

Section Four:

Economic Development

OVERVIEW OF EXISTING CONDITIONS

Commercial enterprises are located in two different areas of the City. The most visible location for commercial enterprise is in the central business district or “downtown”. The center of the district is located at the intersection of Baldwin Avenue and Sierra Madre Boulevard, roughly three-quarters of a mile north of the Interstate 210 Foothill Freeway. The business district was established when the City was settled in the late 1800s. Less obvious are the businesses which are located throughout the City as home or internet-based businesses.

The Sierra Madre business community includes retail, professional office, light industrial and neighborhood services centered along Sierra Madre Boulevard, Baldwin Avenue, and East Montecito Avenue. This area is covered by Measure V and is referred to herein as the central core area.

The community has never been a dominant shopping focus for residents of the San Gabriel Valley. Most residents of Sierra Madre seek major item shopping opportunities outside of the City in conveniently located regional and community shopping centers which feature a wide variety of durable goods.

In terms of employment, the most recent data states that approximately 1,973 persons were employed in the City of Sierra Madre in 2013, compared to 3,520 in 2007. Services employment was the largest employment sector in the City, comprising 77 percent of all employment in Sierra Madre. Retail/wholesale (7 percent), manufacturing (3 percent), and government jobs (4 percent) comprised a total of 14 percent of City employment. Construction and other jobs contributed the remaining 9 percent of City employment. (Southern California Association of Governments, 2015 Local Profile of the City of Sierra Madre Report May 2015).

A Retail Site Assessment was prepared in 2012 by Buxton. It concluded that the Sierra Madre Trade Area captures only approximately half of the retail sales generated by residents. It

should be noted that the trade area is larger than the City boundaries and includes a number of nearby shopping centers, so retail businesses within the City likely captures an even lower percentage of potential sales to residents.

The State Board of Equalization reported that taxable sales in the City increased from \$22.9 million in 2002 to \$31.1 million in 2008. However, due to the recent economic downturn, taxable sales within the City declined to \$25.4 million in 2012.

Programs identified by the study to improve the existing downtown included business attraction, retention and promotion, including a branding campaign to define and highlight Sierra Madre as a lively and viable business opportunity with a small village character.

CONSTRAINTS AND OPPORTUNITIES

Opportunities

1. Sierra Madre has a special “foothill village” character because of its history and people, its natural beauty, mountain recreational access and ambiance, and its semi-isolation within the Los Angeles basin. Visitors to the village find it welcoming and charming.
2. Sierra Madre has a reputation for interests and activities related to arts and crafts, film, video, literary and theatrical interests. The annual Wistaria Festival and Art Fair are two examples of events which bring visitors to the City. In addition, a number of civic organizations and businesses provide art and related classes, programs and exhibitions for adults and children. There are several studios and galleries in the City, as well as artisans and craftsmen in furniture, clothing and similar fields. The Sierra Madre Playhouse runs live plays throughout the year, and local coffeehouses as well as the City Library sponsor poetry readings. Sierra Madre is also a popular location for Hollywood film companies to shoot on location.

3. As an entryway into the San Gabriel Mountains, Sierra Madre draws locals and visitors to outdoor activities such as walking, hiking, and cycling.
4. Although downtown is small, there are some properties which, with attrition of existing businesses, could be developed into additional retail and commercial space.
5. The historic building stock in Sierra Madre provides potential for adaptive reuse of residential, commercial, light industrial/warehouse and institutional properties as bed and breakfasts, galleries, studios, retail shops, and other income generating ventures.

Constraints

1. The downtown area of Sierra Madre is small and made up primarily of small shallow lots, thus reducing the ability to consolidate lots for larger projects.
2. Existing commercial structures are primarily divided into small business spaces, limiting the type of businesses that may locate in Sierra Madre.
3. There is limited commercial space in the City, and a sizeable portion of that is being used for non-retail purposes.
4. There is no visibility from highways or major arterials.
5. Limited funds from the City make it difficult to undertake a comprehensive marketing strategy.
6. Total taxable sales in the City comprise only a very small portion of the total taxable sales and total retail sales in the San Gabriel Valley, thus significantly limiting City revenues.
7. Portions of the central core area lack sufficient parking (such as East Montecito Avenue).
8. Existing parking is poorly identified and lacks satisfactory pedestrian access to businesses.

OVERVIEW OF ECONOMIC DEVELOPMENT

There are two primary purposes for an economic development strategy in the City of Sierra Madre. The first is to generate necessary revenues to offset public services. The second is to preserve a quality of life for Sierra Madre residents which allows them to have commercial retail and services, along with the ambiance of a village atmosphere, in their own community. Another purpose of the economic development policy is to provide business and employment opportunities to local residents.

Economic development includes land use strategies, financing strategies and organizational strategies. The land use strategy includes identifying locations for new business opportunities, achieving the highest and best use of the properties located in the downtown, and providing capital improvements with public funds. The financing strategies include ways in which public and private dollars can be channeled into the business community. The organizational strategies address the strength of the Chamber of Commerce and the City's Planning and Community Preservation Department in partnering to market the City to potential new businesses and to consumers.

SUMMARY OF ECONOMIC DEVELOPMENT GOALS

1. A diverse mix of uses to meet the needs of local residents as well as visitors to the City.
2. An enhanced relationship between the City and the Chamber of Commerce to maximize the effectiveness of both organizations to assist businesses in the City.
3. Sierra Madre as a destination point accenting the area's natural beauty, artist community, and historic character.

OBJECTIVES AND POLICIES

The City has established the following objectives and policies for economic development in Sierra Madre. The implementation

measures are contained in the Implementation Chapter at the end of the General Plan.

Objective L42: Providing a business friendly environment in Sierra Madre.

Policies:

- L48.1 Streamline the permitting process for new businesses.
- L48.2 Support efforts of the Chamber of Commerce to support business activities, such as festivals and programs which bring residents and visitors to the downtown.
- L48.3 Continue to allow home based businesses which do not negatively impact the residential neighborhoods in which they are located.
- L48.4 Consider reducing business license fees and other taxes and fees to the extent feasible.
- L48.5 Consider implementing a Business Improvement District in the central core area.

Objective L49: Improving the aesthetics, safety, and usability of the public realm within the downtown area.

Policies:

- L49.1 Encourage restoration of original building facades, and adaptive reuse of existing buildings through educational programs and economic incentives such as reduced permit fees and parking requirements.
- L49.2 Provide enhanced paving for all pedestrian crosswalks on Sierra Madre Boulevard and Baldwin Avenue within the downtown district,

and consider installation of the same on East Montecito Avenue.

- L49.3 Maintain pedestrian-level street lighting in the downtown district to enhance the nighttime dining and shopping experience, and consider installation of the same on East Montecito Avenue in accordance with dark sky guidelines.
- L49.4 Permit closure of Kersting Court during the evenings, weekends, and special events for musical events, outdoor dining, farmers market or similar activities.
- L49.5 Adopt a long-term design plan for Kersting Court which enhances the park as a focal point of the downtown and increases its usability.
- L49.6 Develop a coordinated parking plan for the downtown business area, including East Montecito, and ensure that any in-lieu or other parking fees generated downtown are used to improve downtown parking.
- L49.7 Improve pedestrian connections between the street and the public parking lots through signage, coordination with property owners, purchase of properties and other mechanisms.
- L49.8 Improve the aesthetic qualities of the public parking lots by adding color plantings and encouraging improvements to rear facades of buildings.
- L49.9 Encourage outdoor dining, sidewalk sales, street fairs, and other uses of the sidewalk which encourage pedestrian activity.

Objective L50: Maximizing retail opportunities.

Policies:

- L50.1 Provide incentives for the location of restaurants and retail uses on the ground floor of buildings fronting Sierra Madre Boulevard and Baldwin Avenue (and possibly portions of East Montecito Avenue). Such incentives may include reduced/waived utility taxes, permit fees or business license fees and streamlined permit processing.
- L50.2 In order to increase daytime demand for City retail, provide incentives for the location of service retail, office and other commercial uses above and/or behind street-facing, ground-floor retail. Such incentives may include reduced/waived utility taxes, permit fees or business license fees and streamlined permit processing.
- L50.3 Prohibit any new and the expansion of existing institutional facilities in the central core area.