>	<u>1,930</u>	<u>0.72</u>
Total:	69,307	117,260	1.69

^{1.} Labor Force is defined as the resident population in a jurisdiction currently employed or looking for employment.

Source: Stanley R. Hottman Associates, Inc.

U.S. Census Bureau, American Community Survey, 2006 to 2008.

Exhibit 2-14: Employment to Labor Ratios, 2008

Exhibit 2-15: Unemployment Rates, 2010

City of Pasadena and Los Angeles County

City of Pasadena

Prof., Scientific, and Mgmt., and Admin. and 2.68 Waste Mgmt. Services Finance and Insurance, and Real Estate and Rental and Leasing Arts, Ent., and Recreation, and Accom. and Food Services Retail Trade Educational Services, and Health Care and 1.51 Social Assistance Other Services, Except Public Admin. 1.40 Wholesale Trade 1.34 Construction 1.04

12.7%

12.7%

10.0%

9.7%

6.0%

4.0%

2.0%

Pasadena

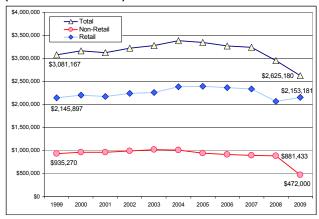
Los Angeles County

Source: Stanley R. Hoffman Associates, Inc.

California Employment Development Department, 2010.

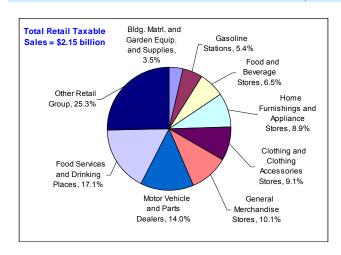
Exhibit 2-16: Total Taxable Sales in Pasadena, 1990 to 2009

(Constant 2009 Dollars)



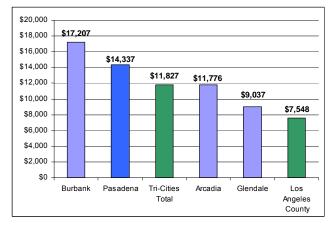
- As shown in Exhibit 2-16, total taxable sales decreased 16 percent from \$3.1 billion in 1999 to \$2.6 billion in 2009, in constant 2009 dollars.
- Non-Retail taxable sales followed this trend as it decreased 50 percent from \$935 million in 1999 to \$472 million in 2009, the most noticeable drop occurring from 2008 to 2009.
- Retail taxable sales increased slightly over the ten year period from \$2.145 billion in 1999 to \$2.153 billion in 2009, in constant 2009 dollars.

Exhibit 2-17: Retail Taxable Sales in Pasadena, 2009



- As shown in Exhibit 2-17, total retail taxable sales in the City was \$2.15 billion in 2009.
- The Other Retail Group comprised the majority of the total retail taxable sales at 25.3 percent in 2009, followed by Food Services and Drinking Places at 17.1 percent, Motor Vehicle and Parts Dealers at 14.0 percent and General Merchandise Stores at 10.1 percent.

Exhibit 2-18: Retail Taxable Sales per Capita in Pasadena, Tri-Cities and Los Angeles County, 2009



second highest retail sales per capita at \$14,337 in 2009 compared to the Tri-Cities, comprised of Burbank, Arcadia and Glendale; the Tri-Cities Total; and Los Angeles County.

As shown in Exhibit 2-18. Pasadena had the

Burbank had the highest retail taxable sales per capita at \$17,207, also the highest in the Tri-Cities Total, followed by Arcadia at \$11,776 and Glendale at \$9,037.

Source: Stanley R. Hoffman Associates, Inc.
California Department of Finance, 2009
California State Board of Equalization, 1999 to 2009

2.3 Comparison with Regional Economy

- Pasadena's economic growth trends are compared to those of the Economic Region (San Gabriel Valley-Tri Cities) over the 2002 to 2008 time period.
- As shown in Exhibit 2-7, employment in Pasadena grew at an annual average growth of 0.6 percent compared to 2.1 percent for the Economic Region. Annual average growth rates varied by NAICS sectors; a list of the NAICS sectors and typical activities these include.
- As shown in Exhibit 2-19, sectors with the highest growth rates included Arts, Entertainment and Recreation (9.1 percent), Transportation and Warehousing (4.8 percent), Accommodation and Food Services (4.5 percent), and Management of Companies and Enterprises (3.0 percent).
- On the other hand, as shown in Exhibit 2-20, sectors in the City that showed negative growth rates over the 2002 to 2006 time period included Information (-12.0 percent), Manufacturing (-3.4 percent), Utilities (-2.3 percent), Construction (-2.0 percent).
- It was reported by City staff that the Information sector showed a significant decline over this period because Overture (owned by Yahoo) with about 700 to 800 employees relocated to Burbank.
- Exhibit 2-8, shows the percent distribution of employment by sector in Pasadena and the Economic Region. These percentages are then used to calculate the location quotient (or concentration) of sectors in the City benchmarked to the corresponding employment distributions in the Economic Region.
- Location Quotients indicate relative concentrations of employment in Pasadena with location quotients higher than 1.00 indicating a larger share in that employment sector when compared to the Economic Region; similarly, ratios less than 1.00 indicate relatively less concentration.
- As shown in Exhibit 2-21, the sectors with the highest concentrations in the City in 2008 benchmarked to the Economic Region include Educational Services (5.22), Professional, Scientific and Technical (2.96), Finance and Insurance (2.76), and Management of Companies and Enterprises (2.35).
- Cultural and Hospitality based activities including Arts, Entertainment and Recreation (1.24) and Accommodation and Food Services (1.19) are also relatively strong.
- As shown in Exhibit 2-22, sectors in the City that were relatively less concentrated in the City's economic base when compared to the Economic Region in 2008 included Manufacturing (0.16), Information (0.49), Transportation and Warehousing (0.23), and Wholesale Trade (0.44).
- The above analysis, detailed in Appendix Exhibit B-4, helps to identify the relative strengths and weaknesses of the City in the competitive context of the larger regional economy. Thus, an Economic Strategy should ideally capitalize on existing strengths of the City, which in the case of Pasadena are to be found in Educational Services, Professional Scientific-Technical Services, Healthcare-Social Assistance and other Office-Professional Services.
- On the other hand, less concentrated industrial land use activities, which have lower concentrations could benefit from continued growth in research and development activities in the City, especially for smaller scale manufacturing with an incubator or start-up focus. Also, there is both interest and opportunity for further expansion in Cultural and Hospitality (i.e., lodging) related activities.

Exhibit 2-19: Average Annual Growth Rates of Growing Private Industry Sectors, 2002 to 2008

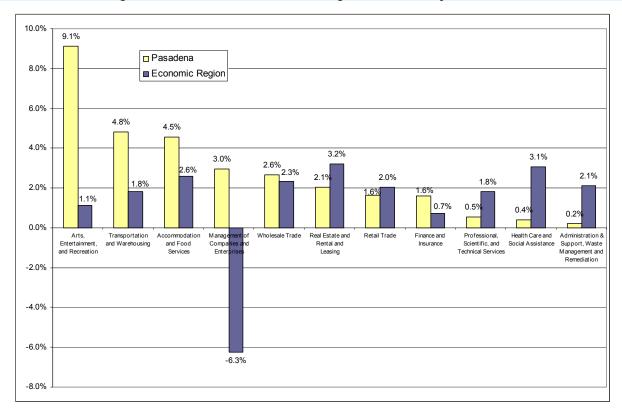
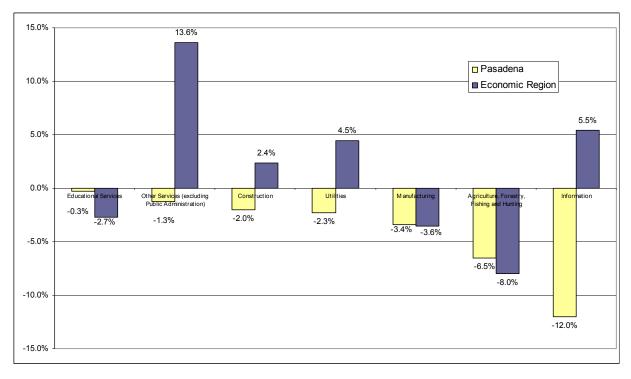


Exhibit 2-20: Annual Average Growth Rate of Declining Private Industry Sectors, 2002 to 2008



Source: Stanley R. Hoffman Associates, Inc.

Exhibit 2-21: Location Quotient by Sectors, 2002 and 2008

City Concentrations in 2008 Higher than Economic Region (Economic Region = 1.00)

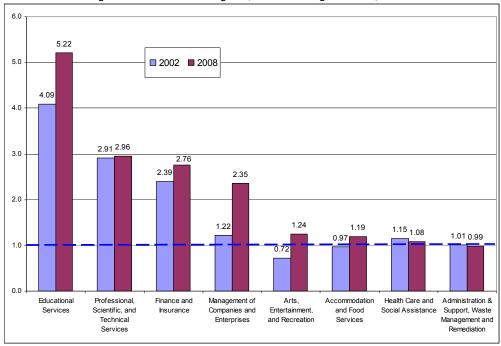
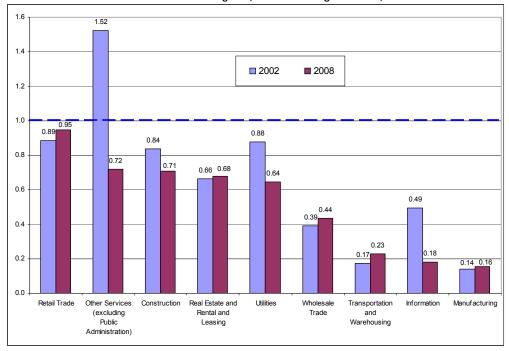


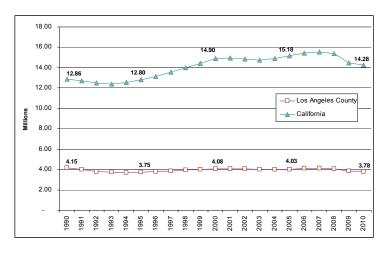
Exhibit 2-22: Location Quotient by Sectors, 2002 and 2008

City Concentrations in 2008 Lower than Economic Region (Economic Region = 1.00)



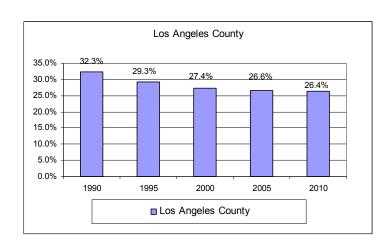
Source: Stanley R. Hoffman Associates, Inc.

Exhibit 2-23: California Growth in Employment, 1990 to 2010



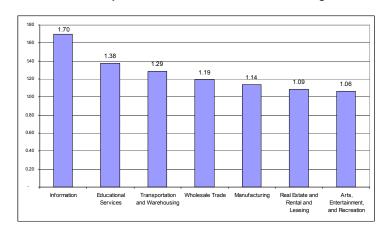
- As shown in Exhibit 2-23, employment in California grew from 12.86 million in 1990 to 14.28 million in 2010.
- California lost about 600,000 jobs from 2000 to 2010.
- However, the period from 2007 to 2010 saw overall loss of about 1.3 million jobs in the State.
- Similar, trends were observed in Los Angeles County over this time period.

Exhibit 2-24: Share of Total California Employment, 1990 to 2010



- The share of Los Angeles County as percent of California Employment declined from 32.3 percent in 1990 to 26.4 percent in 2010, as shown in Exhibit 2-24.
- Between 2000 and 2010, Los Angeles experienced a net loss of about 300,000 jobs.
- Manufacturing saw the biggest decline comprising about 51 percent of the total job losses in Los Angeles, while Healthcare saw the biggest gain comprising 50 percent of the job gains

Exhibit 2-25: Top 8 Location Quotients of Los Angeles County - Relative to California, 2010

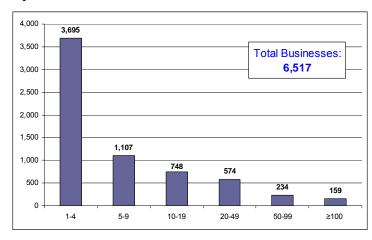


- As shown in Exhibit 2-25, location quotients have been calculated to compare the strengths of Los Angeles County with California.
- The top 4 location quotients include Information (1.70), Educational Services (1.38), Transportation and Warehousing (1.29), Wholesale Trade (1.19) and Manufacturing (1.14).

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department (EDD), 2010

Exhibit 2-26: Firm Size, 2008: All Sectors

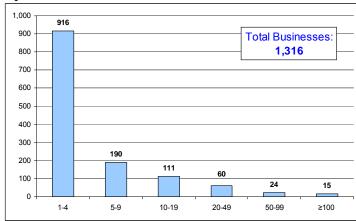
City of Pasadena



- As shown in Exhibit 2-26, there were a total of 6,517 businesses in Pasadena in 2008.
- Businesses in the Professional, Scientific, and Technical Services and the Health Care and Social Assistance industries comprised about 35 percent of the total businesses in Pasadena.
- About 57 percent of all businesses in Pasadena had one to four employees in 2008.

Exhibit 2-27: Firm Size, 2008: Professional, Scientific and Technical

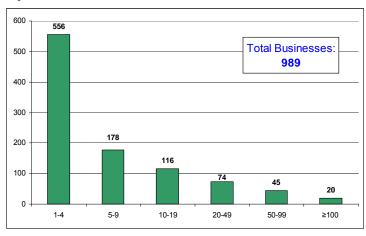
City of Pasadena



- In 2008, the majority (1,316) of businesses in Pasadena were in the Professional, Scientific and Technical Industry.
- There were 916 businesses with one to four employees comprising about 70 percent of the businesses in this industry.
- Businesses with five to nine employees comprised about 14 percent of the total businesses in this industry.

Exhibit 2-28:Firm Size, 2008: Health Care and Social Assistance

City of Pasadena



- The second highest number (989) of businesses in Pasadena was in the Health Care and Social Assistance industry in 2008.
- There were 556 businesses with one to four employees comprising about 56 percent of the businesses in this industry.
- Businesses with five to nine employees comprise about 18 percent of the total businesses in this industry.

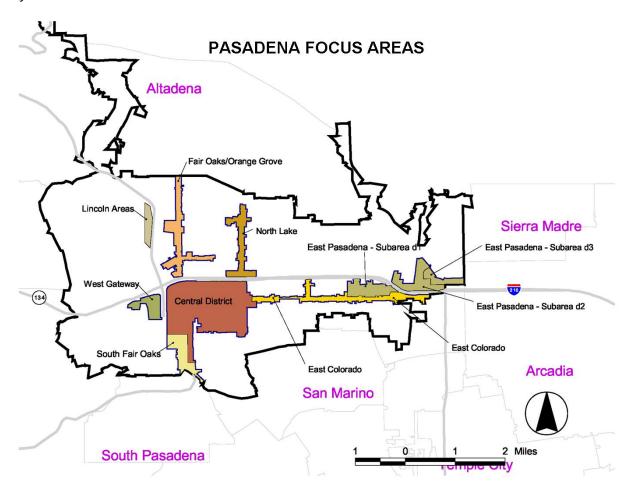
Source: Stanley R. Hoffman Associates, Inc. U.S. Census Bureau, Zip Code Business Patterns

2.4 Economic Analysis at the Sub-Area Level

The City Economy was further analyzed by sub-areas, as defined by City Staff and shown in Exhibit 2-29. There are a total of eight (8) focus areas: Central District Focus Area, East Colorado Focus Area, East Pasadena Focus Area, Fair Oaks/Orange Grove Focus Area, Lincoln Areas Focus Area, North Lake Focus Area, South Fair Oaks Focus Area and West Gateway Focus Area. The locations of these areas are shown in Exhibit 2-29; estimated employment distribution profiles are shown for each focus area in Exhibits 2-30 to 2-37.

Exhibit 2-29: Focus Areas Map

City of Pasadena



Source: Stanley R. Hoffman Associates, Inc.

Central District Focus Area.

- The Central District Focus Area is in the central core of the City, just south of the Interstate 210, as shown in Exhibit 2-29. It is also the largest of the eight defined focus areas.
- As shown in Exhibit 2-30, the total estimated jobs in this focus area is 53,789 jobs. The majority of the employment in this focus area is in the Finance and Insurance category (20.0 percent) and Professional, Scientific, and Technical Services category (14.5 percent).

East Colorado Focus Area.

- The East Colorado Focus Area is located east of the Central District Focus Area and runs along Colorado Boulevard to the eastern City boundary.
- As shown in Exhibit 2-31, the total estimated jobs in this focus area is 4,388 jobs. The majority of the employment in this focus area is in the Retail Trade sector (34.0 percent), Accommodation and Food Services (15.0 percent), and Other Services (10.2 percent).

East Pasadena Focus Area.

- The East Pasadena Focus Area is located in the eastern portion of the City, just north of the East Colorado Focus Area. It is also bisected by the Interstate 210 Freeway.
- As shown in Exhibit 2-32, the total estimated jobs in this focus area is 6,915 jobs of which the majority of the jobs are in the Retail Trade (18.9 percent), Professional, Scientific, and Technical Services (16.7 percent), and Finance and Insurance (12.9 percent) sectors.

Fair Oaks/Orange Grove Focus Area.

- The Fair Oaks/Orange Grove Focus Area is located north of the Central District Focus Area running north-south along Fair Oaks Ave. and running east-west along Orange Grove Blvd.
- As shown in Exhibit 2-33, the total estimated jobs in this focus area is 2,486 jobs. The largest distributions of the estimated jobs are in the Health Care and Social Assistance (32.5 percent), Retail Trade (17.1 percent), and Other Services (10.1 percent) sectors.

Lincoln Areas Focus Area.

- The Lincoln Areas Focus Area is located along the west side of the Interstate-210 in the northwestern portion of the City.
- As shown in Exhibit 2-34, there are 615 total estimated jobs in this focus area. Nearly half of the estimated jobs are in the Other Services (24.2 percent) or Professional, Scientific, and Technical Services category (22.6 percent), comprising about 46.8 percent of the total.

North Lake Focus Area.

- The North Lake Focus Area runs north-south along Lake Avenue above the 210 Freeway.
- As shown in Exhibit 2-35, there is an estimated 2,443 jobs in this focus area. The majority of jobs are in the Health Care and Social Assistance category (20.2 percent) followed by Administrative and Support Waste Mgmt. (15.3 percent) and Retail Trade (13.5 percent).

South Fair Oaks Focus Area.

- The South Fair Oaks Focus Area is located in the southern portion of the City, just south of the Central District Focus Area.
- As shown in Exhibit 2-36, an estimated 8,835 jobs are in this focus area. About 58.2 percent of the total jobs in this focus area are in the Health Care and Social Assistance category followed by jobs in the Administration, Support and Waste Mgmt. category (23.5 percent).

West Gateway Focus Area.

- The West Gateway Focus Area is located in the southwest corner of the Interstate 134 and Interstate 210 intersection.
- As shown in Exhibit 2-37, an estimated 1,949 jobs are in this focus area, mostly comprised of jobs in the Retail Trade category, estimated at 64.0 percent.

Exhibit 2-30: Central District Focus Area

Central District	
Central District	
Finance and Insurance	20.0%
Professional, Scientific, and Technical Services	14.5%
Accommodation and Food Services	12.7%
Retail Trade	9.9%
Health Care and Social Assistance	7.1%
Remainder	35.7%

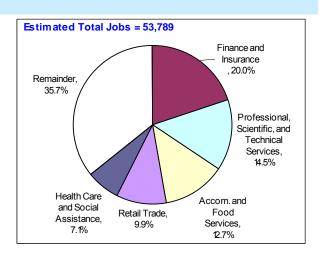


Exhibit 2-31: East Colorado Focus Area

4.0%
5.0%
0.2%
9.0%
8.1%
3.6%

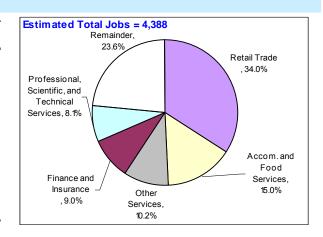


Exhibit 2-32: East Pasadena Focus Area

East Pasadena	
Retail Trade	18.9%
Professional, Scientific, and Technical Services	16.7%
Finance and Insurance	12.9%
Accommodation and Food Services	9.9%
Health Care and Social Assistance	8.2%
Remainder	33.5%

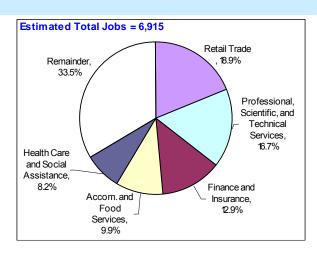


Exhibit 2-33: Fair Oaks/Orange Grove Focus Area

Fair Oaks / Orange Grove	
Health Care and Social Assistance	32.5%
Retail Trade	17.1%
Other Services	10.1%
Public Administration	9.7%
Construction	6.1%
Remainder	24.4%

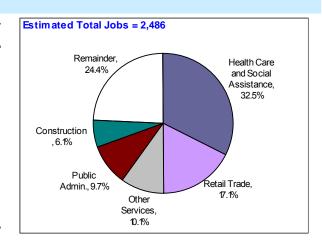


Exhibit 2-34: Lincoln Areas Focus Area

Lincoln Areas	
Other Services	24.2%
Professional, Scientific, and Technical Services	22.6%
Construction	15.8%
Administrative and Support and Waste Management	9.9%
Manufacturing	9.3%
Remainder	18.2%

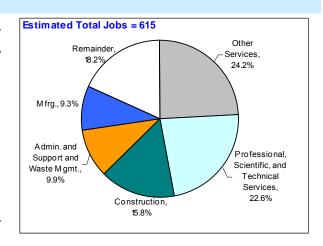


Exhibit 2-35: North Lake Focus Area

North Lake	
Health Care and Social Assistance	20.2%
Administrative and Support and Waste Management	15.3%
Retail Trade	13.5%
Other Services	13.2%
Accommodation and Food Services	12.5%
Remainder	25.3%

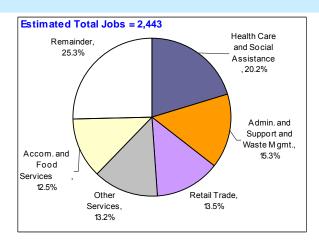


Exhibit 2-36: South Fair Oaks Focus Area

South Fair Oaks	
Health Care and Social Assistance	58.2%
Administrative and Support and Waste Management	23.5%
Educational Services	6.5%
Professional, Scientific, and Technical Services	4.8%
Finance and Insurance	1.5%
Remainder	5.5%

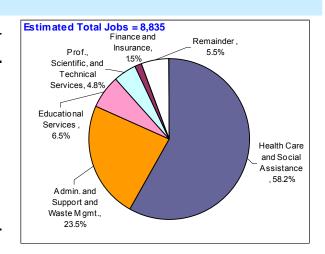
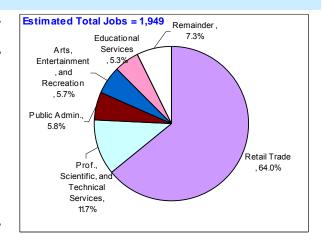


Exhibit 2-37: West Gateway Focus Area

West Gateway	
Retail Trade	64.0%
Professional, Scientific, and Technical Services	11.7%
Public Administration	5.8%
Arts, Entertainment, and Recreation	5.7%
Educational Services	5.3%
Remainder	7.3%



2.5 Distribution of Jobs across Focus Areas

Locational employment data for 2008 assembled from InfoUSA was further organized across focus areas by sector to help evaluate the relative absolute sectoral size and strengths of these areas. As shown in Exhibit 2-38, the Central District is estimated to have 53,789 jobs or about 45 percent of the total City employment of 117,260 jobs. The next largest focus area is South Fair Oaks with 8,835 jobs or 8 percent of the City total, followed by East Pasadena at 6,915 jobs or about 6 percent of the City total. Areas outside the focus areas are estimated to have 35,843 jobs or 30 percent of all jobs in the City.

As shown in Exhibit 2-38, Professional, Scientific and Technical jobs, Health Care and Social Assistance, Retail, and Accommodation and Food Services are the most prominent individual sectors in the City. Professional Scientific jobs in the City are located primarily in areas outside the focus areas (Caltech/JPL) and the Central District. Healthcare jobs are mostly located in South Fair Oaks, Central District and some areas outside the focus areas. Retail jobs in the City are most prominently shown for the Central District.

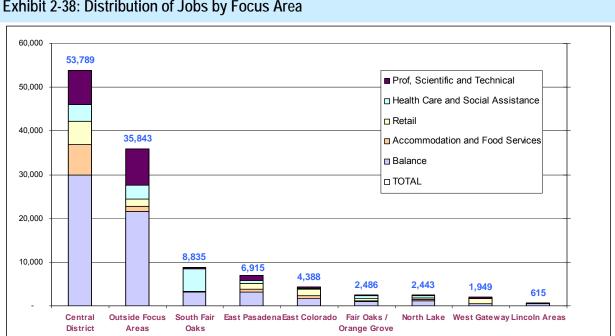


Exhibit 2-38: Distribution of Jobs by Focus Area

CHAPTER 3 EVALUATION OF THE CITY ECONOMY

Issues identified as priority for the City's economic development are evaluated in this Chapter using a Strengths-Weaknesses-Opportunities-Threats (SWOT) framework. This chapter presents a SWOT analysis for the City, in order to provide an overall picture of the City's strategic positioning, and SWOTs for issues pertaining to specific target industries within the City. The conclusions drawn from this process are eventually incorporated into the overall economic development strategy plan for the City.

Why is a SWOT analysis important? The SWOT analysis enables the City of Pasadena to adapt to changing economic conditions and competition from other cities. As cities are increasingly tied to state, national and even international cycles and trends, it becomes important to acknowledge and examine these linkages. The SWOT analysis provides a framework to understand the implications of these changes, in order to prepare an economic and financial plan that can respond to ongoing changes in a timely manner. This allows for the longer-term fiscal solvency of the community, in the context of implementation of an adopted City Economic and General Plan vision.

3.1 SWOT Methodology

The SWOT analysis presented in this chapter was conducted after reviewing information and inputs gathered and evaluated at various stages. An attempt was then made to synthesize the lessons drawn from these evaluations within the SWOT framework. The stages of information evaluation included the following:

- a. Historic Data Analysis: As presented in the preceding chapters of this report, the evaluation of the City's demographic, economic and market conditions were essential in creating the factual context for interpreting local inputs.
- b. Economic Development Staff and Stakeholder Interviews: Several meetings were organized with key City staff and stakeholders to understand their perceptions of the City's economic challenges and their day to day activities related to addressing these challenges.
- c. General Plan Update Coordination Process: The City is simultaneously also updating its Existing General Plan. Efforts were made to understand the implications of land use changes being proposed under this process for the City's economic development options. Efforts made in these regard included coordination with Planning and Economic Development staff,

business community representatives, stakeholders and interaction with the public through outreach workshops.

d. Review of Other Studies: Evaluations undertaken by other consultants for the City for specific purposes were helpful in augmenting the depth of the current study which deals with a wide range of issues.

Having gained popularity over the years in corporate evaluations, the SWOT approach is effective in generating overall organizational snapshots in terms of understanding internal strengths and weaknesses and external threats and opportunities. At the same time, it is also suggested that this way of understanding organizations is suitable for stable market contexts and great care needs to be taken in applying this approach to increasingly dynamic conditions (see for example, Hill and Westbrook, 1997). Besides, when applying the SWOT outside the corporate context to the specific case of evaluating a complex entity like the City, the internal and external distinctions may overlap. For example, opportunities and threats may not only be external (like constraints on development opportunities and inflexibility in land use planning and recycling of existing development to accommodate growth). Other general points to keep in mind when conducting a SWOT analysis, include prioritizing points of evaluation and to avoid generating 'laundry lists' of factors that have diminishing explanatory value.

3.2 Overall Assessment of the City

The City's strategic positioning is evaluated next using the SWOT framework. The main purpose of conducting this exercise is to generate a reasonably detailed snapshot of the City's overall ability to pursue favored developmental outcomes. Accordingly, the first step here is to list the major challenges identified through interview sessions conducted by Stanley R. Hoffman Associates, Inc. (SRHA) over the course of the study. The identification and prioritizing of these stated challenges helps generate issues to be analyzed using the SWOT methodology for specific segments of the City's economy.

Major Issues Identified.

Major development challenges confronting the City were identified in a series of interviews conducted by SRHA with City Staff over the course of the study. As shown in Exhibit 3-1, these challenges have been grouped under Economic Development Challenges and Land Use Development Challenges. Overall, in summarizing the listed issues, the City's main concern is

one of building upon existing competitive advantages relative to its surrounding region and to not be limited by entitlement and permitting inflexibilities to adapt to current and emerging opportunities. There is also an evolving understanding that the City has limited resources and that it would have to prioritize the targeting of these resources. For example, an often cited case-study is that of Caltech and JPL start-ups leaving the City due to their inability to find affordable space and land to expand operations within the City (See SCY, 2010). This is surely a lost opportunity for the City, which is challenged by its price and space limitations on the land-use supply side. A more detailed evaluation of this example is presented in the SWOT of Scientific-Research and Development-Manufacturing group in Section 3.3. Similarly, several other target industry groups and their associated problems have also been identified through the interview process, and evaluated, as shown in Section 3.3.

City SWOT Analysis

Prior to conducting detailed analyses of specific industry groups, an overall SWOT analysis for the City was conducted, as shown in Exhibit 3-2. This allows the reader to evaluate Pasadena in comparison to its surrounding region and other competitive locations in Southern California, in terms of economic specialization, locational connectivity, labor profile and household expenditures, housing affordability and land use development costs. Further, the City-level SWOT also indicates collaborations and initiatives that are not industry-specific, but could potentially benefit the overall economic system. For example, as shown in Exhibit 3-2, opportunities to establish workforce development programs between higher education and K-12 schools could benefit a variety of industries and help generate additional jobs within the City. Similarly, limited available land supply, including price, ownership patterns and parcel size, has impacts across all sectors of the economy. In summary, the following SWOT profiles have been prepared:

- Citywide
- Scientific-R&D-Manufacturing Group
- Professional Services Office
- Healthcare and Related Services
- Bio-Sciences/Biotech Group
- Regional-Destination Retail
- Hospitality and Cultural Group

Exhibit 3-1: Major Issues Identified

DEVELOPMENT CHALLENGES

Economic Development Challenges

- 1. What type of businesses should the City attract?
- 2. What type of resources should the City target at these businesses?
- 3. Be prepared for the 'next big idea'. (Example, green technology and advanced information technologies)
- 4. Start-ups leave the City for more affordable locations when confronted with the need to expand.
- 5. Future uncertainty on State programs including Redevelopment (RDA) and Enterprise Zones
- 6. Reuse of vacant auto dealerships to promote growth sectors

Land Use Development Challenges

- 1. Limited land supply and high land prices for new development
- 2. Attitude towards higher densities from new infill development
- 3. Lengthy 18 month entitlement process, with several design review boards
- 4. RDA needs income generating assets, while balancing competing interests
- 5. Historic buildings do not have adequate parking
- 6. Housing shortage in Downtown business districts
- 7. Office Parking Requirements around Transit Oriented Developments (TOD)

Exhibit 3-2: Overall Assessment of the City

<u>Strengths</u>	<u>Weaknesses</u>
Specialization in Professional-Scientific-Technical Activities	1. Lack of Building Space and Land Supply for Expansion of Operations
2. Prestigious Centers of Learning - Caltech and JPL	2. Time Taken to Set Up Business Operations
3. Ongoing Collaboration between City and Business-Tech Groups	3. Housing Affordability for Entry-level Workers
4. Historic City, Cultural Assets and Major Tourist Attractions	4. Diversity of Housing Options for Diverse Employment Base
5. Multi-modal Accessibility - Freeway and Public Transit Options	5. Non-uniform Geographical Distribution of Local Serving Uses
<u>Opportunities</u>	<u>Threats</u>
	Threats 1. Competing Visions Impede New Development in the City
Currently Vacant Auto-dealership Properties for Other Uses	
Currently Vacant Auto-dealership Properties for Other Uses Development Potential along Corridors	Competing Visions Impede New Development in the City
Opportunities 1. Currently Vacant Auto-dealership Properties for Other Uses 2. Development Potential along Corridors 3. Workforce initiatives between Higher Education and K-12 4. Expanding Healthcare Facilities Potential and for Support Facilities	Competing Visions Impede New Development in the City Alternative Regional Location Options for Start-ups

3.3 SWOT Analysis of Target Industry Groups

The preceding section presented the overall strategic positioning of the City relative to its regional competition. This section goes into further detail by analyzing the key group of industries within the City using the SWOT framework. These industries are viewed as having strong growth potential within the City. Each group of industries is assessed for its long term growth potential with the associated implications for strategic decision-making. The discussion below summarizes issues specific to each group:

Scientific-Research and Development-Manufacturing

As shown in Exhibit 3-3, the City is highly specialized in Scientific-R&D activities due to the location in Pasadena of institutes of international significance, namely Caltech and the Jet Propulsion Laboratory (JPL). According to SCY (2010), nearly 80 start-up companies had been launched by Caltech between 1996 and 2005, which grew to 90 by 2009. However, in 2005, only 20 of the still active 43 spinouts (48 percent) were still located within the Pasadena area. By 2009, just 13 of the 41 active spinouts (32 percent) were still located within Pasadena area. The City is facing the challenge of transitioning to the next phase of being a technology cluster, as start-ups seeking to expand activities are forced to relocate due to land price and quantity. The SWOT analysis presents an evaluation of this issue. It appears that the expansion of the technology sector in the City is currently comprised of firms that are smaller and incubator based as opposed to large production oriented establishments that require larger facilities.

Exhibit 3-3: Assessment of the Scientific-R&D-Manufacturing Group

<u>Strengths</u>	<u>Weakness</u>
Start-up and Spin-off Activity from Caltech/JPL	Land Price and Quantity Constraints on Expansion
2. Ongoing Technology Transfers from Caltech and JPL	Lack of Venture Capital Environment
3. Entretech Collaborative between City and Caltech	3. Inflexible Building Configurations for Multi-purpose Tech
4. Technology jobs create a pool of Skilled Labor	4. Technology Firms are scattered throughout the City
5. Diversity of Technology Industries in the City	5. Housing Affordability and Diversity
Onnartumities	Thursday
<u>Opportunities</u>	<u>Threats</u>
1. Continuing Spin-off Activity from Caltech/JPL	I nreats 1. Land Availabity and Affordability in Other Locations
Continuing Spin-off Activity from Caltech/JPL	Land Availabity and Affordability in Other Locations
Continuing Spin-off Activity from Caltech/JPL Institute a Workforce Development Initiative	Land Availabity and Affordability in Other Locations Labor Attrition due to High Cost of Housing/Living

Office Professional, Technical, Management and Financial Services

As shown in Exhibit 3-4, the Office market in Pasadena has historically been strong, driven by demand from a variety of professional services in the technical, scientific, legal, finance and insurance, and management fields. This demand is likely to stay strong over the long-term. According to information from the CoStar Group/CB Richard Ellis, as of February, 2011, Pasadena had about 4.60 million square feet of Class A buildings, and another 1.55 million square feet of Class B buildings for a total of about 6.20 million square feet. Though the office sector continues to hold an important place in the Pasadena economy, it faces several challenges over the short-term and medium-term. Existing building stock in the City is aging. According to the CoStar Group, of the estimated 55 buildings, a majority (55 percent) were constructed between 1970 and 1990, with only about 16 percent being constructed after the year 2000. To date, about 25 percent of the buildings have undergone renovation, compared to 37 percent within a 10-mile competitive ring from Pasadena. Additionally, it is estimated that the City is experiencing high rates of vacancy due to the recent economic recession. CoStar Group/CBRE indicate that as of February, 2011, vacancy rates in the City were estimated at 17 percent. According to the Los Angeles Economic Development Corporation (LAEDC), recovery of demand for office space will remain weak in the LA region over 2011-12. Over the short-term, the City faces the challenge of attracting office activities given its vacancies and relatively higher asking rents. At present, the annual average net asking rent in Pasadena is estimated at \$36 per square foot compared to \$23 per square foot in the 10-mile ring.

Exhibit 3-4: Assessment of Professional Services - Office

<u>Strengths</u>	<u>Weakness</u>
1. Pasadena is a Major Regional Business Hub	1. Slow Recovery over Short-term for Office Space Demand
2. City Strong in Community Services and Infrastructure	2. Older Office Building Stock due to Slower Construction
3. Diversity of Transportation Options	3. Housing Affordability and Diversity
4. Wide Range of Office Space Typology Available	4. Office-related Parking Requirements around Transit Sites
5. Quality of Life attracts Professionals	5. Lengthy Zoning and Permitting Process
	-
Opportunities	<u>Threats</u>
1. Strong Long-term Demand from Professional and Financial Firms	1. Competitive Leasing Market within 10 miles of City.
2. Large Vacant Auto Dealership Sites	2. Office Foreclosures Could Dampen Investor Confidence
Opportunity for Commercial Uses around Transit Nodes	Lengthy Zoning and Permitting Process

Health Care and Related Services

As shown in Exhibit 3-5, Pasadena is a regional hub for healthcare services, with the presence of the Huntington Hospital, Kaiser Permanente and several other smaller centers for specialized healthcare. The healthcare and social assistance sector generates demand for a wide variety of built-space typology, ranging from hospital buildings and integrated facilities to medical offices adapted to specialized medical needs. Additionally, social assistance has a public outreach component and may be associated with community centers and other public buildings. The demand for healthcare and social assistance services is likely to remain strong in Pasadena given future growth in households. The problems confronting this sector include the lack of land supply (price, quantity and ownership) to expand. The areas around the Huntington Hospital present an opportunity for further expansion, particularly as the hospital expands.

Exhibit 3-5: Assessment of the Healthcare and Related Services

<u>Strengths</u>	<u>Weaknesses</u>		
Pasadena is a Major Center for Health Care Services	High Price and Restricted Supply of Land along South Fair Oaks		
2. Emerging Center for Health Care Companies	2. Older Building Stock Due to Slower Refurbishing Activity		
3. Presence of Centers of Specialized Care	3. Inflexible Building Configurations for Multi-purpose Use		
Growing Market for Healthcare Services	4. Higher Valued Medical Office is Favored over Laboratory space		
<u>Opportunities</u>	<u>Threats</u>		
Land Owned by Hospital Could Anchor Health Care Corridor	1. Limited Space for Expansions and New Activity		
	Relatively Higher Land Prices Limits Medical Research Firms		
2. Branding/Marketing Opportunities for Pasadena Health Care			
2. Branding/Marketing Opportunities for Pasadena Health Care 3. Place Designation of a 'Health Care' District within Pasadena	3. Other Emerging Health Care Centers in the LA Region		

Bio-Sciences and Biotechnology

Often associated with the healthcare sector are activities related to research and development in Bio-Sciences, particularly laboratory based support activities for ongoing diagnosis and treatments. In this regard, there might be scope for smaller, laboratory based activities to grow alongside healthcare services. There could also be future growth opportunity for research and development activities at the intersection of various branches of engineering and biological sciences of the type needing smaller laboratory and incubator type spaces.

On the other hand, larger biotechnology operations are campus-based, which cater to a wide spectrum of research activities. In addition to labor and venture capital, the availability of large parcels and land prices play a crucial role in locational decisions of larger biotechnology operations. Pasadena has had previous experience in promoting a biotechnology corridor along Fair Oaks, which was relatively unsuccessful. According to City Staff, the emergence of a biotech industry in the City was hampered by the bursting of the 'Dot-Com' bubble, resulting in a drying up of venture capital funding. Circumstances today are similar, and the City is faced with challenges relating to land assembly and pricing, and venture capital funding for incubator-based start-ups and potentially larger operations.

Exhibit 3-6: Assessment of the Bio-Sciences/Biotech Group

<u>Strengths</u>	<u>Weaknesses</u>		
Internationally-known Centers of Learning and Research	High Land Price and Restricted Quantity along Fair Oaks		
Highly Educated Workforce	2. Lack of Venture Capital Environment		
Oak Crest Institute and Pasadena Bioscience Collaborative	3. Inflexible Building Configurations for Multi-purpose Tech		
Ongoing Support and Networking for Incubator Start-ups	4. Higher Valued Medical Office is Favored over R&D		
Ongoing City and Caltech Involvement with Entretech	5. Campus-style Biotech is Limited by Lack of Large Parcels		
Opportunities	Threats		
Opportunities Interaction between Healthcare and Bio-Sciences	Threats 1. Limited Space for Expansion of Existing Activity		
	Limited Space for Expansion of Existing Activity		
Interaction between Healthcare and Bio-Sciences			

Regional and Destination Retail

Pasadena has several options for recreational/destination retail including Paseo Colorado and Old Pasadena. Additionally, East Pasadena and South Lake Avenue provide additional local and regional shopping options. This is helped by a pedestrian-friendly environment, light-rail transit and the cultural venues located in these areas. The City has three active business improvement districts (BIDs) in the Old Pasadena, Playhouse District and the South Lake area. Each of these areas has a concentration of retail opportunities associated with other uses. While Old Pasadena and the Playhouse District have an arts-cultural component, South Lake also has a large component of local services and office uses. The City is currently witnessing a gradual recovery from the recent recession. The City has lost a few auto dealerships over the recent years and these vacant sites provide an opportunity for the City to pursue different growth options, including regional/destination retail, if auto sales do not recover. As with the other sectors of the economy, new development in the City is impeded by the ability to assemble large parcels at competitive prices. Over the long-run, the City is likely to remain attractive as a retail shopping destination, presenting an opportunity for promoting further mixed-use development and entertainment venues around the transit nodes. At the same time, the City faces competitive pressures from new retail developments at the Santa Anita Racetrack in Arcadia and expansion of the Americana in Glendale. Additionally, it is observed that some neighborhood areas in the north and northwestern parts of the City are currently underserved, and thus provide new growth opportunities for neighborhood oriented retail and services.

Exhibit 3-7: Assessment of Regional-Destination Retail

<u>Strengths</u>	<u>Weaknesses</u>
Regional Location and Freeway Accessibility	1. Low Wages Associated with Retail Jobs
2. Local Households Have Relatively Higher Income	2. Higher Traffic Impacts from Retail Use
3. Three Business Improvement Districts (BIDs)	3. Over-reliance on Retail Taxable Sales and Economic Cycles
4. Transit Access Encourages Destination Appeal	4. Many Retail and Service Workers cannot Afford living in the City
5. Transit Helps Low Income Workers Access Retail Jobs	5. Restricted Land Supply to Prioritize New Development
Opportunities	<u>Threats</u>
	Threats 1. Competitive Retail Locations including Glendale and Burbank
Opportunities I. East Pasadena and Vacant Auto Dealerships for New Retail 2. Revitalization of the Downtown Area and Streetcar System	
. East Pasadena and Vacant Auto Dealerships for New Retail	Competitive Retail Locations including Glendale and Burbank
East Pasadena and Vacant Auto Dealerships for New Retail	Competitive Retail Locations including Glendale and Burbank Slow Return of the Retail Market

Cultural and Hospitality Industries

Since the 1890s, Pasadena has been a national attraction for visitors and tourists to Southern California for such events as the annual Rose Parade and Rose Bowl and a favorable, year-round climate. The local citizenry has always been careful to preserve its long history starting with the early Bennett master plan which guided the early growth of the city to its rich architectural legacy today. From the early 1890s to about 1940, the historic Mount Lowe Incline Railroad that transported recreational visitors up to the Echo Mountain House, in the nearby San Gabriel Mountains, was a popular destination. In 1993, the remnants of the incline railroad and the hotel were placed on the National Register of Historic Sites. Today Pasadena continues to draw tourists and shoppers with the rebirth of Old Pasadena, the rejuvenated dining and shopping along South Lake Avenue, and the recent mixed-use retail/residential/office reconfiguration of Paseo Colorado. Additionally, business-oriented visitors are drawn by the expanded and modernized Pasadena Convention Center and the array of hotel and lodging facilities in the Central Business District. Further, entertainment venues such as the Pasadena Playhouse, the Pasadena Auditorium and the Ambassador Auditorium remain popular destinations. Over the long-term, with continuing growth in visitors expected, opportunities exist for new lodging and cultural/entertainment venues. However, the challenge is to find largely developed sites with older buildings that can be recycled or refurbished at the right price; also, redevelopment financing can facilitate infrastructure development, but may be limited by future State actions.

Exhibit 3-8: Assessment of the Hospitality and Cultural Group

<u>Strengths</u>	<u>Weaknesses</u>
Attractive Location and Strong Place Identify	1. Mix of Aging Hotels and Lodging Facilities
2. Known Worldwide for the Rose Parade and the Rose Bowl	2. Availability of Right-sized Parcels at the Right Price
Strong Professional, Financial and Office Related Employment	3. Only Infill Sites Remain and Length of Permit Processing Time
. Modernized and Expanded Convention Center	4. Limited and Aging Entertainment Venues
5. Quality Hotels, Motels and Restaurants	5. Limited Parking around Cultural Venues
<u>Opportunities</u>	<u>Threats</u>
Opportunities Expanding Professional, Technical and Medical Employment	Threats 1. Weak Economy and High Office Vacancy Rates
Expanding Professional, Technical and Medical Employment Potential Reuse Sites in Central Business District	Weak Economy and High Office Vacancy Rates
Expanding Professional, Technical and Medical Employment	Neak Economy and High Office Vacancy Rates Slow Office Space Absorption as Economy Recovers

CHAPTER 4 ECONOMIC GROWTH SCENARIOS

This chapter identifies a range of growth possibilities in Pasadena over the long-term. These projections are based on analyzing various drivers of economic growth, supply-side opportunities, and regional forecasts. Three projection scenarios, following discussion and inputs from City Staff, have been developed representing a range of development possibilities.

4.1 Developing Employment Growth Alternatives

A set of employment projections has been prepared for the City of Pasadena for the year 2035. The purpose of presenting these numbers is to provide an economic growth-based "Employment Growth Alternatives". These alternatives can also serve as a comparison to the current City General Plan update process, which utilizes land use modeling techniques to develop long-term development capacities under various policy assumptions. Based on employment data developed at the North American Industrial Classification System (NAICS) sector level, we have prepared three Employment Growth Alternatives varying by assumptions regarding the City's sectoral strengths and future economic growth cycles. A cross-walk between the NAICS employment sectors, the Employment Alternatives and the General Plan land use categories is shown in Appendix Exhibit B-5. The three Employment Growth Alternatives at buildout presented in this memo are as follows:

- Alternative 1 (SCAG RTP-based): This alternative makes use of the SCAG 2012 RTP preliminary long-range total employment forecasts for 2035 for the City. Jobs in various sectors are estimated for the year 2008 and projected considering historic growth rates for the City and the surrounding region, with the estimated total controlled to the SCAG 2035 forecast. In some cases, growth rates are averaged between those for Pasadena and the Sub-Regional Economy (San Gabriel Valley/Tri Cities).
- Alternative 2 (Historic Growth Trending): This alternative takes the base year annual 2008 sectoral employment distribution and allows it to increase to 2035 assuming the same historic growth rates by sectors as used in Alternative 1, but the total employment is not constrained to any control number.
- Alternative 3 (Economic Growth Cycles): This alternative attempts to capture the impact of economic growth cycles over the short-term, medium-term and long-term on employment growth in the City. The historic growth rates used above are adjusted to reflect slower growth rates until 2015, returning to historic growth rates through 2025 and then returning to moderate growth rates from 2025 to 2035, as shown in Appendix Exhibit B-6.

4.2 Drivers of Economic Growth in Pasadena

In developing the three economic growth alternatives, several drivers of growth were identified at the local and regional levels. The selection of these drivers was based on an understanding of Pasadena's specialization relative to the San Gabriel Valley and preceding analyses of the strengths and weaknesses of the City economy. How each of the drivers is assumed to grow varies by scenario. For example, the Economic Cycles scenario makes the assumption that the ability of the City to assemble land in the short-run is likely to be limited by the current slow recovery of the non-residential real estate market, resulting in lower developer interest. This corrects over the medium-term as market conditions improve, and eventually slowing gradually as the City is build-out.

<u>Science and Technology</u>: It is assumed that science and technology activities originating primarily from Caltech and JPL will continue to remain strong into the future. The City's ability to ease the supply-side constraints and pressures, in particular land use and housing constraints, varies by scenario.

<u>Professional</u>, <u>Technical</u>, <u>Services-Office</u>: The office-sector will also continue to grow, and as explained above, the slow recovery of real estate market conditions may determine the quantity and price of space available for future growth. Additionally, the City's zoning codes including parking requirements might result in restricted building configurations. The LAEDC February 2011 Economic Forecast suggests slow recovery in the office market until after the year 2012.

<u>Health-Care Services</u>: Pasadena will continue to benefit from continuing demand from the concentration of healthcare activities around Huntington Hospital. In general, growth prospects for this sector in the Los Angeles region are considered strong by the LAEDC.

Tourism, Hospitality and Retail Spending: Los Angeles witnessed a recovery in tourism activity growing from 23.8 million visitors in 2009 to 25.7 million visitors in 2010, based on information provided by the LAEDC. This growth trend is likely to remain strong over 2011-12, driven largely by bookings already made for large conventions and meetings in the LA region, especially at the LA Convention Center. Pasadena is well positioned to gain from this immediate regional increase in tourism activity. Over the long-run, it is assumed the City would add another 3 to 4 hotels or motels. In addition to benefiting from tourism-related expenditures, it is assumed that retail and recreation activities will remain strong within Pasadena over the projection period.

4.3 Projected Economic Growth Alternatives

Projected Employment Growth

As shown in Exhibit 4-1, the total employment by 2035 in the City is projected at 137,192 jobs for the SCAG-based Alternative, 170,305 jobs for the Historic Growth Trending Alternative, and 152,102 jobs for the Economic Growth Cycles Alternative. As shown in Exhibit 4-2, employment growth is projected at 19,932 jobs under the SCAG scenario, 53,045 jobs under the Historic Trending scenario and 34,842 jobs under the Economic Growth Cycles scenario.

As shown in Exhibit 4-3 and Appendix Exhibit B-7, the projected employment in the year 2035 for the three scenarios is grouped into major land use categories. The distribution of employment by land use categories as a percent of total employment is comparable for the three alternatives. As shown in Exhibit 4-3, Office-Professional jobs comprise about 42-43 percent of the total, followed by Healthcare and Social Assistance (13 percent), Accommodation and Food Services (11 percent), Retail (9-10 percent), Industrial (5 percent), Other Services (4-5 percent) and Arts and Entertainment (2 percent). Balance employment including Government, Education, 80 percent share of Construction, and Utilities form about 12-14 percent of total jobs in the City.

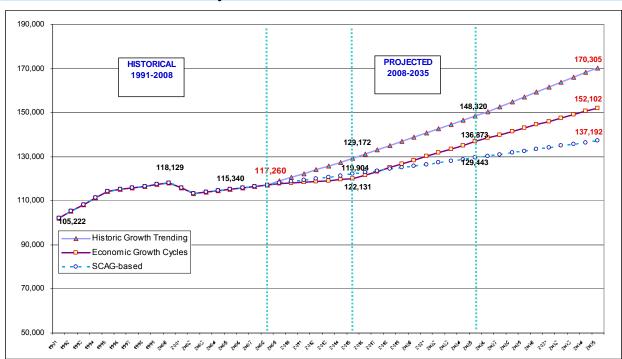


Exhibit 4-1: Alternative Growth Projections, 1991 to 2035

^{1.} Historical employment numbers were estimated from EDD statistics for 1991, 1995 and 2000, which were adjusted for self-employment using the methodology followed for the estimation of the base-year 2008 numbers explained in the employment estimation methodology in Appendix A.

Exhibit 4-2: Comparison of Employment Growth

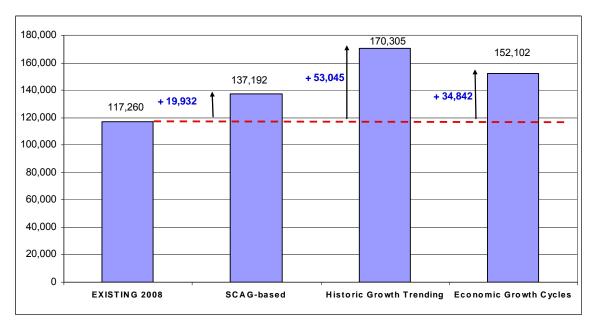
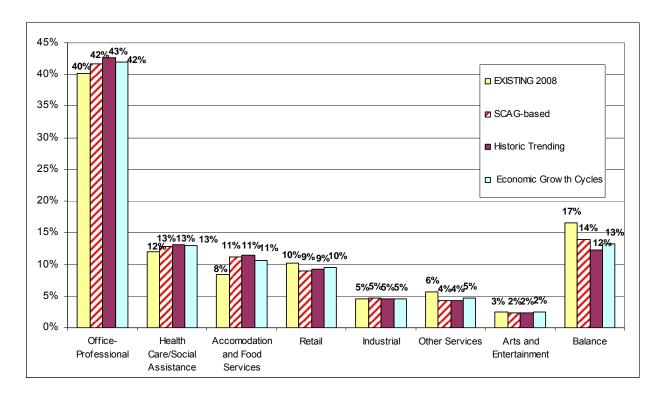


Exhibit 4-3: Comparison of Employment Distribution



<u>Distribution of Projected Square Feet</u>

As shown in Exhibit 4-4, employment at buildout for the three scenarios is then converted to equivalent square feet for different land uses. The factors used in converting employment to square feet are shown in Appendix Exhibit B-7. As shown in Exhibit 4-4, Office-Professional square feet range from 20.0 million square feet under the SCAG-based projections to 25.27 million square feet under the Historic Trending alternative. Retail square feet range from 5.2 million square feet (SCAG-based) to 7.9 million square feet (Historic Trending), while Industrial land use range from 5.6 million square feet (Economic Cycles) to 6.3 million square feet (Historic Trending). Health Care and Social Assistance job are projected to generate demand for 3.1 million square feet (Economic Cycles) to 5.2 million square feet (Historic Trending), while Accommodation and Food Services projected uses range from 3.2 million square feet (Economic Cycles) to 3.9 million square feet (Historic Trending). Arts and Entertainment uses range from 2.03 million square feet to 2.25 million square feet, while Other Services (which include personal services, religious organizations and other miscellaneous services) generate a demand for around 2.8 to 2.9 million square feet

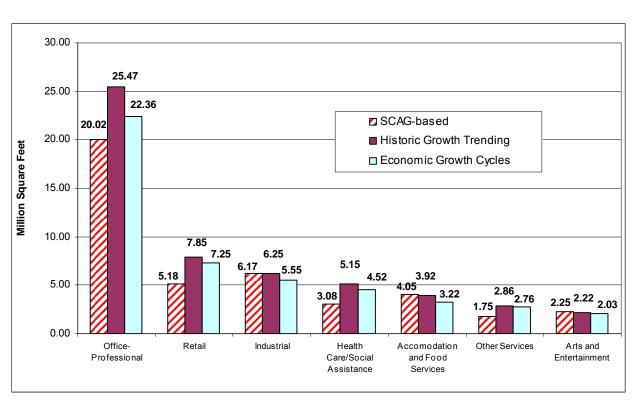


Exhibit 4-4: Comparison of Growth in Square Feet

CHAPTER 5 ECONOMIC DEVELOPMENT STRATEGY RECOMMENDATIONS

This chapter contains recommendations for the formulation of an Economic Development Strategic Plan. The strategy builds on the preceding discussions regarding historic trends and growth projections to identify development priorities for Pasadena. The chapter discusses the purpose of a Strategic Plan, identifies some key findings and conclusions from the background analysis, and outlines the main elements of the Strategic Plan for Pasadena.

5.1 What is a Strategic Plan?

The purpose of an Economic Development Strategic Plan for the City of Pasadena would be to set a clear vision for the future and to set goals, policies and recommended actions within the short-term and longer-term. The Strategic Plan focuses on the challenges faced by the City and provides recommendations to address those challenges. The strategic planning process broadly follows the steps outlined below:

- Who? Collaboration between policy makers, the business community and the general public to identify problems and challenges the City faces currently, and threats and opportunities with regards to future growth potential;
- What? States the identified problems and opportunities in a clear manner at the City-level and sector-specific level;
- Why? Presents a clear communication with its core audience as to why solving the challenges identified are important for the City's future existence;
- How? In finding solutions, the plan should present a clear and easy to understand road map for development to communicate with its core audience;
- Where? It is important to incorporate a sense of geography or place in order to anchor the roadmap for future development, as this would aid in working with specific communities within the City, while also helping focus interest and energy in priority areas.

In talking with City Staff and in evaluating the City's growth characteristics, Pasadena's core economic challenges and problems are stated as follows:

- Increase the Economic Competitiveness of Pasadena
- Boost and diversify Public Revenues
- Develop a Wide Array of Retail Opportunities
- Create Destination Retail/Entertainment Opportunities
- Diversify the City's Economic Base and Associated Jobs and Wages
- Support the Existing Businesses
- Stay Consistent with Current Branding Efforts to Promote a Strong Image for Pasadena
- Ongoing Monitoring of the City's Economy Through Key Economic Indicators

In these dramatically changing economic and fiscal times, particularly with shrinking revenues, a strategic plan is a tool for dealing with a dynamic future where decisions made today need to be reevaluated, monitored, and modified periodically as conditions change. The economic conditions that affect the City of Pasadena include a wide variety of factors such as land use, business development, job formation and investment. This strategy framework, therefore, considers an array of economic, demographic, social, and cultural conditions within the City of Pasadena, and goes further to examine the competitive municipal landscape of the San Gabriel Valley and Tri-City communities. A strategy framework should build upon existing local and regional networks and collaborations as noted in the case of Pasadena shown in Appendix C.

The Strategic Plan is a framework for short-term and longer-term decision-making. It also expresses a common vision and sets priorities. It establishes goals, policies and recommended actions. It is also a dynamic document that should be evaluated regularly against key performance measures with quarterly progress reports using indicators, as shown for example in Appendix D. Many of these variables are already being tracked in the City's Metrics Report.

It should be integrated into both the citywide budgeting process as well as coordinated with all city departments, particularly the planning, public works and redevelopment activities. A strategic plan is all the more important in times of economic crisis as it also involves targeting revenue improvement. This report recognizes the financial challenges that the City is facing and that some of the recommendations are longer term and require substantial investments.

Achieving Pasadena's economic goals requires a continuing and long-term commitment from the City leadership in balancing competing interests. Pasadena has had a history of making successful changes, and the City Council, Mayor and City management must continue to monitor economic trends and respond to changing economic conditions.

The current development of a long-term economic strategy underscores leadership's long-range perspective and an understanding of the fact that reaching fruition and transforming plans into reality takes time for the dreams to materialize, but that there is no better time to start than now.

5.2 Economic Development Framework for the Future

Following the review of the purpose of the Strategic Plan and after evaluating the current strategic positioning of the City, this section lays out the main priorities for the Pasadena Economic Strategic Plan framework over the short-term and long-term, as shown in Exhibits 5-1 and 5-2:

Exhibit 5-1: Short-term Phasing of Priorities and Action				
011 11/10 1				
Citywide/Regional	Adoption of economic vision and strategy			
	Coordinate economic strategies with General Plan			
	 Plan to align budgeting process with major public service and infrastructure needs 			
	Support programs that connect local workforce with potential employers in the City			
	 Maximize opportunities for locally-owned businesses to grow through business improvement districts (BIDs), outreach, and marketing support 			
	Establish and monitor both economic and financial indicators			
	Continue to coordinate with regional agencies like LAEDC, SCAG and San Gabriel Valley Economic Partnership			
Scientific-R&D/Manufacturing/ Technology Group	Identify incentives to retain start-up, incubator and R&D type firms			
	Continue to support Pasadena's Green programs through its environmental initiatives and work with local colleges to expand training in "Green" jobs			
	Coordinate with HMRI, Oak Crest and other local life science entities on opportunities for biological sciences in the City			
	Continue strong outreach programs to businesses and business leaders to identify economic issues and collaborate on solutions			
	Coordinate with Bioscience Collaborative on upgrading and expansion opportunities for incubator facilities			
Office, Technical, Management and Financial Services	Work to resolve appropriate parking standards especially around transit nodes			
	Encourage mix of office and residential uses around transit			
Healthcare	Work with Huntington hospital and Kaiser Permanente on expansion plans and growth opportunities for support technical services			
Regional Destination Retail	• In the light of immediate competition from neighboring communities, undertake a city-wide study to identify site-specific opportunities by different regional retail segments			
	• Analyze the interaction of urban design and mobility/ transportation choice on growth in destination retail opportunities			
Culture and Hospitality	Continue with current branding programs for the different cultural attractions in the City			
	Continue with efforts to upgrade infrastructure, including parking around cultural destinations that have older structures in the City			
Community Outreach	Continue outreach efforts including ongoing City economic programs and the coordination on economic issues with the General Plan update effort			

Exhibit 5-2: Long-term Phasing of F	Priorities and Action
Citywide/Regional	Over the long-term, continue to strengthen coalition of economic development entities within Pasadena, such as, the Chambers of Commerce, BIDs, Entretech, and the Convention and Visitors Bureau
	• Continue to collaborate with Caltech, Pasadena City College (PCC), Pasadena Unified School District (PUSD), and other local education and training institutions to maintain Pasadena's position in higher education and to expand the skills of the local labor force
	• Remain involved with regional economic agencies like the San Gabriel Valley Economic Partnership, LAEDC, and SCAG
	• Continue to monitor both economic and financial indicators and prioritize financial resources consistent with the overall economic framework and General Plan goals; compare with adjacent cities and regional economy
Scientific-R&D/Manufacturing/ Technology Group	 Continue to prioritize the retention of start-ups and help with expansion plans through innovative land supply, zoning and infill strategies
Office, Technical, Management and Financial Services	• Continue to encourage mixed-use development around TODs to improve the jobs-housing balance for a range of housing prices and rents compatible with the wages of the expanding job base
Healthcare	Encourage population serving medical offices and clinics to locate throughout the City, particularly where they can strengthen services provided at the neighborhood level
Regional Destination Retail	Continue to improve connectivity and shared parking solutions within and between the Central District and Other Retail Districts like East Pasadena
Culture and Hospitality	Build upon the City's ongoing lodging/hospitality study to expand the lodging and visitor serving facilities targeting locations in the Central District as well East Pasadena
Community Outreach and Marketing	 Continue strong outreach program, as part of the General Plan process, with public meetings and workshops to discuss all parts of the economic development strategy and to seek new ideas
	Continue to coordinate closely with other local and regional public and private agencies and organizations in expanding and diversifying the regional and sub-regional economy
	• Enhance the City's website to include information about the Economic Development Strategic Plan and accomplishments complete with graphics and video; make the website interactive so that residents and businesses can provide their comments
	Work to expand the opportunities for higher education and technology oriented colleges and training centers and expand their programs that outreach to K-12 schools

APPENDIX A EMPLOYMENT ANALYSIS

Employment Estimation Methodology

In preparing an employment estimate for the City of Pasadena for 2008, we have examined several data sources and reviewed their methodologies. As shown in Appendix Exhibit A-1, the Census Longitudinal Employer-Household Dynamics (LEHD) and the Census Center for Economic Studies both have an estimate of 100,947 employees. This estimate is also reported in the City Metrics Report, September 2010. It should be noted, as stated in the City's 2010 Metrics Report, that this estimate does not include self-employed, federal employees and a worker's second place of employment. This estimate was also compared with the MuniServices reported estimate of 98,704 that was prepared for the City's Economic Development Department (EDD). The MuniServices estimate was based on California Employment Development Department data obtained at the 4-digit level with their estimations of the suppressed data, and does not include any estimate for the self-employed.

We then compared these estimates with the current 2008 estimate of 117,274 for the City of Pasadena, as reported in their SCAG RTP 2012 preliminary data. SCAG does include an estimate for the self-employed, and an adjustment for underreporting in the EDD data. SCAG's methodology is to use the estimates of self-employed by industry category as reported in the 2000 U.S. Census at the Los Angeles County level. They also have factored in an under reporting estimate based on information from EDD. This estimate is similar to the estimate of 117,618 from the InfoUSA 2008 employment data base, which is a private vendor of employment data that SCAG contracts with for sub-area estimates. The next step is then to develop a 2008 employment by industry categories for Pasadena. The employment methodology consists of the following steps:

- Tabulation of U.S. Census Longitudinal Employee Household Dynamics employment estimate for Pasadena of 100,947 for 2008 by 2-digit NAICS industry categories
- Factor-in self-employment by 2-digit NAICS sectors at the Los Angeles County level, as developed by SCAG based on the 2000 U.S. Census; this step yielded an employment estimate of about 112,100
- Control to SCAG 2008 employment estimate of 117,274 for Pasadena by assuming that the difference is due to underreporting of EDD data; the estimate of underreporting amounts to about 4.4 percent when controlled to SCAG's estimate

- Estimates by industry categories were rounded to the nearest 10s, which resulted in a citywide estimate of 117,260
- As shown previously in Exhibit 2-7, employment for 2002 was estimated for Pasadena using the 2008 employment estimation methodology.
- Employment estimates were also assembled for the San Gabriel Valley region for comparison purposes, as also shown previously in Exhibit 2-7. Data for the region were based on EDD data obtained from MuniServices, LLC, as defined by zip codes, and adjusted for self-employment and under-reporting in the data, as described previously for Pasadena.

Exhibit A-1: Comparison of Jobs Estimated by Various Sources, City of Pasadena, 2008

	P	
	Data Source	Total Reported Jobs
A.	Census Programs	
	i. Center for Economic Studies ¹	100,947
	ii. Longitudinal Employer-Household Dynamics (LEHD) $^{\rm 1}$	100,947
B.	MuniServices Report ²	98,704
C.	SCAG RTP 2012 (Preliminary) ³	117,274
D.	InfoUSA 2008 ⁴	117,618

^{1.} Reports primary workers and does not include estimates for self-emplyoment. The primary source of this database are the individual state Emplyoment Development Departments (EDD).

California Employment Development Department (EDD)

Southern California Association of Governments (SCAG)

MuniServices.

InfoUSA 2008

^{2.} In discussion with MuniServices staff, these numbers are based on EDD data obtained at the 4-digit level with estimations for suppressed data, and do not include self-employment.

As reported in the SCAG RTP 2012 preliminary data, based on EDD data and includes estimates for self-employment and correction for under-reporting to the EDD.

^{4.} This dataset is based on firm-level information from InfoUSA, as provided to the consultant by SCAG after controlling for data quality and in geocoded form.

APPENDIX B SUPPORT TABLES

Exhibit B-1: List of Jurisdictions in the San Gabriel Valley/Tri-Cities Region

Alhambra

Altadena

Arcadia

Azusa

Baldwin Park

Bradbury

Burbank

Claremont

Commerce

Covina

Duarte

El Monte

Glendale

Glendora

Industry Irwindale

La Canada Flintridge

La Crescenta

La Verne

Monrovia

Montebello

Monterey Park

Montrose

Pico Rivera

Pomona

Rosemead

San Gabriel

San Marino

Sierra Madre

South El Monte

South Pasadena South San Gabriel

Sparr Heights

Temple City

Universal City

Verdugo City

Walnut

West Covina

Whittier

East Pasadena

Citrus

East Los Angeles

Charter Oak

Avocado Heights

Hacienda Heights

Vincent

West Whittier-Los Nietos

South San Gabriel

East San Gabriel

Rowland Heights

Valinda

Source: MuniServices, LLC

Exhibit B-2: Comparison of Revised Demographic Data Estimates, 2000 to 2010

Category	U.S. (Census Burea	au	California D	epartment of	ment of Finance	
Category	2000	2005	2010	2000	2005	2010	
Population	133,936	142,013	137,122	133,936	145,149	151,576	
Housing Units	54,132	58,798	59,551	54,132	56,255	58,590	
Households	51,827	54,667	55,270	51,844	53,877	56,114	
Vacancy	2,287	4,131	4,281	2,290	2,380	2,478	
Percent Vacant	4.2%	7.0%	7.2%	4.2%	4.2%	4.2%	

Exhibit B-3: Total Taxable Retail Sales, Pasadena, Tri-Cities, and Los Angeles County, 2009

	Pasad	asadena Arcadia Burbank Glendale		ale	TRI-CITIES TOTAL		LOS ANGELES COUNTY					
	Taxable Sales	% of Total	Taxable Sales	% of Total	Taxable Sales	% of Total	Taxable Sales	% of Total	Taxable Sales	% of Total	Taxable Sales	% of Total
RETAIL SALES (in thousands)												
Motor Vehicle and Parts Dealers	\$302,405	14.0%	n/a	n/a	\$124,195	6.7%	\$439,053	23.4%	\$563,249	12.8%	\$10,801,444	13.8%
Home Furnishings and Appliance Stores	\$191,934	8.9%	\$8,895	1.3%	\$368,152	19.8%	\$64,600	3.4%	\$441,647	10.0%	\$2,058,460	2.6%
Bldg. Matrl. and Garden Equip. and Supplies	\$75,550	3.5%	\$7,757	1.2%	\$148,247	8.0%	\$91,495	4.9%	\$247,499	5.6%	\$5,754,600	7.3%
Food and Beverage Stores	\$140,113	6.5%	\$36,403	5.5%	\$96,407	5.2%	\$126,966	6.8%	\$259,777	5.9%	\$5,410,953	6.9%
Gasoline Stations	\$116,791	5.4%	\$59,844	9.0%	\$127,686	6.9%	\$143,029	7.6%	\$330,559	7.5%	\$9,629,797	
Clothing and Clothing Accessories Stores	\$195,029	9.1%	\$184,075	27.6%	\$93,052	5.0%	\$358,123	19.1%	\$635,249	14.4%	\$7,145,713	9.1%
General Merchandise Stores	\$217,439	10.1%	\$83,935	12.6%	\$305,459	16.4%	\$202,732		\$592,126	13.5%	\$12,794,141	16.3%
Food Services and Drinking Places	\$368,616	17.1%	\$126,004	18.9%	\$288,000	15.5%	\$260,314	13.9%	\$674,318	15.3%	\$13,876,812	17.7%
Other Retail Group	<u>\$545,305</u>	<u>25.3%</u>	<u>\$158,981</u>	23.9%	<u>\$308,534</u>	<u>16.6%</u>	<u>\$186,990</u>	10.0%	<u>\$654,505</u>	14.9%	<u>\$10,972,195</u>	14.0%
TOTAL RETAIL SALES (in thousands)	\$2,153,181	100.0%	\$665,894	100.0%	\$1,859,733	100.0%	\$1,873,301	100.0%	\$4,398,929	100.0%	\$78,444,115	100.0%
Total GAFO ² (in thousands)	\$1,149,706	53.4%	\$435,886	65.5%	\$1,075,197	57.8%	\$812,444	43.4%	\$2,323,527	52.8%	\$32,970,508	42.0%
POPULATION	150,185		56,547		108,082		207,303		371,932		10,393,185	
PER CAPITA												
Motor Vehicle and Parts Dealers	\$2.014	14.0%	n/a	n/a	\$1,149	6.7%	\$2,118	23.4%	\$1.514	12.8%	\$1.039	13.8%
Home Furnishings and Appliance Stores	\$1,278	8.9%	\$157	1.3%	\$3,406		\$312	3.4%	\$1,187	10.0%	\$198	2.6%
Bldg. Matrl. and Garden Equip. and Supplies	\$503	3.5%	\$137	1.2%	\$1,372	8.0%	\$441	4.9%	\$665	5.6%	\$554	7.3%
Food and Beverage Stores	\$933	6.5%	\$644	5.5%	\$892	5.2%	\$612	6.8%	\$698	5.9%	\$521	6.9%
Gasoline Stations	\$778	5.4%	\$1,058	9.0%	\$1,181	6.9%	\$690	7.6%	\$889	7.5%	\$927	12.3%
Clothing and Clothing Accessories Stores	\$1,299	9.1%	\$3,255	27.6%	\$861	5.0%	\$1,728	19.1%	\$1,708	14.4%	\$688	9.1%
General Merchandise Stores	\$1,448	10.1%	\$1,484	12.6%	\$2,826	16.4%	\$978	10.8%	\$1,592	13.5%	\$1,231	16.3%
Food Services and Drinking Places	\$2,454	17.1%	\$2,228	18.9%	\$2,665	15.5%	\$1,256	13.9%	\$1,813	15.3%	\$1,335	17.7%
Other Retail Group	<u>\$3,631</u>	25.3%	\$2,811	23.9%	<u>\$2,855</u>	16.6%	<u>\$902</u>	10.0%	\$1,760	14.9%	<u>\$1,056</u>	14.0%
TOTAL RETAIL SALES PER CAPITA	\$14,337	100.0%	\$11,776	100.0%	\$17,207	100.0%	\$9,037	100.0%	\$11,827	100.0%	\$7,548	100.0%
Total GAFO ² Per Capita	\$7,655	53.4%	\$7,708	65.5%	\$9,948	57.8%	\$3,919	43.4%	\$6,247	52.8%	\$3,172	42.0%
PER CAPITA INDEXED TO TRI-CITIES TOTAL	ļ											
Total Retail Sales	1.21		1.00		1.45		0.76		1.00		0.64	
Total GAFO ²	1.23		1.23		1.59		0.63		1.00		0.51	
PER CAPITA INDEXED TO COUNTY												
Total Retail Sales	1.90		1.56		2.28		1.20		1.57		1.00	
Total GAFO ²					-							
I OTAL GAFO	2.41		2.43		3.14		1.24		1.97		1.00	

^{1.} Tri-Cities Total includes the cities of Arcadia, Burbank and Glendale

Source: Stanley R. Hoffman Associates, Inc.

. Galifornia State Board of Equalization (SBOE), Taxable Sales in California, 2009.
California Department of Finance (DOF), City/County Population and Housing Estimates 2009.

U.S. Census Bureau, Decennial Census 2000 and 2010.

U.S. Census Bureau, American Community Survey, 2005-2009. Calfornia Department of Finance (DOF), 2000, 2005 and 2010.

^{2.} GAFO includes General Merchandise Stores, Apparel Stores, Home Furnishings and Appliances, and Other Retail Stores.

Exhibit B-4: Percent Distribution and Location Quotients of Employment, 2002 and 2008

City of Pasadena and San Gabriel Valley

	PASADENA 1		ECONOMIC REGION 2	
	2002	2008	2002	2008
PERCENT DISTRIBUTION				
Agriculture, Forestry, Fishing and Hunting	0.05%	0.03%	0.45%	0.249
Mining, Quarrying, and Oil and Gas Extraction	0.00%	0.00%	0.06%	0.049
Jtilities	0.54%	0.45%	0.61%	0.709
Construction	3.61%	3.09%	4.30%	4.37
Manufacturing	1.69%	1.33%	12.03%	8.53
Wholesale Trade	1.87%	2.11%	4.78%	4.85
Retail Trade	9.53%	10.16%	10.75%	10.719
Transportation and Warehousing	0.35%	0.45%	2.02%	1.98
nformation	4.58%	2.06%	9.29%	11.27
Finance and Insurance	10.70%	11.38%	4.47%	4.12
Real Estate and Rental and Leasing	1.23%	1.34%	1.85%	1.97
Professional, Scientific, and Technical Services	15.93%	15.91%	5.48%	5.38
Management of Companies and Enterprises	2.35%	2.71%	1.92%	1.15
Administration & Support, Waste Management and Remediation	6.91%	6.77%	6.84%	6.84
Educational Services	12.53%	11.92%	3.06%	2.29
Health Care and Social Assistance	12.17%	12.04%	10.54%	11.15
Arts. Entertainment, and Recreation	1.55%	2.53%	2.16%	2.04
Accommodation and Food Services	6.67%	8.42%	6.88%	7.07
Other Services (excluding Public Administration)	6.29%	5.64%	4.13%	7.84
Public Administration	1.45%	1.65%	8.38%	7.46
TOTAL	100.00%	100.00%	100.00%	100.00
LOCATION QUOTIENTS COMPARED TO THE ECONOMIC REGION 3				
Agriculture, Forestry, Fishing and Hunting	0.12	0.14	1.00	1.0
Mining, Quarrying, and Oil and Gas Extraction	0.00	0.00	1.00	1.0
Jtilities	0.88	0.64	1.00	1.0
Construction	0.84	0.71	1.00	1.0
Manufacturing	0.14	0.16	1.00	1.0
Wholesale Trade	0.39	0.44	1.00	1.0
Retail Trade	0.89	0.95	1.00	1.0
Fransportation and Warehousing	0.17	0.23	1.00	1.0
nformation	0.49	0.18	1.00	1.0
Finance and Insurance	2.39	2.76	1.00	1.0
Real Estate and Rental and Leasing	0.66	0.68	1.00	1.0
teal Estate and itental and Ecasing	2.91	2.96	1.00	1.0
_	2.01		4.00	1.0
Professional, Scientific, and Technical Services	1.22	2.35	1.00	1.1
Professional, Scientific, and Technical Services Management of Companies and Enterprises		2.35 0.99	1.00 1.00	
Professional, Scientific, and Technical Services Management of Companies and Enterprises Administration & Support, Waste Management and Remediation Educational Services	1.22			1.0
Professional, Scientific, and Technical Services Management of Companies and Enterprises Administration & Support, Waste Management and Remediation	1.22 1.01	0.99	1.00	1.0 1.0
Professional, Scientific, and Technical Services Management of Companies and Enterprises Administration & Support, Waste Management and Remediation Educational Services	1.22 1.01 4.09	0.99 5.22	1.00 1.00	1.0 1.0 1.0 1.0
Professional, Scientific, and Technical Services Management of Companies and Enterprises Administration & Support, Waste Management and Remediation Educational Services Health Care and Social Assistance	1.22 1.01 4.09 1.15	0.99 5.22 1.08	1.00 1.00 1.00	1.0 1.0 1.0 1.0
Professional, Scientific, and Technical Services Management of Companies and Enterprises Administration & Support, Waste Management and Remediation Educational Services Health Care and Social Assistance Arts, Entertainment, and Recreation	1.22 1.01 4.09 1.15 0.72	0.99 5.22 1.08 1.24	1.00 1.00 1.00 1.00	1.0 1.0 1.0

^{1.} Employment data for Pasadena is obtained from the Census Longitudinal Employer-Household Dynamics (LEHD), which collects data from the state-run ES-202 unemployment insurance programs. The obtained LEHD numbers are for primary workers and are adjusted to include estimated self-employment by sectors and data under-reporting, as also reflected in SCAG's employment estimation methodolgy for RTP process.

Source: Stanley R. Hoffman Associates, Inc.

Census Longitudinal Employer-Household Dynamics (LEHD)

Southern California Association of Governments (SCAG), Regional Transportation Plan (RTP) 2012.

Employment data for the Economic Region is obtained from the California Employment Development Department, as provided to the consultants by MuniServices at the 3-digit level. These numbers have been adjusted, following the SCAG RTP methodology, to include estimated self-employment and data under-reporting.

^{3.} Sectors with location quotients greater than 1.00 relative to the ECONOMIC REGION in 2008 are highlighted.

Exhibit B-5: Crosswalk between Employment and Land Use Categories, 2035

NAICS ¹ Categories	Employment Growth Alternatives	General Plan Land Use Modeling
Professional, Scientific, and Technical Services Management of Companies and Enterprises Finance and Insurance Admin & Support, Waste Mgmt and Remediation Information	Office-Professional Office-Professional Office-Professional Office-Professional Office-Professional	Office Office Office Office Office
Manufacturing Transportation and Warehousing Wholesale Trade Construction (20 percent Share)	Industrial Industrial Industrial Industrial	Industrial Industrial Industrial Industrial
Retail	Retail	Retail Auto
Accomodation and Food Services	Accomodation and Food Services	Restaurants Lodging
Health Care/Social Assistance	Health Care/Social Assistance	Hospital Medical Offices
Arts and Entertainment	Arts and Entertainment	Cultural Entertainment
Other Services	Other Services	Personal Services Religious Services
Public Administration	Public Administration	Government Safety
Educational Services	Educational Services	Not Modeled
Remainder Construction (80 percent Share) Utilities Mining Agriculture	Balance Balance Balance Balance	Not Modeled Not Modeled Not Modeled Not Modeled

^{1.} North American Industrial Classification System (NAICS)

Exhibit B-6: Comparison of Employment Growth Projections, 2035

		Historic Growth	Economic
	SCAG-based	Trending	Growth Cycles
Office-Professional	57,210	72,784	63,876
Health Care/Social Assistance	17,614	22,409	19,636
Accomodation and Food Services	15,406	19,600	16,113
Retail	12,344	15,704	14,508
Industrial	6,473	7,809	6,932
Other Services	5,835	7,423	7,180
Arts and Entertainment	3,173	4,036	3,697
Balance Employment	<u>19,137</u>	<u>20,540</u>	20,160
TOTAL	137,192	170,305	152,102
Office-Professional	41.7%	42.7%	42.0%
Health Care/Social Assistance	12.8%	13.2%	12.9%
Accomodation and Food Services	11.2%	11.5%	10.6%
Retail	9.0%	9.2%	9.5%
Industrial	4.7%	4.6%	4.6%
Other Services	4.3%	4.4%	4.7%
Arts and Entertainment	2.3%	2.4%	2.4%
Balance Employment	<u>13.9%</u>	<u>12.1%</u>	<u>13.3%</u>
TOTAL	100.0%	100.0%	100.0%

Exhibit B-7: Comparison of Total Projected Land Use, 2035

			Historic Growth	Economic
	2008	SCAG-based	Trending	Growth Cycles
PROJECTED EMPLOYEES				_
Office-Professional	47,110	57,210	72,784	63,876
Industrial	5,294	17,614	22,409	19,636
Retail	11,910	15,406	19,600	16,113
Accomodation and Food Services	9,870	12,344	15,704	14,508
Health Care/Social Assistance	14,120	6,473	7,809	6,932
Arts and Entertainment	2,970	5,835	7,423	7,180
Other Services	6,610	3,173	4,036	3,697
Balance Employment	<u>19,376</u>	19,137	20,540	20,160
TOTAL	117,260	137,192	170,305	152,102
SQUARE FEET PER EMPLOYEE 1				
Office-Professional	299	350	350	350
Industrial	863	800	800	
Retail	676	500	500	500
Accomodation and Food Services	198	200	200	200
Health Care/Social Assistance	239	230	230	230
Arts and Entertainment	548	550	550	550
Other Services	558	385	385	385
SQUARE FEET				
Office-Professional	14,095,252	20,023,500	25,474,400	22,356,653
Industrial	4,568,554	5,178,080	6,247,360	
Retail	8,052,164	6,172,000	7,852,000	
Accomodation and Food Services	1,952,974	3,081,200	3,920,000	
Health Care/Social Assistance	3,376,844	4,051,220	5,154,070	
Arts and Entertainment	1,626,300	1,745,150	2,219,800	
Other Services	3,685,823	2,246,475	2,857,855	
Sub-total ²	37,357,911	42,497,625	53,725,485	47,692,412

These factors are estimated order of magnitude market rates for broad land use groupings, which may or may not be comparable to the specific land use categories used for the General Plan update process and the Community Viz process.

^{2.} The projected land use square feet sub-total does not include acres associated with education, government, transient construction, utilities and primary resource activities.

APPENDIX C ECONOMIC ORGANIZATIONS – PASADENA COLLABORATIONS

California Institute of Technology (Caltech). Caltech is a private research university established in 1891 that emphasizes expanding human knowledge and benefiting society through research integrated with education. Caltech currently has 22,433 undergraduate and graduate students and about 8,800 employees including the Jet Propulsion Laboratory (JPL). The school is located at 1200 East California Boulevard in the City of Pasadena. (http://www.caltech.edu/)

Entretech. Entretech is a non-profit organization founded in 2000 through a partnership between the City of Pasadena and the California Institute of Technology to grow the high-tech industry along the SR-134 and I-210 corridor. Entretech's mission is to help establish and develop high-tech businesses in the Pasadena area. The Board of Directors includes members from the academic, business and law community. Entretech is located at 60 North San Gabriel Boulevard in the City of Pasadena. (http://www.entretech.org/)

Jet Propulsion Laboratory (JPL). JPL is a federally funded research and development center and NASA field center located in the City of Pasadena. JPL is managed by Caltech for the National Aeronautics and space Administration. Formally established in 1943, JPL found its beginnings when Caltech graduate students conducted various rocket experiments for a student's graduate thesis. JPL is operated under contract by Caltech. JPL is located at 4800 Oak Grove Drive in the City of Pasadena. (http://www.jpl.nasa.gov/index.cfm)

Los Angeles County Economic Development Corporation (LAEDC). LAEDC was founded in 1981, by the Los Angeles County Board of Supervisors to implement LA County's economic development program through land development, project financing and marketing activities. Its mission is to attract, retain and grow businesses and jobs for the regions of LA County. Economic expertise is provided by the Kyser Center for Economic Research and consulting practice provided by key business decision-makers, media and government. LAEDC is located at 444 South Flower Street, 34th Floor in the City of Los Angeles. (http://www.laedc.org/)

Pasadena Bioscience Collaborative (PBC). PBC is a non-profit organization founded in 2004 to support the growing biotechnology industry in the San Gabriel Valley. It promotes and supports new company formations by providing low-cost, high quality WetLab space and access to shared-used equipment to early start-ups. Currently, PBC has two facilities with over 9,500 square feet of WetLab space. The Board of Directors includes members from the local government, business, academic, medical and law community. The two WetLab facilities are located at 2265 East Foothill Boulevard and 133 North Altadena Drive in the City of Pasadena. (http://www.pasadenabiosci.com/)

Pasadena Business Improvement Districts (BID). A business improvement districts (BID) is a unique funding tool which allows business district property owners to pool their financial resources by assessing themselves to pay for certain district-wide activities and improvements. The City currently has three (3) business improvement districts:

• The Old Pasadena Business Improvement District was formed in 2000 and is managed by the Old Pasadena Management District (OPMD), a non-profit business organization. The OPMD is led and managed by merchants, tenants, property owners, residents and city

management. All operations are financed through annual tax assessments on privately owned commercial property. The boundaries of this BID are Pasadena Avenue to the west, Arroyo Parkway to the east, Del Mar Boulevard to the south and Walnut Street to the north. (http://www.oldpasadena.org/)

- The Playhouse District was formed 10 years ago by the Playhouse District Association (PDA), a non-profit organization to promote the economic vitality of the Playhouse District as Pasadena's center for culture, commerce and community. The Playhouse District is a property based business improvement district that is funded by a benefit assessment of approximately 500 parcels of real property based on street frontage, land area and building area. The District is bounded by Walnut/Locust on the north, Mentor/Catalina/Hudson on the east, Colorado/Green/El Dorado on the south, and Los Robles Avenue on the west. (http://www.playhousedistrict.org/)
- The South Lake Business Improvement District was formed in 1988 by the South Lake Business Association (SLBA), a non-profit organization dedicated to providing and managing supplemental services and improvements for the businesses in the South Lake BID. The South Lake BID is a property based BID funded through assessments paid by property owners. The SLBA manages and disburses BID funds and is governed by a Board of Directors selected from among District members. The South Lake Avenue Business District is bound by Colorado Boulevard on the north, Mentor Avenue on the east, an east-west line approximately 260 feet south of California Boulevard on the south, and Hudson Avenue on the west. (http://www.southlakeavenue.org/)

Pasadena Chamber of Commerce. The Pasadena Chamber of Commerce was formed in 1888 as the Board of Trade, conceived to promote a positive business climate in the City. Today, the Pasadena Chamber of Commerce is a professional business support and advocacy organization whose primary purpose is to support the prosperity of its members and enhance the business climate and the quality of life in the City. There are 24 Board of Directors and four immediate past Chairs of the Board that focus on business development, member services, workforce development, and legislative and government affairs. The Pasadena Chamber of Commerce is located at 844 East Green Street, Suite 208 in the City of Pasadena. (http://www.pasadena-chamber.org/)

Pasadena Convention and Visitors Bureau. The Pasadena Convention and Visitors Bureau is an organization that promotes travel to the City of Pasadena. The organization provides information on events, entertainment venues, restaurants, and hotel accommodations to facilitate the visitor experience in the City. The Bureau is located at 300 east Green Street in the City of Pasadena. (http://www.visitpasadena.com/index.php)

Pasadena Enterprise Center (PEC). The Pasadena Enterprise Center was founded in 1987 as a private, non-profit corporation to encourage and facilitate the development of new and existing businesses, fostering local economic development and job creation through its *Business Incubator Program*. The program allows participants to operate in an environment where small businesses can share experiences and conduct business with one another, thereby reducing the risks involved in business start-up. The Pasadena Enterprise Center facility is located in a 15,000 square foot facility at 1015 North Lake Avenue in the City of Pasadena. (http://www.pasadenaenterprise.org/)

Pasadena Enterprise Zone. The Pasadena Enterprise Zone Program is a State of California Economic Development designation that stimulates business and industrial growth in depressed areas of the State by relaxing regulatory controls that impede private investment through tax incentives offered at the State level. The City was first awarded an Enterprise Zone in 1992, then again 15 years later in 2007. The new Enterprise Zone covers about 90 percent of the commercially and industrially zoned properties in the City. Both the State and local benefits apply during the life of the Pasadena Enterprise Zone from April, 2007 to April, 2022. (http://www2.cityofpasadena.net/planninganddevelopment/ezone/EnterpriseZone.asp)

San Gabriel Valley Economic Partnership. The San Gabriel Valley Economic Partnership is a non-profit corporation representing both public and private sectors. Its mission is to foster the success of business to enrich the quality of life in the greater San Gabriel Valley which includes 31 cities, including Pasadena, 5 unincorporated communities, chambers of commerce, academic institutions, and businesses and residents. The Board of Directors is comprised of key representatives from cities, colleges and universities, and businesses who have an investment in the economic stability of the region as a whole. The San Gabriel Valley Economic Partnership is located at 4900 Rivergrade Road, Suite B130 in the City of Irwindale. (http://www.valleynet.org/index.aspx)

APPENDIX D KEY ECONOMIC INDICATORS

Exhibit D-1: Key Economic Indicators

A. Socio-economic Characteristics

1. Demographics

Population

Household Population

Households

Persons per Household

2. Housing Characteristics

Types of Units

Occupancy and Vacancy

3. Labor Force Characteristics

Labor Force by Industry Sector

Labor Force by Occupation

Educational Attainment

Commute Statistics

Daytime Population

4. Household Income

Average

Median

B. Economic Conditions

1. Employment Distribution and Growth

Total Jobs

Jobs by Industry Sector

Average Wage by Industry Sector

2. Jobs per Household

3. Firm Characteristics

Average Size

Distribution by Employment Size

Average Sales per Establishment at Sector Level

4. Geographic Distribution and Growth of Jobs by City Sub-areas

C. Market Conditions

1. Sales Tax

Retail Market

Non-Retail Business to Business

2. Property Tax

3. Commercial Property

Rate of Absorption (Sq.ft.)

Vacancy Rates

Lease Rates

New Project Square Footage

APPENDIX E PROJECT CONTACTS AND REFERENCES

CITY OF PASADENA

Office of the City Manager Steve Mermell, Assistant City Manager (626) 744-4222

Economic Development Division

Eric Duyshart, Economic Development Manager Ruth Martinez, Project Manager Robert Montano, Business District Coordinator Melissa Alva, Enterprise Zone Michelle Bernal, Special Events Coordinator Aerial Penn, Filming Division (626) 744-4660

Planning Department

Stephanie DeWolfe, Deputy Director Jason Mikaelian, General Plan Manager Ursula Schmidt, Green Team (626) 744-6807

Pasadena Play House District Association

Erlinda L. Romo, Executive Director (626) 744-0340

Cultural Affairs Division

Rochelle Branch, Manager (626) 744-6777

Pasadena Convention and Visitors' Bureau

Michael Ross, CEO (626) 795-9311

Pasadena Chamber of Commerce

Paul Little, President, CEO (626) 795-3355

CONSULTANT

PBS&J, an Atkins Company Woodie Tescher, Principal Technical Professional Magdalena Visser, GIS Specialist (310) 268 8132

Data Sources

California Employment Development Department (EDD)

California Department of Finance (DOF)

California State Board of Equalization (SBOE)

CB Richard Ellis/Co Star Group

Census Longitudinal Employer-Household Dynamics (LEHD)

MuniServices, LLP

U.S. Bureau of the Census- American Community Survey

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