City of Azusa
Opportunity Zone
Investment Prospectus
Welcome to Azusa, California

With a population of 49,864, Azusa has projected population growth of 6% in the coming years. The average Azusa median resident age is 31.7 years and the average median income range is $50,000-$74,999.

Azusa is poised to become a major retail player in the region. With a rich heritage and range of natural and cultural attractions. Azusa is a relaxing getaway for visitors seeking a day trip for hiking, dining, shopping, and more. With our central location, warm and welcoming residents, and ease of transportation, Azusa offers visitors a unique experience in the San Gabriel Valley and is on track for a new era of business and commerce.

**Azusa’s Revitalized Downtown** is a charming blend of old and new with historic buildings and a corridor with rich history, Azusa brings a unique heritage to our retail center.

**Azusa’s Opportunity for Ecotourism** is driven by the San Gabriel Mountains National Monument. Azusa’s Highway 39 (Azusa Avenue) serves as the only entrance for residents and visitors seeking a day trip for hiking, fishing or camping.

**Azusa’s Thriving Workforce** and residents are hardworking and ready for opportunity. With Azusa Unified School District and Azusa Pacific University, we have an educated workforce ready for the challenges of tomorrow.
Opportunity Zones Tax Incentives

The Opportunity Zones program offers three tax incentives for investments made in low-income communities through a Qualified Fund:

- **Temporary Deferral**
  Investors can defer tax on any prior gains invested in a Qualified Opportunity Fund (QOF) until the earlier of the date on which the investment in a QOF is sold or exchanged, or December 31, 2026.

- **Reduction**
  If the QOF investment is held for longer than 5 years, there is a 10% exclusion of the deferred gain.
  If held for more than 7 years, the 10% becomes 15%.

- **Permanent Exclusion**
  A permanent exclusion from taxable income of capital gains from the sale or exchange of any investment in an Opportunity Fund if the investment is held for at least 10 years.

Source: IRS, Economic Innovation Group
Opportunity Zones Tax Incentives
The Tax Cuts and Jobs Act has established new Internal Revenue Code Section 1400Z – Opportunity Zones.

Capital Gains → Qualified Opportunity Fund → Qualified Opportunity Zone Property/Business → Tax Deferral or Exemption 5-10+ Years
Opportunity Zones Tax Incentives
The Tax Cuts and Jobs Act has established new Internal Revenue Code Section 1400Z – Opportunity Zones.

There are 4 parties in an Opportunity Zones transaction:

<table>
<thead>
<tr>
<th>Taxpayer</th>
<th>Qualified Zone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opportunity Fund</td>
<td>Projects (Property &amp; Businesses)</td>
</tr>
</tbody>
</table>

Different than other tax credits:
- More market-oriented
- Residential, commercial, real estate, and business investments,
- No benefit cap
## The Urban Investment Prospectus: Content

<table>
<thead>
<tr>
<th>Growth</th>
<th>Capital Demand</th>
<th>Inclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Set economic context for city and metropolis, identifying key drivers/assets</td>
<td>Identify investable projects and propositions within each Opportunity Zone</td>
<td>Focus on human capital, job connections, and wealth creation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Place Making</th>
<th>Institutional Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commentary on the essentials must do’s to re-knit spatial and social fabric</td>
<td>Recommendations on intuition building options to expedite growth and inclusion</td>
</tr>
</tbody>
</table>
Demographics
Data
Largest Employers
Rankings and Accomplishments
Demographics

**MEDIAN AGE COMPARISON**
- Azusa Median Resident Age: **31.7 Years**
- San Gabriel Valley Median Age: **38.16 Years**
- California Median Age: **35.7 Years**

**ESTIMATED HOUSEHOLD BY HOUSING INCOME**

**SAN GABRIEL VALLEY & CITY OF AZUSA EDUCATION ATTAINMENT**
- Graduate Degree
- Bachelor's Degree
- Associate Degree
- Some College
- HS Graduate or GED
- Some High School
- Less Than Grade 9

**CITY POPULATION GROWTH**

**2016 ESTIMATED POPULATION AGE 16+ BY OCCUPATION CLASSIFICATION**
- Service & Farm
- White Collar
- Blue Collar

**POPULATION BY AGE**
- 65+
- 55-64
- 45-54
- 35-44
- 21-34
- 10-20
- 5-9
- 0-4
## Five-Year Population Change

Ten Fastest Growing Cities in San Gabriel Valley

<table>
<thead>
<tr>
<th>City</th>
<th>Population Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>San Gabriel</td>
<td>2.3%</td>
</tr>
<tr>
<td>Pomona</td>
<td>2.5%</td>
</tr>
<tr>
<td>Bradbury</td>
<td>2.6%</td>
</tr>
<tr>
<td>Pasadena</td>
<td>2.7%</td>
</tr>
<tr>
<td>South El Monte</td>
<td>3.0%</td>
</tr>
<tr>
<td>Alhambra</td>
<td>3.1%</td>
</tr>
<tr>
<td>Glendora</td>
<td>3.4%</td>
</tr>
<tr>
<td>Monrovia</td>
<td>4.3%</td>
</tr>
<tr>
<td>La Verne</td>
<td>4.8%</td>
</tr>
<tr>
<td>Azusa</td>
<td>6.4%</td>
</tr>
</tbody>
</table>

Source: Los Angeles County Economic Development Corporation 2018 Economic Forecast and Regional Overview San Gabriel Valley

## Azusa Labor Force Status (2018)

- Employed: 96%
- Unemployed: 4%

Source: San Gabriel Valley Economic Partnership PowerSite
## Azusa Largest Employers

<table>
<thead>
<tr>
<th>Total Employees By Major Standard Industrial Classification (SIC)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Services (SIC 70-89)</td>
<td>5,276</td>
</tr>
<tr>
<td>Manufacturing (SIC 20-39)</td>
<td>4,008</td>
</tr>
<tr>
<td>Retail Trade (SIC 52-59)</td>
<td>2,671</td>
</tr>
<tr>
<td>Whole Trade (SIC 50-51)</td>
<td>1,947</td>
</tr>
<tr>
<td>Construction (SIC15-17)</td>
<td>1,215</td>
</tr>
<tr>
<td>Transportation and Communications (SIC 40-49)</td>
<td>554</td>
</tr>
<tr>
<td>Public Administration (SIC90-98)</td>
<td>428</td>
</tr>
<tr>
<td>Finance, Insurance and Real Estate (SIC60-69)</td>
<td>329</td>
</tr>
<tr>
<td>Agricultural, Forestry, Fishing (SIC Range 01-09)</td>
<td>191</td>
</tr>
<tr>
<td>Unclassified (SIC 99)</td>
<td>95</td>
</tr>
<tr>
<td>Mining (SIC10-14)</td>
<td>6</td>
</tr>
</tbody>
</table>

Source: San Gabriel Valley Economic Partnership PowerSite
Rankings and Accomplishments

Most Business-Friendly City 2018
- Named by the Los Angeles Economic Development Corporation for cities with a population under 50,000 in Los Angeles County. Recognized for demonstrating commitment to economic development and ease of business entry.

Standard & Poor’s A+ Credit Rating – City of Azusa
- Strong management, strong budgetary flexibility and very strong liquidity

Standard & Poor’s A+ Credit Rating – Azusa Light and Water
- Strong debt coverage, strong service area economic fundamentals and extremely strong industry risk profile.

Awarded $25,000 for Family Literary Efforts from the State Library
Azusa Opportunity Zone Investment Prospectus

By the Assets

Connected to SoCal
Regional Access
Downtown Revitalization
Light & Water Department
Development Review Committee
San Gabriel Mountains National Monument
Cultural & Historic Preservation
City Library
Connected to SoCal
Azusa offers access to the many economic benefits of the LA Metro region while maintaining small-town character. Azusa provides access through:

- Local Transit
- Two Metro Gold Line Stations
- Convenient Freeway Options
- LAX, Burbank and Ontario Airports
- Long Beach Port
Regional Access

Investing in Azusa doesn’t just mean access to Azusa residents. Businesses in Azusa have access to visitors from across the San Gabriel Valley and Los Angeles County.

REGIONAL SPENDING, REGIONAL ACCESS

Regional Trade Area: $2,162,600,000

10 Minute Drive: $728,600,000

City of Azusa: $671,300,000

City of Azusa
Downtown Revitalization

Azusa is the undeveloped jewel of the San Gabriel Valley. The Azusa TOD Specific Plan, Azusa Light and Water, Two Metro Gold Line Stations, and Azusa Pacific University are a few assets that have aided the revitalization in downtown bringing high density projects, housing development, public art, and new businesses.

The Orchard – 4 Story Mix-Use Project
- 163 residential units
- 23,000 SF retail
- 5 Screen Theater

The Avenue – 5 Story Mix-Use Project
- 127 residential units
- 12,000 SF retail

Metro Gold Line
Azusa Downtown Station
- Opened in 2015
- 4,000-5,000 Daily Boarding’s
Light & Water Department

Azusa is one of the only small to mid-sized cities in Southern California to have our own water and utility company. The quality and competitive pricing of our water attracted Lagunitas Brewing Company to Azusa and Miller Coors to the region.

Key programs

- **Economic Development Rate (EDR-3)** – New buildings/facilities that have been vacant for over 180 days are eligible to receive a discount equal to 15% of the electric bill associated with the qualifying facility.

- **Energy Efficient Equipment** – 50% of the cost, up to a maximum rebate of $10,000 per customer, per fiscal year

- **LED Lighting** – 100% for the first $1,500 and then 50% of the cost for any amount over, up to $10,000 maximum per customer, per fiscal year

- **Water Rebates** – For qualified commercial/industrial water saving devices

**17,000 Electric Customers**

**23,000 Water Customers**
Development Review Committee
The Development Review Committee consisting of representatives from Planning, Building, Public Works, Electric, Water, Economic Development, Parks, Police divisions meet on a monthly basis to discuss development projects and mitigate any cross-departmental issues.

Advantages:
- One-stop shop
- Cursory review
- Preliminary Plan Review
- In-house water and electric
**San Gabriel Mountains National Monument**

San Gabriel Mountains National Monument is a United States National Monument managed by the U.S. Forest Service, which encompasses parts of the Angeles National Forest and the San Bernardino National Forest in California. Azusa is the “Canyon City” that has **direct access** from Downtown Azusa to the National Monument.

### VISITS TO THE SAN GABRIEL MOUNTAINS NATIONAL MONUMENT

<table>
<thead>
<tr>
<th>Year</th>
<th>Visits</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>4,000,000 +</td>
</tr>
<tr>
<td>2015</td>
<td>8,500,000 +</td>
</tr>
<tr>
<td>2020</td>
<td>Projected 20,000,000</td>
</tr>
</tbody>
</table>

### THE SAN GABRIEL MOUNTAINS NATIONAL MONUMENT

- 600 Archaeological sites;
- 597 full and part-time jobs;
- Contributes over $39 million to the local and regional economy;
- Geological sites, natural history, cultural activities, biking, hunting, horseback riding, fishing, picnicking, skiing and off-highway vehicle use.

* Significant increase in 2015 since National Monument designation.
Cultural & Historic Preservation
The City of Azusa has a rich history that evolved from its founding date in 1887 and incorporated on December 29, 1898. The City has approximately 120 years of history which has been memorialized and celebrated.
City Library

Number of total books
- 106,197

Key programs
- Neighborhood Connections Social Service Referral Program
- Adult Basic Literacy and ESL Classes
- Citizenship Classes
- Azusa Reads and Calculates: Free after school tutoring in reading, math, and writing
- I CAN: Workshops for Developmentally Disabled Adults
- Career Online High School: Free Online High School Diploma Program for Adults
- Free Summer Lunch program for kids up to age 18 during June-July
- Bookmobile: Mobile Library Service that visits Azusa Schools
- Hispanic Heritage Fiesta
- Annual Summer Reading Incentive Program June-July
- Discovery Club featuring STEM activities for grades K-5

Daily Attendance
We logged in 192,527 visits to the Library in the calendar year of 2017-2018. We currently have 50,581 registered users of the Library (this reflects amount of cardholders in the system, children and adults).

Amenities
- Free computer use and Wifi. We had 36,417 uses of public internet stations in 2017-2018. We also check out chromebooks for in-house use by patrons
- Passports/Notary Services
- Auditorium Room Rental
- Fine-free Library cards for kids
Opportunity Zone Overview
Opportunity Zone Socio-Economic Overview
Opportunity Zone Zoning
Opportunity Zone Boundaries
Opportunity Zone Focus Area
Opportunity Zone Project Zoning
Opportunity Zone Contact Information
Opportunity Zone Overview

City Population:
2010 - 46,361
2016 - 49,864
Change - 8%

Zone Population:
2010 - 3,711

Square Miles:
City - 10
Zone - 0.358

Area Highlights and Anchor Institutions:
- Azusa Downtown
- Azusa Pacific University
- Citrus College
- Citrus College/APU Gold Line Metro Station
- Azusa Gold Line Metro Station
- Historic Route 66
# Opportunity Zone Socio-Economic Overview

<table>
<thead>
<tr>
<th></th>
<th>Black</th>
<th>Hispanic</th>
<th>Foreign Born</th>
<th>Poverty</th>
<th>Median Household Income</th>
<th>Some College</th>
<th>Under 18</th>
<th>Over 65</th>
</tr>
</thead>
<tbody>
<tr>
<td>County</td>
<td>9%</td>
<td>48.6%</td>
<td>34.4%</td>
<td>14.9%</td>
<td>$61,015</td>
<td>78.2%</td>
<td>21.9%</td>
<td>13.2%</td>
</tr>
<tr>
<td>City</td>
<td>2.7%</td>
<td>63.7%</td>
<td>30.2%</td>
<td>16.4%</td>
<td>$59,874</td>
<td>31.1%</td>
<td>21.8%</td>
<td>9.7%</td>
</tr>
<tr>
<td>State</td>
<td>6.5%</td>
<td>39.1%</td>
<td>27%</td>
<td>15.8%</td>
<td>$63,783</td>
<td>82.5%</td>
<td>22.9%</td>
<td>13.9%</td>
</tr>
<tr>
<td>U.S.</td>
<td>13.4%</td>
<td>18.1%</td>
<td>12%</td>
<td>12.3%</td>
<td>$57,652</td>
<td>87.3%</td>
<td>22.6%</td>
<td>15.6%</td>
</tr>
</tbody>
</table>

Source: US Census, Areavibes.com, City-Data.com
Opportunity Zone Boundaries

Opportunity Zone
City of Azusa

Focus Area

1 inch = 500 feet

AZUSA OPPORTUNITY ZONE INVESTMENT PROSPECTUS
Opportunity Zone Project Zoning

Coverage
- Building 80% Maximum
- Landscape 20% Maximum

Building Setbacks
- Street - 15’ minimum to building
- Side – 0’ minimum
- Rear – 0’ minimum

Building Height
- 20’ minimum
- 40’ maximum
- 50’ maximum for hospitality use

Table 2-4: Route 66 District Allowable Uses

<table>
<thead>
<tr>
<th>LAND USE</th>
<th>REGULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECREATION, EDUCATION, AND PUBLIC ASSEMBLY</td>
<td></td>
</tr>
<tr>
<td>Commercial Recreation Facility-Indoor</td>
<td>P</td>
</tr>
<tr>
<td>Commercial Recreation Facility-Outdoor</td>
<td>MUP</td>
</tr>
<tr>
<td>Conference/Convention Facility</td>
<td>P</td>
</tr>
<tr>
<td>Health/Fitness Facility</td>
<td>P</td>
</tr>
<tr>
<td>Library, Museum</td>
<td>P</td>
</tr>
<tr>
<td>Live Entertainment</td>
<td>MUP</td>
</tr>
<tr>
<td>Park, Playground</td>
<td>P</td>
</tr>
<tr>
<td>School-College, University</td>
<td>UP</td>
</tr>
<tr>
<td>School-Specialized Education/Training</td>
<td>UP</td>
</tr>
<tr>
<td>Studio-Art, Dance, Martial Arts, Music, Etc.</td>
<td>P</td>
</tr>
<tr>
<td>RESIDENTIAL</td>
<td></td>
</tr>
<tr>
<td>Caretaker/Manager Unit</td>
<td>P</td>
</tr>
<tr>
<td>Courtyard Housing</td>
<td>P</td>
</tr>
<tr>
<td>Duplex/Triplex/Fourplex</td>
<td>P</td>
</tr>
<tr>
<td>Home Occupation</td>
<td>P</td>
</tr>
<tr>
<td>Live/Work Unit</td>
<td>P</td>
</tr>
<tr>
<td>Multifamily</td>
<td>P</td>
</tr>
<tr>
<td>Organizational House</td>
<td>UP</td>
</tr>
<tr>
<td>Residential Accessory Use or Structure</td>
<td>P</td>
</tr>
<tr>
<td>Residential Care (six or fewer clients)</td>
<td>P</td>
</tr>
<tr>
<td>Residential Care (seven or more clients)</td>
<td>P</td>
</tr>
<tr>
<td>Senior Citizen Apartment</td>
<td>P</td>
</tr>
<tr>
<td>Townhouse, Rowhouse</td>
<td>P</td>
</tr>
<tr>
<td>RETAIL SALES</td>
<td></td>
</tr>
<tr>
<td>Bar/Tavern</td>
<td>UP</td>
</tr>
<tr>
<td>Building and Landscape Materials Sales - Indoor</td>
<td>MUP</td>
</tr>
<tr>
<td>Drive-Thru Facilities</td>
<td>P</td>
</tr>
<tr>
<td>Farmers Markets</td>
<td>MUP</td>
</tr>
<tr>
<td>Furniture, Furnishings and Appliance Store</td>
<td>P</td>
</tr>
<tr>
<td>General Retail</td>
<td>P</td>
</tr>
<tr>
<td>Alcoholic Beverage Sales</td>
<td>UP</td>
</tr>
<tr>
<td>Floor Area Under 20,000 sf</td>
<td>P</td>
</tr>
<tr>
<td>Floor Area Over 20,000 sf</td>
<td>MUP</td>
</tr>
<tr>
<td>Operating between 9:00 pm and 7:00 am</td>
<td>MUP</td>
</tr>
</tbody>
</table>

Note: A combination of any of the permitted uses may be provided within a horizontal or vertical mixed-use project provided the Ground Floor Use Standard (provided below) and Mixed-Use Standards provided on Page 2-7 are adhered to.
Opportunity Zone Contact Information

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