



Section 6. Market Analysis

Purpose of the Market Analysis

This market analysis was conducted to:

- Provide information regarding the regional and local economic setting of the Town of Loomis;
- Evaluate the dynamics between supply and demand of various land uses; and
- Estimate the amount of and type of development that could be absorbed in the Town of Loomis now through 2040.

The analysis focuses on the growth potential of non-residential land uses, including retail, office, and industrial uses; however, a forecast of household projections through 2040 is also included, as population growth informs future non-residential capacity. The results of the market analysis will assist in the formulation of economic development policies to be incorporated into the General Plan Update.

Key Findings of the Market Analysis

- The Town of Loomis experienced low to moderate growth in retail (4,600 square feet), office (31,000 square feet), and industrial space (122,000 square feet) from 2000-2020, all of which grew at slower rates than Placer County as a whole.
- Construction is the largest and fastest growing industry sector in the Town of Loomis, representing one third of total employment and over 40% of new jobs added from 2010-2017.
- The Town can play an important role in attracting employment and economic development by prioritizing development planning, implementation, and communication. A strategic focus on economic development could better align the occupations of residents with the jobs available in the Town, as currently less than 10% of residents work in the Town of Loomis.
- Civic beautification and other efforts to improve circulation are important steps taken by the Town in recent years to support local business.
- Sales and Use Taxes are a significant source of fiscal revenues, comprising approximately 25% of the Town of Loomis General Fund Revenues. Unlike comparable jurisdictions in western Placer County, the Town of Loomis derives approximately 60% of sales tax from business-to-business and wholesale transactions. These businesses are typically in the construction, manufacturing, wholesale, and warehousing sectors. Encouraging the development of retail and other sales tax generating businesses through a suite of strategic policies and regulations could be an effective strategy to boost tax revenues, support the provision of social services, and provide fiscal stability.
- The Town of Loomis saw a net retail surplus in 2020 (supply greater than demand) of approximately \$6.4 million, driven by the high volume of Food and Beverage Stores (Raley's Supermarket) compared to the consumption of its residents. When Food and Beverage Store sales are not considered, the Town of Loomis is experiencing approximately \$16 million in retail leakage (demand greater than supply). The Town could capture more of this excess demand through development of appropriately located additional retail space.



- 1 • Based on projections of household growth from 2020-2040 for western Placer County, the Town of
2 Loomis could experience sufficient retail demand to warrant the development of approximately
3 185,000 square feet of retail space (17 acres of land zoned for retail.) The current approved
4 development pipeline includes approximately 152,000 square feet from the approved Costco project
5 that could absorb a significant portion (~80%) of the projected future demand. Nonetheless, the
6 unique characteristics of Costco’s business model suggest that the Town could support development
7 beyond the remaining 33,000 square feet of projected demand and develop space in multiple
8 categories of retail to serve the residents of the Town and the surrounding areas. The large addition to
9 inventory should not preclude development opportunities in established retail corridors, such as
10 downtown Loomis.
- 11 • Based on projections of employment growth from 2020-2040 for western Placer County, the Town of
12 Loomis could experience sufficient demand to warrant the development of approximately 11 acres of
13 office (123,000 square feet) and 12 acres (207,000 square feet) of industrial space.
- 14 • Ongoing research is being considered to further inform the General Plan Update. This research could
15 include the connections between a mix of housing types and successful economic development, along
16 with information gathered from discussions with business and community leaders related to important
17 opportunities for, and barriers to local economic development.

18 Context

19 *Western Placer County & the Town of Loomis*

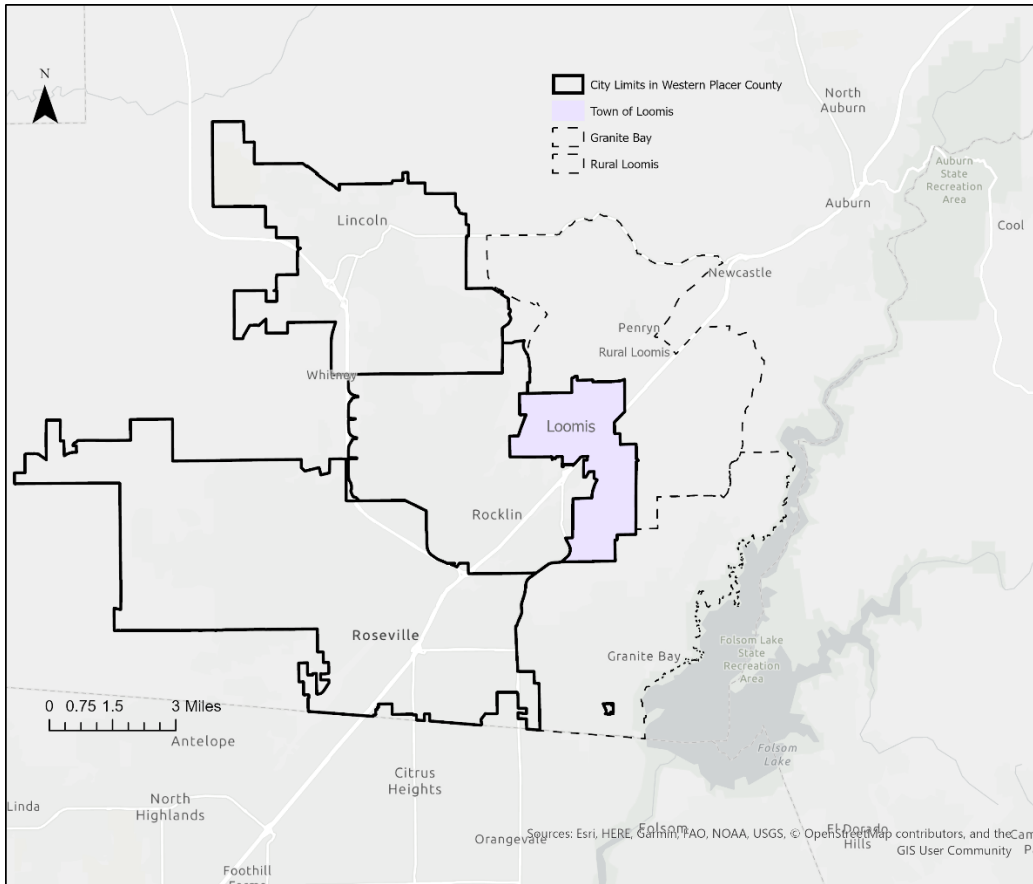
20 The Town of Loomis functions within a regional economy that includes the portion of Placer County
21 from Roseville to the south up to Auburn to the north. This region can generally be divided into two
22 components: (1) the western Placer County areas of Roseville, Rocklin, Granite Bay, Loomis, Penryn
23 (included in “Rural Loomis” for this analysis), and Lincoln (Figure 6-1); and (2) the central Placer
24 County areas of Newcastle, Auburn, Bowman, Christian Valley, Meadow Vista, and Clipper Gap. The
25 regional marketplace in which Loomis operates is focused on the western Placer County areas.

26 The Town of Loomis is divided into two distinct areas by Interstate 80 (I-80). The area north of I-80
27 contains most of the existing retail, office, and industrial uses. Commercial development is located along
28 most of the Taylor Road corridor, though it is most focused in what has been designated the “Town
29 Center” area on either side of Horseshoe Bar Road in the core of the community. The Town Center is not
30 only the hub of commerce, but also the civic heart of the community – the Town Hall, Veteran’s
31 Building, library, schools, fire department, and Placer County sheriff substation are also within or
32 adjacent to the Town Center. The Town Center area is designated as a “Center and Corridor Community”
33 in the Sacramento Area Council of Governments (SACOG) Metropolitan Transportation Plan/Sustainable
34 Communities Strategy (MTP/SCS). Housing and industrial employment areas bordering the Town Center
35 are characterized as an “Established Community,” while the remainder of the Town is categorized as
36 “Rural Residential Community” by SACOG (SACOG 2019, Appendix C). The SACOG job projections
37 for the Town are based in part on these designations. As noted in the 2010 update to the Town Center
38 Master Plan, “the Town’s two ‘main streets’ Taylor Road and Horseshoe Bar Road together with adjacent
39 Town-owned properties, can evolve to more completely fulfill the community’s current needs, spur
40 positive change, and serve to shape new development opportunities in the future.”

41 Industrial uses are located in the area around Taylor Road and Swetzer Road in the northern portion of the
42 Town. The area north of I-80 also contains multi-family and higher-density residential uses. The western
43 portion of the Town, including areas along Sierra College Boulevard is primarily developed with rural
44 residential uses. The area south of I-80 is primarily rural and residential in nature, with a few exceptions



1 such as the Indian Creek Country Club on Barton Road, several places of worship, and Mount St. Joseph
 2 Seminary, south of Wells Avenue.



3 Source: SACOG 2020, adapted by AECOM 2020

4 **Figure 6-1. Town of Loomis and Western Placer County**

6 The Town of Loomis has a locally cherished small-town character and agricultural heritage that has been
 7 preserved over the years led by local efforts. Projects and events such as the Loomis Mural Project and the
 8 Loomis Eggplant Festival draw residents and visitors alike. While the 2020 Eggplant Festival was cancelled
 9 due to the Covid-19 pandemic, the Festival Committee launched a social media “Purple Week” to promote
 10 businesses in Loomis and involve local residents with online events, such as a cooking contest. The Loomis
 11 Basin Chamber of Commerce provides businesses with online resources and serves as a central updated
 12 portal for residents and the business community to check on status updates of the Loomis Downtown Plan,
 13 a multi-phased project to improve streetscape and revitalize downtown.

14 ***Economic Trends and Projections***

15 ***Land Use***

16 In the past two decades, the Town of Loomis has experienced commercial growth primarily in office and
 17 industrial space (Table 6-1). Loomis office space increased 24% between 2000 and 2020, while office space
 18 in Placer County increased 77% during this time. The 1998 market analysis completed for the Loomis
 19 General Plan noted that there was a fundamental shortage of light industrial space and that the Loomis area
 20 could capitalize on this condition, which has been realized to some extent as industrial space increased 13%
 21 over the past two decades. The majority of the new industrial space in Loomis is found in a series of



warehouses clustered along Swetzer Road (See Figure C1 in Appendix C). This growth represents the largest overall change in square footage by broad land use type – with over 122,000 square feet added. Placer County industrial space increased by 21% during this same period. Retail space for both the Town of Loomis and Placer County has lagged other sectors – with 2% growth since 2006 for Loomis and 18% for the County. These changes in land use inventory are congruent with national trends showing growth of warehousing/distribution space and general stagnation or decline in retail space.

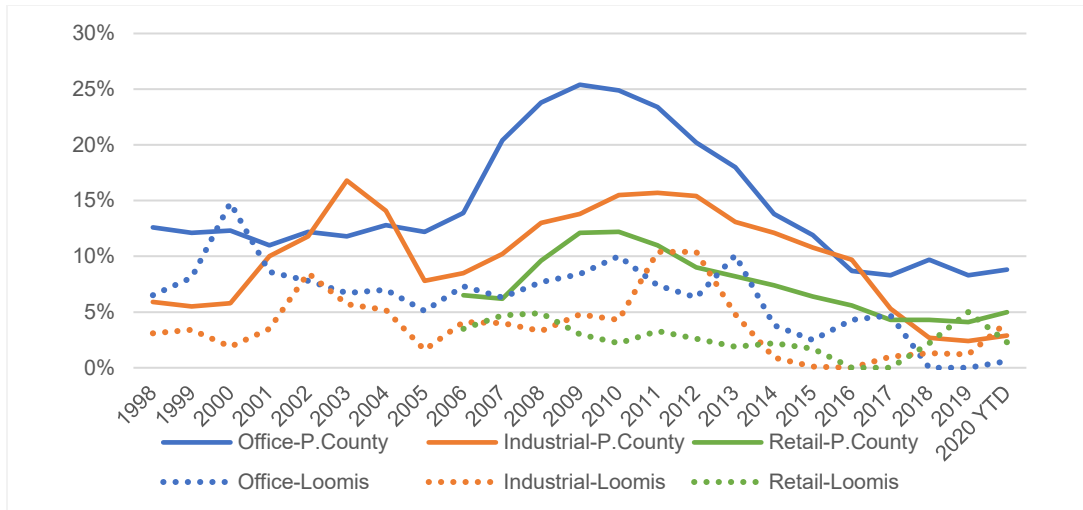
Vacancy rates in both Placer County and Loomis have been low in recent years (Figure 6-2). In Loomis, there was no vacancy for office space, 1.2% vacancy for industrial space, and 5% vacancy for retail in 2019. The vacancy rates for all three land uses are lower or equivalent to those of California as a whole, which experienced vacancy rates of 7.6% for office, 3.4% for industrial, and 4.6% for retail. The impacts of Covid-19 on vacancy are still somewhat unknown. Preliminary data from 2020 show a 1% vacancy rate for office space, 4% vacancy rate for industrial space, and 3% vacancy rate for retail space in Loomis.¹ While the Town of Loomis continues to be a relatively small market for these non-residential uses, the steady inventory growth and absorption, along with the consistently low vacancy rates, indicate healthy local conditions that conform to the strong growth seen in greater Placer County.

Table 6-1: Office, Industrial, Retail Inventory and Growth

Sector	Loomis	Placer County
Office Space (SF)	160,973	15,818,183
% Placer County	1%	100%
Growth 2000-2020	30,950	6,891,534
% Growth 2000-2020	24%	77%
Compound Annual Growth Rate 2000-2020	1.07%	2.90%
Industrial Space ((SF)	1,055,994	20,426,282
% Placer County	5%	100%
Growth 2000-2020	122,154	3,516,529
% Growth 2000-2020	13%	21%
Compound Annual Growth Rate 2000-2020	0.62%	0.95%
Retail Space (SF)^a	274,296	22,343,875
% Placer County	1%	100%
Growth 2006-2020	4,600	3,333,721
% Growth 2006-2020	2%	18%
Compound Annual Growth Rate 2006-2020	0.12%	1.16%

^a Retail data starts in 2006
Source: Costar Group, 2020, www.costar.com

¹ Costar Group, www.costar.com



Retail data starts in 2006
 Source: Costar Group, 2020, www.costar.com

Figure 6-2. Town of Loomis and Placer County Vacancy Rates 1998-2020

2020 Development Pipeline

Several projects are in various stages of the entitlement, development, or lease-up process in Loomis. Key projects are highlighted below.

- The Loomis Costco Project is a 17-acre project located southeast of the intersection of Sierra College Boulevard and Brace Road approved by the Town in 2020. The project will consist of an approximately 150,000-sf retail facility.²
- The Taylor Road improvement project in downtown Loomis is providing new sidewalks, curbs, gutters, streetlights, road paving, and bike paths, among other streetscape improvements.³ Phase 1, a \$2.4 million streetscape improvement plan, began in 2017. As of 2020, the project is in Phase 3.
- In January, 2020, the Loomis Planning Commission approved conditional use permit and design review for the Loomis Mill Group to put a brewery/distillery, tasting room/bar, and market in a 18,500 square foot building on a 4-acre Town-owned site.⁴ This particular group’s plans fell through, though Loomis has continued to look for a developer for the property.

² Town of Loomis. 2020. Loomis Costco Final Environmental Impact Report. Available: <https://storage.googleapis.com/proudcity/loomisca/uploads/2020/06/1.0-Introduction.pdf>. Accessed December 2020; Gold Country Media. 2020. Loomis Town Council unanimously approves Costco project. Joshua Gutierrez. Available: <https://goldcountrymedia.com/news/175742/loomis-town-council-unanimously-approves-costco-project/> Accessed November 2020

³ Sierra Culture. 2017. Loomis: Revitalizing its Downtown. Available: <http://www.sierraculture.com/art/loomis-revitalizing-its-downtown/>. Accessed November 2020; Town of Loomis Department of Public Works. Town of Loomis Downtown Master Plan – Phase 1. Available: <https://www.saiservices.com/loomis-dt-mp>. Accessed November 2020. ; Loomis Chamber of Commerce. 2020. Updates at idigloomis.com Available: <https://www.loomischamber.com/idigloomis/>. Accessed November 2020

⁴ Gold Country Media. 2020. Loomis Planning Commission OKs High Hand, LBB project. Joshua Gutierrez. Available: <https://goldcountrymedia.com/news/162500/loomis-planning-commission-oks-high-hand-lbb-project/>. Accessed November 2020; Sacramento Business Journal. 2020. Loomis looks for new developer for Taylor Road site. Ben van der Meer Available: <https://www.bizjournals.com/sacramento/news/2020/03/06/loomis-looks-for-new-developer-for-taylor-road.html>. Accessed November 2020; Town of Loomis. 2020. 2020 Active Projects Planning Status Report (as of September 1, 2020). Available: <https://storage.googleapis.com/proudcity/loomisca/uploads/94ef6f6bc-planning-status-report-10132020.pdf>. Accessed November 2020.

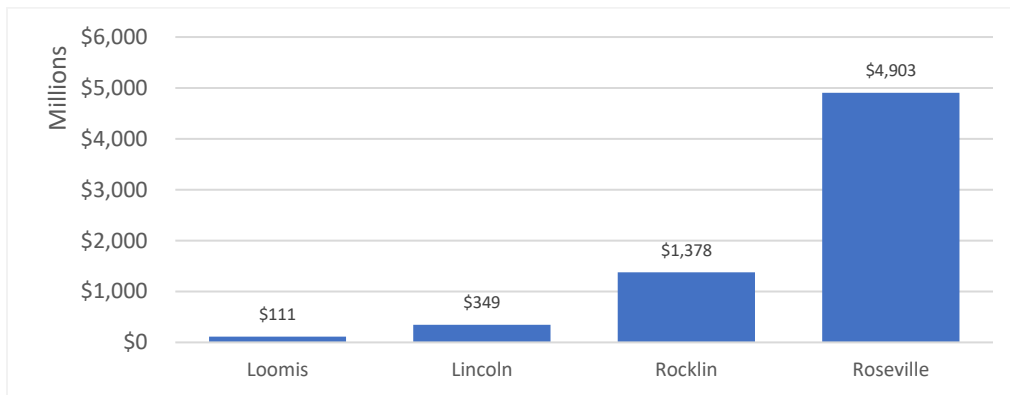


- 1 • The Town is reviewing a proposed subdivision of 20 acres at 3791 Bankhead Road for 8
2 residential lots.⁵
- 3 • A Green Business Park has been proposed for an 86-acre site comprised of 7 parcels, and
4 possibly two optional parcels (20-acres). The project would require an amendment to the General
5 Plan.⁶
- 6 • The Village at Loomis was approved by the Town but was later rejected by voters in a
7 referendum. It is still undetermined what land uses and space this development might include.
8 The site is 66 acres and is located northwest of the I-80 / Horseshoe Bar Road interchange.⁷

9 In addition, in order to promote reinvestment in the core of the community, in 2019, the Town was
10 selected by the Civic Lab project managed by SACOG for a Commercial Corridor Challenge. The Town
11 is working on a retail strategy for Taylor Road as the initial phase of this Corridor Challenge.

12 ***Fiscal Impact of Non-Residential Land Uses***

13 Compared to the other incorporated jurisdictions in western Placer County, the Town of Loomis has a
14 relatively small retail market, largely attributable to the smaller critical mass of households and jobs
15 within its municipal boundary. Taxable sales in the Town of Loomis were around \$110 million in 2019,
16 compared to \$349 million in Lincoln, \$1.38 billion in Rocklin and \$4.9 billion in Roseville (Figure 6-3).



17
18 *Source: California Department of Tax and Fee Administration, 2019*

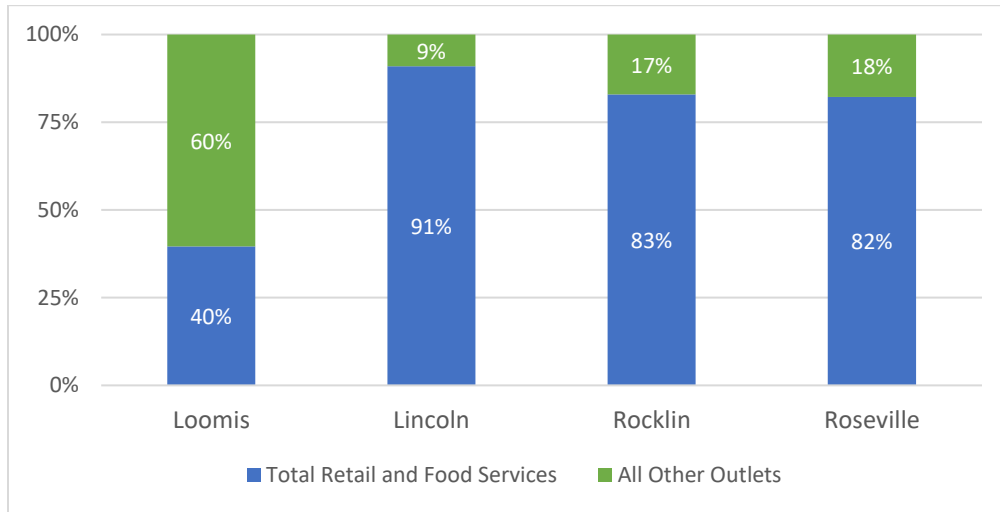
19
20
21 **Figure 6-3: Taxable Sales in Loomis and Incorporated Jurisdictions (2019)**

22 Unlike neighboring jurisdictions, however, Loomis derives a majority of its sales taxes from non-retail
23 establishments, or businesses classified by the California Department of Tax and Fee Administration as
24 “All Other Outlets” (Figure 6-4). These businesses typically represent manufacturing, construction,
25 wholesale, and other North American Industry Classification System (NAICS) sectors that sell taxable
26 goods and services business-to-business or business-to-government. Loomis has multiple construction
27

⁵ Town of Loomis. 2020. 2020 Active Projects Planning Status Report (as of September 1, 2020). Available: <https://storage.googleapis.com/proudcity/loomisca/uploads/94e6f6bc-planning-status-report-10132020.pdf>. Accessed November 2020.
⁶ Town of Loomis. 2020. 2020 Active Projects Planning Status Report (as of September 1, 2020). Available: <https://storage.googleapis.com/proudcity/loomisca/uploads/94e6f6bc-planning-status-report-10132020.pdf>. Accessed November 2020.
⁷ Town of Loomis. 2017. The Village at Loomis Final Environmental Impact Report. Available: <https://storage.googleapis.com/proudcity/loomisca/uploads/2020/09/Chapter-1-2.pdf> Accessed December 2020.



1 supplies and other wholesale businesses that represent a large proportion of total sales. These industrial
 2 sector establishments represent both the highest source of employment and fiscal revenue for the Town of
 3 Loomis.



Source: California Department of Tax and Fee Administration, 2019

Figure 6-4: Proportion of Taxable Sales from Retail (2019)

8 Sales and Use Taxes average 25% of the Town of Loomis General Fund for fiscal years 2014-15 through
 9 2019-20. While this proportion of total General Fund revenues is lower than the average of California
 10 cities (30%), the relatively small size of Loomis’ retail market makes it susceptible to economic
 11 volatility.⁸ The annual sales of fewer businesses could have an outsized impact of the Town’s fiscal
 12 health. Encouraging the development of retail and other sales tax generating businesses through a suite of
 13 strategic policies and regulations could be an effective strategy to boost tax revenues, support the
 14 provision of social services, and provide fiscal stability. Expansion of the hospitality sector is also a
 15 potential strategy to encourage the growth of businesses and generate fiscal revenues. Hotel visitors are
 16 likely to consume goods and services in Loomis, and hotel development contributes additional property
 17 and transit occupancy tax revenues.

18 Business and Employment

19 The number of business licenses issued by the Town has remained relatively stable in recent years. In 2019, 495
 20 Loomis business licenses were issued or renewed in addition to 196 out-of-town business licenses (Table 6-2),
 21 which are issued for businesses based outside the Town or without an office in the Town but with operations in
 22 Town’s limits.

23 Between 2010 and 2017, the number of employees in the Town increased by 35%, which is comparable to the
 24 countywide change (32%). Construction services had the greatest increase in employees over this time period
 25 (Figure 6-5). The top industries by employee count in 2017 were (1) Construction (NAICS 11); (2) Educational
 26 Services (NAICS 61); and (3) Administration and Support and Waste Management and Remediation Services
 27 (NAICS 56).

⁸ League of California Cities. 2016. A Primer on California City Revenues.
 Available: <http://www.californiacityfinance.com/WCCaCityRevenuePrimer1612.pdf>. Accessed December 2020

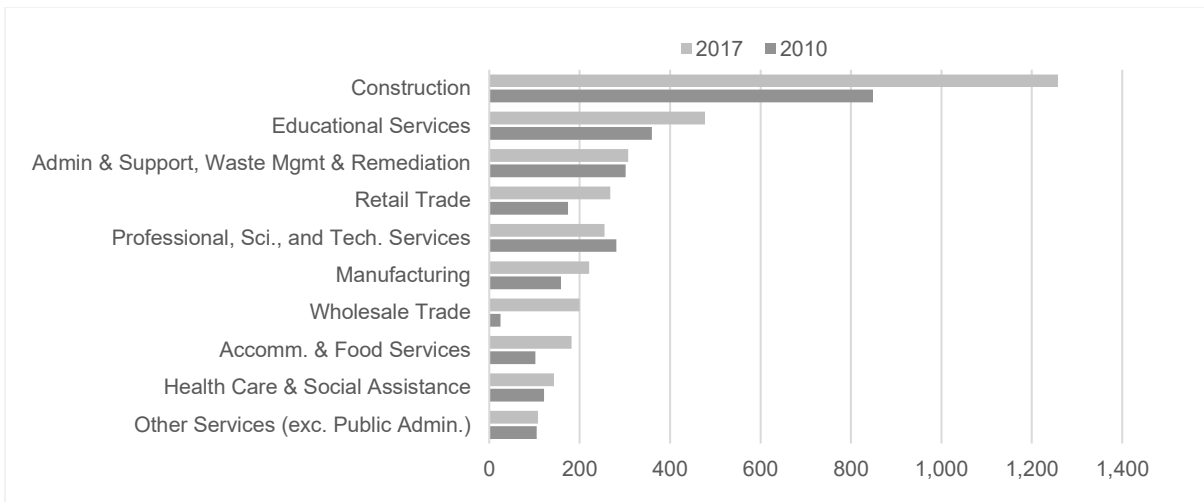


Table 6-2: Issued or Renewed Business Licenses

Business Licenses	2013	2014	2015	2016	2017	2018	2019	2020 ^a
Loomis Business Licenses Issued or Renewed	486	482	496	482	474	497	495	476
Out of Town Business Licenses Issued or Renewed	175	182	197	186	193	184	196	196

^a As of September 2020

Source: Town of Loomis 2020 Active Projects Planning Status Report (as of September 1, 2020)



Source: Longitudinal Employer-Household Dynamics (LEHD). 2017. All jobs.

Figure 6-5. Loomis Employment for Top 10 Sectors (by Job Count) 2010 and 2017

As in many communities, there is a mismatch between the occupation of Loomis residents and the types of jobs offered locally. While there are over 3,700 jobs in the Town of Loomis, only about 5% of employed residents live and work in the Town. Of the workers that leave Town limits for employment, nearly 60% earn more than \$3,333 monthly, while only 43% of the jobs *within* the Town meet that earnings threshold.⁹

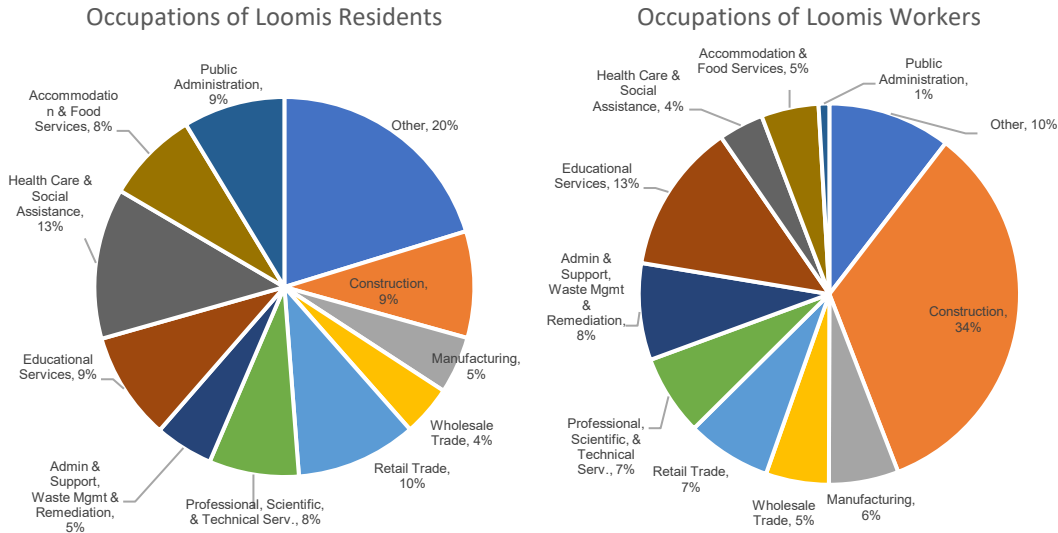
For some industries, Loomis could create a better match with the occupations of local residents by focusing on employment development (Figure 6-6). For example, approximately 13% of Loomis residents work in Health Care & Social Assistance, while only 4% of jobs in Loomis are in this industry. Approximately 9% of Loomis residents work in Public Administration, while only 1% of jobs in Loomis are in this industry. In other areas, Loomis has a surplus of jobs compared to the employment needs of the local population – for example, construction is a key sector for jobs located within the Town (34% of the Town’s jobs), though only 9% of Loomis residents work in that industry. Approximately 9% of Loomis residents work in Education, while 13% of jobs in Loomis are in this industry. In some sectors, there is a good match. For example, 8% of Loomis residents work in Accommodation & Food Services, which represents 5% of local jobs and 8% of residents work in Professional, Scientific, and Technical Services, which represents 7% of local jobs. The Town is developing strategies to encourage residential development of diverse housing types to better provide housing to the current

⁹ Based on count of All Jobs Inflow/Outflow Analysis LEHD 2017



1 and future residents of the Town. Sustainable economic growth requires the provision of housing for all
 2 household income levels and employees of various sectors.

3



4 Source: Longitudinal Employer-Household Dynamics (LEHD). 2017. All jobs.
 5

6 **Figure 6-6. Occupations of Residents and Workers**

7

8 The unfolding impact of Covid-19 has taken the entire country from expansion and opportunity to recession
 9 within months, highlighting the need for community policies supporting economic resiliency. The Caltrans 2020
 10 Economic Forecast for Placer County estimates that an average of 10,000 to 12,000 jobs will be lost countywide
 11 in 2020, with losses driven by leisure services, professional business services, construction, and retail trade. The
 12 report does not anticipate much change in home value in 2020 or 2021, with a slight decrease in housing
 13 production in 2020 but a rebound in 2021 and expansion the following year.¹⁰ While short-term economic
 14 implications reflect obvious economic distress, long-term ramifications are also important:

- 15 • **Impacted sectors:** Covid-19 impacts on hotels, retail, and tourism have been consequential. There is
 16 general concern that these markets will take time to recover, potentially into 2021. Other sectors,
 17 including retail, health care, and higher education also appear to be facing greater challenges due to
 18 Covid-19, and will take considerable time to recover. The 2020 Economic Forecast for Placer county
 19 notes that it is “unknown when and if retail employment will eclipse pre-recession levels because of
 20 the strengthening demand trend towards online purchasing.”¹¹
- 21 • **Return to Work:** Given conjecture about the share of workers who are now permanently working
 22 from home, it is unclear how permanent teleworking situations will become. The future ability to
 23 compete for a share of this mobile workforce will be relevant. The City of Roseville was awarded 8th
 24 place amongst mid-size U.S. cities by the Center for Digital Government for their efforts improving

¹⁰ Placer County Economic Forecast (Caltrans 2020 County-Level Economic Forecast)

¹¹ Caltrans. 2020. County-Level Economic Forecasts: Placer County.

Available: <https://dot.ca.gov/programs/transportation-planning/economics-data-management/transportation-economics/long-term-socio-economic-forecasts-by-county>. Accessed November 2020



the digital experience for businesses and residents. In Center for Digital Government’s 2020 survey, over 85% of cities listed that telecommuting and work-from-home policies were their most pressing policy need of the year.¹²

Based on 2017 data, there were 3,735 jobs in the Town and 2,977 workers living in the Town – 760 more jobs in Loomis than workers.¹³ The SACOG 2020 MTP/SCS includes employment estimates for 2035 and 2040 with a baseline model year of 2016. The MTP/SCS estimates that the Town of Loomis had a total of 3,616 jobs and 3,195 modeled jobs in 2016.¹⁴ SACOG projects an increase of 923 total jobs through 2040, a 0.95-percent compound annual growth rate. The SACOG 2016 employment and employment projections for 2035 and 2040 are organized into nine different employment categories, as shown in Table 6-3. SACOG notes that “with no plans for expansion, the Town’s residential growth is limited to development of the remaining vacant rural residential lands and development in its downtown. Employment growth will be concentrated along the I-80 corridor and in the downtown.” These projections inform the office and industrial absorption analysis discussed further below.

Table 6-3: SACOG Employment Projections for the Town of Loomis

SACOG Employment Category	2016	2035	2040
Retail	291	407	431
Office	735	1,011	1,056
Medical	0	33	36
Education	245	280	291
Industrial	1,045	1,139	1,203
Food Service	221	303	322
Service	418	512	537
Government	240	240	243
Other ^a	0	0	0
Total	3,195	3,925	4,118

^a Other employment includes jobs in Military/Other
 This table shows SACOG MTP/SCS modeled jobs – i.e. the jobs that are inputted in travel models, which exclude home-based business jobs, as this the job number that SACOG breaks down by industry. The total jobs for Loomis in 2016, 2035, and 2040 are, respectively: 3,616, 4,346, and 4,539 – or higher by a factor of 10-13% relative to modeled jobs.
 Source: SACOG, 2019 (2020 MTP/SCS)

The California Employment Development Department (EDD) develops sector level projections for Census Metropolitan Areas. For the Greater Sacramento Region, the EDD estimates that the fastest growing industrial sectors through 2026 will be Health Care and Social Services, Construction, Transportation/Utilities, and Accommodation/Food Services. These sectors represent the most immediate opportunity for the Town to target for continued economic growth. Table 6-4 shows the estimated growth by sector through 2026 for the Sacramento-Roseville-Arden-Arcade MSA.

¹² City of Roseville. 2020. Roseville wins national award for technology efforts. Available: https://www.roseville.ca.us/news/what_s_happening_in_roseville/roseville_wins_national_award_for_technology. Accessed November 2020
¹³ Longitudinal Employer-Household Dynamics (LEHD). 2017. All Jobs.
¹⁴ Modeled jobs exclude home-based business jobs, or the jobs that are inputted in travel models, which exclude home-based business jobs as this the job number that SACOG breaks down by industry. The total jobs for Loomis in 2016, 2035, and 2040 are, respectively: 3,616, 4,346, and 4,539 – or higher by a factor of 10-13% relative to modeled jobs. Note that SACOG baseline and projections may not align with recent data related to job distributions. They have been applied in the absorption analysis for this report to be consistent with regional planning work, particularly as related to land use planning through 2040.



Table 6-4: Projected Growth by Sector 2016-2026

NAICS Sector	Total Growth (%)	Annual Growth (%)
Health Care and Social Assistance	27%	2.4%
Construction	20%	2.1%
Transportation, Warehousing, and Utilities	20%	2.0%
Accommodation and Food Services	20%	1.6%
Arts, Entertainment, and Recreation	10%	1.3%
Real Estate and Rental and Leasing	10%	1.2%
Wholesale Trade	10%	1.2%
Admin/Support/Waste Management/Remediation	10%	1.2%
Professional, Scientific, and Technical Services	10%	1.1%
Educational Services	11%	1.0%
Management of Companies and Enterprises	10%	1.0%
Information	10%	0.8%
Government	10%	0.5%
Finance and Insurance	0%	0.5%
Retail Trade	0%	0.4%
Manufacturing	0%	0.0%
Mining and Logging	-20%	-2.8%

Source: EDD 2021, AECOM

Loomis Retail Absorption Analysis

Retail Sales Capture and Leakage

The first step in analyzing an area’s retail market is to determine whether “leakage” or “capture” of retail sales is occurring. Leakage would occur if there is insufficient retail space to meet the shopping needs of Loomis residents, which would result in retail dollars “leaking” outside the Town as shoppers go elsewhere to consume the goods and services they demand. Capture would occur if there is an excessive amount of retail space to meet the shopping needs of Loomis residents, combined with a lack of retail space in surrounding areas, which would result in retail dollars being “captured” from areas outside the Town as shoppers from surrounding areas come to Loomis to consume the goods and services they demand.

The results of the retail sales leakage analysis for Loomis are presented in Tables C-1 through C-6H in Appendix C following the text of this report. Table C-1 projects the estimated number of households in each of the jurisdictions and unincorporated areas included in western Placer County. Table C-2 projects the estimated household income for each area, and Table C-3 multiplies the data in Table C-1 by the data in Table C-2 to derive total income projections. Tables C-4A through C-4F present the estimated demand in each area by retail sales category based on spending habits that assume total retail expenditures per household account for approximately 37percent of household income, estimated as the average consumption of each category for western Placer County.

Table C-4G summarizes the demand projections by retail category for western Placer County, which amount to \$3.6 billion in the year 2020 and increase to \$5.4 billion by 2040. Table C-4H summarizes the demand projections



1 by area for 2020. Of the total demand, the Town of Loomis represents the smallest share at 1.7 percent, while
 2 demand generated in Roseville constitutes 45.5 percent of the total demand in western Placer County.

3 The estimated supply of retail space in 2020, expressed in terms of retail sales, is shown in Table C-5. The Town
 4 of Loomis accounts for only 1 percent of the total supply of retail in the area. As expected, Roseville accounts for
 5 a very high share of the total supply, estimated to be approximately 70 percent.

6 Tables C-6A through C-6H bring demand and supply together to estimate whether each area is experiencing a
 7 capture or leakage of retail sales. Table 6-5 below (also Table 6A in Appendix C) illustrates that Loomis is
 8 currently experiencing a surplus of nearly \$6.4 million, and this surplus is projected to become a deficit by 2040
 9 as demand overtakes supply.

10 By 2040, the Town of Loomis is projected to experience retail leakage of approximately \$17.5 million if no
 11 additional retail space is developed. A closer examination of retail supply and demand in the Town of Loomis
 12 shows that the 2020 surplus is driven primarily by sales in Food and Beverage Stores, which saw almost \$35
 13 million in sales. Raley’s supermarket in Loomis is the largest contributor to these overall sales and has been able
 14 to attract customers from outside the Town of Loomis. Excluding Food and Beverage sales, the Town of Loomis
 15 is experiencing retail leakage of approximately \$16 million in the other eight retail categories.

16 In 2020, the Town of Loomis experienced a surplus in four categories: Food and Beverage Stores, Food Services
 17 and Drinking Places, Building Materials, and Other Retail. This represents the opportunity for businesses to
 18 expand into Loomis and capitalize on excess demand.

19 **Table 6-5: Loomis Retail Leakage Analysis 2020-2040**

Retail Sales Category	Estimated Supply ^a 2020	Estimated Demand 2020	Demand v. Supply 2020	Estimated Demand 2040	Demand v. Supply 2040
(In constant 2018 \$)					
Clothing and Clothing Accessories Stores	\$11,619	\$5,131,364	(\$5,119,745)	\$7,114,797	(\$7,103,178)
General Merchandise Stores	\$0	\$4,381,895	(\$4,381,895)	\$6,075,634	(\$6,075,634)
Food and Beverage Stores ^b	\$34,763,233	\$12,432,551	\$22,330,682	\$17,238,121	\$17,525,112
Food Services and Drinking Places	\$11,886,749	\$10,528,473	\$1,358,276	\$14,598,056	(\$2,711,307)
Home Furnishings and Appliance Stores	\$3,924,291	\$6,514,459	(\$2,590,168)	\$9,032,500	(\$5,108,209)
Building Material and Garden Equipment and Supplies Dealers	\$6,470,234	\$2,476,398	\$3,993,836	\$3,433,603	\$3,036,631
Motor Vehicle and Parts Dealers	\$2,917,790	\$8,788,754	(\$5,870,964)	\$12,185,883	(\$9,268,093)
Gasoline Stations	\$0	\$5,432,917	(\$5,432,917)	\$7,532,909	(\$7,532,909)
Other Retail Group	\$8,244,730	\$6,144,703	\$2,100,027	\$8,519,823	(\$275,093)
Total	\$68,218,646	\$61,831,514	\$6,387,132	\$85,731,326	(\$17,512,680)

20 ^a Supply is assumed to remain constant in comparison to both current and future demand.

21 ^b California does not charge sales tax on most food and beverage products purchased from grocery stores and comparable retail businesses.
 22 To estimate sales of Food and Beverage Stores, AECOM used ESRI Business Analyst data which tracks sales data from private businesses,
 23 comparable studies citing ranges of 25%-30% of groceries are taxable, and Costar inventory of relevant retail categories.

24 Source: California Department of Tax and Fee Administration, Bureau of Labor Statistics, 2020; SACOG, 2019 (2020 MTP/SCS); ACS,
 25 Caltrans Placer County Economic Forecast, 2020; ESRI Business Analyst, 2020; AECOM 2020



1 Expanding the leakage analysis to include the Loomis Rural Area and Granite Bay (defined as the secondary and
2 tertiary markets below), there is an additional \$310 million of retail leakage (Table C-6B and Table C-6C). This
3 represents additional opportunity for retail expansion in Loomis that could absorb demand from these nearby
4 unincorporated areas in every retail category. In all the areas studied for western Placer County, only Loomis,
5 Roseville and Rocklin have retail surpluses, indicating their total supply is greater than the demand of their
6 residents. As presented in Table C-6G, all retail categories are estimated to have a current surplus for western
7 Placer County as a whole. The surplus for western Placer County as a region is driven by retail sales in Roseville,
8 which documented over \$4.3 billion in retail sales in 2019. As a region, western Placer County is currently
9 experiencing a large retail surplus of approximately \$2 billion, driven by the abundance of retail sales in
10 Roseville, which appears to absorb demand from jurisdictions outside the region. While the leakage analysis
11 shows the opportunity for growth of retail space in Loomis, future development should consider the relevant
12 competitive supply in neighboring jurisdictions that is already absorbing retail demand from the Town of Loomis,
13 Loomis Rural Area, and Granite Bay.

14 **Loomis Retail Trade Areas**

15 The Town of Loomis retail establishments operate in a unique environment that includes a vast retail marketplace.
16 Cities to the west, including Rocklin and Roseville, have both substantial purchasing power and community-
17 serving retail centers to satisfy that need. However, areas to the east and southeast do not have the same level of
18 access to shopping as the cities to the west and southwest. To estimate the likely future impact of household
19 consumption on the demand for additional retail space in the Town of Loomis, the surrounding areas are
20 separated into Primary, Secondary, and Tertiary markets based on their relative proximity to retail areas in
21 Loomis and clusters of retail space in other jurisdictions.

- 22 • The Primary Trade Area is the Town of Loomis.
- 23 • The Secondary Trade Area is the Loomis Basin area south of the freeway, referenced in the
24 appendices as “Loomis Rural Area.” This is an area immediately outside the Loomis Town limits,
25 bounded by Highway 193 to the north, Sierra College Blvd to the west, Auburn Folsom Road to the
26 east, and Cavitt Stallman Road to the south. This area includes Penryn but excludes Newcastle. (See
27 Figure C2 in Appendix C)
- 28 • The Tertiary Trade Area includes the Granite Bay area. Loomis can be reached quickly via Laird
29 Road and Horseshoe Bar Road from various points in Granite Bay; however, shoppers in Granite Bay
30 may choose to travel to Roseville and Folsom, as well. (See Figure C3 in Appendix C)
- 31 • Finally, new development areas of Lincoln and Rocklin will have immediate access to Loomis retail
32 centers on the west side of town as they commute to and from work. It is anticipated that Loomis will
33 capture a share of retail expenditures made by these commuters, as well as by those living on the
34 eastern sides of those cities. Households in Roseville are estimated to generate an insignificant impact
35 on retail demand in the Town of Loomis. The capture rate assumptions for these areas, together with
36 other retail assumptions, are provided in Table D-1 of Appendix D. The capture rate assumptions are
37 summarized in Table 6-6.



Table 6-6: Trade Area Capture Rates by Retail Category

Trade Area	Neighborhood Retail	Other Retail
Primary	75%	50%
Secondary	0%	40%
Tertiary	0%	20%
Other	0%	5%

The two categories of retail shopping are described below:

Neighborhood Retail: Neighborhood shopping centers generally provide convenience goods and personal services. These goods and services are purchased relatively frequently and at the most convenient location without much comparison shopping. Typical items include food, medication, hardware, dry cleaning, barber and beauty services, and shoe repair services. A neighborhood center is a small shopping center, generally ranging from 75,000 to 125,000 square feet of retail space. National surveys indicate that approximately 30% of retail consumption per household accrues to neighborhood retail space.

Other Retail: Community, regional, and other shopping centers provide goods and services that are bought after some degree of deliberation, on a less frequent basis than those provided by neighborhood centers, and that are somewhat specialized in nature. The products purchased at these other centers typically last longer than those from neighborhood centers and are differentiated by brand identification, retailer image, and shopping area ambience. Typical items include apparel, household furnishings, and specialty items like jewelry, cameras, and books. Representative examples also include health and entertainment establishments, such as gyms and movie theatres. Other retail centers in smaller areas like Loomis range in size from 200,000 to 300,000 square feet of retail space. National surveys indicate that approximately 70% of retail consumptions per household accrues to community, regional, and other shopping centers.

It is assumed that Loomis will capture 75% of neighborhood shopping demand generated by Loomis residents. Naturally, some residents who work outside the area will conduct some of their neighborhood shopping (including lunches, trips to the dry cleaners, etc.) in the area of their workplace, but workers who commute to Loomis will do the same and some commuters will stop to purchase these types of goods and services in Loomis rather than near their residences.

In terms of other retail shopping demand, the percentages shown in the capture rate table above are typical for the size and composition of each Loomis trade area. For example, while local shoppers will take advantage of their proximity to community-serving retail centers in Loomis to meet the majority of their community shopping needs, these shoppers are likely to make trips to outlet centers, power retail centers, various upscale centers, and other shopping areas in Roseville, Rocklin, and even Auburn. The farther shoppers in the secondary and tertiary trade areas are from Loomis and the closer they are to other shopping locations, the less likely they are to frequent Loomis shopping centers. This accounts for the declining capture rates from primary to tertiary trade areas. Capture rates for the other trade areas rely exclusively on pass-by traffic. The significant clusters of retail space in Rocklin and Roseville are likely to continue to attract retail customers from beyond their jurisdictions' boundaries.



New Retail Acres in Loomis

As Table D-2 illustrates, a total of 17 new retail acres are projected to be required to meet new retail demand in Loomis from 2016 through 2040: nearly 2 new neighborhood retail acres and another 15 acres of other retail are projected to be required in Loomis through the year 2040. The 17 acres represent the estimated demand for 185,000 square feet of future retail space under current zoning regulations. This forecast is based on projections of household growth in Loomis and western Placer County and household consumption survey data from 2019. These estimates highlight the total demand potential from households in the Town of Loomis, the Loomis Rural Area, and surrounding jurisdictions, which is highly susceptible to changes in the competitive market and local household spending patterns. The robust retail supply in neighboring jurisdictions and the large and growing presence of e-commerce and on-line retailers (a pattern accelerated by recent changes caused by Covid-19) will continue to represent a competitive supply of retail that could dampen future demand generated from household and employment growth in the Town of Loomis.

There are a number of projects in the current development pipeline that could add additional retail space to the inventory of the Town of Loomis. In particular, a Costco has been approved for construction that would add approximately 152,000 square feet and absorb a majority of the estimated 185,000 square feet demanded through 2040. The impact this new retail space could have on projected demand in Loomis warrants discussion. As a warehouse club store, Costco is likely to meet a certain percentage of demand from existing and future households in a number of retail categories. While the projected demand for the Town of Loomis assumes a capture rate from future household growth in the Loomis Rural Area, Granite Bay, and the neighboring jurisdictions (detailed in the previous section), the retail space of the new Costco is likely to serve an expanded regional market. At the same time, only a certain percentage of Loomis residents are likely to be Costco members and utilize this new retail space. Thus, while Table 6-7 shows a linear reduction in projected retail space demanded in the Town of Loomis after accounting for the approved development pipeline, it is understood that there remains significant potential for development in other retail categories and absorption into the currently vacant retail spaces in established corridors, such as in downtown Loomis.

Table 6-7: Town of Loomis Estimated Future Retail Demand 2020-2040

	Gross Demand 2020-40	Approved Development Pipeline (2020)	Net Demand 2020-40
Retail Space (SF)	185,000	152,000	33,000

Source: SACOG, AECOM, Town of Loomis

Loomis Office & Industrial Absorption Analysis

Job Distribution

The office and industrial absorption analysis is based primarily on SACOG’s 2020 MTP/SCS projections for employment. Employment projections by sector, as classified by SACOG, are categorized here into broader employment categories and correlated to general land use categories (see Table 6-8 and Table 6-9). In order to convert employment to land use requirements, certain assumptions regarding square feet of space per employee, floor-to-area ratios (FARs), and vacancy rates were made (Table 6-8 and Table D-4). These three assumptions, taken together, translate into a factor for jobs per acre, which is used to convert employment to acreage. Office and medical and service employment growth is estimated to generate demand for future additions of office space inventory. Industrial employment is assumed to be a mix of light industrial and general industrial. Therefore, employment projections translate into demand for the following three broad land use categories:



- 1 • Office
- 2 • Light Industrial
- 3 • General Industrial

4 Table 6-10 shows the distribution of employment by broad employment category for 2016 and 2040 with
 5 associated general land use categories. While total employment in Loomis is expected to increase by
 6 approximately 923 jobs from 2016 to 2040, the overall distribution of jobs among sectors is estimated to remain
 7 relatively consistent. Retail and food service, office, and medical and service each experience slight increases,
 8 while education and government, and industrial, both decrease as a percentage of the total.

9 **Table 6-8: Crosswalk of Employment Categories**

Employment Category	NAICS codes	SubCodes/Description	Employment Category for Analysis
Education	61	Educational Services (exclude 6115-6117 trade school, education support, include in service)	Education and Government
Food Service	722	7221-7225 (restaurants and bars)	Retail and Food Service
Government	92	Public Administration (exclude 9281 security and information, include in Other)	Education and Government
Industrial	11	Agriculture, Forestry, Fishing and Hunting	Industrial
Industrial	21	Mining, Quarrying, and Oil and Gas Extraction	Industrial
Industrial	22	Utilities	Industrial
Industrial	23	Construction	Industrial
Industrial	31-33	Manufacturing	Industrial
Industrial	42	Wholesale Trade	Industrial
Industrial	48-49	Transportation and Warehousing (exclude 4911 post office, include in service)	Industrial
Industrial	562	562 - (5621 - 5629) included in industrial because uses are administrative for waste, utilities and construction uses.	Industrial
Medical	62	Health Care and Social Assistance (exclude 623-624 nursing and residential care, social service, include in service)	Medical and Service
Office	51	Information	Office
Office	52	Finance and Insurance	Office
Office	53	Real Estate and Rental and Leasing	Office
Office	54	Professional, Scientific, and Technical Services	Office
Office	55	Management of Companies and Enterprises	Office
Office	56	Administrative and Support and Waste Management and Remediation Services (exclude 562, construction, include in industry)	Office
Office	813	8131 - 8139 included in Office (Office) because uses are larger civic and charitable organizations.	Office
Other*	9281	9281 (military) included in Military/Other	Office (note there are 0 for other for all time periods for Town of Loomis)
Retail	44-45	Retail Trade	Retail and Food Service



Employment Category	NAICS codes	SubCodes/Description	Employment Category for Analysis
Service	4911	4911 post office	Medical and Service
Service	6115-6117	6115-6117 (trade and technical schools) included in Retail(Service) because I-PLACE3S Education is K12 and college related	Medical and Service
Service	623	623 - Nursing and Residential Care Facilities	Medical and Service
Service	624	624 - Social Assistance	Medical and Service

1 Source: SACOG 2020 MTP/SCS, AECOM

2 **Table 6-9: Town of Loomis Job Distribution and Land Use Assumptions**

Employment Category	General Land Use Categories	SF per Employee	Floor Area Ratio	Vacancy Rate ²	Jobs Per Acre	Estimated Job 2016 Distribution	
Retail and Food Service ¹	Neighborhood Commercial, Other Retail	500	0.25	10.0%	21	512	16%
Education and Government/1	Schools	N/A	N/A	N/A	N/A	485	15%
Office	Office	300	0.3	7.5%	42	735	23%
Medical and Service	Office	250	0.25	7.5%	42	418	13%
Industrial	Light Industrial (50%) General Industrial (50%)	900	0.4	5%	19	1,045	33%
Total						3,195	100%

3 ¹ Retail acreage calculated separately based on housing units; school and government acreage not determined as part of this analysis.

4 ² Vacancy rates based on industry best practice; SF per employee based on Western Placer County Nexus fee study and USGBC
 5 Source: Western Placer County Nexus Fee, USGBC, Urban Land Institute, 1998 Town of Loomis General Plan

6
7

Table 6-10: Job Distribution

Employment Category	General Land Use Categories	Estimated Job 2016 Distribution	Estimated Job 2040 Distribution
Retail ¹ & Food Service	Neighborhood Commercial, Other Retail	16%	18%
Education & Government ¹	Schools, Other Public	15%	13%
Office	Office	23%	26%
Medical & Service ²	Office	13%	14%
Industrial	Light Industrial (50%), General Industrial (50%)	33%	29%
Total		100%	100%

8 ¹ Retail acreage calculated separately based on housing units; school and government acreage not determined as part of this analysis.

9 ² Service includes NAICS: 4911(post office), 6115-6117 (trade and technical schools), 623 (nursing and residential care facilities), and 624
 10 (social assistance)

11 Note: The job distribution presented here, and the accompanying analysis, use SACOG data for current and projected job distribution. This
 12 may not align with data related to recent job distributions but has been applied to as to be consistent with regional planning work,
 13 particularly as related to land use planning through 2040.

14 Source: SACOG 2020 MTP/SCS, AECOM



New Office and Industrial Acres in Loomis

Overall, office and industrial acreage is modeled to have a total demand of 23 acres between 2016 and 2040 (see Table D-5). Of the 23 acres demanded, approximately 11 acres would be developed for office space to accommodate the estimated 123,000 square feet needed for job sectors concentrated in office. The remaining 12 acres would be developed for industrial space to accommodate the estimated 207,000 square feet needed for job sectors concentrated in industrial space. Employment growth for the retail and food service sector is likely to be accommodated by the growth in retail space estimated above, while employment growth in education and government will be accommodated through expansion or renovation of the appropriate institutional land uses, and has not been included in this analysis. These estimates are based on projections of employment through 2040 and could change dramatically based on future economic conditions. While still too early to predict, the future impact of Covid-19 on working and commuting patterns could both greatly increase the demand for traditional office or industrial space (demand for more square feet per worker) or decrease the same demand (remote work becoming a permanent feature of many jobs).

Summary of Retail, Office, and Industrial Absorption Analysis

Table 6-11 and Table D-6 in Appendix D summarize the absorption analysis for the key areas of non-residential land use: retail, office, and industrial through 2040. Overall, based on projections of household growth from 2020-2040 for western Placer County, the Town of Loomis could experience sufficient retail demand to warrant the development of approximately 17 acres of land zoned for retail. Based on projections of employment growth for the same time period, the Town of Loomis could experience sufficient demand for commercial and industrial space to warrant the development of approximately 23 acres of office and industrial space.

Table 6-11: Town of Loomis Estimated Demand for Non-Residential Acreage 2016-2040

Land Use Designations	Retail Demand	Office Demand	Light Industrial Demand	General Industrial Demand	Total Demand
<i>Retail</i>					
Neighborhood Commercial	2				2
Other Retail	15				15
TOTAL RETAIL	17				17
<i>Office & Industrial</i>					
Office		11			11
Light Industrial			6		6
General Industrial				6	6
TOTAL OFFICE & INDUSTRIAL		11	6	6	23
TOTAL ACRES	17	11	6	6	40

Source: AECOM, 2020



1 **Appendix C. Capture / Leakage Analysis**

2 **Appendix D. Absorption Analysis**

3