



City of Palmdale General Plan Update

General Plan Advisory Committee

Meeting #6: May 20, 2020 | 6:30 pm - 8:30 pm

Virtual Meeting via Zoom livestreamed to YouTube

Meeting Minutes (Final approved July 29, 2020)

Meeting Objectives

- Review and discuss economic market and fiscal health

Attendees

GPAC Members

Present: Tony Avila, Juan Blanco, Laura Gordon, Colby Estes, Lourdes T. Everett, Theresa Hambro, Matthew Harris, Aurora Hernandez, Pat Hunt, Sheri Kaneshiro, Teresa Lamping, Joe Parisio, Deborah Rutkowski-Hines, and Jason Zink.

Absent: None

City Staff

Department of Economic and Community Development: Mike Behen, Director; Carlene Saxton, Deputy Director; Drew Pletcher, Deputy Director; Luis Garibay, Economic Development Manager; Taggart, Senior Planner; Ben Fiss, Senior Planner

Consultant Team

Raimi + Associates: Simran Malhotra and Melissa Stark
HR&A Advisors: Amitabh Barthakur and Garrett Rapsilber

Public

This was a virtual meeting; hence no public sign-in is available.

Meeting Summary

1. Call to Order & Meeting Procedures

The virtual meeting began with a brief overview of the meeting structure, roll call and introductions of City staff, the consultant team and GPAC members, and group recital of the Pledge of Allegiance.

Then a brief overview of important Zoom features for GPAC members and procedure for meeting comments and questions was presented. GPAC members asked questions at multiple stopping points throughout the presentation. They also used the “raise hand” nonverbal feedback response in Zoom to alert the team of their question. Members of the public were encouraged to follow

along and provide feedback through the Palmdale 2045 YouTube Channel and comments forum. Public comments and questions were shared throughout the presentation.

Next, Joe Parisio motioned to approve GPAC #5 P2 meeting minutes (February 19, 2020) and Lourdes Everett seconded the motion, with one correction to the meeting minutes, none opposed so the motion passed.

2. Overview Presentation

Amitabh Barthakur of HR&A Advisors provided an overview of economic development in Palmdale. His presentation was a synopsis of the Socio-Economic Profile and Market Analysis Report, which was a key milestone in the first phase of the General Plan Update. This report was emailed to the GPAC in advance for review and was also made available on the Palmdale2045 website. Amitabh noted that the report was completed in 2019 and before the current economic conditions caused by the Coronavirus pandemic. He clarified that the data used in the report and analyses was from 2018, the last full year of available data at the time. Amitabh conveyed that the information presented is context for long-term economic conditions in Palmdale, as the General Plan is a 25-year plus document.

The economics overview presentation was divided into four parts: demographics and market conditions overview, real estate trends and future demands, fiscal health, and discussion of economic opportunities and challenges. These sections are summarized below.

Demographics and the economy overview

Amitabh began the presentation with an overview of Palmdale’s demographics and local economy, noting that manufacturing continues to expand in Palmdale and remains one of the few sources of high-paying jobs in the region. This section covered the growth and recovery from the Great Recession, key economic drivers, and Southern California Association of Governments (SCAG) Regional Growth Projections for employment and households. SCAG projects that Palmdale will outpace Los Angeles County through 2040.

Real estate trends & 2045 demand

In this section, Amitabh reviewed real estate trends from recent years including residential, retail, industrial/flex, office, and hotel trends. He mentioned how many of these data points compare to Los Angeles County as a whole, noting that home values in Palmdale have yet to fully recover from the Great Recession and new construction lags as high construction costs persist. Other key data points included large amount of excess retail space with rents performing below pre-recession levels, strong demand for industrial space, but lack of adequate infrastructure inhibits new development. Amitabh noted the office market has seen little growth in the past decade, while the hospitality industry has matured with new hotels serving the aerospace industry. In summary, Amitabh pointed out that Palmdale’s vast land capacity can easily support future development for all uses, but the capacity is currently higher than market demand. This section ended with an overview of key economic opportunities and needs.

Fiscal health summary

This section reviewed HR&A’s peer cities evaluation to benchmark Palmdale’s fiscal performance. The evaluation compared Palmdale, Lancaster, Santa Clarita, and Victorville across various fiscal metrics. Amitabh shared some highlights including that Palmdale is less reliant on General Fund revenues than its peer cities, but similarly reliant on property, sales, and use taxes. Other highlights included that Palmdale is a low property tax city, has the lowest General Fund

expenditures per equivalent dwelling unit (EDU) of its peer cities and has one of the lowest financial risks in the state, and has the lowest full-time equivalent (FTE) staff per EDU of its peers cities. This section concluded with a few final fiscal health considerations.

Economic opportunities

The final presentation section covered key economic strengths and weakness, opportunities and needs, and a resilient COVID-19 recovery framework that highlighted key City initiatives completed to-date. Luis Garibay provided an overview of the City's outreach efforts in the last several months.

3. Discussion

Throughout the presentation, the Consultant Team and City Staff answered questions from the GPAC as well as those submitted through the online forum from the public. These questions and responses are summarized below.

GPAC Member questions and comments (City/Consultant Responses in italics)

- A GPAC member asked for clarification on the Spatial Distribution of Population by Race in Palmdale graphic, noting that the map appears to only show Hispanic origin. *The Consultant Team noted that the yellow color representing the Hispanic population is most apparent on the map, but not the only race. The team sent out a link to the original source of the map for GPAC members which is available [by clicking here](#).*
- One GPAC member asked the difference between SCAG Regional Growth Projections and Regional Housing Needs Assessment (RHNA) numbers. *Amitabh clarified the SCAG Regional Growth Projections are population and household estimates not to be confused with the RHNA numbers which are housing related allocations.*
- A GPAC member asked if the City has found any relief with infrastructure financing from the private development sector. *City Staff mentioned that the City is exploring different options for public private partnerships between developers and the City, to provide some of the financing to make the development in those areas work. The Consultant Team reminded the group that at the last GPAC meeting the activity was based on a map of where the existing infrastructure is, to help guide near-term development ideas versus longer-term opportunities.*
- A GPAC member asked about the private enterprise financing in the area for residential tracts. Since the City has been redlined by the lending industry following the Great Recession, funding for new residential tracts has been limited. *The Consultant team responded that they could see nervousness from the lending industry, since the value of homes has not fully recovered from the Great Recession. City Staff responded that the City has reached out to legislators on this issue, and there is nothing yet to report.*
- One GPAC member expressed a desire to protect natural assets when considering development opportunities for the future. *The Consultant Team clarified that tonight's discussion is focused on a small subset of privately driven commercial land, what makes up economic development. This does not include public facilities, open space, etc. which are all economic opportunities and assets in Palmdale to be discussed later.*
- A GPAC member asked if Mello-Roos is included in the property tax charts shown in the presentation? *The Consultant Team responded they do not include Mello-Roos.*
- Two GPAC members asked for an update on the Palmdale Airport's passenger air service plan. *Mike Behen responded that the City is looking at a new terminal location at the southeast corner of Avenue M and Sierra Highway. They mentioned that the City is in*

discussion with the Los Angeles World Airports (LAWA), Palmdale Regional Airport, and the Air Force, noting that they are optimistically opening in 3-4 years.

- One GPAC member asked why there are currently so many General Plan amendments to allow for multi-family housing? *City Staff responded that the City's current General Plan is extremely out of date, which has made it difficult for the development community to respond to current needs including housing. The General Plan Update will create a vision citywide and designate adequate locations for those development types, which will limit the need for amendments in the future.*
- One GPAC member asked for clarification on the General Fund Tax Revenues, what is the "other" category? *The Consultant Team responded that the "other" category can include documentary transfer tax, grants, inter-governmental transfer funds, and even investment earnings.*
- Throughout the presentation GPAC members made various comments based on the economics information, these are listed below:
 - Desire to see Palmdale be more aggressive in capturing high-paying jobs, a Junior College, and a business incubator.
 - Desire to promote Palmdale within the Los Angeles region.
 - Desire to attract the private aerospace industry, entertainment industry including post-production services, battery, and solar manufacturing, among others and take advantage of the miles of underused dark fiber in Palmdale.
 - Consider a mining tax to recover roads and other infrastructure costs.
 - Need to develop amenities along with new multi-family housing to attract and retain employees in Palmdale.
 - Need to expand entertainment opportunities, like a potential casino.
 - Need for both housing that is affordable on wages in Palmdale and need to attract higher paying jobs in Palmdale.

Public Questions/Comments (City/Consultant Responses in italics)

- Can you put a timer of 30 seconds on questions/comments?
- Are there plans to focus on building out more "missing middle" housing? Things like townhouses, three flats, and two flats, etc. These types of housing can be much more affordable and attract more buyers, which in turn attracts developers. This type of housing could be really good for Palmdale. *City Staff responded to this question noting that a few multifamily developments have recently been approved by Planning Commission.*
- Do you know if recreational sports leagues (softball, soccer, etc) impact the occupancy rate of the hotel industry? *The Consultant Team responded that they do, it's highly competitive, but doesn't create the same drivers that Palmdale's current aerospace industry does.*
- The Joshua tree forests between Ave. M and Ave. O bordered by Sierra Hwy. and 10th st. West should also be planned as open spaces so they can become Desert conservation areas. What has to be done to implement this?
- All Joshua tree habitats east of 40th St east should be planned as open spaces. They should become desert conservation areas. How is this done? *For both comments relating to Joshua Trees, City Staff responded that the City has a Joshua Tree Preservation Plan to continue to maintain the desert feel of the City.*
- Will the presentation be available to the public? I work for the high school district and it is relevant for our Career Technical Education grants and programs. *The Consultant Team responded that yes, the presentation will be available on the website.*

4. Public Comment

Dozens of viewers watched the livestreamed meeting on YouTube. One provided official public comment through the online forum. This comment is listed below.

- The way to expand Aerospace is to provide a place people want to live overall. L(ockheed) M(artin) and N(orthrop) G(rumman) are moving jobs to other sites because of limited hiring and retention success. School quality, social places for just-out-college singles, and general community opportunities like clubs and family activities are more important to organically grow the footprint in Palmdale than directly catering to the companies.

5. Wrap Up and Adjourn

The consultant team invited GPAC members and YouTube viewers to submit supplemental comments or questions via email to GeneralPlan@cityofpalmdale.org

Next steps will include review of three land use and circulation alternatives which were developed based on GPAC #5P2 and previous community engagement results. Most of the future engagement is anticipated to be virtual. More information on these to come.

The meeting was adjourned at 8:35 pm.

A recording of this meeting is available on the [Palmdale 2045 YouTube Channel](#)

Note: this virtual meeting did not have a sign in sheet for GPAC members or the public.