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Real Estate Economics
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Land Use Policy

TOWN OF MORAGA MARKET ASSESSMENT

Prepared for:

Town of Moraga

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I. INTRODUCTION AND SUMMARY OF FINDINGS

INTRODUCTION

Economic & Planning Systems, Inc. (EPS) has been retained by the Town of Moraga (the "Town") to quantify the market opportunities in the Town, specifically focused upon the Moraga Center and Rheem Park Specific Plan Areas (the "Specific Plan Areas"). The Moraga Center Area is envisioned as the "downtown" or "center" of Moraga, and the Rheem Park area is envisioned as primarily a commercial district. The Town foresees the Moraga Center Area as an opportunity to create a new mixed-use neighborhood that will contain 1) new retail shopping opportunities, 2) specialty housing (e.g., student, senior, and "workforce" housing[1]), and 3) other uses including hospitality (e.g., lodging), office, and entertainment uses. The realization of the Moraga Center as a new mixed-use neighborhood will involve subsequent community participation, physical planning, and the formulation of implementation strategies. Similarly, the Town is seeking to identify opportunities to enhance and revitalize the Rheem Park Area.

EPS's primary role on the Consultant Team is to provide an overview of market conditions in Moraga and to ensure that the uses to be proposed for the Specific Plan Areas are realistic from a market perspective and have the potential to achieve the key policy objectives (e.g., limited addition to external travel demand) while also being economically feasible from the perspective of the owners/developers.

GENERAL PLAN CONCEPT FOR SPECIFIC PLANS

The Town of Moraga General Plan was updated in June 2002. In the General Plan, two Specific Plan Areas were designated: (1) Moraga Center and (2) Rheem Park. The Specific Plan Areas both contain the Town's two major shopping centers, the Moraga Shopping Center and the Rheem Valley Shopping Center. The development of these two sites is identified as a near-term priority for the Town of Moraga, and is anticipated to accommodate all of the retail, commercial, and office development within the Town. The table below outlines the General Plan's key opportunities of the land uses in the two Specific Plan Areas, and **Figures 1** and **2** demonstrate the possible configuration of those land uses as shown in the General Plan.

[1] Workforce housing has not been officially defined but typically refers to housing for households that are comprised of working adults who earn between 60 to 120 percent of area median income (AMI).

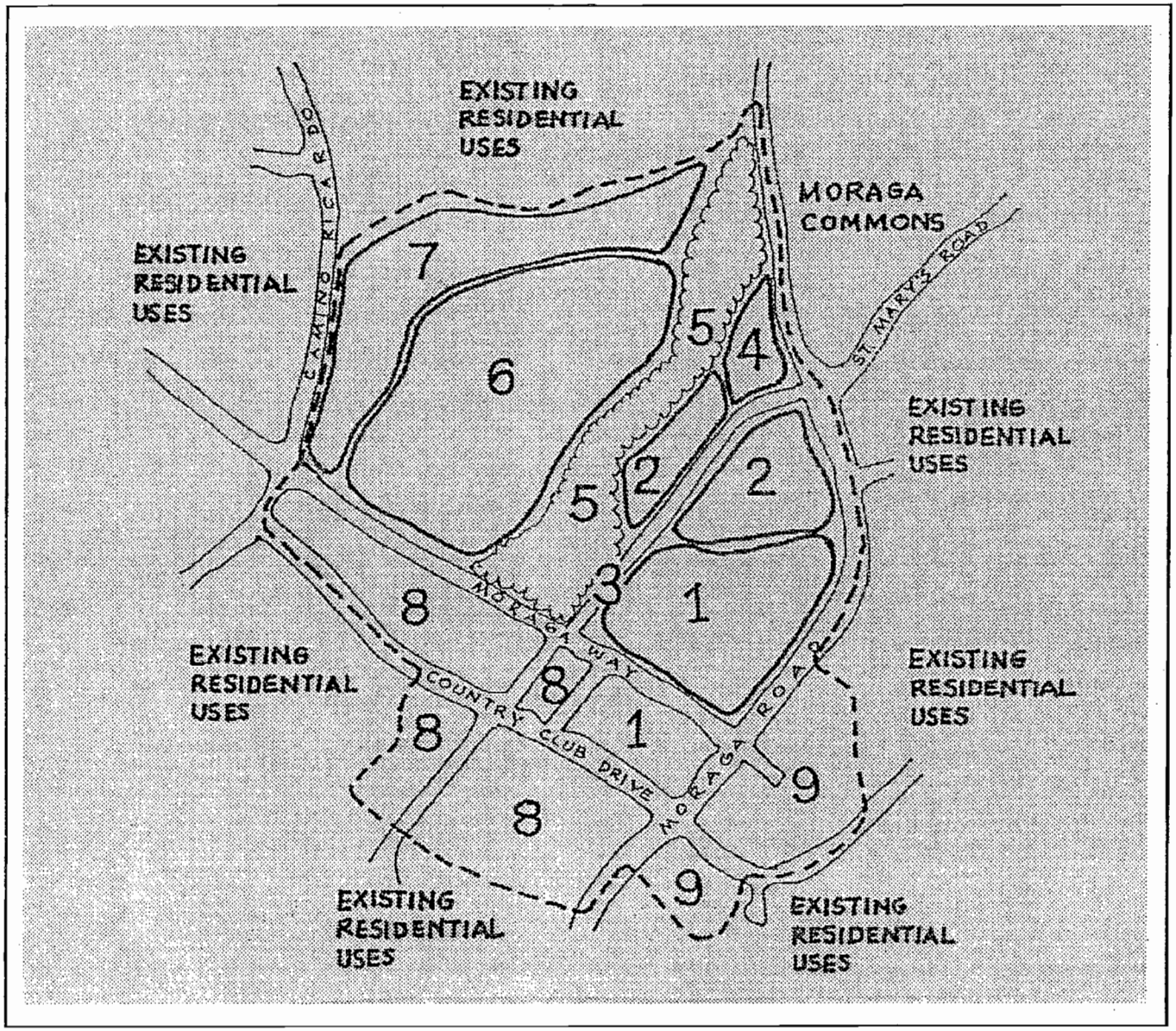
Moraga Center Specific Plan Area

1. Shopping Center. Potential redevelopment, redesign, intensification or site improvement to create stronger pedestrian orientation.
2. Under-utilized Land. Potential for medium and medium-high density housing and/or commercial development.
3. Potential extension of School Street.
4. Proposed Town Center Facility Site.
5. Creek and Moraga Ranch historic structures. Development setbacks and potential linear park.
6. Orchard Area. Mixed density housing, clustered to protect some of the orchard area.
7. Residential Area. Three units per acre; transition to existing neighborhoods.
8. Commercial/Office Areas. Including existing assisted care facility, Moraga Barn, etc. Some infill potential (small offices and/or housing).
9. "Limited Commercial" Area. Some infill housing potential.

Rheem Park Specific Plan Area

1. Shopping Center. Potential redevelopment, redesign, intensification or site improvements to create stronger pedestrian orientation.
2. Under-utilized Land. "Research and development" overlay district; potential for redevelopment, redesign, intensification or site improvements.
3. Area of existing commercial development and services, including new commercial space and fire station (under development); opportunity for infill development at vacant bowling alley site and remaining vacant parcel.
4. Multifamily housing.
5. Areas of existing commercial/service development with potential for reuse or redevelopment (including old fire station site).

Source: *Moraga 2002 General Plan*, Appendix B.



Source: Moraga 2002 General Plan

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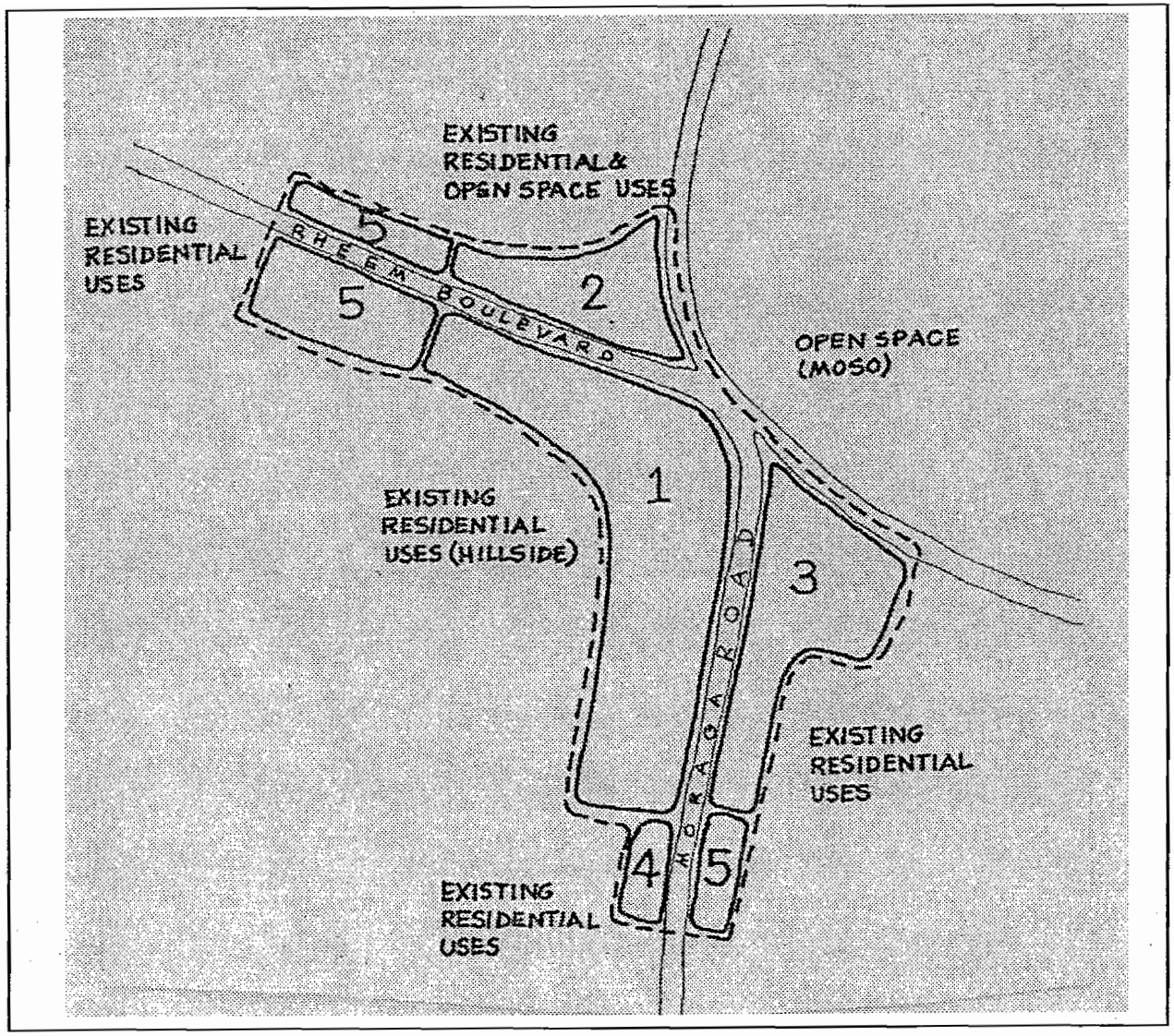

Source: Moraga 2002 General Plan

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OTHER GENERAL PLAN DEVELOPMENT POTENTIAL

The General Plan has provisions for additional development in the Town, specifically residential development on several vacant sites. Currently in the development pipeline are eight development projects ranging from townhomes to custom-built, estate-size single-family homes. Selected development projects will be discussed in more detail in **Chapter III**.

PURPOSE OF THE REPORT

This report represents EPS's assessment of market conditions and competitive attributes that will affect investment decisions and opportunities for new development in the Town of Moraga. The findings in this report will be used to help guide the planning, development, and revitalization strategies for the Moraga Center and Rheem Park Specific Plans.

This report is not deterministic of the revitalization strategies and development opportunities in the Specific Plan Areas, but rather provides information that will be of value in evaluating the comparative merits of alternative concepts. Later in the planning process, EPS will work with Fehr & Peers (traffic consultants), Town of Moraga representatives, and community stakeholders to apply the findings of this report to the formulation of revitalization strategies and the evaluation of development opportunities in the Moraga Center and Rheem Park Specific Plan Areas as well as other opportunity areas in the Town.

SUMMARY OF FINDINGS

1. ***Moraga is home to increasingly well-to-do households with projected increases in income and limited growth of households over the next ten years.***

   Demographic and economic indicators suggest that Moraga households tend to have more disposable income than Contra Costa County residents as a whole and are more likely to be employed in white-collar jobs. The 2005 mean household income in Moraga was $160,200 and is projected to grow to $178,900 by 2015 in real terms (adjusted for inflation), increasing by nearly 12 percent, or more than $18,700 per household. The Town of Moraga is located within a county and metropolitan area that exhibit growth, wealth, and economic diversity and stability. These conditions suggest that housing is and will continue to be in demand in Moraga. And, as the population grows, the demand for retail, personal, professional, and entertainment services will also increase.

The Moraga employment base also exhibits signs of growth and stability. The health, educational, and recreational service categories followed by the financial and professional service categories govern the local economy; however, Moraga is not a major regional center for employment. The socioeconomic conditions in the Town suggest opportunities for continued growth and development within the Moraga Specific Plan Areas. Population growth and increases in household income suggest increased demand for housing, retail, lodging, office, and restaurant/entertainment uses. Demand for services will also increase, suggesting potential demand for additional office space in the Moraga Center and Rheem Park Specific Plan Areas.

2. ***Residential uses present the strongest development opportunities for the Moraga Center in the near term.***

Demand for housing in Contra Costa County has outpaced residential unit production and has resulted in significant pent-up demand. EPS projects that this pent-up demand will continue and housing demand will remain strong, even as the housing market cools, as it is beginning to do. According to Association of Bay Area Governments (ABAG) projections, the Town of Moraga is projected to grow by 330 households (700 residents) between 2005 and 2015. Additionally, the County will experience even stronger growth with 32,900 households (86,000 residents) between 2005 and 2015. This projection is, of course, dependent upon the number of units constructed. Given regional market conditions, the amount of growth could be greater. Market data also suggest acceptance of higher density residential products including townhomes and mixed-use flats (e.g., residential over retail uses).

In addition to growth in the region, there are also opportunities to expand housing for "specialty" housing including housing for students, seniors, and the local workforce. At the present time there are few housing opportunities for students, staff, or faculty of Saint Mary's College, or the faculty and staff of local school districts. These students and workers, for the most part, must commute out of Town to their homes. Recent surveys at the College indicate an interest in local housing opportunities if the housing was affordable by these households. The advantage of capturing existing workers includes reducing the numbers of vehicle trips in and out of Town and the opportunity to capture a greater percentage of their retail sales.

There are several senior housing formats that could work well in the context of redeveloping the Moraga Center. Examples of such projects in other communities similar to Moraga suggest that additional opportunities for senior housing exist.

3. ***Moraga households make three quarters of their retail purchases in surrounding communities, which is consistent with the existing neighborhood and community shopping opportunities in Moraga.***

Moraga's households are currently estimated to spend approximately $289 million on retail goods per year. However, of this total, only $70 million in actual taxable sales were captured in Moraga in 2004, and a portion of these Moraga retail sales are

to residents of nearby neighborhoods in Orinda and Lafayette as well as Saint Mary's College students, faculty, and staff. Thus, Moraga's retail establishments are capturing $219 million less in annual taxable sales than is actually spent by local residents, which represents a capture rate of about 24 percent. This percentage is typical of the expenditures normally associated with neighborhood and convenience shopping. The balance of retail sales for automobile-related expenditures and regional shopping goods all occur in surrounding communities.

4. ***The combination of capturing a portion of existing "leakage" and the demand from new residents in Moraga create opportunities for an expansion of retail space.***

   While it is unrealistic to assume that a significant capture of the existing sales "leakage" could occur given that it is not likely that substantial automobile-related or regional shopping opportunities will be constructed in Moraga, there are opportunities for expanding Moraga's retail sector by expanding community-serving retail by providing certain regional shopping goods and expanding eating and drinking opportunities. Specifically, there may be an opportunity to expand the existing grocery store into a larger-format store, add some home furnishings and household goods retailers, and add some apparel and other specialty retailers as well as eating and drinking establishments. Overall, given retail shopping goods demanded by new households and opportunities to capture a portion of "leakage," significant opportunities for expanding retail space in Moraga present themselves.

5. ***New retail development in Moraga will be focused in the existing commercial centers, Moraga Shopping Center and Rheem Valley Shopping Center.***

   Based on what is already within the Moraga Shopping Center and Rheem Valley Shopping and because Moraga is not a regional shopping destination, its strength is in convenience goods, which are currently underperforming. Additionally, given the student population and proposed addition of residential uses near the Moraga Shopping Center, EPS has estimated that the Moraga Shopping Center could include such uses as a coffee shop, a deli or sandwich shop, a bagel shop, smoothie/juice shop or frozen yogurt shop, a small sports bar and restaurant, and a convenience store. These uses as well as existing retail and service uses would be easily accessible to students, faculty, and staff of Saint Mary's College via shuttles to and from campus to the two shopping centers during the week as well as highly utilized by Town residents and employees who work nearby. These types of tenants make sense because they include casual dining and convenience. The success of new retail in Moraga would be dependent upon new housing nearby and vice versa.

   Efforts to revitalize the Rheem Shopping Center should initially be focused on filling any vacancies, particularly the 26,000 square feet of space in the former Apple Market site. The center currently has strong presence because of the regional attraction of the TJ Maxx and Tuesday Morning stores. Once vacancy is stabilized, the owners of the center could consider expansion next to the Rheem Theatre. Currently, a 12,000-square foot office building is proposed for the site, but this site

would likely be better suited for additional retail space such as a bookstore or commercial uses such as a restaurant or bar.

6. ***A small boutique hotel or bed-and-breakfast inn may be an option for Moraga.***

   Residents, students, and faculty have expressed interest in either an extended stay hotel or a bed-and-breakfast (B&B) inn in the Town of Moraga. However, a B&B or boutique hotel would be differentiated from the existing supply of hotels in nearby Lafayette and Walnut Creek, and could capitalize on the potential physical and functional improvements to Moraga. The key to this use is to find an operator willing to make the investment. However, it is unlikely that a "chain" operator would locate in Moraga.

7. ***Office users are a relatively minor source of support for new development in Moraga.***

   Commercial space in Moraga currently is home to numerous small community and business-serving office tenants, and demand is almost entirely generated by local households for business and personal services. The current availability of vacant office space in Moraga and the surrounding communities of Lafayette and Orinda indicates that any office development in Moraga would be slow to absorb. However, with new residential development in the Moraga Center and as the Town's overall population increases, the demand for office services will grow. Additionally, some opportunity for "office suites" or small "build-to-suit" sites serve desire for local households to establish or relocate their businesses in Moraga.

8. ***Entertainment development such as a sports bar and restaurant present a strong opportunity for development in the Moraga Center and Rheem Park areas.***

   Currently, Moraga residents and students typically have to leave the Town to enjoy nightlife such as a dance club, a bar, fine dining, and family fun such as going to films and bowling. Residents and students have also expressed interest in a live music venue such as local jazz artists performing at a local restaurant, reintroducing the bowling alley along Moraga Road, and introducing a small bar or diner. However, an entertainment venue such as a sports bar and restaurant present a strong opportunity for development in Moraga Center, and a bookstore, restaurant, or bar presents an opportunity for development in Rheem Park. The concept of creating a winery making use of locally produced table wine grapes could also contribute to improving the Town's entertainment venues. Together with the introduction of a hotel and increased retail uses, such entertainment uses have the potential to create a better local shopping destination.

ORGANIZATION OF REPORT

Beyond this introductory chapter, **Chapter II** describes the greater socioeconomic environment of the Moraga Center and Rheem Park Specific Plan Areas. **Chapter III** provides an overview of the increasing housing development pressures in the area and the types of renters, buyers, and housing that would drive future residential development in the Moraga Center Area. **Chapter IV** considers the market opportunities for increased retail development in the Specific Plan Areas and the potential capture of additional local retail development. **Chapter V** outlines three potential additional land use scenarios, representing hospitality (e.g., lodging), office, and entertainment uses.

II. SOCIOECONOMIC OVERVIEW

This Chapter establishes baseline information regarding the greater socioeconomic context for the Moraga Center Specific Plan and Rheem Park Specific Plan areas. It provides an analysis of the historical and projected demographic and economic trends within the Specific Plan Areas, the Town of Moraga, City of Lafayette, City of Orinda, City of Walnut Creek, and Contra Costa County as a whole, to assess the general position of the Moraga Center and Rheem Park areas in relation to other potentially competitive areas for development and activity. Subsequent Chapters of this Report will address the general demographic and economic characteristics pertinent to Moraga, as well as more detailed assessments of current conditions and future opportunities for housing, retail, hospitality, office, and entertainment development in the Specific Plan Areas.

REGIONAL AND LOCAL SOCIOECONOMIC CONTEXT

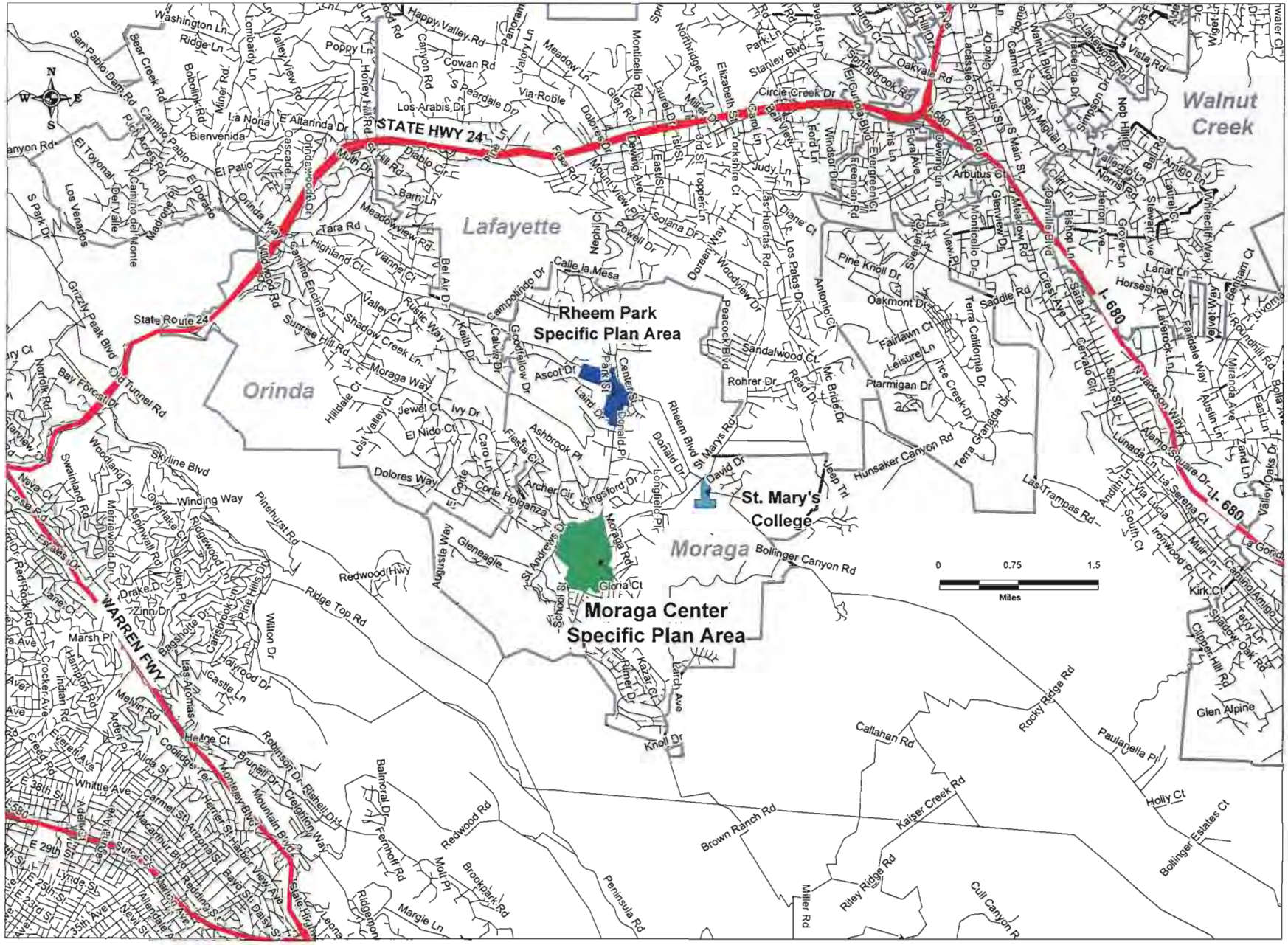
GENERAL LOCATION

The Town of Moraga is located 20 miles east of San Francisco and 8 miles east of Berkeley in central Contra Costa County. Moraga is located east of the City of Orinda and south of the City of Lafayette near the Highway 24 corridor. The three communities of Lafayette, Moraga, and Orinda are commonly referred to as "Lamorinda," and they all primarily serve as bedroom communities for commuters working in large employment hubs such as Oakland and San Francisco. Walnut Creek is a nearby city with a population greater than the Lamorinda communities combined, and it currently serves as a regional shopping destination and employment center within central Contra Costa County.

Moraga is likely well known as the home of Saint Mary's College (the "College"), which is located on 420 acres in the foothills of Town. According to *U.S. News and World Report*, the College is ranked among America's Best Colleges for 2006. It is a medium-size, private university and offers a wide selection of undergraduate as well as graduate degree programs.

Near the College, as depicted in **Figure 3**, the Moraga Center Specific Plan Area consists of approximately 180 acres of land, of which 50 percent is undeveloped. The developed areas consist of housing, commercial, office, public, religious, and educational uses. The Moraga Center Area is bounded by residential development to the north and the Moraga Commons Park and recreational area to the east. Residential development also bounds the southern and western edges of the Moraga Center Area. The Rheem Park Specific Plan Area consists of approximately 66 acres of land, of which less than 1 percent or almost four acres are undeveloped. The Area is bounded to the north, northeast, east and west by hills. Most of the existing development in the Area consists of commercial (e.g., office) and retail development, including some public uses, housing, and educational uses in small size, which is focused along Moraga Road,

Figure 3:
Moraga Center and Rheem Park Specific Plan Areas



Rheem Boulevard, Center Street, and Park Street. The Rheem Park Area's most noteworthy landmark is the Rheem Theater, a four-screen movie theater. Built in the 1950s, the Rheem Theatre originally had only one screen, but it was remodeled in the 1990s to create four screens. The renovation maintained its original façade.

DEMOGRAPHIC INDICATORS

Population, household, employment, and household income trends are a key determinant in the type of housing and retail demand in a particular area. For example, higher-income households typically demand larger homes as well as more and different types of retail goods than lower-income households. Additionally, assuming average household incomes remain constant or improve over time, a growing population base will generally result in increased housing and retail demand, providing additional market support for new and existing housing development and retail establishments.

Population and Household Trends

Historic and projected population and household trends are shown in **Table 1** using ABAG *Projections 2000* and *2005* data for 1995-2015. Despite the economic downturn of the early 2000s, Contra Costa County as a whole has continued to grow. Contra Costa County was home to over 1.0 million people in 2005. Moderate residential growth has occurred in the area, particularly in the cities of Orinda and Walnut Creek; however, Moraga and Lafayette have experienced little to no growth over the ten-year period from 1995 to 2005.

According to ABAG, as shown in **Table 1**, over the next ten-year period from 2005 to 2015, Lamorinda and Walnut Creek are expected to grow at an increased rate, although at a modest pace. Walnut Creek is expected to grow at nearly the same rate as the County (7 percent compared to an 8 percent increase); however, the Town of Moraga and the cities of Lafayette and Orinda may grow at only half the rate of the County (3 and 4 percent increases compared to an 8 percent increase).

Household characteristics shown on **Table 2** are based on information from the U.S. Census. As shown, family households represent the predominant household type in the Lamorinda communities; however, Walnut Creek has almost equal family and non-family households (55 percent family households compared to 45 percent nonfamily households).[2] In addition, small households with one to three persons represent the predominant household size in both Lamorinda and Walnut Creek. Both trends are consistent with an area that is appealing to families who have postponed having children or have only one child, or those who have grown children who no longer reside in the area.

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[2] According to the U.S. Census, a nonfamily household consists of a person living alone or a householder who shares the home with nonrelatives only; for example, with roommates or an unmarried partner.

Table 1
Historical and Projected Demographic Trends (1990-2030)
Town of Moraga Market Assessment; EPS #15065

Category	1995	2000	2005	2010	2015	Change, 1995-2005 #	Change, 1995-2005 %	Change, 2005-2015 #	Change, 2005-2015 %
Population									
Town of Moraga	16,300	16,333	16,400	16,600	17,100	100	1%	700	4%
City of Lafayette	25,500	25,334	25,500	25,900	26,300	0	0%	800	3%
City of Orinda	16,900	17,599	17,700	17,800	18,200	800	5%	500	3%
City of Walnut Creek	77,300	78,848	80,200	82,500	85,500	2,900	4%	5,300	7%
Contra Costa County	865,300	948,816	1,016,300	1,055,600	1,102,300	151,000	17%	86,000	8%
Households									
Town of Moraga	5,610	5,674	5,700	5,800	6,030	90	2%	330	6%
City of Lafayette	9,750	9,682	9,830	10,030	10,240	80	1%	410	4%
City of Orinda	6,430	6,596	6,630	6,730	6,890	200	3%	260	4%
City of Walnut Creek	35,940	37,086	37,940	39,240	40,650	2,000	6%	2,710	7%
Contra Costa County	320,240	344,129	368,770	385,250	401,670	48,530	15%	32,900	9%
Jobs									
Town of Moraga	3,740	4,940	4,970	5,230	5,440	1,230	33%	470	9%
City of Lafayette	8,800	10,790	10,790	11,350	11,710	1,990	23%	920	9%
City of Orinda	4,560	6,230	6,210	6,500	6,680	1,650	36%	470	8%
City of Walnut Creek	51,930	62,040	62,590	65,390	67,370	10,660	21%	4,780	8%
Contra Costa County	308,150	371,310	373,000	406,010	439,020	64,850	21%	66,020	18%
Mean Household Income (in 2005$) (1)									
Town of Moraga	$162,342	$168,243	$160,237	$167,273	$178,918	-$2,104	-1%	$18,680	12%
City of Lafayette	$162,342	$182,920	$179,281	$188,258	$198,568	$16,940	10%	$19,287	11%
City of Orinda	$198,018	$225,982	$221,373	$232,411	$245,147	$23,355	12%	$23,775	11%
City of Walnut Creek	$109,277	$106,138	$106,138	$109,170	$116,084	-$3,140	-3%	$9,947	9%
Contra Costa County	$107,179	$108,321	$107,593	$113,901	$120,936	$415	0%	$13,343	12%

(1) The Consumer Price Index (CPI) is used to adjust this data to 2005 dollars based on the Bureau of Labor Statistics first half data for 2005.

Source: ABAG *Projections 2000* and *2005*; California Department of Finance; Bureau of Labor Statistics; Economic & Planning Systems, Inc.

Table 2
Trends in Household Type, Household Size, and Age Breakdown (1990-2000)
Town of Moraga Market Assessment; EPS #15065

	Moraga						Lafayette					
	1990		2000		1990-2000		1990		2000		1990-2000	
Households	Amt.	% Total	Amt.	% Total	Amt.	% Change	Amt.	% Total	Amt.	% Total	Amt.	% Change
Household Composition												
Family	4,349	78%	4,361	76%	12	0%	6,700	75%	6,805	76%	105	2%
Non-Family	1,213	22%	1,402	24%	189	16%	2,276	25%	2,174	24%	-102	-4%
Total Households	5,562	100%	5,763	100%	201	4%	8,976	100%	8,979	100%	3	0%
Household Size												
1-3 persons	4,142	74%	4,204	73%	62	1%	6,748	75%	6,734	75%	-14	0%
4 + persons	1,454	26%	1,518	27%	64	4%	2,285	25%	2,296	25%	11	0%
Total Households	5,596	100%	5,722	100%	126	2%	9,033	100%	9,030	100%	-3	0%
Age Breakdown												
19 and under	4,091	26%	4,845	29%	754	18%	5,904	25%	6,321	27%	417	7%
20 to 34	2,754	17%	2,141	13%	(613)	-22%	3,841	16%	2,433	10%	(1,408)	-37%
35 to 54	5,094	32%	5,048	30%	-46	-1%	8,084	34%	8,580	37%	496	6%
55 to 64	2,012	13%	2,084	13%	72	4%	2,465	10%	2,852	12%	387	16%
65 and over	1,901	12%	2,524	15%	623	33%	3,207	14%	3,277	14%	70	2%
Total Population	15,852	100%	16,642	100%	790	5%	23,501	100%	23,463	100%	-38	0%

Source: Census 1990; Census 2000; Economic & Planning Systems, Inc.

Table 2
Trends in Household Type, Household Size, and Age Breakdown (1990-2000)
Town of Moraga Market Assessment; EPS #15065

Households	Orinda						Walnut Creek					
	1990		2000		1990-2000		1990		2000		1990-2000	
	Amt.	% Total	Amt.	% Total	Amt.	% Change	Amt.	% Total	Amt.	% Total	Amt.	% Change
Household Composition												
Family	5,006	79%	5,231	80%	225	4%	16,099	57%	16,717	55%	618	4%
Non-Family	1,299	21%	1,332	20%	33	3%	12,248	43%	13,798	45%	1,550	13%
Total Households	6,305	100%	6,563	100%	258	4%	28,347	100%	30,515	100%	2,168	8%
Household Size												
1-3 persons	4,692	74%	4,771	72%	79	2%	24,303	86%	25,990	86%	1,687	7%
4 + persons	1,616	26%	1,827	28%	211	13%	4,037	14%	4,350	14%	313	8%
Total Households	6,308	100%	6,598	100%	290	5%	28,340	100%	30,340	100%	2,000	7%
Age Breakdown												
19 and under	3,982	24%	4,701	27%	719	18%	11,128	18%	12,113	19%	985	9%
20 to 34	2,033	12%	1,194	7%	(839)	-41%	12,488	21%	10,248	16%	(2,240)	-18%
35 to 54	5,760	35%	6,172	35%	412	7%	17,075	28%	19,089	30%	2,014	12%
55 to 64	2,161	13%	2,169	12%	8	0%	6,114	10%	6,686	10%	572	9%
65 and over	2,706	16%	3,210	18%	504	19%	13,764	23%	16,136	25%	2,372	17%
Total Population	16,642	100%	17,446	100%	804	5%	60,569	100%	64,272	100%	3,703	6%

Source: Census 1990; Census 2000; Economic & Planning Systems, Inc.

As shown in **Table 2**, parent-age adults (age 35 to 54) make up the single largest population group in these communities. Additionally, the age cohorts of individuals aged 65 and over experienced the fastest growth between 1990 and 2000 in three of the four communities except for Lafayette. Lafayette's fastest growing age cohort was in the 55 to 64 age group, the "empty-nesters." Meanwhile, the ten-year historic trend indicates that young adults are leaving the area, with the 20 to 34 age bracket actually decreasing during the period. These trends indicate an increase in the middle-aged parent, aging adult population, and a reduction in the number of single, young professionals.

Employment Trends

Projected employment growth in Moraga and surrounding areas from 2000 to 2015 is shown in **Table 3**. As shown, Walnut Creek gained about 550 jobs and Moraga gained about 30 jobs over the last five years, an increase of about 1 percent for both, respectively. However, Lafayette had no net job growth, and Orinda's employment resulted in a net loss, with both resulting in no growth over the last five years. Future projections for the next ten years suggest much stronger growth rates of 8 percent for both Orinda and Walnut Creek and 9 percent for both Moraga and Lafayette. The County gained over 33,000 jobs between 2000 and 2005, a 9 percent increase, and is expected to gain over 66,800 more jobs over the ten-year period between 2005-2015, a 16 percent increase. Overall, the strongest growth will occur in the health, educational, and recreational service and other jobs[3] categories as well as financial and professional service categories through 2015.

The composition of employment growth is indicative of national trends away from manufacturing and agricultural sectors to service industries. In Lamorinda and Walnut Creek, specifically, health, educational, and recreational service categories as well as financial and professional service categories are projected to grow the fastest through 2015. These jobs will likely be local-serving, not regional. Meanwhile, the agricultural and manufacturing categories will generally experience either slower growth or even job losses through 2015.

Household Income Trends

Approximately 56 percent of all Moraga households earned more than $100,000 in 2000, according to the U.S. Census, whereas only 32 percent of the households in the County earned the same, as shown in **Table 4**. According to ABAG, the 2000 household mean income in Moraga was roughly $168,200 (in 2005 dollars) compared to the County at $108,300, a 59 percent difference. Although the economic downturn following the "dot-com" bust and September 11th has resulted in area-wide decreases in household mean income over the 2000-2005 period, ABAG projections demonstrate that incomes are going to reach or exceed 2000 levels by 2010 (see **Table 1**).

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[3] "Other" includes construction, information, and public administration jobs.

Table 3
Employment Growth for the Moraga Area and Contra Costa County (2000-2015)
Town of Moraga Market Assessment; EPS #15065

Jurisdiction	Year 2000	2005	2010	2015	2000-2005 Growth	2000-2005 % Change	2005-2015 Growth	2005-2015 % Change	Average Annual Rate (2005-2015)
Moraga									
Agriculture and Natural Resources	30	30	30	30	0	0%	0	0%	0.0%
Manufacturing, Wholesale and Transportation	350	300	290	280	-50	-14%	-20	-7%	-0.7%
Retail	500	450	470	470	-50	-10%	20	4%	0.4%
Financial and Professional Services	890	940	990	1,040	50	6%	100	11%	1.0%
Health, Educational, and Recreational Services	2,660	2,760	2,940	3,090	100	4%	330	12%	1.1%
Other (1)	510	490	510	530	-20	-4%	40	8%	0.8%
Total Employment	4,940	4,970	5,230	5,440	30	1%	470	9%	0.9%
Lafayette									
Agriculture and Natural Resources	20	10	10	20	-10	-50%	10	100%	7.2%
Manufacturing, Wholesale and Transportation	760	620	610	630	-140	-18%	10	2%	0.2%
Retail	1,190	1,050	1,090	1,100	-140	-12%	50	5%	0.5%
Financial and Professional Services	3,130	3,310	3,490	3,730	180	6%	420	13%	1.2%
Health, Educational, and Recreational Services	4,130	4,290	4,580	4,620	160	4%	330	8%	0.7%
Other (1)	1,560	1,510	1,570	1,610	-50	-3%	100	7%	0.6%
Total Employment	10,790	10,790	11,350	11,710	0	0%	920	9%	0.8%
Orinda									
Agriculture and Natural Resources	0	0	0	0	0	0%	0	0%	0.0%
Manufacturing, Wholesale and Transportation	430	350	340	320	-80	-19%	-30	-9%	-0.9%
Retail	510	450	470	470	-60	-12%	20	4%	0.4%
Financial and Professional Services	1,940	2,030	2,130	2,210	90	5%	180	9%	0.9%
Health, Educational, and Recreational Services	2,390	2,460	2,610	2,710	70	3%	250	10%	1.0%
Other (1)	960	920	950	970	-40	-4%	50	5%	0.5%
Total Employment	6,230	6,210	6,500	6,680	-20	0%	470	8%	0.7%
Walnut Creek									
Agriculture and Natural Resources	100	100	90	70	0	0%	-30	0%	-3.5%
Manufacturing, Wholesale and Transportation	5,720	4,760	4,630	4,380	-960	-17%	-380	-8%	-0.8%
Retail	8,060	7,300	7,540	7,630	-760	-9%	330	5%	0.4%
Financial and Professional Services	21,920	23,370	24,530	25,470	1,450	7%	2,100	9%	0.9%
Health, Educational, and Recreational Services	19,940	20,900	22,230	23,270	960	5%	2,370	11%	1.1%
Other (1)	6,300	6,160	6,370	6,550	-140	-2%	390	6%	0.6%
Total Employment	62,040	62,590	65,390	67,370	550	1%	4,780	8%	0.7%
Contra Costa County									
Agriculture and Natural Resources	2,550	2,550	2,550	2,550	0	0%	0	0%	0.0%
Manufacturing, Wholesale and Transportation	47,680	48,980	50,130	51,740	1,300	3%	2,760	6%	0.5%
Retail	42,910	46,350	49,450	53,060	3,440	8%	6,710	14%	1.4%
Financial and Professional Services	96,510	105,210	113,930	124,500	8,700	9%	19,290	18%	1.7%
Health, Educational, and Recreational Services	123,240	136,950	150,970	162,730	13,710	11%	25,780	19%	1.7%
Other (1)	60,110	65,970	71,990	78,250	5,860	10%	12,280	19%	1.7%
Total Employment	373,000	406,010	439,020	472,830	33,010	9%	66,820	16%	1.5%

(1) Other includes construction, information, and public administration jobs.

Source: ABAG *Projections 2005* ; Economic & Planning Systems, Inc.

Table 4
Household Income Distribution Trends (1990-2000)
Town of Moraga Market Assessment; EPS #15065

Item	Town of Moraga						Contra Costa County					
	1990		2000		1990-2000		1990		2000		1990-2000	
	Amt.	% Total	Amt.	% Total	Amt.	% Change	Amt.	% Total	Amt.	% Total	Amt.	% Change
Households by Income Group (1)												
Less than $24,999	357	6%	313	5%	-44	-12%	37,486	12%	40,913	12%	3,428	9%
$25,000 - $34,999	177	3%	220	4%	43	24%	18,597	6%	20,889	6%	2,292	12%
$35,000 - $49,999	215	4%	348	6%	133	62%	29,408	10%	34,962	10%	5,554	19%
$50,000 - $74,999	884	16%	663	11%	-222	-25%	60,350	20%	58,311	17%	-2,039	-3%
$75,000 - $99,999	567	10%	964	17%	396	70%	47,714	16%	68,482	20%	20,768	44%
$100,000 and more	3,395	61%	3,256	56%	-139	-4%	107,532	36%	120,864	35%	13,331	12%
Total Households	5,596	100%	5,763	100%	167	3%	301,087	100%	344,422	100%	43,335	14%

(1) In 2005 dollars.

Sources: Census 1990, Census 2000, Bureau of Labor Statistics Consumer Price Index data, Economic & Planning Systems.

As shown in **Table 5**, the 2005 mean household income in Moraga was $160,200 and is projected to grow to $178,900 by 2015 in real terms (adjusted for inflation), increasing by nearly 12 percent, or more than $18,700 per household. Income in all of the cities surrounding Moraga is projected to experience an increase also, growing by over 9 to almost 11 percent, or approximately $9,900 to $23,800 per household, between 2005 and 2015. Overall, this represents a healthy rate, which, if realized, could significantly boost demand for housing and retail goods. Specifically, as household incomes continue to increase, buying power and expenditures of local households will increase as well, supporting future growth in the housing and retail sectors.

Table 5
Mean Household Income Growth (2000-2015)
Town of Moraga Market Assessment; EPS #15065

Area	Mean Household Income by Year (1)				Change, 2000-2005		Change, 2005-2015		Average Annual Rate (2005-2015)
	2000	2005	2010	2015	#	%	#	%	
Moraga	$168,243	$160,237	$167,273	$178,918	-$8,006	-4.8%	$18,680	11.7%	1.1%
Lafayette	$182,920	$179,281	$188,258	$198,568	-$3,639	-2.0%	$19,287	10.8%	1.0%
Orinda	$225,982	$221,373	$232,411	$245,147	-$4,609	-2.0%	$23,775	10.7%	1.0%
Walnut Creek	$106,138	$106,138	$109,170	$116,084	$0	0.0%	$9,947	9.4%	0.9%
Contra Costa County	$108,321	$107,593	$113,901	$120,936	-$728	-0.7%	$13,343	12.4%	1.2%

(1) In 2005$ (based on the Bureau of Labor Statistics first half data for 2005).

Source: ABAG *Projections 2005*; Bureau of Labor Statistics; Economic & Planning Systems, Inc

III. HOUSING MARKET ASSESSMENT

Housing is likely to be a key component of any strategy aimed at intensifying and improving the uses of the Moraga Center Specific Plan Area. Currently, Moraga's housing inventory consists of single-family detached residences and condominium and apartment complexes. Because Moraga is a wealthy community, home prices are not affordable to low- and moderate-income households or first-time homebuyers, or to many members of the local workforce such as teachers, police officers, and firefighters.

Moraga has experienced slow growth over the last 15 years. Despite local controls affecting the rate of housing production, in response to the Moraga Survey, many local residents expressed the need for affordable "workforce" housing, senior condominiums and/or apartments, and student housing in the Town of Moraga.[4]

COMMUTE PATTERNS

Jobs play a major role in the choice of residence, and consumers of all property types are generally willing to pay significant price premiums for locations convenient to their workplace. The cities of Oakland (Alameda County) and San Francisco and along the Interstate 680 (I-680) Corridor are major employment centers in the Bay Area. The primary commute patterns in Moraga based on U.S. Census Journey-to-Work data from 2000 (the last year for which detailed U.S. Census commute pattern information is available) are shown on **Table 6**. As shown, Moraga has more employed residents than jobs (9,374 employed residents compared to 6,217 jobs). This suggests that although Moraga serves as an employment center, it too has the characteristics of a bedroom community.

In 2000, 24 percent of Moraga's employed residents commuted to the rest of the County, about 19 percent worked in Alameda County, and 15 percent commuted to San Francisco County. Of the total net growth in employed residents between 1990 and 2000, those who lived and worked in Moraga ranked the highest (see **Table 6**). This data suggest that most of the new residents in the Town desire to work close to home. As the Bay Area economy continues to recover and grow, traffic congestion has the potential to worsen, increasing the importance of accessibility to the workplace in making decisions on where to live.

[4] In October 2004, the Town mailed its quarterly newsletter, *Town Crier*, including a survey, to over 6,200 households and received approximately 1,600 responses. Those responses are summarized in the **Appendix** of this Report.

Table 6
Moraga Journey to Work Trends (1990-2000)
Town of Moraga Market Assessment; EPS #15065

Category	1990		2000		1990-2000		
	#	%	#	%	#	%	% Change
Place of Residence for Moraga Employees							
Moraga	1,179	27%	1,705	27%	526	28%	31%
Orinda	187	4%	105	2%	-82	-4%	-78%
Lafayette	215	5%	225	4%	10	1%	4%
Concord	174	4%	325	5%	151	8%	46%
Danville	31	1%	85	1%	54	3%	64%
Richmond	11	0%	50	1%	39	2%	78%
San Ramon	5	0%	40	1%	35	2%	88%
Walnut Creek	171	4%	150	2%	-21	-1%	-14%
Elsewhere in Contra Costa County	2,087	48%	3,011	48%	924	49%	31%
San Francisco County	0	0%	0	0%	0	0%	0%
Alameda County	244	6%	443	7%	199	11%	45%
Other	38	1%	78	1%	40	2%	51%
Total Jobs	**4,342**	100%	**6,217**	100%	**1,875**	100%	**30%**
Place of Work for Moraga Residents							
Moraga	1,179	13%	1,705	18%	526	239%	31%
Orinda	305	3%	280	3%	-25	-11%	-9%
Lafayette	659	7%	285	3%	-374	-170%	-131%
Concord	305	3%	185	2%	-120	-55%	-65%
Danville	46	1%	105	1%	59	27%	56%
Richmond	162	2%	125	1%	-37	-17%	-30%
San Ramon	166	2%	170	2%	4	2%	2%
Walnut Creek	650	7%	600	6%	-50	-23%	-8%
Elsewhere in Contra Costa County	2,027	22%	2,282	24%	255	116%	11%
San Francisco County	1,422	16%	1,400	15%	-22	-10%	0%
Alameda County	2,096	23%	1,788	19%	-308	-140%	-17%
Other	137	1%	449	5%	312	142%	69%
Total Employed Residents	**9,154**	100%	**9,374**	100%	**220**	100%	**2%**

Source: Census 2000, Economic & Planning Systems.

SPECIALTY HOUSING CATEGORIES

The *Moraga 2002 General Plan* directs that the Specific Plan provide a mix of housing types that meet a variety of community needs, including those of lower and moderate income households, the local workforce, seniors, "empty-nesters," and students. These uses may be accommodated in mixed-use developments, townhome/attached single-family developments, and small lot single-family residential communities. These units may be for-sale, for rent, or a combination of both.

STUDENT AND FACULTY HOUSING

Student Housing

Student housing is typically provided for a fee to students of the college either on campus or nearby (e.g., within walking distance) to college campuses. Depending on the availability of on-site or satellite locations, student housing (e.g., dormitories, residence halls, and apartments) typically offer students single, double, or triple furnished rooms or apartments. Depending on the layout, student housing typically houses one to four persons per unit.

Many colleges guarantee incoming students (e.g., freshmen) housing for one to two years, or they make housing available on a first-come first-serve basis. Some colleges require first-year students to live on campus and/or make it mandatory for students to purchase a meal plan as part of their on-campus living arrangements. Other eligibility requirements such as gender, age, year of college, major, and/or family status may also apply.

At Saint Mary's College in Moraga, the College guarantees on-campus housing to incoming undergraduate students for two years, and there is no graduate or family housing available at the College. Thus, over 90 percent of freshman students live on campus, and overall, 64 percent of undergraduates live in college-owned or operated student housing.[5] The College currently has 21 buildings dedicated to student housing ranging from dormitory- to townhouse-style rooms. As a whole, 75 percent of those living on campus live in a double room with one other student, 15 percent live in a triple room with two other students, and 10 percent live in a single room by themselves. Rooms come with an extra-long twin bed, desk, chair, dresser/closet or wardrobe, phone and Ethernet jack, and a sink.

In fall 2005, roughly 1,585 full-time undergraduate students, or 33 percent, lived on campus out of the 4,795 undergraduate and graduate students at Saint Mary's College. For the 2005-2006 academic year, a full-time undergraduate student living on campus

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[5] From USNews.com, "America's Best Colleges 2006" and Saint Mary's College website (see http://www.usnews.com/usnews/edu/college/directory/brief/drlife_1302_brief.php and http://www.stmarys-ca.edu).

attending Saint Mary's is estimated to spend almost $41,000 on tuition and fees, room and board, books and supplies, personal expenses, and transportation. The 2005-2006 room rates range from $4,480 per year for dormitory-style triple rooms to $6,540 for townhome-style rooms (for juniors and seniors only), as shown in the table below. Additionally, all students who live on campus must purchase a meal plan, and the dining halls offer breakfast, lunch, and dinner during the week and brunch and dinner on weekends. Meal plans currently range from $3,990 per academic year (an eight-meal a week plan) to $4,420 per academic year ("carte blanche" plan or unlimited dining hall entry).

Saint Mary's College 2005-2006 Academic Year Room Rates	
Dormitory Style Single Room	$6,140
Dormitory Style Double Room	$5,590
Dormitory Style Triple Room	$4,480
Townhouse Style Room (for juniors and seniors only)	$6,510
Townhouse Style Triple Room (for juniors and seniors only)	$5,840

In December 2005, students of Saint Mary's College completed a report titled "Saint Mary's College Student Housing Survey" (the "Saint Mary's Survey") that reviewed findings from a survey of 225 student respondents regarding what is most important to them when deciding where to live.[6] The data collection consisted of surveying students in randomly selected classes at Saint Mary's from a list provided by the registrar. Of those surveyed, 36 percent were males, 52 percent were females, and 12 percent declined to disclose their gender. The class breakdown consisted of 11 percent freshman, 16 percent sophomores, 28 percent juniors, 43 percent seniors, and 2 percent graduate students.

The authors of the Saint Mary's Survey divided the respondents into two groups: those who lived in Moraga and those who lived outside of Moraga. Although responses for those who lived in Moraga differed in some categories from those who lived outside of Moraga, students ranked 11 variables in order of importance of what mattered most to them when deciding where to live as follows: low cost, roommates, minimal commute, close proximity to job, close freeway access, access to an active night life, living with a large student population, accessible to public transportation, variety of restaurants, variety of shopping, and upgraded fitness facilities. The Survey concluded that the majority of Saint Mary's students surveyed would like low-cost housing with two or more bedrooms to share with roommates to help offset some of the cost.

The Saint Mary's Survey highlights other findings of the students' responses. When students were asked what they consider an affordable monthly rent, the responses ranged from $200 per month to $1,200 per month, with the mean response being $598

[6] The "Saint Mary's College Student Housing Survey" report was written by students Lance Freed, Jessica Gutierrez, Dave Major, and Courtney Smith.

per month. Students were also asked which cities they live in, and the majority, or 76 percent, responded Moraga (39 percent), Lafayette (24 percent), and Walnut Creek (13 percent).

EPS also conducted interviews with students of Saint Mary's College to get their opinions regarding the availability and cost of housing on campus both in the Town of Moraga and in nearby cities. Of the students that EPS spoke with, it was confirmed that Saint Mary's undergraduate students try to take advantage of the College's on-campus housing for their freshman and sophomore years, but found that they typically choose to move off campus for their junior and senior years. The reasons most often cited was the cost of on-campus housing being too expensive, the inability to choose their own roommates, their desire to cook for themselves, and their need for more privacy. Students living in Moraga reported their monthly rental payment to be $1,050 for a two-bedroom/two-bath apartment to $1,400 for a two-bedroom/two-bath condominium. In all cases, the students have roommates (one to three) and split the rental expenses but feel that these rental prices are still relatively expensive. Of the students who do not live in Moraga, most live in Lafayette, Walnut Creek, and Concord.

Faculty Housing

It is becoming common for public and private universities to offer price restricted housing to faculty and staff either for rent or for sale. At the present time, Saint Mary's College does not offer any faculty housing or housing assistance to its faculty, and therefore, the majority of the faculty live outside of Moraga given the high cost of housing in the Town. EPS conducted interviews with faculty members of Saint Mary's College to learn if they would be interested in living in Town if faculty housing were made available. Of the faculty that EPS spoke with, it was confirmed that many faculty members would be interested in housing that is affordable for faculty and staff.

SENIOR HOUSING

Senior housing is wide-ranging and offers adults age 55 and over many types of living arrangements. This housing ranges from apartments to homes in gated communities and from rental to ownership. Senior households are typically one- to two-person households. Described below are some of the more common senior housing arrangements.

Age Restricted Retirement Communities

Age Restricted Retirement Communities are typically oriented toward seniors with an active lifestyle. Retirement communities are like any other neighborhood or community except that they are restricted to people usually age 55 and over or 62 and over. Those with a 55 and over restriction typically require at least one resident to be age 55 or over. Other residents must be over age 18, but are permitted to be younger than 55. In a typical 62 and over community, all residents must meet the age requirement. To be competitive and attractive to a retirement lifestyle, age-restricted communities typically

offer amenities, activities, and services that cater to active residents. They might offer golf, tennis, a swimming pool and spa, exercise rooms, and a variety of clubs and interest groups.

Seniors Only Apartments

Some older seniors sell their homes and move to a Seniors Only Apartment complex. This typically frees up equity that can then supplement income through interest dividends earned from investment of the capital. The move also frees seniors from home and yard maintenance. For many, living in a large complex of seniors also provides a greater sense of security than living in a private home.

Congregate Housing

Congregate Housing is for seniors who are no longer willing to live completely independently and desire to share activities of daily living with other residents. Housing can include studio, one-bedroom, and two-bedroom apartments, and may offer rental or ownership units. Optional services typically include shared meals, transportation to shopping and appointments, housekeeping, laundry service, 24-hour full-time staff, and planned recreational and social activities.

Assisted Living Facility

Assisted Living Facilities are for seniors who require supervision and some daily care, but provide limited on-site medical service. These facilities offer seniors help with non-medical aspects of daily activities (e.g., bathing, dressing, grooming, and eating) in an atmosphere of separate, private living units. The distinguishing characteristic of an Assisted Living Facility from Congregate Housing is daily contact with supervisory staff. Basic services offer residents three meals a day, 24-hour supervision and assistance, housekeeping, transportation, shopping, laundry service, some assistance with medications as well as social, religious, and educational activities.

Skilled Nursing Facilities

Skilled Nursing Facilities (e.g., nursing homes) provide 24-hour care to people who cannot take care of themselves because of physical, emotional, or mental conditions. These facilities provide short- or long-term medical care and are necessary when an individual cannot be cared for in the home or community. They typically provide private or shared rooms and offer meals and snacks, housekeeping services, personal care, and on-site medical staff (e.g., registered nurses, licensed practical nurses, and nurse's aides).

SENIOR HOUSING IN MORAGA

Currently in Moraga, there are two assisted living facilities, Aegis of Moraga and Moraga Royale, and a skilled nursing facility, Rheem Valley Convalescent Hospital. The first assisted living facility is operated by AegisLiving, a privately-owned assisted living community provider and manager with facilities in the states of California, Colorado,

Kansas, Nevada, and Washington. Aegis of Moraga is located on Country Club Drive and features 63 studio and one-bedroom assisted living apartments, one two-bedroom/two-bath assisted living apartment, and 13 private studio apartments specially designed for seniors living with Alzheimer's disease and other forms of dementia.

Monthly rates at Aegis of Moraga range from $3,795 for an assisted living studio apartment to $4,795 for an assisted living one-bedroom apartment. The two-bedroom/two-bath apartment has a monthly rate of $7,995. A short-term stay is based on a rate of $150 per day. Amenities for assisted living include dining (breakfast, lunch, dinner, and snacks); social, recreational, and cultural events; health and wellness care; scheduled transportation for doctors' appointments, shopping, and errands; housekeeping and laundry; an emergency communication system; and utilities including heating, cooling, water, electric, and ongoing maintenance. Residents are responsible for monthly cable and telephone charges. Individualized care services are assessed prior to move-in and are in addition to the monthly apartment rental rate.

For residents with Alzheimer's and other forms of dementia, monthly rates range from $3,500 for a shared studio apartment to $4,295 for a deluxe studio. Short-term stay is also based on a rate of $150 per day. Amenities include 24-hour staffing; a full-time licensed nurse; three meals per day; social, recreational, and cultural events; scheduled transportation; a 24-hour resident monitoring system; housekeeping and laundry service; and utilities. Residents are responsible for monthly cable and telephone charges. Individualized care services are assessed prior to move-in and are in addition to the monthly apartment rental rate.

Currently, Aegis of Moraga has a short waiting list for market-rate one-bedroom apartments and vacancies for subsidized studio apartments. In 2005, the occupancy rate was 89 percent; however, at the time of this report, the facility has 96 percent occupancy. The average age of residents is 82 years old, and the average length of stay is 18 to 22 months. Move out is typically due to death. The resident community is made up almost entirely of Moraga residents or the parents of Moraga residents. The facility offers some subsidized apartments (three assisted living studios), which are currently $1,000 off the regular monthly cost.

The second assisted living facility, Moraga Royale, is located on Canyon Road and operated by Berg Senior Services, LLC, a privately owned company with five assisted living communities throughout the Bay Area. The facility offers residents unfurnished studio apartments from private to shared spaces. All studios have patios or balconies, walk-in closets, and emergency communication systems to the front desk. Other on-site services and amenities include personalized care plans; medication management; three prepared meals and snacks per day; daily fitness, wellness, and social programs; full housekeeping services; weekly laundry services; supervised transportation for medical appointments, shopping, and planned outings; weekly community entertainment; 24-hour staff; and utilities (except telephone and cable). Currently, there are four vacant units but two are not available because they are being renovated. There is also a waiting list for a private studio apartment, which is unavailable at the time of this report.

Current rates are $2,850 to $5,000 per month per apartment or $150 to $175 per day for patients who need respite care. This facility does not offer any subsidized monthly rates.

Rheem Valley Convalescent Hospital, the Town's only skilled nursing facility, is located on Rheem Boulevard and has 48 beds in 26 rooms. Rooms are typically shared by two residents. At the time of this report, there are several beds available, but the facility is typically 90 percent occupied throughout the year and occasionally has a waiting list. Residents of the facility typically come from local area hospitals that are in need of extended care, and the average age of those needing services is 80 years old. Their stay can be anywhere from two weeks to indefinitely. The room rates are based on a rate of $217 per day for a semi-private room and $350 per day for a private room. There are no subsidized rates offered, and payment is typically provided by Medicare, a Health Maintenance Organization (HMO) plan, or a private party.[7] Typically, a skilled nursing facility offers a higher level of service than an assisted living facility, and at Rheem Valley Convalescent Hospital, this includes skilled care and custodial care.

REGIONAL HOUSING TRENDS

The housing market in Contra Costa County has been remarkably strong in recent years. As shown on **Table 7,** Moraga had a modest pace of development between 1990 and 2000, gaining almost 200 units for an increase of 3 percent, but the data also suggest that the Town has lost quite a few units over the five-year period between 2000 and 2005. The data show that the Town lost some multifamily projects (two to four units and five or more units) as well as some single-family attached developments over the five-year period, resulting in a 1 percent decrease. However, discussions with the Town's Planning Department indicate that this data reporting may be an error.

As shown in **Table 8**, Contra Costa County increased by over 37,800 units, or 12 percent between 1990 and 2000. This increase will likely be outpaced over the ten-year period between 2000 and 2010 with a total of almost 24,400 already being constructed in the five-year period between 2000 and 2005, an increase of seven percent.

An illustration of home ownership trends in Moraga and Contra Costa County is provided in **Table 9**. As shown, rental units represented a very small proportion (16 percent) of the total units found in Moraga from 1990 to 2000. In 1990 and 2000, the County had 68 percent and 69 percent owner-occupied units, respectively. Both of these trends demonstrate a strong market for owner-occupied housing in Contra Costa County and Moraga.

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[7] An HMO is a form of health insurance combining a range of coverage on a group basis.

Table 7
Historical Growth in Housing Units by Type in the Town of Moraga (1990-2005)
Town of Moraga Market Assessment; EPS #15065

	1990	2000	2005	1990-2000		2000-2005	
				Number	% Change	Number	% Change
Single Family Detached	3,841	3,910	4,019	69	2%	109	3%
Single Family Attached	982	985	968	3	0%	-17	-2%
Multi Family 2 to 4	254	284	243	30	12%	-41	-14%
Multi Family 5+ (1)	605	681	545	76	13%	-136	-20%
Mobile Homes	5	6	7	1	20%	1	17%
Total	5,687	5,866	5,782	179	3%	-84	-1%

(1) The data show that 136 multifamily units were lost during the 2000 to 2005 time period. However, our discussions with Town of Moraga Planning Department suggest that this may be an error.

Source: California Department of Finance, Economic & Planning Systems, Inc.

Table 8
Historical Growth in Housing Units by Type in Contra Costa County (1990-2005)
Town of Moraga Market Assessment; EPS #15065

	1990	2000	2005	1990-2000		2000-2005	
				Number	% Change	Number	% Change
Single Family Detached	202,523	230,874	250,468	28,351	14%	19,594	8%
Single Family Attached	26,269	28,405	31,546	2,136	8%	3,141	11%
Multi Family 2 to 4	23,227	23,876	25,626	649	3%	1,750	7%
Multi Family 5+	56,739	63,239	63,103	6,500	11%	-136	0%
Mobile Homes	7,412	7,589	7,600	177	2%	11	0%
Total	316,170	353,983	378,343	37,813	12%	24,360	7%

Source: California Department of Finance, Economic & Planning Systems, Inc.

Table 9
Trends in Household Tenure and Units in Structure
Town of Moraga Market Assessment; EPS #15065

Item	1990		2000		1990-2000		
	Amt.	% Total	Amt.	% Total	Amt.	% Total	% Change
Moraga							
Owner-occupied	4,672	84%	4,833	84%	161	101%	3%
Renter-occupied	890	16%	889	16%	-1	-1%	0%
Total	5,562	100%	5,722	100%	160	100%	3%
Contra Costa County							
Owner-occupied	202,893	68%	238,413	69%	35,520	81%	18%
Renter-occupied	97,395	32%	105,716	31%	8,321	19%	9%
Total	300,288	100%	344,129	100%	43,841	100%	15%

Source: Census 1990 & 2000, Economic & Planning Systems, Inc.

FOR-SALE HOUSING TRENDS

The market for for-sale housing in Moraga and in Contra Costa County generally has been very strong and is likely to remain so. **Figure 4** and **Table 10** show the change in for-sale housing prices in Moraga between 2000 and 2005. As shown in **Table 10**, the median price for a home in Moraga in 2005 was $834,124, a 48 percent increase in only a five-year period. According to DataQuick, 254 homes were sold in Moraga through mid-December 2005 for a median price of roughly $834,100, which was a 22 percent increase from the median sales price of $684,100 from the year before.

The majority of the homes sold (56 percent) in the Town of Moraga during the five-year period between 2000 and 2005 were existing single-family homes. In 2005, 135 existing homes were sold at a median sales price of $1.1 million, which was a 25 percent increase from the median sales price of $880,000 in 2004. Existing condominium sales were also significant during the five-year period, representing 41 percent of all units sold in Moraga. In 2005, 119 existing condos were sold at a median sales price of $532,500, which was a 16 percent increase from the median sales price of $459,250 over the previous year. Condominiums also showed the most rapid price escalation over the five-year period, with the median prices increasing by 81 percent since 2000. Although new homes were only available for-sale in small numbers over the five-year period, they commanded the highest median sales price.

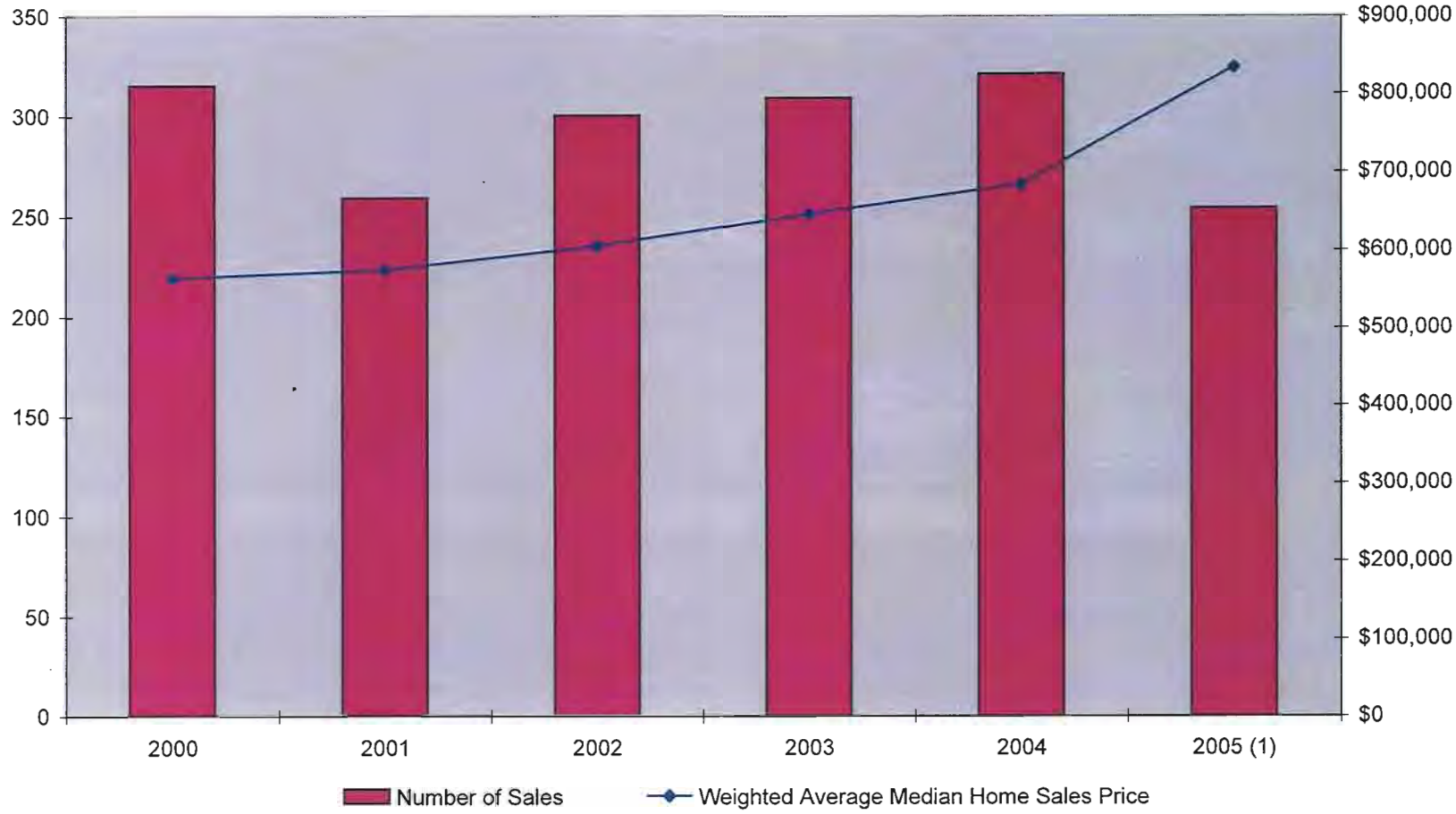
To place Moraga's home sale prices and number of sales in more specific context, EPS has compared the Town's sales with those in Danville, Lafayette, Orinda, and Walnut Creek. As shown in **Table 11**, in 2005, Moraga had the lowest weighted average median home sales price of the Lamorinda communities but experienced a similar number of sales as Lafayette and Orinda. Although Walnut Creek had the highest number of sales of the five communities, it had the lowest average median home sales price.

MORAGA FOR-SALE HOUSING DEVELOPMENT PROJECTS

Moraga has experienced minimal housing growth in the last few years, and most of the development in Moraga has been single-family detached homes. The most recently completed single-family home subdivision, Sonsara, was developed by Taylor Woodrow and is located along Moraga Way across from the Moraga Country Club. Construction of the first phase began in 1999, and the 41-unit development was completed in 2000. Today, these homes are estimated to be valued at $1.0 million to $1.4 million each.

There are currently eight anticipated developments to be constructed in the coming years, as shown in **Table 12**. The proposed development of Palos Colorados, Moraga Country Club, and Rancho Laguna are described below.

Figure 4
Moraga Home Sales and Price Trends
Source: DataQuick and Economic & Planning Systems, Inc.



(1) 2005 data is through mid-December.

Table 10
Median Home Sale Prices in Moraga (2000-2005)
Town of Moraga Market Assessment; EPS #15065

Item	2000	2001	2002	2003	2004	2005 (1)	Total	% of Total	5-Year Change
New Home Sales									
Number of Sales	31	13	5	1	2	0	52	3%	N/A
Median Home Sales Price	$950,000	$1,103,500	$1,045,000	$1,299,000	$1,000,750	$0			N/A
Existing Condo Sales									
Number of Sales	109	108	117	117	150	119	720	41%	9%
Median Home Sales Price	$295,000	$349,500	$364,000	$380,000	$459,250	$532,500			81%
Existing Single Family Home Sales									
Number of Sales	175	138	178	191	169	135	986	56%	-23%
Median Home Sales Price	$662,000	$700,000	$750,000	$804,750	$880,000	$1,100,000			66%
Total Sales									
Number of Sales	315	259	300	309	321	254	1,758	100%	-19%
Weighted Average Median Home Sales Price	$563,349	$574,098	$604,377	$645,522	$684,140	$834,124			48%

(1) 2005 data is through mid-December.

Source: DataQuick; Economic & Planning Systems, Inc.

Table 11
Median Home Sale Prices in Central Contra Costa County (2005)
Town of Moraga Market Assessment; EPS #15065

Item	Danville	Lafayette	Moraga	Orinda	Walnut Creek
New Home Sales					
Number of Sales	38	8	0	2	31
Median Home Sales Price	$1,153,737	$1,375,000	$0	$695,000	$672,871
Existing Condo Sales					
Number of Sales	251	20	119	7	852
Median Home Sales Price	$634,733	$606,500	$532,500	$800,000	$485,629
Existing Single Family Home Sales					
Number of Sales	804	286	135	254	694
Median Home Sales Price	$1,089,295	$1,021,000	$1,100,000	$1,122,500	$861,144
Total Sales					
Number of Sales	1,093	314	254	263	1,577
Weighted Average Median Home Sales Price	$987,148	$1,003,618	$834,124	$1,110,665	$654,565

Source: DataQuick; Economic & Planning Systems, Inc.

Table 12
Area Residential Development Projects in the Pipeline
Town of Moraga Market Assessment; EPS #15065

Project	Units/ Lots	Use	Location	Status
RESIDENTIAL				
Moraga				
Palos Colorados (1)	123	SF units	NE of Moraga, adjacent to Lafayette	Revised General Dev. Plan submitted December 2005
Moraga Country Club	68	lots	Augusta Drive	Approved
Rancho Laguna	34	lots	North side of Rheem	Application in process
Bollinger Valley	126	lots	Bollinger Canyon Road	Application received for General Plan Amendment & rezoning study
Los Encinos	10	lots	Batix Drive	Approved
Chee Property	22	lots	Camino Ricardo	Application likely to be received in future
Indian Valley	150	lots	Canyon Road	Application likely to be received in future
Sanders Drive	6	lots	Sanders Drive at Hetfield Place	Application likely to be received in future
Moraga Center	TBD	units	Moraga Center Specific Plan Area	Specific Plan in progress
Subtotal	**539**	**Units/Lots**		
Orinda				
Gateway Valley (2)	245	SF units + community amenities	South of Hwy 24 at Gateway Valley Blvd.	EIR certified Mar. 2005, tentative map approved, anticipate starting Apr. 2006
Pulte Orinda Grove/ Pine Grove (3)	80	TH and SF units (44 townhomes, 36 sm. lot SF)	Former Pine Grove Elementary site	Approved, currently being appealed; anticipated start Spring 2006
12-lot subdivision	12	12-lot subdivision	Stein Way between Castlegate and Oak Spring	Tentative map approved Nov. 2005, may begin Spring 2006
43-acre Site	16	Proposed 16 homes	Between Bates Blvd. and Terra Rd.	Estimates will get approval 2006, break ground 2007 (still in EIR stage)
Subtotal	**353**	**Units/Lots**		
Lafayette				
Hidden Oaks	21	lot SF subdivision	2880 Kinney Drive	Approved, began 2004
Town Center Phase III	75	unit apartment building	North side of Mt. Diablo Blvd @ Dewing Ave.	In review; if approved, anticipated start 2006
Subtotal	**96**	**Units/Lots**		
Walnut Creek				
Tahoe/ Walker Condos	24	condominium units	1190 - 1200 Walker Avenue	Under construction
Citrus Walk	47	duplex/ condo units, incl. 5 affordable	3063 Citrus Circle	Under construction
Casa Bonita Apartments	17	affordable family apartment units	Trinity Blvd. and Oakland Blvd.	Under construction
The Mercer	181	condos above 21,000 sq. ft. of retail	Trinity at California	Under construction
Iron Horse Manor	26	condominium units	1310 Creekside Dr.	Approved
Windsor Apartments	125	apartment units in 4-story structure	2382 N. Main St. (Marriott Hotel parking lot)	Approved
Sunnyvale Townhomes	20	single family units (19 net new)	1548 Sunnyvale Ave.	Approved
Casa Montego II	33	multi-family units	1485 Montego	Approved
Kindross Terrace	12	lot residential subdivision	End of Kinross Dr.	Approved
Villa Vasconcellos Senior Housing	70	senior apartment units	1515 Geary Rd.	Approved
Riviera Homes	48	condominium units	1605 Riviera Ave.	Approved
Stoneridge Condo Conversion	340	units to be converted from apts.	1400 Marchbanks Dr.	Approved
The Riviera	24	apartment units	1515 Riviera Ave.	Approved
Oakland/ Almod Multifamily Units	12	multifamily units	1960 -1970 Almond Ave.	Under review
Walnut Creek BART Transit Village	574	residential units	200 Ygnacio Valley Rd.	Under review
Ygnacio Valley Rd. Planned Development	109	condominium units (incl. 3 live/work)	547 Ygnacio Valley Rd.	Under review
Burgundy Estates	10	lots	221 Normandy Court	Under review
Springbrook Lofts	9	live/work loft condominiums	1251 Springbrook Rd.	Under review
Subtotal	**1,681**	**Units/Lots**		
Total Residential Units	**2,669**	**Units/Lots**		

(1) Project also includes golf course (211.5 acres), permanent open space (158.7 acres), and associated public rights of way (15.9 acres).
(2) Project site is 1,000 acres total with 700 acres to be set aside as open space.
(3) Site is 1,100 acres. Development area is not known.

Source: Town of Moraga; City of Orinda; City of Lafayette; City of Walnut Creek; Economic & Planning Systems, Inc.

PALOS COLORADOS

The Palos Colorados project would transform approximately 460 acres in the northeast area of Town into a master-planned community, including 123 estate-size single-family residential lots (74 acres) and an 18-hole public golf course (211 acres) as well as parks and open space (159 acres) and associated public right-of-ways (16 acres). The revised general development plan was submitted to the Town in December 2005. The area would be accessible via Moraga Road and is adjacent to the City of Lafayette on its northern and eastern boundaries.

MORAGA COUNTRY CLUB

The Moraga Country Club is an existing residential community with approximately 500 townhomes and single-family detached homes adjacent to the Moraga Country Club, an 18-hole golf course including a driving range, putting greens, Olympic-size main pool, spa, 12 tennis courts, and clubhouse. An additional 68-lot subdivision was approved at the end of Augusta Drive and will consist of custom built, estate-size single-family residential homes (4,000 square feet on average) on quarter-acre lots. The developer will likely break ground on the site in spring 2006 and is estimated to build at a pace of five to ten homes per year.

RANCHO LAGUNA

The proposed Rancho Laguna project is a 180-acre property located north of Rheem Boulevard between Moraga Road and Saint Mary's Road, and could possibly include 34 single-family residential lots. The project will be located south of the Palos Colorados development. The project is in the conceptual development plan stage with an application that is currently being processed by the Town.

RENTAL HOUSING TRENDS

Rental housing is not found in great number in Moraga. In 2000, renters occupied 16 percent of all units, only half the County's overall rate of rental tenure (see **Table 9**). In fact, the majority of the Town's multifamily units are older apartments and newer condominiums. Because there are no large apartment complexes (50 units or more) in Moraga, it is difficult to locate information regarding the Town's average occupancy rate, asking rents, and unit square footages. However, data are readily available for nearby Lafayette, as shown on **Table 13,** and are described below.

Table 13
Selected Multifamily Rental Projects in Lafayette
Town of Moraga Market Assessment; EPS #15065

Property	Location	Year Built	Total Units	Project Size	Occupancy	Unit Types (sq. ft.)	Unit Rents	Unit Mix	Price/Sq. Ft.	Featured Amenities
Lafayette Highlands	1076 Carol Lane	1973	150	8.2 Acres 148,782 Sq. Ft. 10 Buildings 2 Stories	95%	1bdrm/1bath - 740 2bdrm/1bath - 930 2bdrm/2bath - 1,023 3bdrm/2bath - 1,295	1bdrm/1bath - $1,495 2bdrm/1bath - $1,680 2bdrm/2bath - $1,825 3bdrm/2bath - $2,268	1bdrm/1bath - 16 2bdrm/1bath - 60 2bdrm/2bath - 54 3bdrm/2bath - 20	1bdrm/1bath - $2.02 2bdrm/1bath - $1.81 2bdrm/2bath - $1.78 3bdrm/2bath - $1.75	Dishwashers Fireplaces Laundry rooms Swimming Pool Spa/sauna Clubhouse Fitness Center
Park Terrace	3366 Mt Diablo Blvd	1970	66	2.1 Acres 54,000 Sq. Ft. 6 Buildings 2 Stories	83%	1bdrm/1bath - 750 2bdrm/1bath - 825 2bdrm TH - 900	1bdrm/1bath - $1,150 2bdrm/1bath - $1,250 2bdrm TH - $1,395	1bdrm/1bath - 20 2bdrm/1bath - 32 2bdrm TH - 14	1bdrm/1bath - $1.53 2bdrm/1bath - $1.52 2bdrm TH - $1.55	Dishwashers Patio/balcony Laundry rooms Swimming pools Playground
Lafayette Town Center Apartments	2590-3610 Mt Diablo Blvd	2001	75	75,500 Sq. Ft. 2 Buildings 3 Stories	98%	1bdrm/1bath - 957 2bdrm/2bath - 1,106	1bdrm/1bath - $1,650 2bdrm/2bath - $2,450	1bdrm/1bath - 50 2bdrm/2bath - 25	1bdrm/1bath - $1.74 2bdrm/2bath - $2.22	Dishwashers Fireplaces (top floors only) Washer/dryer in unit Patio/balcony Clubhouse Fitness center

Source: RealFacts; Economic & Planning Systems, Inc.

LAFAYETTE RENTAL TRENDS

Most of the large apartment projects in Lafayette are located near downtown, and feature community amenities such as swimming pools, fitness centers, clubhouses, and laundry rooms (see **Table 13**). Unit amenities include dishwashers, fireplaces, patios or balconies, and one features full-size washers and dryers in the units. In these developments, one-bedroom units comprise 30 percent of the total number of apartments. Two-bedroom units make up 64 percent of the total. Family-oriented three-bedroom units comprise only 7 percent of the total number of apartments. For these three properties, the overall average occupancy is 93.3 percent, and the average rent is $1,703 per month.

Lafayette Highlands

Lafayette Highlands apartments are located on Carol Lane and include 150 apartments that were built in 1973. The complex is located in close proximity to the Lafayette BART station as well as Highway 24 and I-80. Units range from one-bedroom/one-bath to three-bedroom/two-bath units. Unit amenities include air conditioning, balcony or patio, covered parking, dishwasher, fireplace, and walk-in closets. The complex amenities include a clubhouse, fitness center, swimming pool and spa, and a laundry facility.

Park Terrace

Park Terrace apartments are located on Mount Diablo Boulevard and include 66 apartments that were built in 1970. Similar to Lafayette Highlands, the complex is located in close proximity to the Lafayette BART station as well as Highway 24 and I-680. Units range from one-bedroom/one-bath to two-bedroom townhome units. Unit amenities include walk-in closets, dishwasher, air conditioning, and a balcony, deck, or patio. The complex amenities include a swimming pool, fitness center, playground, covered parking, extra storage units, and a laundry facility.

Lafayette Town Center Apartments

Lafayette Town Center Apartments are located on Mount Diablo Boulevard and include 75 units that were built in 2001. Like Lafayette Highlands and Park Terrace, the complex is located in close proximity to the Lafayette BART station as well as Highway 24 and I-680. Units are either one-bedroom/one bath or two-bedroom/two bath units. Unit amenities include full-size washer/dryer in each apartment, walk-in closets, nine-foot ceilings, wood burning fireplaces, bay windows, and views of the Lafayette hills. The complex amenities include a clubhouse, fitness center, and storage.

CONTRA COSTA COUNTY RENTAL TRENDS

Figure 5 and **Table 14** show the apartment rental trends for Contra Costa County as a whole.[8] According to data from RealFacts, the 2005 average rent for Contra Costa County rental units was $1,149, which was nearly 3 percent less than the average in 2000. The unit category that experienced the greatest rent reductions was the junior one bedroom category, with an almost 11 percent decrease over the 2000 to 2005 period. The overall occupancy rate in third quarter 2005 was 94 percent, which was almost a 1 percent increase over 2004, but was a 4 percent decrease when compared to 2000. According to NAI BT Commercial, Contra Costa, Sonoma, and Solano County counties all have the region's highest vacancy rate at 6 percent.

RealFacts' third quarter 2005 inventory analysis identified nearly 29,700 apartments in 179 properties. Approximately 54 percent of these properties were classified as Class C, 39 percent as Class B, and only 7 percent, or 2,165 units, were in Class A buildings. The average year built was 1979, ranging from 1959 to 2005. The average number of units per property was 165 and ranged from 50 to 1,008 units per property. As shown in **Table 15**, the majority of units consisted of one-bedroom/one-bath units (41 percent), two-bedroom/two-bath units (29 percent), and two-bedroom/one-bath units (17 percent). Units were on average 822 square feet in size and ranged from 491 square feet for a studio apartment to 1,747 square feet for a four-bedroom apartment. The average monthly rent for all unit types during third quarter 2005 was $1,162 or $1.41 per square foot.

PROJECTED HOUSING DEMAND

According to a recent newsletter from the National Association of Home Builders (NAHB), the U.S. housing market has expanded significantly in recent years, and new records for home sales and single-family starts were set in 2005. This expansion of supply corresponded to rapidly increased prices of single-family homes and condominium units, with double-digit gains on a national average basis. Although affordability issues were a consequence of soaring home prices and rising interest rates, DataQuick's housing forecast for 2006 predicts strong, but not record-breaking, sales and continued appreciation.

Similarly, the demand for housing in Contra Costa County has outpaced residential production and has resulted in significant pent-up demand. EPS projects that this pent-up demand will continue and housing demand will remain strong. As evidence, ABAG provides population and household projections for all cities in the Bay Area. According to ABAG *Projections 2005*, the Town of Moraga is projected to grow by 330 households

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[8] The data shown in **Figure 5** and **Table 14** are for properties that have 50 units or more and are in cities with at least five complexes. These cities are Concord, Walnut Creek, Antioch, Pittsburg, Pleasant Hill, San Ramon, Martinez, Richmond, and San Pablo.

Figure 5
Trends in Contra Costa County Apartment Occupancy Levels and Rent
Source: RealFacts and Economic & Planning Systems, Inc.

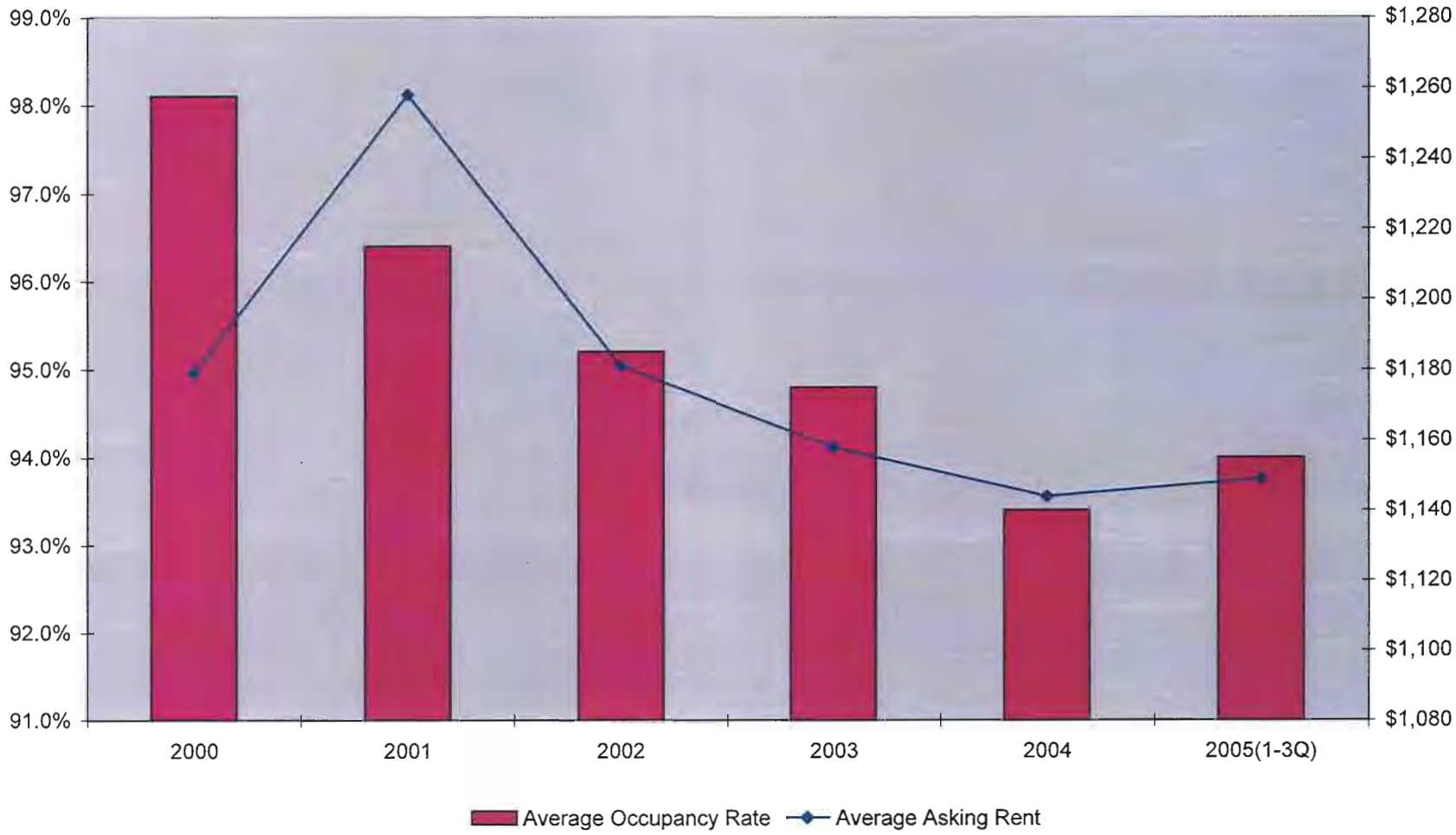


Table 14
Rental Trends in Contra Costa County (2000-2005)
Town of Moraga Market Assessment; EPS #15065

Item (1)	2000	2001	2002	2003	2004	2005(1-3Q)	5-Year Change
Average Occupancy Rate	98.1%	96.4%	95.2%	94.8%	93.4%	94.0%	-4.2%
Unit Mix							
Studio	$935	$998	$902	$877	$873	$862	-7.8%
Jr 1 Bdrm	$1,118	$1,151	$1,081	$1,022	$1,010	$996	-10.9%
1 Bdrm/1 Bath	$1,063	$1,138	$1,062	$1,037	$1,017	$1,018	-4.2%
2 Bdrm/1 Bath	$1,130	$1,241	$1,187	$1,160	$1,136	$1,132	0.2%
2 Bdrm/2 Bath	$1,378	$1,447	$1,359	$1,338	$1,330	$1,347	-2.2%
2 Bdrm Townhome	$1,332	$1,471	$1,368	$1,372	$1,362	$1,369	2.8%
3 Bdrm/2 Bath	$1,401	$1,504	$1,485	$1,471	$1,464	$1,501	7.1%
3 Bdrm Townhome	$1,224	$1,424	$1,322	$1,402	$1,368	$1,305	6.6%
Average Asking Rent (2)	$1,179	$1,258	$1,181	$1,158	$1,144	$1,149	-2.5%

(1) The data shown here are for properties in Contra Costa County that have 50 units or more and are in cities with at least five complexes. These cities are Concord, Walnut Creek, Antioch, Pittsburg, Pleasant Hill, San Ramon, Martinez, Richmond, and San Pablo.
(2) Based on weighted average.

Source: RealFacts Market Overview 3Q2005, 10/17/05; Economic & Planning Systems, Inc.

Table 15
Contra Costa County For-Rent Residential Unit Mix (3Q2005)
Town of Moraga Market Assessment; EPS #15065

Unit Type (1)	Units	Percentage of Mix	Average Sq. Ft.	Average Rent	Avg. Rent per Sq. Ft.
Urban Loft	22	0.1%	662	$925	$1.40
Studio	1,224	4.1%	491	$862	$1.76
Jr 1 bd	661	2.2%	563	$1,017	$1.81
1 bd 1 bth	12,010	40.5%	696	$1,026	$1.47
1 bd 1.5 bth	23	0.1%	913	$2,174	$2.38
1bd TH	58	0.2%	754	$1,315	$1.74
2 bd 1 bth	5,048	17.0%	844	$1,141	$1.35
2 bd 1.5 bth	499	1.7%	956	$1,141	$1.19
2 bd 2 bth	8,642	29.1%	981	$1,366	$1.39
2 bd 2.5 bth	10	0.0%	889	$1,050	$1.18
2 bd TH	724	2.4%	1,127	$1,375	$1.22
3 bd 1 bth	15	0.1%	940	$1,306	$1.39
3 bd 1.5 bth	31	0.1%	1,180	$1,454	$1.23
3 bd 2 bth	525	1.8%	1,206	$1,558	$1.29
3 bd 3 bth	-	-	-	-	-
3 bd TH	155	0.5%	1,347	$1,310	$0.97
4 bd	36	0.1%	1,747	$2,098	$1.20
5 bd 2 bth	-	-	-	-	-
5 bd TH	-	-	-	-	-
Total	**29,683**	**100.0%**	**822**	**$1,162**	**$1.41**

(1) The data shown here are for properties in Contra Costa County that have 50 units or more and are in cities with at least five complexes. These cities are Concord, Walnut Creek, Antioch, Pittsburg, Pleasant Hill, San Ramon, Martinez, Richmond, and San Pablo.

Source: RealFacts; Economic & Planning Systems, Inc.

(700 residents) between 2005 and 2015, or by a 6 percent overall growth rate. The County will experience even stronger growth with 32,900 households (86,000 residents) between 2005 and 2015, or by a 9 percent overall growth rate.

HOUSING AFFORDABILITY

Currently, there are no affordable housing programs proposed for the Town of Moraga. However, it is recognized that factors used to determine affordability continually change. Housing affordability is typically measured as a relationship between home prices and income levels. According to the Department of Housing and Urban Development (HUD), the 2005 relevant income levels for various household sizes in Contra Costa County are as follows:

Income Level	**Income by Household Size**				
	1	**2**	**3**	**4**	**5**
Moderate (120% of AMI)	$69,050	$78,900	$88,800	$98,650	$106,550
Median (100% of AMI)	*$57,550*	*$65,750*	*$74,000*	*$82,200*	*$88,800*
Low (80% of AMI)	$46,350	$53,000	$59,600	$66,250	$71,550
Very Low (50% of AMI)	$29,000	$33,100	$37,250	$41,400	$44,700

The Town of Moraga 2002 General Plan calls for the inclusion of medium-high density housing in the Moraga Center Specific Plan Area, and establishes a policy to accommodate Moraga's fair share of the regional housing need through the identification of sites for higher density housing within the Moraga Center Specific Plan Area. The General Plan also provides a density bonus for affordable housing and encourages the facilitation of affordable housing development through an affordable housing trust fund and the use of affordable housing partnerships.

Given the type and density of housing envisioned for the Moraga Center Area, the Specific Plan could propose to include housing that is affordable for low- to moderate-income households such as teachers, police officers, retail clerks, or janitors. In November 2005, the median price for market rate for-sale housing in the County was $589,000. With median prices for market rate for-sale housing in Moraga of $834,100 in 2005, these prices are well above that affordable to moderate income families let alone low-income and very low-income families.

Workforce households typically earn too much to qualify for government subsidies but too little to afford market-rate homes or apartments. Increasingly, the country's working families are experiencing a critical housing need, which means they are spending more than half of their household income for shelter and/or are living in substandard conditions. In some high-cost areas, such as the San Francisco Bay Area, many low- to moderate-income families cannot find decent housing to rent, much less buy. The type and density of housing proposed in the Specific Plan Areas can help to

address the local need of those who work and attend college in the community, as well as the growing need of older residents seeking to downsize and children of families seeking to stay in the community.

AFFORDABLE HOUSING CASE STUDIES

Higher density product types (e.g., lofts, condominiums, townhomes, and mixed-use) have been flourishing near downtowns for the past several years in existing urban areas. New high density development in Central Contra Costa County have increasingly occurred at infill sites along arterials, close to transit stations, and in existing neighborhoods throughout Walnut Creek, Lafayette, and Danville. With affordable housing being scarcely available in many urban areas, many cities in high-cost housing markets such as the San Francisco Bay Area have taken measures to ensure an economically diverse population and adopted such policies as inclusionary housing ordinances, affordable housing requirements, and first-time homebuyer assistance programs to ensure affordability. As shown in **Table 16**, several affordable rental and for-sale multifamily developments have been completed in central Contra Costa County over the past five years.

Oak Court Townhomes

Oak Court Townhomes is a 20-unit townhome development located on Sunnyvale Avenue in Walnut Creek. The project will include four affordable units, two for low-income households and two for moderate-income households. The units will all have three bedrooms. The market-rate units are priced in the high $600,000s and the affordable units are priced from $280,000 to $305,000. The sales office opened in November 2005.

The Montecito

The Montecito is a 120-unit condominium development located on Alma Avenue in Walnut Creek. The project is a condominium conversion and will include four for-sale affordable units, two for low-income households and two for moderate-income households. The units will range from one-bedroom/one-bath to two-bedroom/two-baths with a den. The project amenities will include a concierge, fitness center, business center, library, and gated underground parking. The one-bedroom/one-bath units are priced in the high $300,000s and the two-bedroom/two bath units are priced in the low $500,000s. At the time of this report, applications are being accepted.

Ivy Hill

Ivy Hill is a 116-unit apartment complex located on Bothelo Drive in Walnut Creek. The project has 47 affordable units for very low- and low-income households. The units are one and two bedrooms. The project amenities include a swimming pool and spa, fitness center and gated garage parking. The one-bedroom units have starting rents at $1,495 per month, and the two-bedroom units have starting rents at $2,095 per month.

Table 16
Selected Multifamily Rental and For-Sale Projects in Central Contra Costa County
Town of Moraga Market Assessment; EPS #15065

Property	Location	Year Built	Total Units	Affordable Units (1)	Occupancy	Unit Types	Unit Rents/ Price	Unit Mix	Retail	Featured amenities
Oak Court Townhomes	1548 Sunnyvale Ave, Walnut Creek	2005	20	2 (moderate income)	Will start selling Summer 2006	3bdrm	High $600,000s for market rate $280,000 - $305,000 for affordable	All 3 bdrm	N/A	
The Montecito	11315 Alma Ave., Walnut Creek	2004; 2005 condo conv.	120	4 (2 low-income, 2 very low income)	50% sold	1bdrm/ 1bath 1bdrm/ 1bath/ den 1bdrm/ 1.5bath/ den 2bdrm/ 2bath 2bdrm/ 2bath/ den	1bdrm - high $300,000s 2bdrm - low $500,000s	Approximately evenly distributed among unit types	N/A	Fitness Center Concierge Business Center Library Gated Underground Parking
Ivy Hill	1700 Botehlo Drive, Walnut Creek	2003	116	48 (12 at very low income, 36 at low income)	97%	1bdrm and 2bdrm	1bdrm - starting $1,495/ mo 2bdrm - starting $2,095/ mo	Approximately evenly distributed among unit types	N/A	Swimming pool and spa Fitness center Gated garage parking
Lafayette Town Center	3590 - 3610 Mt. Diablo Blvd., Lafayette	2000 (residential; other phases on going)	75	15 for very low income (incl. 12 reserved for persons w/ disabilities)	100%	1bdrm/ 1ba 1bdrm/ 1ba/ den 2bdrm/ 2ba	$1,695 - $2,350 / mo (market rate)	Approximately evenly distributed among unit types	500 SF w/ residential; 27,000 SF adjacent (separate developer from residential)	Barbeque Fitness Center Gated garage parking
Sycamore Place	85 Laurel Dr., Danville	2001	74	74 (senior units)	100%	1bdrm and 2bdrm	$361 - $661/ mo depending on tenant income	69-1 bdrm 5-2 bdrm	N/A	Walking gardens Parking lot Library and community room
Willow Commons	Danville (adjacent to Sycamore Place)	2005	22	22 (senior units)	N/A	studio, 1bdrm and 2bdrm	$970 - $1,650 (as of 2005)		N/A	

(1) Very low income households are those with incomes at or below 50 percent of Area Median Income (AMI) as determined by HUD. Low income households are those with incomes between 50 and 80 percent of AMI. Moderate income households are those with incomes between 81 percent and 120 percent of AMI.

Source: City of Walnut Creek; City of Lafayette; City of Danville; Economic & Planning Systems, Inc.

Lafayette Town Center Apartments

The Lafayette Town Center Apartments, as described above, is a 75-unit apartment complex located on Mount Diablo Boulevard in Lafayette. The project has 15 affordable units for very low-income households, with 12 of those reserved for persons with disabilities. Units are either one-bedroom/one-bath or two-bedroom/two-bath units. Unit amenities include full-size washer/dryer in each apartment, walk-in closets, nine-foot ceilings, wood burning fireplaces, bay windows, and views of the Lafayette hills. The complex amenities include a clubhouse, fitness center, and storage. The market rate units have rents that range from $1,695 to $2,350 per month.

Sycamore Place

Sycamore Place is a 74-unit apartment complex on Laurel Drive in Danville. The project is age-restricted to seniors and offers 69 one-bedroom and 5 two-bedroom units at affordable rents ranging from $361 to $661 per month. The project amenities include a library, community room, and landscaped gardens.

Willow Commons

Willow Commons is a 22-unit apartment complex adjacent to Sycamore Place on Laurel Drive in Danville. The project, like Sycamore Place, is age-restricted to seniors and offers studio, one-bedroom, and two-bedroom apartments at subsidized rents ranging from $970 to $1,650 per month.

HOUSING MARKET CONCLUSIONS

Housing should be a major component of any market-based strategy to revitalize and improve the Moraga Specific Plan areas. There is significant evidence that housing is in high demand in central Contra Costa County and Moraga. Production and absorption have been strong for for-sale housing products, and price points have continued to rise to exceptionally high levels. Demand is evident for housing to serve families as well as students, seniors, and the local workforce.

In the Moraga Center Specific Plan Area, the demand for new housing presents opportunities for both single-use and mixed-use development types. Demand is projected for single-family detached, attached, and multifamily prototypes. Whether sold or rented, new housing development could take advantage of Moraga Center's proposed retail and entertainment amenities, which will be discussed in subsequent chapters. Housing development would be co-mingled with existing residential and commercial development on Moraga Road, Moraga Way, and along the proposed extension of School Street.

There are currently 5,700 households in the Town of Moraga as well as over 600 faculty and staff and approximately 4,800 students (full-time and part-time) at Saint Mary's College. In November 2005, the median home sales price in Moraga was $892,000 compared to $589,000 in Contra Costa County, a 51 percent difference. Moraga home prices are far from affordable, and the availability of rental housing is minimal.

Given the very high prices for housing in Moraga and the comparatively low-income levels among some employees in the Town such as police officers, firefighters, teachers, retail clerks, and janitors, the need for affordable housing is also evident. Affordable rental housing can also be an integral part of any project proposed for the Moraga Specific Plan areas.

Faculty and staff of Saint Mary's College typically live in Moraga as well as neighboring cities such as Lafayette, Orinda, Walnut Creek, and Concord. Of the faculty and staff that EPS interviewed, the majority prefer to live in Moraga but housing affordability is an issue. Those who were able to buy homes in Moraga live in Town, and those who could not afford to buy a home in Town or close to campus bought homes in nearby cities. Many of those who live outside of Moraga, however, if given the option to purchase an affordable home, explained that they would consider the opportunity to live closer to the College.

Undergraduate students at Saint Mary's typically live on campus in one of the 21 student housing facilities, or live off-campus in the Town of Moraga or in nearby cities such as Oakland, Concord, Lafayette, Pleasant Hill, or Walnut Creek where rental housing is more readily available and affordable. Because students who live on campus cannot choose their roommates or opt out of the mandatory meal plan, many have expressed an interest in having more options for affordable rental apartments near campus. While 4,785 Saint Mary's College students, 1,585 full-time undergraduate students live on campus and 3,210 live off campus.

There is also a considerable number of long-time resident "empty-nesters" who have retired or are going to retire soon and have expressed an interest in remaining in the community. These seniors have large homes that are essentially underutilized and have the desire to locate to smaller units such as senior-only apartments or assisted living facilities. According to Marcus & Millichap, there were 33,000 senior housing units under construction across the country in September 2005 that were expected to come online by the end of the year, with the majority of these units representing Senior Only apartments. Because the majority of seniors are on fixed incomes once they retire, it will be necessary to consider affordable rental apartments as well as market rate for-sale townhomes for this group.

The housing prototypes for seniors, students and staff of Saint Mary's are proposed as a mix of small-lot single-family homes, townhomes, and apartments. For seniors, the housing could include units for both active adult and assisted living communities. These units are anticipated to be both rental and for-sale at market and affordable rates. For students, the housing could include apartments and townhomes in a mixed-use

setting. The units would be a rental product at market rates. The unit sizes could include two-bedroom and three-bedroom units to accommodate two to four students per unit. For faculty and staff of Saint Mary's, the housing could include townhomes and small lot single-family units. The units could be a for-sale product at market and affordable rates. The advantage of housing existing workers in Moraga includes reducing the numbers of vehicle trips in and out of Town.

IV. RETAIL MARKET ASSESSMENT

Moraga is predominantly a bedroom community and is almost four miles from the nearest highway, Highway 24. Moraga overall has retail sales "leakage" to nearby communities such as Lafayette and Walnut Creek. However, future growth in population, income, and tourist activity as well as additional residential development and expanded retail offerings would create an environment to capture a greater share of the retail sales leakage. The Specific Plan should take advantage of these market opportunities to increase Moraga's retail offerings in or near the Moraga Shopping Center and Rheem Valley Shopping Center.

RETAIL CENTER CATEGORIES

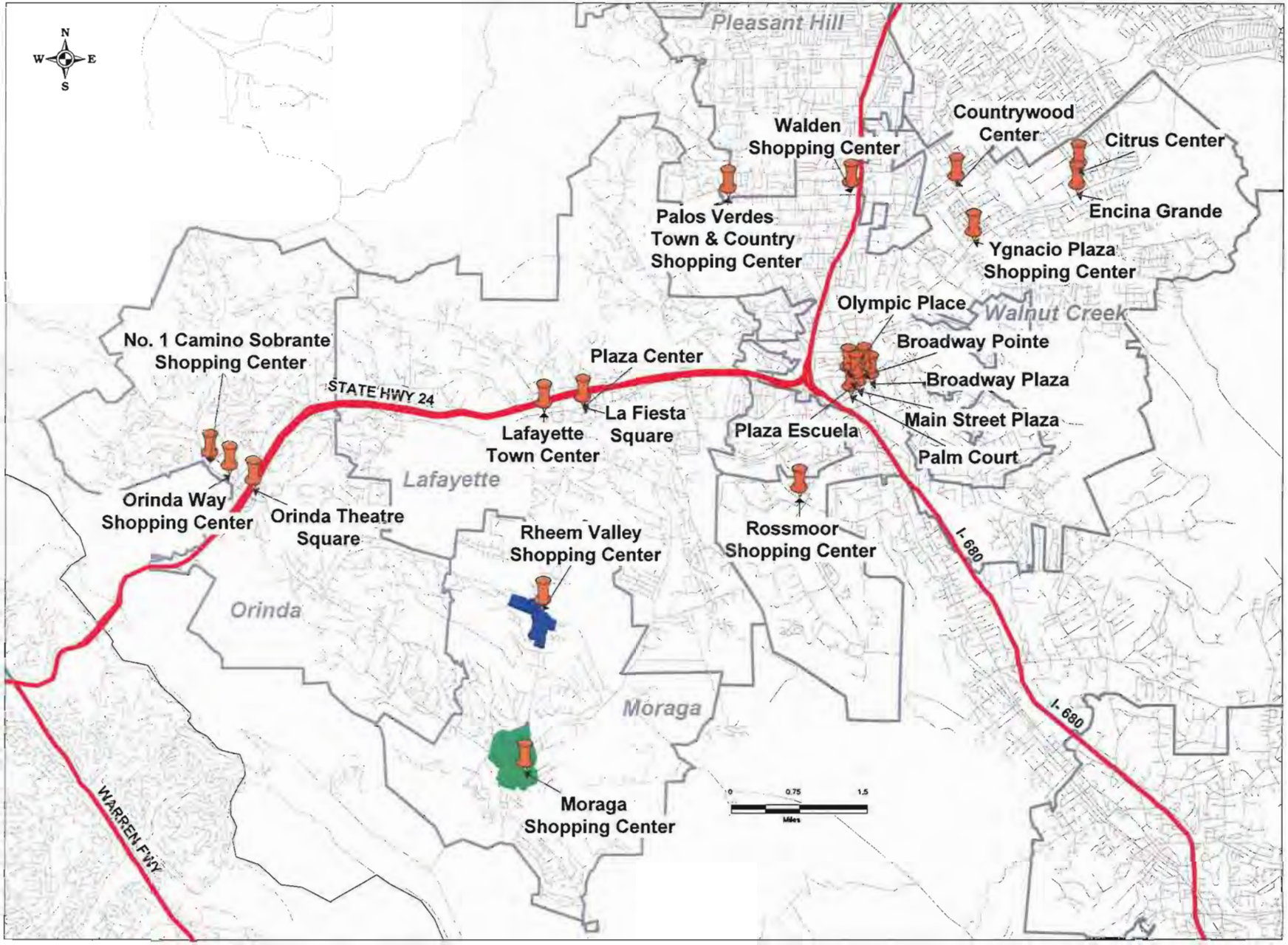
Shopping centers and malls typically consist of two types of stores: (1) comparison goods and (2) convenience goods. Comparison goods stores sell items such as apparel, shoes, and accessories; furniture, home furnishings, and electronics; and other merchandise sold in specialty shops such as books, toys, luggage, jewelry, or sporting goods. Convenience goods stores include supermarkets and other food stores such as bakeries or butcher shops as well as drugstores and home improvement, hardware, and building supply stores.

The Urban Land Institute (ULI) and the International Council of Shopping Centers (ICSC) describe seven key types of shopping centers. All consist of "anchor tenants" (bigger stores that draw shoppers) and "in-line" stores (small tenants, usually a mix of national, regional, and local stores and service businesses), which are described below in more detail. Currently, Moraga has two community retail centers, the Moraga Shopping Center and the Rheem Valley Shopping Center, as shown in **Figure 6**. The retail centers in Orinda, Lafayette, and Walnut Creek range from neighborhood retail centers to regional centers.

NEIGHBORHOOD RETAIL CENTERS

A neighborhood retail center primarily sells convenience goods (food, drugs, cards, and sundries) and provides personal services (dry cleaning, hair and nail care, travel agent, and video rental) that meet day-to-day living needs of the immediate area. Takeout food and small sit-down restaurants are also common in these centers. Typically anchored by a supermarket, larger centers serve a two- to three-mile radius and need 10 to 15 acres of land, including parking. They tend to be smaller than 100,000 square feet in size, but range from 30,000 to 150,000 square feet.

Figure 6:
Shopping Centers in Moraga, Orinda, Lafayette and Walnut Creek



COMMUNITY RETAIL CENTERS

A community retail center has a wider range of stores than a neighborhood center. These centers also provide for daily necessities but add more apparel and specialty store tenants. Key tenants are typically a supermarket and a discount department store. Home improvement stores, hardware, lawn and garden, gift items, banks, and larger eating establishments are also located here. A typical community-serving retail center is 150,000 square feet, but may range in size from 100,000 to 300,000 square feet and occupy 30 or more acres. Trade areas typically range from three to six miles.

POWER CENTERS

Power centers offer at least three "big-box" or "category-killer" stores, each having at least 25,000 square feet of space. Such stores offer in-depth merchandise selection at attractive prices. These centers are typically open-air and prefer to locate near large malls and draw customers from a radius of five miles or more. They range in size from 250,000 to more than 1 million square feet.

REGIONAL CENTERS

Regional centers focus on general merchandise, apparel, furniture, and home furnishings. They are usually enclosed and have two or three department stores. They may also have movie theaters, a food court, and restaurants. They typically draw the majority of their sales from within a ten-mile radius. The typical size is 400,000 to 800,000 square feet.

SUPER-REGIONAL MALLS

Super-regional malls typically have three or more department stores and a range of entertainment options. A typical size is 1 million square feet, but the largest malls are closer to 2 million square feet. Each department store has at least 100,000 square feet of space, and many need more than 100 acres of land. In densely populated areas, their trade areas can be as small as five miles, but in typical suburban locations, they can draw from ten miles or more. The typical size is a minimum of 800,000 square feet.

OUTLET CENTERS

Outlet centers are collections of discount stores directly operated by the manufacturers. They sell out-of-season items and production overruns. These centers are now locating at the fringe of large metropolitan areas, and some apparel manufacturers produce goods especially for their outlet stores. Most are single-story, open-air strips and are usually less than 400,000 square feet.

VALUE-ORIENTED HYBRID MALLS

Value-oriented hybrid malls combine large discount and off-price anchors with smaller factory outlet stores and themed entertainment. This type of mall can draw shoppers from as far away as 60 miles, but its primary trade area is typically within a half an hour's drive. Since 1990, value-oriented hybrid malls are typically 1 million square feet.

MORAGA'S MARKET AREA DESCRIPTIONS

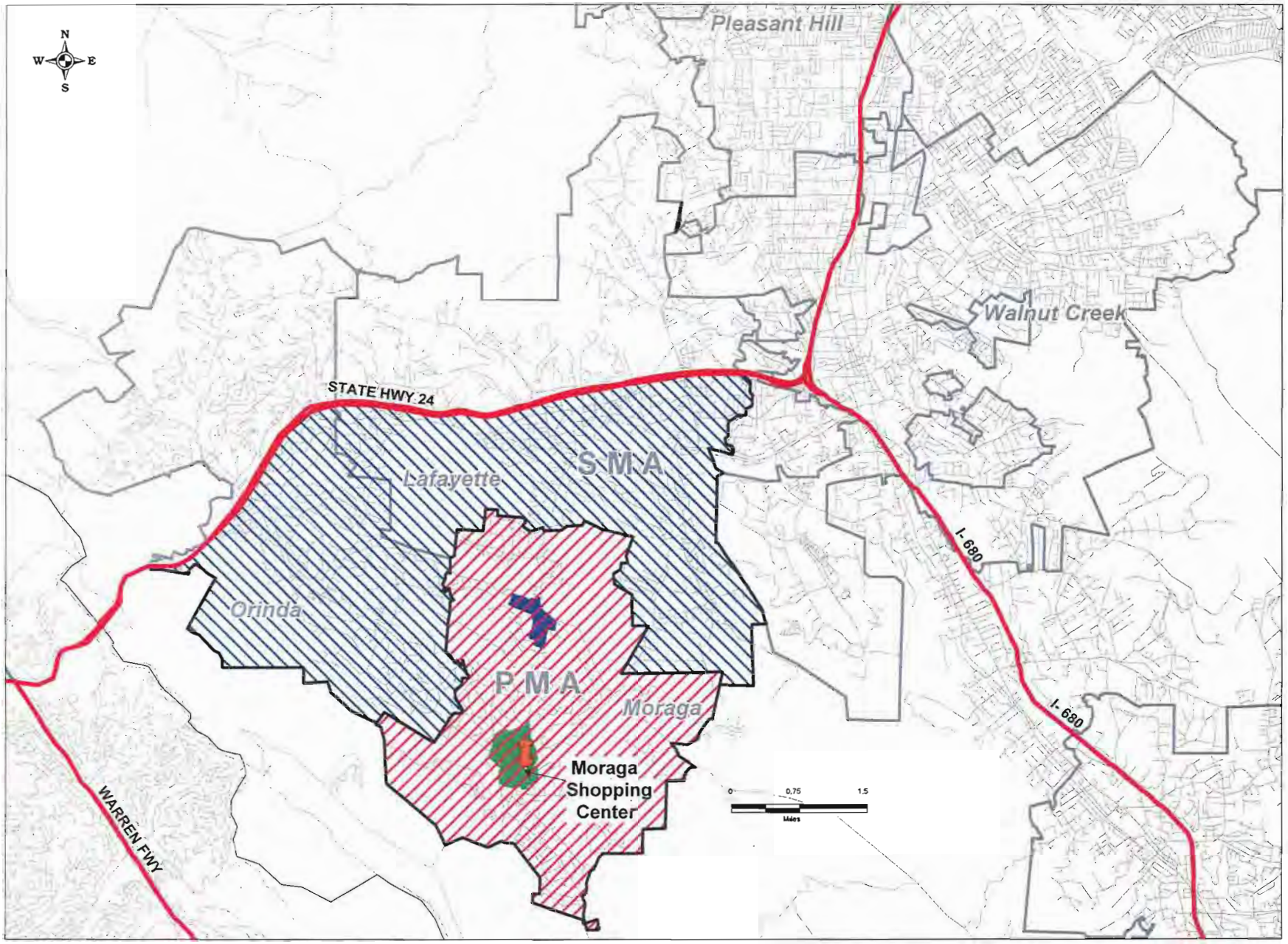
A retail market area is defined as a geographic area that contains the elements of demand and supply that will determine the performance of a particular retail store or retail category. A retail market area is influenced by a variety of factors, including location and density of the targeted residential population, the location of key competitors, the relative distance or travel time for each of the above, and local commute patterns.

This analysis distinguishes between a primary market area (PMA) and a secondary market area (SMA) for both Moraga shopping centers. The PMA contains the geographic area from which the majority of customers for a particular establishment will originate. The SMA, in contrast, refers to a broader area outside the PMA that includes competitive suppliers that effectively subdivide or define various submarkets. The total market area includes both the PMA and SMA. For this Report, it has been estimated that Moraga captures 65 percent of its shoppers from Moraga and 35 percent from Saint Mary's students, faculty, and staff, Lamorinda and other cities.

MORAGA SHOPPING CENTER MARKET AREAS

For this Report, the PMA for the Moraga Shopping Center includes all of Moraga, and the SMA includes southern portions of Lafayette and Orinda. **Figure 7** depicts the PMA and SMA for the Moraga Shopping Center assumed for this study. As shown, the SMA is assumed to include the southern portions of Lafayette and Orinda based on two factors. First, Moraga Shopping Center is a community-serving shopping center, which typically has a service area from three to six miles, although customers may travel farther if no other options are available. The Moraga Shopping Center is within two to five miles of southern Lafayette and Orinda, depending on the point of origin. Second, there are stores in the Moraga Shopping Center that are more conveniently located to southern Orinda than some stores in Orinda shopping centers such as Safeway, Orchard Supply Hardware store (OSH), and McCaulou's in Moraga.

Figure 7:
Moraga Shopping Center's Primary and Secondary Market Areas



RHEEM VALLEY SHOPPING CENTER MARKET AREAS

Figure 8 depicts the PMA and SMA for the Rheem Valley Shopping Center assumed for this study. The PMA for the Rheem Valley Shopping Center includes all of Moraga and southern portions of Lafayette and Orinda. The SMA is assumed to include the greater northern portion of Lafayette below Briones Regional Park based on two factors. First, Rheem Valley Shopping Center is a community-serving shopping center, which typically has a service area from three to six miles, although customers may travel farther if no other options are available. The Rheem Valley Shopping Center is within three to four miles from northern Lafayette, depending on the point of origin. Second, there are stores in the Rheem Valley Shopping Center that are more conveniently located to northern Lafayette than some stores in Lafayette shopping centers such as TJ Maxx and Tuesday Morning in Moraga.

LOCAL RETAIL MARKET CONDITIONS

Moraga's two shopping centers currently serve as community-serving retail/commercial centers and meet the convenience needs of local residents, Saint Mary's students, faculty, and staff as well as shoppers from greater Lamorinda, Oakland, and Walnut Creek. This is largely due to Moraga's distance from the nearest highway, the Town's small population, and the regional-serving retail centers in nearby Walnut Creek and Concord. Because of the proximity of the two shopping centers, they will compete for customers. However, each center can establish its own uniqueness and niche in the market place by differentiating their tenant mix.

MORAGA

Moraga's two retail shopping centers are Moraga Shopping Center (within the Moraga Center Specific Plan Area) and Rheem Valley Shopping Center (within the Rheem Park Specific Plan Area), as shown in **Table 17** and **Figure 6**. Additionally, an OSH also recently opened across the street from the Moraga Shopping Center. Both of these shopping centers serve as community-serving retail centers and are located less than two miles apart. Both are accessible from the Lafayette-Moraga Regional Trail and public transportation via County Connection bus line 206. The Lafayette-Moraga Regional Trail is a 7.65-mile hiking, biking, and equestrian trail that is parallel to Saint Mary's Road through Lafayette and downtown Moraga. The County Connection bus line 206 departs from Orinda BART to Saint Mary's College to Lafayette BART via Moraga Road and Moraga Way passing directly in front of both the Rheem Valley Shopping Center and Moraga Shopping Center.

Figure 8:
Rheem Valley Shopping Center's Primary and Secondary Market Areas

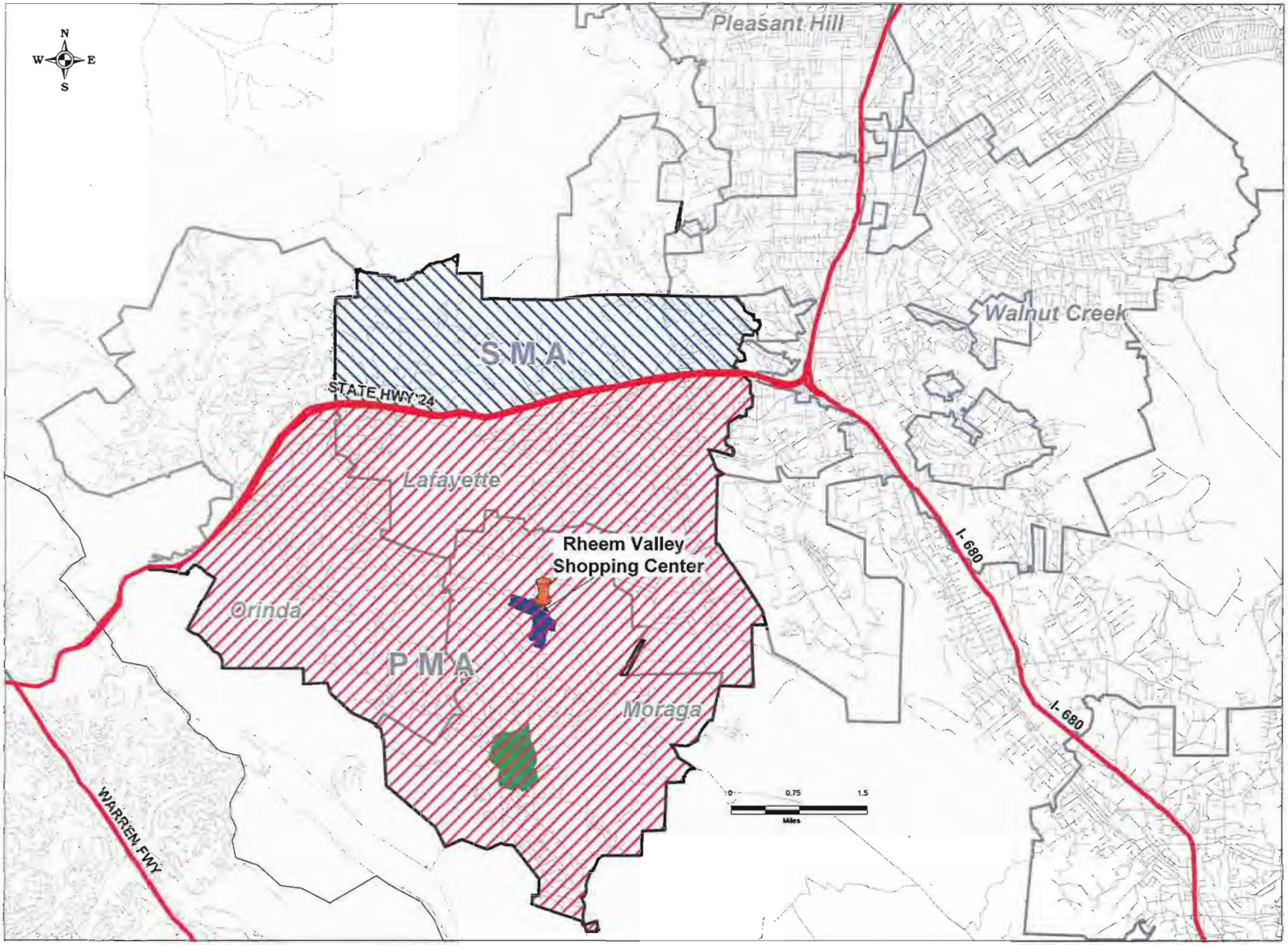


Table 17
Major Shopping Centers in Moraga, Orinda, Lafayette, and Walnut Creek
Town of Moraga Market Assessment; EPS #15065

1 Moraga Shopping Center	125,738	McCaulou's Safeway Longs Drugs Ace Hardware A&H Hallmark	NEC Moraga Way & Moraga Rd.
Orchard Supply Hardware	44,055	Orchard Supply Hardware	1550 Canyon Road
2 Rheem Valley Shopping Center	235,528	Longs Drugs TJ Maxx Blockbuster 24 Hour Fitness Tuesday Morning Starbucks	SWC Rheem Blvd. & Moraga Rd.
	5		
3 No. 1 Camino Sobrante Shopping Center	36,800	Starbucks Baskin Robbins	1 Camino Sobrante
4 Orinda Theatre Square	87,000	Orinda Theatre Starbucks	Hyw 24 & Moraga Way
5 Orinda Way Shopping Center	85,215	In-line only (2)	19 Orinda Way
	5		
6 Lafayette Town Center	25,500	Petfood Express Panda Express Pizza Antica	3590 - 3610 Mt. Diablo Blvd.
7 La Fiesta Square	50,000	Open Sesame Market Pendleton Chow Restaurant	SWC First St. & Mt. Diablo Blvd.
8 Plaza Center	150,000	Albertson's Safeway McCaulou's Peet's Noah's Jamba Juice	Mt. Diablo Blvd. & First St.
	5 5		
9 Broadway Plaza	698,500	Macy's Men's Store Macy's Women's Store Nordstrom Department Store	1275 Broadway Plaza

10 Broadway Pointe	80,000	Pottery Barn Williams-Sonoma Restoration Hardware	1480 Mt. Diablo Blvd.
11 Citrus Center	101,000	Nob Hill General Store	2220 Oak Grove Rd.
12 Countrywood Center	150,000	Long's Drugs Safeway	718 Bancroft Rd.
13 Encina Grande	102,500	Safeway Walgreens Ace Hardware	2817-2995 Ygnacio Valley Rd.
14 Main Street Plaza	46,500	Ross Dress For Less	1558 Botelho Dr.
15 Olympic Place	113,500	Century Theatre Cost Plus World Market	1697 Mt. Diablo Blvd.
16 Palos Verdes Town & Country Shopping Center		Lunardi's Supermarket Rite-Aid	Camino Verde and Pleasant Hill Rd
17 Palm Court	45,000	Petco	SWC California & Botehlo
18 Plaza Escuela	156,000	Andronico's Market Container Store	100 Locust Rd.
19 Rossmoor Shopping Center	99,000	Long's Drugs Safeway	1972 Tice Valley Blvd.
20 Walden Shopping Center	50,000	Beverages & More Walgreens	2900 N. Main St.
21 Ygnacio Plaza Shopping Center	111,100	Albertson's Rite Aide Pharmacy	1811-1891 Ygnacio Valley Rd.
	5		

Note: The tenant mix was accurate as of January 2006 and is subject to change.

(1) Square feet listed is approximate.
(2) In-line stores include restaurants, personal services, and smaller retailers.

Source: *Shopping Center Directory 2005* : Applicable City Officials: Economic & Planning Systems, Inc.

Moraga Shopping Center

Moraga Shopping Center is located at the northwest corner of Moraga Way and Moraga Road, is a 125,700-square foot center, and is anchored by a Safeway grocery store, the only grocery store in Town (see **Table 18**). Other in-line stores include the UPS Store, A& H Hallmark (cards and gifts), McCaulou's (small department store), and Moraga Hardware and Lumber as well as several restaurants and eateries, banks, dry cleaners, personal and business services, and salons. At present, most of the stores in the Moraga Shopping Center are "mom-and-pop" stores rather than regional or national chains, with Safeway, the UPS Store, and the Hallmark store being the only recognized chains.

According to local business owners and operators, the Moraga Shopping Center has sufficient parking but needs maintenance such as new paint, better lighting, and landscaping. Residents like the convenience of the Moraga Shopping Center and lower price points than those at regional malls. Although Town residents like not having "big box" stores such as Target, Bed Bath and Beyond, and Wal-Mart, many have to go to cities such as Pleasant Hill, Concord, and Walnut Creek to buy items such as housewares, furniture, and clothing. However, it must be acknowledged that the shopping centers in Moraga generally underperform with current sales of $209 per square foot versus more traditional shopping centers, where tenants such as Target and Wal-Mart typically achieve sales in excess of $350 per square foot.

Orchard Supply Hardware Store

On August 28, 2005, OSH opened a 44,055-square foot store across from the Moraga Shopping Center in the former Albertson's grocery store site. OSH is a hardware and garden store chain that began operations in San Jose, California, in 1931. There are 85 stores operated throughout the State from Redding to Laguna Niguel. The stores offer over 45,000 products and knowledgeable personnel with the mission of providing excellent customer service.

Although OSH is a direct competitor with the Moraga Hardware and Lumber store across the street in the Moraga Shopping Center, the owner reports that sales have not been adversely affected by the opening of the OSH store and is competing effectively. Additionally, according to OSH's store manager, OSH has not achieved the level of anticipated sales at the Moraga location, even though they have been successful at attracting customers from Orinda, Lafayette, and as far away as Walnut Creek.

Rheem Valley Shopping Center

The Rheem Valley Shopping Center is located at the intersection of Rheem Boulevard and Moraga Road, is a 235,500-square foot center, and is anchored by TJ Maxx and Longs Drugs (see **Table 19**). Other in-line stores include Starbucks, Blockbuster Video, Tuesday Morning, and a 24-Hour Fitness center as well as a movie theater, several eateries and food stores, salons, a dry cleaner, and small specialty clothing stores. The movie theater, Rheem Theater, has four screens and typically has current movies similar to larger theater complexes in the cities of Concord and Walnut Creek.

5 5

Safeway	40,025	Supermarket
McCaulou's Department Store	17,349	Apparel
Moraga Garden Center	6,222	Garden Supply
Moraga Hardware and Lumber	6,000	Hardware
A&H Hallmark	5,670	Cards and Gifts
Wells Fargo Bank	5,520	Financial Services
Fountainhead Montessori School	4,707	School
Computer & Business Solutions	3,600	Consumer Electronics
Longs Pharmacy	3,600	Drug Store
VACANT	3,600	Vacant
Moraga Wines and Spirits	3,412	Liquor Store
California Savings & Loan	3,062	Financial Services
Café Terzetto	3,024	Café/ Deli
Pennini's Restaurant	2,400	Restaurant
Across the Way	2,100	Gifts
VACANT	1,725	Vacant
Moraga Cleaners and Laundry	1,600	Dry Cleaners
Bianca's Delicatessen	1,500	Café/ Deli
Fan's Chinese Restaurant	1,375	Restaurant
Moraga Nutrition Center	1,358	Health and Beauty Store
Moraga Clean X-Press	1,200	Dry Cleaners
Options Hair Salon	1,100	Personal Services
St. Mary's Gift and Florist	1,092	Gift Store/ Florist
Salon Casa Bella	1,000	Personal Services
Michael's Ristorante	822	Restaurant
Barber Shop	587	Personal Services
Ranch House Café	556	Restaurant
Mucho Wraps Restaurant	535	Restaurant
Dynasty Nails	516	Personal Services
Edward Jones Investments	481	Financial Services

5

Note: The tenant mix was accurate as of June 2004 and is subject to change.

Source: Town of Moraga; Economic & Planning Systems, Inc.

TJ Maxx	31,750	Discount Clothing
VACANT	26,000	Vacant
Longs Drug Store	25,844	Drug Store
Rheem Theatre	19,350	Cinema
United States Post Office	14,380	Post Office
Tuesday Morning	8,411	Discount Store
Mycra Pac Women's Apparel	7,400	Apparel
Rheem Valley Automotive	7,000	Auto Services
24 Hour Fitness	6,000	Fitness/ Sport Center
Blockbuster	4,626	Video Rental
Child Care Center	3,939	Child Care
Mountain Mike's Pizza	3,630	Restaurant
Lamoreem Gymnastics	3,597	Fitness/ Sport Center
Furniture Consignment	3,500	Home Furnishings
IKF Karate and Fitness	3,132	Fitness/ Sport Center
California Academy of Performing Arts	2,958	Performing Arts Studio
China Moon Chinese Restaurant	2,410	Restaurant
Lori's Perfect Tan	2,342	Personal Services
Burger King	2,235	Fast Food
VACANT	2,083	Vacant
Ristorante Amoroma	2,000	Restaurant
The Beauty Store	1,900	Personal Services
Taco Bell	1,680	Fast Food
Curves for Women	1,625	Fitness/ Sport Center
Starbucks	1,600	Café/ Deli
Teddy Bear Coin Laundry	1,573	Laundromat
Rheem One Hour Martinizing	1,528	Dry Cleaners
Rheem Valley Pet Shoppe	1,500	Pet Supplies/ Services
Moraga Art Gallery	1,480	Art Gallery
La Morinda Ballet	1,472	Performing Arts Studio
Goodwill Industries	1,427	Goodwill Dropoff Center
Rheem Valley One Hour Cleaners	1,427	Dry Cleaners
Special Tees - Women's Clothing	1,400	Apparel
Frame Shop	1,330	Custom Picture Framing
Perfect Tan and Rheem Valley Nails	1,300	Personal Services
Gourmet Glazed Hams Deli	1,280	Café/ Deli
Nation's Hamburgers	1,272	Fast Food
Moraga Cellular/ Jewelers	1,267	Jewelry/ Consumer Electronics
Star Shoes	1,220	Shoes
All in the Cut	1,200	Personal Services
Anna's Nails	1,200	Personal Services
Fudge Alley	1,200	Café/ Deli
King Florist	1,200	Florist
Optometrist	1,200	Optometrist
Potter Farms	1,200	Fresh Foods
Tamami's Japanese Restaurant	1,200	Restaurant

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Lamorinda Pizza	1,117	Restaurant
Loard's	1,070	Café/ Deli
Magic Cuts	1,069	Personal Services
Shears Hair & Beauty Care	1,036	Personal Services
Thai Cuisine	1,036	Restaurant
Subway Sandwiches	960	Fast Food
Boxguy	932	Shipping Supplies
VACANT	895	Vacant Office
Alimentari Amoroma	880	Café/ Deli
VACANT	838	Vacant Office
Sixto's Hair Designs	814	Personal Services
VACANT	732	Vacant Office
The Pasta Stop	700	Café/ Deli - Restaurant
The Leather Shop	685	Apparel/ Accessories
T.T.K. Associates	560	Office
Dianna Treter Interiors	518	Interior Design
VACANT	516	Vacant Office
K-9 Pet Grooming	486	Pet Supplies/ Services
Galliani	400	Office
Canspec Research	394	Office
Heather Schlachter	374	Office
Pat Cusick	370	Office
RX America	328	Office
Mia & Friends	278	Apparel
Lisa Colhoun Hair Designs	261	Personal Services
Skin Care	250	Personal Services
Western Consortium for Public Health	244	Office
Yvonne Dix	239	Office
Patrick Rice	230	Office
Bank of America ATM Kiosk	48	Financial Services

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Note: The tenant mix was accurate as of October 2005 and is subject to change.

Source: Town of Moraga; Economic & Planning Systems, Inc.

The Rheem Center currently has several vacancies. The Center's largest vacancy is the 26,000-square foot former Apple Market (grocery store). According to the Town Manager, the former grocery store site has been vacant for almost three years, and the prospects of attracting another grocery store operator have proven difficult because the space is too small for most national brand grocery chains and is not well-located for smaller national and regional brand chains like Trader Joe's and Andronico's.

ORINDA

In neighboring Orinda, there are three shopping centers that are community-serving retail centers. There is only one grocery store in Orinda, Safeway at 3540 Mount Diablo Boulevard, and it is not within one of the three shopping centers. The stores in the three shopping centers largely offer general merchandise, home furnishings and appliances, and eating and drinking establishments (see **Table 17**). Considering that the Orinda population exceeds Moraga's and mean household income in Orinda is $221,400, the retail offerings are meager given the City's proximity to Highway 24 and the cities of Lafayette and Walnut Creek. In addition, as of the writing of this report, there are numerous vacancies within the Orinda Theatre Square, a mixed-use (retail, dining, and entertainment) site on Moraga Way and Brookwood Road next to Highway 24.

LAFAYETTE

Similar to Orinda, Lafayette has three shopping centers that are community-serving and smaller unnamed grocery centers. The majority of Lafayette's retail stores are located along Mount Diablo Boulevard. Lafayette has several grocery stores, including Safeway, Diablo Foods, Trader Joe's, Albertson's, and Lunardi's. A great deal of Moraga and Orinda residents do their grocery shopping at these national brand and specialty grocery stores. The other stores within the three centers largely offer general merchandise, apparel, home furnishings, food, and eating and drinking establishments (see **Table 17**). The largest of the three shopping centers at roughly 150,000 square feet is the Plaza Center at Mount Diablo Boulevard and First Street. This center has two grocery stores, Albertson's and Safeway, as well as a McCaulou's department store, Peet's Coffee and Tea, Noah's Bagels, and Jamba Juice.

WALNUT CREEK

Walnut Creek, unlike the other three communities, is a regional retail destination that has a variety of retail options, including several community and neighborhood centers and one regional center. Walnut Creek's largest center is its regional center, Broadway Plaza near downtown. The Plaza has a "main street" format and features three department stores (Macy's Men's Store, Macy's Women's Store, and Nordstrom) as well as numerous high-end, national brand apparel and specialty merchandise in-line stores

(e.g., Banana Republic, Gymboree, Coach, Crate & Barrel, and Sephora). Other centers include supermarkets and food stores, drug stores, discount general merchandise stores, specialty stores, hardware stores, and big-box stores.

MORAGA AREA RETAIL LEAKAGE

As part of this analysis, the current and projected household retail expenditures in Lamorinda have been estimated because Moraga's retail stores are largely supported by households in the three communities. The estimates of total demand are compared to estimates of existing retail sales to characterize the current level of retail capture and "leakage" in Moraga. Estimates of retail expenditures are based on the projected number of households, mean household income, and the percent of household income spent on retail goods.

As shown in **Table 20**, the households in Moraga currently are estimated to spend approximately $289.2 million on retail goods per year. Retail expenditures are projected to grow to approximately $307.2 million (in 2005 constant dollars) in Moraga by 2010 and $341.6 million by 2015 (in 2005 constant dollars), based on increased population and growth in real income. **Table 21** compares actual Moraga taxable retail sales with the taxable retail expenditure potential of Moraga residents for all retail categories. As shown, aggregate taxable retail expenditures for Moraga residents are estimated to be $289.2 million compared to about $70.0 million in Moraga in actual taxable sales, based on data from the Town of Moraga Finance Department.

Moraga's retail establishments are capturing $219.3 million less in annual taxable sales than is actually spent by local residents including sales drawn from Orinda, Lafayette, and Saint Mary's College, which represents a capture rate of about 24 percent. As a result, all retail categories experience "leakage," which demonstrates that Moraga has an insufficient amount of retail goods and services relative to local demand. While it is not reasonable to assume that all or even a majority of local demand could be met in Moraga, given competing retail centers in the greater market area and the limited land supply in Moraga, some additional retail could be captured. In addition to providing local goods and services and expanding the local tax base, additional retail has the potential to reduce vehicle travel to nearby shopping areas.

AREA RETAIL PATTERNS

The capture of retail expenditures by an individual jurisdiction depends on the range of retail development and its competitiveness with retail developments in other jurisdictions. This section provides estimates of retail sales in the cities of Lafayette, Moraga, Walnut Creek, and Contra Costa County. The retail sales data by jurisdiction were provided by the California Board of Equalization and the Town of Moraga. The Town of Moraga captured nearly $70.0 million in retail sales in 2004, as shown in **Table 21**.

Table 20
Retail Expenditure Potential by Jurisdiction (2005-2015)
Town of Moraga Market Assessment; EPS #15065

Jurisdiction	Year 2005	Year 2010	Year 2015	2005-2015 % Change	Avg. Annual Growth (2005-2015)
Moraga					
Households	5,700	5,800	6,030	6%	0.6%
Mean Household Income (in constant 2005$)	$160,237	$167,273	$178,918	12%	1.1%
Total Retail Expenditures ($1,000s) (1)	$289,207	$307,202	$341,618	18%	1.7%
Lafayette					
Households	9,830	10,030	10,240	4%	0.4%
Mean Household Income (in constant 2005$)	$179,281	$188,258	$198,568	11%	1.0%
Total Retail Expenditures ($1,000s) (1)	$558,032	$597,894	$643,843	15%	1.4%
Orinda					
Households	6,630	6,730	6,890	4%	0.4%
Mean Household Income (in constant 2005$)	$221,373	$232,411	$245,147	11%	1.0%
Total Retail Expenditures ($1,000s) (1)	$464,738	$495,270	$534,832	15%	1.4%
Total					
Households	*22,160*	*22,560*	*23,160*	*5%*	*0.4%*
Weighted Mean Household Income (2)	*$186,976*	*$196,034*	*$207,309*	*11%*	*1.0%*
Total Retail Expenditures ($1,000s) (1)	$1,311,977	$1,400,366	$1,520,293	*16%*	*1.5%*

(1) Total retail expenditures includes all retail expenditures. Assumes 32% of household income is spent on retail goods, based on Bureau of Labor Statistics estimates.
(2) Weighted by number of households, in constant 2005$.

Source: ABAG *Projections 2005*; Bureau of Labor Statistics Consumer Expenditure Survey (2002-03) San Francisco MSA; Economic & Planning Systems, Inc.

Table 21
Retail Sales and Estimated Demand in Moraga (2005$)
Town of Moraga Market Assessment; EPS #15065

Retail Category	Average HH Taxable Retail Expenditures *a*	Aggregate HH Taxable Retail Exps. ($1,000s) *b=a*Moraga HHs/1000*	Actual Taxable Retail Sales in Moraga ($1,000s) *c*	Excess Capture / (Leakage) ($1,000s) *d=c-b*	Capture Rate (%) *e=c/b*
Apparel Stores	$3,548	$20,225	$11,956	($8,269)	59%
General Merchandise Stores	$4,013	$22,872	$7,299	($15,572)	32%
Home Furnishings and Appliances	$1,367	$7,792	$226	($7,566)	3%
Bldg. Matrl. and Farm Implements	$2,440	$13,907	$2,636	($11,271)	19%
Auto Dealers and Auto Supplies	$11,227	$63,991	$346	($63,645)	1%
Other Retail Stores	$6,248	$35,612	$17,544	($18,068)	49%
Food Stores (1)	$8,143	$46,415	$12,680	($33,735)	27%
Eating and Drinking Places	$9,073	$51,714	$8,612	($43,103)	17%
Service Stations	$4,680	$26,678	$8,655	($18,023)	32%
Total / Average	**$50,738**	**$289,207**	**$69,954**	**($219,253)**	**24%**

(1) Typically only 35% of grocery purchases are taxable. The average HH taxable retail expenditures shown here represents only those grocery store purchases that are taxable.

Source: U.S. Bureau of Labor Statistics Consumer Expenditure Survey (2002-2003); Town of Moraga Finance Department; Economic & Planning Systems, Inc.

In terms of retail sales per capita, as shown in **Table 22**, the Town had 40 percent of the retail sales per resident as the rest of the County, at $4,300 and $9,400, respectively. This difference is due to the fact that Town of Moraga residents shop outside of Moraga and few outsiders shop in Moraga. Only apparel stores and food stores per capita in Moraga exceeded the County's overall per capita sales. Retail items are separated into two categories: comparison goods and convenience goods. Comparison goods in the home furnishings and appliances, auto dealers and auto supplies, and building materials categories were particularly low at a combined $195 per capita for the Town when compared to the County at $3,302 per capita. However, convenience goods as a whole for the Town were almost on par with the County at $1,822 per capita when compared to $2,390 per capita for the County, at 76 percent of the total.

FUTURE RETAIL PROJECTS

As part of this analysis, EPS gathered information on projected future retail projects in the area. As shown on **Table 23,** there are several major commercial development projects in the pipeline in the cities of Moraga, Lafayette, Orinda, and Walnut Creek. As shown, a total of approximately 164,600 square feet of commercial space is in the pipeline. These projects will include retail uses, office uses, or both. One project of note is the Lafayette Mercantile, a 55,000-square foot office/retail complex which will be located directly across from the Lafayette Town Center on Mount Diablo Boulevard.

The Lafayette Mercantile will be constructed to create a pedestrian-friendly, retail-oriented plaza with office space and outdoor dining.[9] The development will include one two-story building and one three-story building with retail uses and at least one full-service restaurant on the ground floors, while offices will occupy the second and third floors.[10] Office users will likely include medical, real estate, and financial services. The project will include 184 parking spaces on two levels, one at street level and one partially underground. There will also be several additional parking spaces in front of the retail shops. The project broke ground summer 2005 and is anticipated to be completed in spring 2006. It is currently in the pre-lease stage.

PROJECTED RETAIL DEMAND

While Moraga has a charming character, the limited amount of retail stores and services currently available will make it difficult to keep pace with new development and will result in continued "leakage." As shown previously on **Table 1**, the Moraga population is expected to grow by roughly 330 households in the next ten years absent of any development in the Specific Plan Areas. Such growth represents a 6 percent increase. As a result, the resident population will provide more shoppers for Moraga Shopping

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[9] From "Cortese project called a 'landmark' for Lafayette," *Contra Costa Sun*, May 12, 2004.

[10] From "Downtown Looking Up, Lafayette Mercantile to Break Ground This Spring," *Lafayette Vistas* (City of Lafayette quarterly newsletter), Winter 2005.

Table 22
Per Capita Retail Sales in Lafayette, Moraga, Orinda, Walnut Creek, Contra Costa County, and California (2005$)
Town of Moraga Market Assessment; EPS #15065

Category	Lafayette (1)	Moraga (2)	Walnut Creek	Contra Costa County	Moraga % of County	State Total	Moraga % of State
2005 Estimated Population	24,317	16,435	65,950	1,003,909	2%	36,144,267	0%
Comparison Goods							
Apparel Stores	$160	$727	$1,241	$395	184%	$441	165%
General Merchandise Stores	$550	$444	$4,546	$1,802	25%	$1,470	30%
Home Furnishings and Appliances	$241	$14	$1,194	$500	3%	$439	3%
Bldg. Matrl. & Farm Implements	$574	$160	$1,010	$969	17%	$820	20%
Auto Dealers and Auto Supplies	$345	$21	$7,625	$1,833	1%	$1,950	1%
Other Retail Stores (3)	$2,000	$1,067	$3,285	$1,560	68%	$1,656	64%
TOTAL	$3,870	$2,434	$18,901	$7,059	34%	$6,776	36%
Convenience Goods							
Food Stores	$1,077	$772	$826	$617	125%	$564	137%
Eating and Drinking Places	$1,439	$524	$2,358	$972	54%	$1,165	45%
Service Stations	$810	$527	$1,015	$800	66%	$806	65%
TOTAL	$3,326	$1,822	$4,199	$2,390	76%	$2,535	72%
TOTAL RETAIL GOODS	$7,196	$4,256	$23,100	$9,448	45%	$9,311	46%

Note: To protect confidentiality, the City of Orinda does not release retail sales data for retail categories with a low number of tenants. Because the majority of the retail sales data could not be provided, Orinda's sales have not been included as part of this analysis.

(1) The most recent data on taxable sales for Lafayette is through year end 2003 from the California Board of Equalization, and has been adjusted to reflect 2005 dollars.

(2) The most recent data on taxable sales for Moraga is from 12/03 to 12/04 from the Town of Moraga Finance Department. The amounts have been adjusted to reflect 2005 dollars.

(3) For Lafayette and Walnut Creek, "Other Retail Stores" include specialty stores; packaged liquor stores; second-hand merchandise; fuel and ice dealers; mobile homes, trailers, and campers; boat, motorcycle, and plane dealers; and business and personal services.

Source: California Board of Equalization; Bureau of Labor Statistics, Economic & Planning Systems.

Table 23
Area Commercial Development Projects in the Pipeline
Town of Moraga Market Assessment; EPS #15065

Project	Size (Sq. Ft.)	Use	Location	Status
COMMERCIAL				
Moraga				
533 Moraga Road	12,749	Office/mixed use	533 Moraga Rd., across from Rheem Center	Approved by Planning Commission
Office Building	12,000	Office	Next to Rheem Theatre	Nothing submitted to Planning Department as of December 2005
Subtotal	**24,749**			
Lafayette				
Lafayette Mercantile	55,000	22,000 sq. ft. office, 33,000 sq. ft. retail	SE corner of Mt. Diablo Blvd and Dewing Ave.	Construction began Summer 2005
Office Building	7,500	New 2-story office building	3603 Mt. Diablo Blvd	Construction to begin May 2006
Subtotal	**62,500**			
Walnut Creek				
1700 N. Main St.	6,137	Addition to existing 3,800 sq. ft. building	1700 N. Main St.	Under construction
Walnut Creek Ford Remodel	31,500	Remodel/ addition to auto dealership	1800 N. Main St. and 1400 Carlback Ave.	Approved
Ygnacio Center Retail Conversion	3,100	Conversion of parking garage to retail	2001 North Main St.	Approved
Walnut Creek BART Transit Village	30,000	Retail as part of transit village	200 Ygnacio Valley Rd.	Under review
Iron Horse Plaza Office Building	6,570	New 3-story office building	1188 Mt. Diablo Blvd.	Under review
Subtotal	**77,307**			
Total Commercial Square Feet	**164,556**	**Square Feet**		

Source: Town of Moraga; City of Orinda; City of Lafayette; City of Walnut Creek; Economic & Planning Systems, Inc.

Center businesses than it currently does. Moraga household income levels are likely to continue to rise; this increase in spending power will add to the demand for retail as the population grows.

Table 24 shows a possible result of the added population and spending power on retail demand by 2010. As shown, the increase in population and income levels are likely to increase support for Moraga shopping center retail by 6 percent, or over $4.4 million by 2010. If sales per square foot stay at current levels ($209 per square foot), as much as 20,900 square feet of new retail space may be in demand. However, it is likely that new development would require higher than current sales per square foot. At $350 per square foot overall, only about 12,400 square feet of space would be in demand in the next few years.

Table 25 shows a possible outcome on retail demand by 2015. As shown, the increase in population and income levels are estimated to increase support for Moraga shopping center retail by 18 percent, or nearly $12.7 million. If sales per square foot stay at current levels, as much as 60,800 square feet may be in demand, but at $350 per square foot, only about 36,200 square feet would be in demand.

Tables 24 and **25** illustrate only the Moraga retail sales potential attributable to Moraga residents. The additional spending power attributable to residents outside of Moraga, such as those from Lafayette and Orinda as well as visitors to Moraga, could lend additional retail support. Much of this added sales potential may be captured by the space planned within the Moraga Center, Rheem Park, and new residential development. New residents are likely to have incomes greater than those who currently reside in Moraga (mean household income in Moraga in 2005 was $160,200 in real terms) because of the expected sale prices of new residential units planned, such as those for Palos Colorados and Moraga Country Club.

A closer review of the residential pipeline projects and the potential units for the Moraga Center demonstrates that Moraga will have approximately 5,900 households by 2010 and 6,300 households by 2015 compared to ABAG's projections of 5,800 households (2010) and 6,030 households (2015), respectively.[11] However, given the ABAG population and income projections for Moraga in 2010 and 2015, EPS estimates that total demand for new retail space attributable to Moraga residents only will be roughly 12,000 square feet to 21,000 square feet through 2010, and roughly 36,000 square feet to 61,000 square feet through 2015. With the likely addition of more households than those shown on **Tables 24** and **25**, the number of retail square feet are likely greater than projected. This space will be in addition to the existing 125,700 square feet at Moraga Shopping Center and 235,500 square feet at the Rheem Valley Shopping Center.

[11] Projections were provided by the Town of Moraga.

Table 24
Current and Future Moraga Shopping Center Retail Support from Moraga Households Only (2005-2010)
Town of Moraga Market Assessment; EPS #15065

Current Spending Power (2005)		5,700	Moraga Households
	x	$160,237	Mean Household Income
		$913,352,610	Aggregate Income
	x	32%	Percentage of Income Spent on Retail (1)
		$289,207,246	Amount Spent on Retail
	x	24%	Moraga's Capture Rate (2)
		$69,954,143	Total Moraga Expenditures
Future Spending Power (2010)		5,800	Moraga Households
	x	$167,273	Mean Household Income
		$970,181,660	Total Spending Power
	x	32%	Percentage of Income Spent on Retail
		$307,201,800	Amount Spent on Retail
	x	24%	Moraga's Capture Rate
		$74,306,709	Total Moraga Expenditures
Spending Power Difference (2005 vs. 2010)		$4,352,566	Net New Moraga Expenditures
		6%	Percent Increase
Achievable Sales Per Square Foot		$350	Potential Sales/Sq. Ft. average
		$209	Potential Sales/Sq. Ft. average (3)
Achievable New Square Feet of Development		12,436	Supportable New Sq. Ft. at $350/sq. ft.
		20,873	Supportable New Sq. Ft. at $209/sq. ft.

(1) Includes all retail expenditures. Assumes 32% of household inocme is spent on retail goods, based on Bureau of Labor Statistics estimates.
(2) Moraga shopping centers currently capture 24% percent of total sales, and assumes they will capture the same percentage in 2010.
(3) Moraga shopping centers currently capture $209/sq. ft. in sales on average.

Source: Bureau of Labor Statistics Consumer Expenditure Survey (2002-2003) San Francisco MSA; Town of Moraga; Economic & Planning Systems, Inc.

Table 25
Current and Future Moraga Shopping Center Retail Support from Moraga Households Only (2005-2015)
Town of Moraga Market Assessment; EPS #15065

Current Spending Power (2005)		5,700	Moraga Households
	x	$160,237	Mean Household Income
		$913,352,610	Aggregate Income
	x	32%	Percentage of Income Spent on Retail (1)
		$289,207,246	Amount Spent on Retail
	x	24%	Moraga's Capture Rate (2)
		$69,954,143	Total Moraga Expenditures
Future Spending Power (2015)		6,030	Moraga Households
	x	$178,918	Mean Household Income
		$1,078,872,525	Total Spending Power
	x	32%	Percentage of Income Spent on Retail (1)
		$341,618,065	Amount Spent on Retail
	x	24%	Moraga's Capture Rate (2)
		$82,631,398	Total Moraga Expenditures
Spending Power Difference (2005 vs. 2015)		$12,677,255	Net New Moraga Expenditures
		18%	Percent Increase
Achievable Sales Per Square Foot		$350	Potential Sales/Sq. Ft. average
		$209	Potential Sales/Sq. Ft. average (3)
Achievable New Square Feet of Development		36,221	Supportable New Sq. Ft. at $350/sq. ft.
		60,794	Supportable New Sq. Ft. at $209/sq. ft.

(1) Includes all retail expenditures. Assumes 32% of household inocme is spent on retail goods, based on Bureau of Labor Statistics estimates.

(2) Moraga shopping centers currently capture 24% percent of total sales, and assumes they will capture the same percentage in 2015.

(3) Moraga shopping centers currently capture $209/sq. ft. in sales on average.

Source: Bureau of Labor Statistics Consumer Expenditure Survey (2002-2003) San Francisco MSA; Town of Moraga; Economic & Planning Systems, Inc.

RETAIL MARKET CONCLUSIONS

After years of losing sales to other neighboring jurisdictions, the retail market in Moraga has been successful at attracting customers from the greater Lamorinda area as well as new retail uses such as OSH, and may have an opportunity to increase sales through the redevelopment of its two shopping centers. The Moraga Center and Rheem Valley Specific Plan redevelopment efforts may improve the Town's sales capture rate. Increased population growth and spending power among Moraga residents will provide the necessary incentive for increased development in the Moraga and Rheem Valley shopping.

The stores in the Moraga Shopping Center are most susceptible to competition from the Rheem Valley Shopping Center. However, the vacant and underutilized land within the Moraga Shopping Center and the potential extension of School Street could be the location of new mixed-use retail and residential development. This addition of retail space at the Moraga Shopping Center would draw students, faculty, and staff from Saint Mary's College through increased signage and shuttles to and from the College to the shopping center.

Based on what is already within Moraga's shopping centers and because Moraga is not a regional shopping destination, its strength is in convenience goods, which are currently underperforming. Additionally, given the student population and proposed addition of residential uses near the Moraga Shopping Center, EPS has estimated that the Moraga Shopping Center could include a variety of new retail uses such as a coffee shop such as Peet's Coffee and Tea or The Coffee Bean and Tea Leaf; a deli or sandwich shop such as Schlotzsky's, Togo's, or Quiznos Sub; a bagel shop such as Noah's Bagels; smoothie/juice shop or frozen yogurt shop such as Jamba Juice or Yummy Yogurt; a small sports bar and restaurant; and a convenience store such as AM/PM.

These uses would be easily accessible to students, faculty, and staff of Saint Mary's College via shuttles to and from campus to the two shopping centers during the week as well as highly utilized by Town residents and employees who work nearby. These types of tenants make sense because they include casual dining and convenience. The success of new retail in Moraga would be dependent upon new housing nearby and vice versa.

Efforts to revitalize the Rheem Shopping Center should initially be focused on filling any vacancies, particularly the 26,000 square feet of space in the former Apple Market site. The center currently has strong presence because of the regional attraction of the TJ Maxx and Tuesday Morning stores. Once vacancy is stabilized, the owners of the center could consider expansion next to the Rheem Theatre. Currently, a 12,000-square foot office building is proposed for the site, but EPS believes that this site would be better suited for additional retail space such as a bookstore or commercial uses such as a restaurant or bar.

Another grocery store is needed in the area; however, EPS believes that the Rheem Valley Shopping Center would benefit as a grocery anchored center given the greater availability of space, particularly within the former Apple Market site. Additionally, there may be an opportunity to expand the existing grocery into a larger-format store, add some home furnishings and household goods retailers, and add some apparel and other specialty retailers such as a bookseller and sporting goods store as well as eating and drinking establishments. Overall, given retail shopping goods demanded by new households and opportunities to capture a portion of "leakage," significant opportunities for expanding retail space in Moraga present themselves.

V. OTHER LAND USES MARKET ASSESSMENT

There are several opportunities within the Moraga Center and Rheem Park areas for other uses in addition to residential and retail, including hospitality (e.g., lodging), office, and entertainment uses. These uses would encourage more tourist travel to the area as well as provide more opportunities for working and entertainment near home for Moraga residents.

HOSPITALITY MARKET ASSESSMENT

Currently, there are no hotels or motels located in the Town of Moraga or in the nearby City of Orinda. The nearest hotels are located in the cities of Lafayette and Walnut Creek. Community members of Moraga have expressed interest in a boutique hotel, extended stay hotel, or B&B locating in the Moraga Center or Rheem Park areas. Such lodging would accommodate friends and relatives of Moraga residents and students and faculty of Saint Mary's College, as well as visiting faculty, guest speakers, and other visitors of the College. Below are descriptions of the major hotel categories.

HOTEL CATEGORIES

The two principal methods of classifying hotels are by location (e.g., downtown, airport, resort, and suburban) and by the market niches they serve. Hotels are also classified as limited service or full service.[12]

- **Convention hotels.** Downtown convention hotels generally contain 400 to 500 rooms and sizeable banquet and meeting space. They usually include several eating establishments of varying styles and price ranges. It is common for up to 10 percent of the guest rooms to be suites. Guests can use the living rooms of the suites as hospitality rooms, or the hotel can furnish them as meeting spaces for small groups.

- **Luxury hotels.** Luxury hotels tend to be located in large metropolitan areas, places frequented by visitors willing to pay a premium price for accommodations. Most have fewer than 300 rooms, and some cater to corporate travelers and overseas visitors. Such hotels are distinguished by high-quality furnishings, amenities, and services. Many, but not all, house fine restaurants. Although some luxury hotels may accommodate meeting and banquet business, they do not typically target large groups.

[12] Limited service hotels are room-only operations and offer few other services or amenities. Limited service hotels are typically in the budget/economy category. Full service hotels offer guests at least one on-site restaurant and lounge facilities as well as a minimum level of bell service and room service. These hotels are typically convention, luxury, and resort hotels.

- **Resort hotels.** Resort hotels cater to both vacation travelers and meetings or conferences. They emphasize recreational amenities both on site and off. A resort hotel might feature golf, water sports, skiing, or health spa facilities. Many have been built in conjunction with theme parks, casinos, and other attractions. They typically include a range of restaurants and meeting and banquet space. Depending on the climate of the resort area, lodging demand may prone to seasonality, with distinct peak and off-peak periods.

- **All-suite or residence hotels.** All-suite hotels typically have rooms that are larger than normal (e.g., 500 square feet or more) and have a separate living room from the bedroom. Some facilities offer a compact or full-scale kitchen. These hotels are intended to meet the needs of business travelers and extended stay guests such as corporate personnel or those relocating to a new area. Many leisure travelers, particularly families, also find these facilities desirable. Residential all-suite hotels typically resemble apartment complexes and are more homelike. Guest spaces are large, with separate living and sleeping areas, full kitchens, exterior entrances, and a variety of amenities and services. Residential hotels usually attract guests who need accommodations of several weeks to months, as opposed to several days.

- **Budget/Economy hotels.** Budget and economy hotels offer limited services and average room rates that are typically 20 to 50 percent lower than rates of full-service facilities in the same area. They typically have from 50 to 125 modestly furnished guestrooms. Economy hotels do not typically have restaurants or banquet space, recreational facilities, or many other amenities found in more traditional hotels.

- **Extended stay hotels.** Extended stay hotels typically attract hotel guests for extended periods of time. These properties quote weekly rates, and guests typically stay from four to seven nights.

- **Other hotel products.** Bed-and-breakfasts, boutique hotels, and condominium hotels are some of the other hotel products available in various regions. B&Bs are usually small inns (fewer than 20 rooms) that are big on charm and provide breakfast as part of the room price. Boutique hotels are small, mostly urban hotels (usually fewer than 125 rooms) that cater to an upscale clientele desiring a high degree of luxury and personalized service. Condominium hotels offer hotel services and amenities within a condominium ownership structure, usually a timeshare.

REGIONAL HOSPITALITY TRENDS

The California lodging industry is broken into four regions: (1) San Francisco, (2) Anaheim, (3) Los Angeles, and (4) San Diego. The Moraga lodging market falls under the San Francisco lodging market, and according to Ernst & Young's *California Mid-Year*

Lodging Report (August 2005), improving economic conditions have benefited the hospitality industry with increased occupancy rates and revenue per available room in 2005. According to Smith Travel Research, occupancy increased to 67.6 percent in June 2005 over the same period the previous year, and the average daily rate increased to $122.52 year-to-date.

In 2005, San Francisco International Airport's passenger count increased 6.8 percent, and Oakland International Airport experienced a 3.4 percent increase for year-to-date April 2005 over the same period the previous year. Strength in the San Francisco lodging market can be attributed to several improvements, including the San Francisco Convention and Visitors Bureau new marketing campaign titled "Only in San Francisco," decreased vacancy rates and rent increases in the Bay Area's commercial market sectors, recovery in the Silicon Valley technology industry, and the addition of several luxury hotel properties in San Francisco.

LOCAL HOTEL MARKET CONDITIONS

The closest hotels to Moraga are in the cities of Lafayette and Walnut Creek. In Lafayette, there is one four-star luxury hotel, the Lafayette Park Hotel and Spa, and one business-class economy inn, the Hillside Inn and Suites. As shown on **Table 26** and in **Figure 9**, the Lafayette Park Hotel and Spa offers 140 guestrooms, a full-service spa, a restaurant and café, 5,000 square feet of meeting space, and a swimming pool, whirlpool spa, sauna, and fitness center. Rooms range from $159 to $259 per night. The Hillside Inn and Suites offers 64 guest rooms and suites, business services, guest laundry room, and swimming pool. Rooms range from $70 to $160 per night.

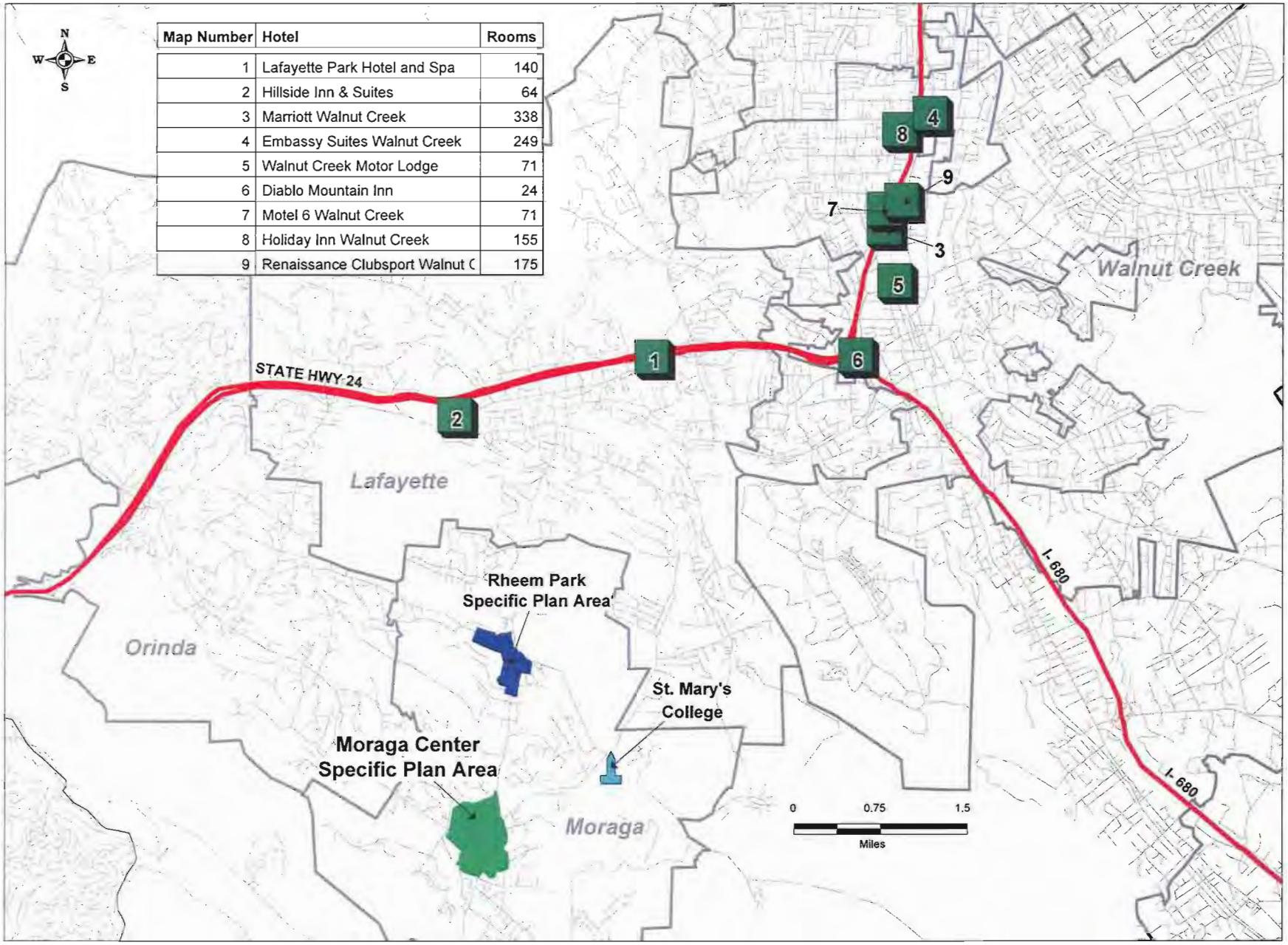
Walnut Creek, on the other hand, has various options for lodging with around 1,080 total dedicated hotel rooms and suites located in one luxury hotel, three business-class hotels, and three budget inns. The majority of the hotels are located in downtown and typically serve the needs of business travelers. The Renaissance ClubSport Hotel, Walnut Creek's luxury hotel, is owned by the Marriott Corporation. It is a hotel, fitness center, and spa all under one roof. Some of the amenities include daily newspaper delivery, shoeshine service, two restaurants and a bar, an outdoor heated swimming pool, hot tub, and whirlpool. Other services include a concierge desk, full-service business center, and fitness center. There are also six meeting rooms totaling 4,000 square feet of space. Amenities offered at the business-class hotels include restaurants, swimming pools, fitness centers, and meeting facilities. Rates for business-class hotels range from $79 to $209 per night, with some hotel properties showing weekend and weeknight price differences as high as 57 percent. The business-class hotels typically offer continental breakfast and complimentary Internet access as well as business services and fitness centers. The motels in Walnut Creek offer limited services and much lower room rates than the business-class and luxury hotels.

Table 26
Selected Central Contra Costa County Accommodations in Lafayette and Walnut Creek
Town of Moraga Market Assessment; EPS #15065

Property	Address	Year Opened	Type	Rooms	Rates	Amenities	
Lafayette Park Hotel and Spa	3287 Mount Diablo Blvd., Lafayette	1986	Luxury	140	$159-259	Full breakfast Two restaurants In-room fireplaces Evening wine reception	Internet access Spa services Event/conference facilities Swimming pool
Hillside Inn & Suites	3748 Mt. Diablo Blvd., Lafayette	1987	Budget	64	$70-160	Business services Guest laundromat Swimming pool	
Marriott Walnut Creek	2355 North Main Street, Walnut Creek	1987	Business	338	$99-229 weekends $209-229 weeknights	Restaurant and bar High-speed internet Swimming pool Event/conference facilities	Fitness center Guest laundry service Gift shop
Embassy Suites Walnut Creek	1345 Treat Blvd., Walnut Creek	1990	Business	249	$104-139 weekends $184 - 209 weeknights	Restaurant and lounge Room service Laundry services High-speed internet	Business services Meeting facilities Swimming pool and spa Fitness center
Walnut Creek Motor Lodge	1960 North Main Street, Walnut Creek	1964	Budget	71	$70-85	Swimming pool and spa	
Diablo Mountain Inn	2079 Mt. Diablo Blvd., Walnut Creek	N/A	Budget	24	$79-104 (May - Sep) $72 -109 (Sep - May)	Continental breakfast High-speed internet Swimming pool	
Motel 6 Walnut Creek	2389 North Main Street, Walnut Creek	N/A	Budget	71	$60 nightly	Swimming pool	
Holiday Inn Walnut Creek	2730 North Main Street, Walnut Creek	1981	Business	155	$79-99 weekends $119-155 weeknights	Swimming pool and spa Fitness center High-speed internet	Business services Restaurant Meeting facilities
Renaissance Clubsport Walnut Creek	2805 Jones Road, Walnut Creek	2002	Luxury	175	$149-184 weekends $259-269 weeknights	Restaurant and bar Spa and salon Aquatic center Business services	Meeting facilities Fitness center Sport courts

Source: Respective property websites and agents; Economic & Planning Systems, Inc.

Figure 9:
Hotels in the Moraga Area



Map Number	Hotel	Rooms
1	Lafayette Park Hotel and Spa	140
2	Hillside Inn & Suites	64
3	Marriott Walnut Creek	338
4	Embassy Suites Walnut Creek	249
5	Walnut Creek Motor Lodge	71
6	Diablo Mountain Inn	24
7	Motel 6 Walnut Creek	71
8	Holiday Inn Walnut Creek	155
9	Renaissance Clubsport Walnut C	175

EPS conducted further research on the Moraga Area lodging market to assess historical and current performance.[13] According to Smith Travel Research, performance at Moraga Area lodging places suffered significant losses between 2001 and 2003, but started to recover in 2004 and 2005. **Table 27** shows that occupancy rates have hovered at or above 61 percent from 1999 through 2002 before falling to a low of 56 percent in 2003. However, since 2003, occupancy has been recovering and shows an average occupancy of almost 66 percent over the 1999 to 2005 period. Average daily room rates grew after 1999, peaking to $135 per night in 2001 before falling to $126 per night in 2005.

Although Moraga Area hotels typically serve the needs of business travelers, the Area has a high season for hotel business during the months of June to August. The summer months posted the highest occupancy rates, averaging about 71 percent over the six-year term. Average daily room rates follow this seasonality, peaking at around $125 per night in the summer. In January and December, occupancy is lowest and average daily room rates follow this seasonality.

MORAGA HOSPITALITY MARKET CONDITIONS

There are several factors that could promote the need for a hotel or other lodging place in the Moraga Center. The residents of the Town, prospective students of Saint Mary's, family and friends of existing Saint Mary's students, and guest speakers and visiting faculty of Saint Mary's all generate potential demand for a lodging facility within the Moraga Center. Although the Moraga Country Club golf course hosts hundreds of tournaments per year and the Soda Aquatic Center at Campolindo High School hosts over a dozen swimming and water polo tournaments per year with up to 2,500 attendees, neither is likely to generate sufficient demand for a hotel or other lodging place because the majority of participants live in the Lamorinda area or in nearby cities and do not typically need overnight accommodations.

HOSPITALITY MARKET CONCLUSIONS

The Moraga Area's hotel market has shown slight signs of growth over the past year, reflecting an improved occupancy rate over the 2002-2004 period. Over the long term, it is likely that new hotel development may be an option. Residents, students, and faculty have expressed interest in either a boutique hotel, extended stay hotel, or a B&B. Targeting the extended stay market is generally dependent upon being less centrally located. Although Moraga is not a close-in location being approximately four miles from the nearest highway, the Moraga Area does not present strong demand for an extended stay hotel. In addition, it is EPS's estimation that most out-of-town guests coming to Moraga typically stay one to three days. Therefore, EPS

[13] The Moraga Area lodging places include the Lafayette Park Hotel in Lafayette and the Holiday Inn, Embassy Suites, Motel 6, Marriott, and Renaissance ClubSport hotels in Walnut Creek.

Table 27
Performance Indicators for Moraga Area Lodging Accommodations
Town of Moraga Market Assessment; EPS #15065

Item	1999	2000	2001	2002	2003	2004	2005 (1)	Average 1999-2004	Average 1999-2005
Occupancy (%)	75.5%	76.9%	65.4%	61.3%	55.5%	60.6%	63.4%	65.9%	65.5%
Average Daily Room Rate	$120	$132	$135	$125	$121	$121	$126	$126	$126

(1) 2005 data are through November year-to-date.

Source: Smith Travel Research; Economic & Planning Systems, Inc.

projects that there may be sufficient demand to support a B&B inn or boutique hotel in Town once the Moraga Center Specific Plan Area and/or Rheem Park Specific Plan Area have commenced construction on new residential units and retail.

In current lodging industry practices, it is far more common for small lodging properties, whether B&B or boutique hotels, to be retrofits of existing buildings rather than new construction. Smaller properties often lack the operational efficiencies required to operate profitably while also carrying a substantial debt service from new construction. This is often even the case with up to 100 or more rooms. As an alternative to promoting the construction of a new B&B or boutique hotel, the Town of Moraga may consider promoting the retrofit and/or expansion of an existing structure to serve a higher-end visitor market niche. However, if new construction is the only option, there are also some suitable sites within the Rheem Park Specific Plan Area that could likely accommodate a hotel facility along Moraga Road across from the Rheem Valley Shopping Center on the former Rheem Valley Bowl site.

Additional demand for a B&B or boutique hotel could be generated from the introduction of a winery and related facilities. Recently, some residents of Moraga and members of the Lamorinda WineGrowers' Association have planted table wine grapes and have expressed interest in introducing a winery to the Town. A winery would compliment and create entertainment and visitor-generating uses in the Town, which are described in more detail in the "Entertainment Market Assessment" section below.

A B&B or boutique hotel would be differentiated from the existing supply of hotels in Lafayette and Walnut Creek and could capitalize on the potential physical and functional improvements to Moraga. Such development would compete with the business-class and luxury hotels in Lafayette and Walnut Creek, but could draw patrons seeking something slightly different than a traditional hotel. The key to this proposed hotel development is to find an operator willing to make the investment. However, it is unlikely that a "chain" operator such as Westin, Radisson, Sheraton, or Hilton would locate in Moraga.

OFFICE MARKET ASSESSMENT

According to CB Richard Ellis, Alameda and Contra Costa counties continue to demonstrate a healthy workforce, as they are both leaders in total wage and salary employment in comparison to a majority of the Bay Area's other urban counties. As shown previously in **Table 3**, health, educational, and recreational service categories as well as financial and professional service categories are projected to grow the fastest in Contra Costa County through 2015, while the agricultural and manufacturing categories will experience either slower growth or even job losses through 2015. These occupation projections suggest that job growth will be concentrated in occupations in office settings, rather than retail or industrial settings.

OFFICE CATEGORIES

Office development ranges in building size, class, and location. Office buildings can be found in downtowns, suburban highway strips, office parks, and mixed-use developments. Office space can be categorized using several factors, including (1) class, (2) location, (3) size and flexibility, (4) use and ownership, and (5) features and amenities.

- **Class.** Class is measured by evaluating a building's age, location, quality of finishes, building systems, amenities, lease rates, and tenant profile. Three classes of office space usually define the type of office building, which are Classes A, B, and C. Class A buildings are the most desirable and feature high-grade finishes and amenities, which offer status to the businesses occupying them. Class B and Class C buildings are often older properties that have not been upgraded to keep up with modern trends in design or amenities.

- **Location.** Downtown central business district are usually prime locations for high-density office buildings with high rents, and are typically preferred by law, accounting, and consulting firms, as well as government tenants. Secondary office settings typically include hospitals and universities. Suburban office locations typically appeal to a diverse group of office users.

- **Size and flexibility.** Office buildings typically range from less than 10,000 square feet to more than 1 million square feet. Office buildings generally fall into three size categories: high-rise (16 stories or more), mid-rise (four to 15 stories), and low-rise (one to three stories). The amount of the floor space is becoming increasingly important as more tenants need large contiguous blocks of space and prefer open floor layouts for more flexibility.

- **Use and ownership.** Buildings can be single-tenant or multi-tenant structures. A single-tenant building is referred to as an owner/user building. A building constructed for a specific tenant is called "built-to-suit," while a building constructed for unknown tenants is a speculative or a "spec" building.

- **Features and amenities.** One of the most important characteristics of office buildings is the availability and cost of parking, or in urban cores, the proximity to mass transit. Other considerations include a building's architecture and finishes as well as proximity to health clubs, restaurants, and retail outlets.

LOCAL OFFICE MARKET CONDITIONS

Moraga and greater Lamorinda office markets are within the North I-680/Contra Costa Office market.[14] The driving force of the I-680 corridor's demand has been from firms linked to the area's booming residential housing market. Currently, the total supply of office space in central Contra Costa County is 17.3 million square feet. Lamorinda office space is estimated at roughly 1.1 million square feet, representing 6 percent of the total square feet in central Contra Costa County, as shown in **Table 28**. The Lamorinda vacancy rate in third quarter 2005 was 5.2 percent and was the lowest vacancy of all the submarkets in central Contra Costa County. According to Colliers International, assuming the current rate of absorption for all of the submarkets remains stable, rents should increase in nearly all markets during 2006. This signifies a stable office market with room for growth in the near future.

FUTURE OFFICE PROJECTS

There are currently several office or mixed-use (retail and office) projects in the North I-680/Contra Costa County office market. In the Town of Moraga, there are currently two mixed-use (retail and office) and office projects totaling roughly 25,000 square feet of space in development (see **Table 23**). The project that is furthest along in the planning process is a 13,000-square foot mixed-use retail/office building across the street from the Rheem Valley Shopping Center. The land is currently vacant, but was approved for development by the Town Council in January 2006. The site will include retail on the ground floor and office on the upper floor.

In nearby Lafayette, as described in **Chapter IV**, the Lafayette Mercantile, a mixed-use retail/office project, broke ground in third quarter 2005. The project will include a total of 55,000 square feet of space, with approximately 33,000 square feet dedicated to office uses on the upper floors of two buildings. The project is scheduled for completion in fall 2006. Another smaller office development in Lafayette is being processed for approvals. The project will be located on Mount Diablo Boulevard across the street from the Lafayette Mercantile and will include 7,500 square feet of office uses in a two-story building (see **Table 23**). The project is anticipated to break ground in May 2006.

MORAGA OFFICE MARKET CONDITIONS

Office uses are common in Moraga, and typical office tenants include consulting, research, and investment firms. These tenants, while integral to the character and success of Moraga, tend to not occupy large office spaces or generate a large amount

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[14] According to CB Richard Ellis, there are two primary markets in the I-680/Contra Costa County Office Market along the I-680 corridor, the North Market and Tri Valley Market. The North Market submarkets are shown on **Table 28**. The Tri Valley submarkets include Alamo, Danville, San Ramon, Dublin, Pleasanton, and Livermore.

Table 28
I-680/Northern Contra Costa County Office Market Trends (3Q 2005)
Town of Moraga Market Assessment; EPS #15065

Submarket	Net Rental Area	Total Vacancy Rate	Total Availability Rate	Average Asking Rate				Q3 Net Absorption
				Class A	Class B	Class C	R&D	
Lamorinda	1,060,860	5.2%	6.5%	$2.75	$2.20	$1.80	N/A	25,698
Walnut Creek Downtown	4,901,013	8.0%	11.0%	$2.65	$2.15	$1.80	N/A	69,115
Walnut Creek Ygnacio	2,783,103	10.2%	13.9%	$1.95	$1.75	$1.50	$1.50	38,659
Pleasant Hill BART	1,665,516	6.3%	10.7%	$2.60	$2.05	N/A	N/A	4,713
Pleasant Hill	1,153,098	10.6%	10.8%	$2.15	$1.80	$1.50	$1.50	14,497
Concord	4,776,455	8.4%	14.7%	$2.05	$1.75	$1.45	$1.45	32,357
Martinez	694,554	8.8%	8.8%	N/A	$1.60	$1.45	$1.45	-
Pittsburg	32,500	0.0%	0.0%	N/A	N/A	N/A	N/A	-
Antioch	183,500	0.0%	0.0%	N/A	$1.50	N/A	N/A	-
Total	**17,250,599**	**8.3%**	**12.0%**	**$2.33**	**$1.90**	**$1.61**	**$1.47**	**185,039**

Source: CB Richard Ellis I-160/Contra Costa County Office MarketView 3Q2005; Economic & Planning Systems, Inc.

of vehicle traffic. As a result of these small businesses, most of the space in Moraga is multi-tenant space or found in mixed-use buildings, either in stand-alone office buildings or in commercial complexes among retail tenants. According to local real estate brokers, office vacancy rates are currently less than 5 percent.

OFFICE MARKET CONCLUSIONS

Moraga is home to numerous office tenants, but is not a regionally significant office location, and demand is almost entirely generated by local households for business and personal services. The current availability of vacant space in Moraga and Lamorinda indicates that major office development is likely to be slow for several years, but minor office development represents an opportunity for the Moraga Center and Rheem Park Specific Plan Areas. With new development in the Moraga Center and Rheem Park areas and as the population grows, the demand for office services, including medical offices for doctors such as dentists, optometrists, general practitioners, or specialists, will also grow. Additionally, some opportunity for "office suites" or small "build-to-suit" sites serve desire for local households to establish or relocate their businesses in Moraga.

ENTERTAINMENT MARKET ASSESSMENT

A retail center that is anchored by an entertainment tenant can serve as a regional attraction, drawing patrons from an area beyond the local community. The most common types of entertainment anchored retail centers are those with large movie theaters (with nine or more screens) surrounded by restaurants and other retailers. Although proximity is an important factor, movie patrons also choose theaters based on other amenities that exist near the theater such as dining and shopping as well as parking availability and road accessibility.

LOCAL ENTERTAINMENT MARKET CONDITIONS

There are three movie theater complexes in the Lamorinda and Walnut Creek communities, the Rheem Theater in Moraga (4 screens), the Renaissance Orinda Theatre in Orinda (4 screens), and the Downtown Walnut Creek Theatre (14 screens) in Walnut Creek. The Moraga and Orinda theaters are older, smaller theaters, while the Walnut Creek theater is newer and has highly sought after stadium seating. The Moraga and Orinda theaters are near restaurants and retail, but have fewer offerings than those near the Walnut Creek theater. The Walnut Creek theater is located in downtown, and is in close proximity to Broadway Plaza, the regional shopping center in the City, as well as restaurants.

MORAGA ENTERTAINMENT MARKET CONDITIONS

Currently, the Rheem Theater is the only movie theater in Moraga. Although the theater receives the latest movies, many households instead choose to patronize newer cineplexes in Concord, Pleasant Hill, and Walnut Creek with stadium seating and nearby restaurants and shopping.

Moraga's entertainment venues also consist of a variety of restaurants ranging from Chinese and Italian food to fast food and pizza places, as shown on **Table 29**. Although proximity is an important factor, many residents feel that the sit-down restaurants in Town are too pricey and do not offer quality meals for the price. Additionally, they would like more restaurants that are family-oriented. Many would like to see the introduction of a white table cloth restaurant as well as a family-style restaurant with prices reasonable for a family of four. These uses represent a significant opportunity, in combination with expanded retail and residential uses, at the Moraga Center and Rheem Park areas.

ENTERTAINMENT MARKET CONCLUSIONS

Unlike most college towns, Moraga has not identified with the needs of the Saint Mary's College student population and incorporated uses that would encourage students to live in the Town as well as spend time there on weekends. According to the students that EPS interviewed and the Saint Mary's Study, Moraga stores and restaurants close relatively early (between the hours of 6 p.m. and 8 p.m.). Moreover, there are no bars, dance clubs, or live music venues in Town, and students have to leave Town for similar gathering places. Residents and students of Saint Mary's College have also expressed interest in a live music venue such as local jazz artists performing at a local restaurant, reintroducing the bowling alley along Moraga Road, and introducing a small bar or diner.

Currently, Moraga residents typically have to leave the Town to enjoy nightlife such as fine dining and family entertainment such as going to the movies and bowling. These uses would have to be reviewed more closely in a detailed market analysis to determine if there is sufficient demand for such uses. However, an entertainment venue such as a sports bar and restaurant present a strong opportunity for development in Moraga Center as well as a bookstore, restaurant, or bar present an opportunity for development in Rheem Park.

Table 29
Entertainment Venues Within or Near the Moraga Center and Rheem Park
Town of Moraga Market Assessment; EPS #15065

Venue	Location	
Movie Theaters		
Rheem All Stadium 4	350 Park Street	Rheem Center
Restaurants / Eateries		
Burger King	470 Moraga Road	Rheem Center
Café Terzetto	1409 Moraga Way	Moraga Center
Chef Chao's Restaurant	343 Rheem Blvd.	
China Moon Restaurant	380 Park Street	Rheem Center
Fan's Chinese Restaurant	1460 Moraga Road #B	Moraga Center
Fudge Alley	376 Park Street	Rheem Center
Gourmet Bistro Café	484 Center Street	Rheem Center
Jack in the Box	1440 Moraga Way	
Lamorinda Pizza	382 Park Street	Rheem Center
Mandarin Flower Restaurant	581 Moraga Road	
Michael's Ristorante Italiano	1375 Moraga Way #D	Moraga Center
Mondello's Cucina Italiana	337 Rheem Blvd.	
Mountain Mike's Pizza	504 Center Street	Rheem Center
Mucho Wraps	1375 Moraga Way #B	Moraga Center
Nation's Giant Hamburgers & Pies	400 Park Street	Rheem Center
Pasta Shop, The	578 Center Street	Rheem Center
Pennini's Ristorante Italiano	1375 Moraga Way	Moraga Center
Ranch House Café	1012 School Street	Rheem Center
Ristorante Amoroma	358 Park Street	Rheem Center
Roundtable Pizza	361 Rheem Blvd.	Rheem Center
Si Si Caffe	910 Country Club Dr	
Starbucks	500 Moraga Road	Rheem Center
Subway Sandwiches	396 Park Street	Rheem Center
Taco Bell	420 Moraga Road	Rheem Center
Tamami's Japanese Restaurant	356 Park Street	Rheem Center
Thai Cuisine	512 Moraga Road	Rheem Center

Note: The entertainment venues listed here were accurate as of October 2005 and are subject to change.

Source: Town of Moraga; Economic & Planning Systems, Inc.

Economic &
Planning Systems
Real Estate Economics
Regional Economics
Public Finance
Land Use Policy

APPENDIX

MORAGA SURVEY RESULTS

MORAGA SURVEY RESULTS

In 2002, efforts in the preparation of the Specific Plan commenced. Through public workshops, meetings, and surveys of the community, several key issues were identified. One instrument the Town used was the Moraga Survey. In October 2004, the Town mailed its quarterly newsletter, *Town Crier*, including a survey, to over 6,200 households. The Town received approximately 1,600 completed surveys, a 26 percent rate of return. Survey questions regarding shopping preferences were the primary focus of the survey but included a variety of other questions on traffic, police, use of the Hacienda de las Flores, and recreation.

RETAIL SURVEY RESULTS

- **Retail Availability.** Half of the respondents of the survey stated that they are dissatisfied or very dissatisfied with retail in Moraga, and the other half stated that they are satisfied or very satisfied with the retail in Moraga.

- **Grocery Store Assessment.** The majority of Moraga residents visit the Safeway store, the only supermarket in the Town. One-third are somewhat to very dissatisfied, one-third are satisfied, and one-third are very satisfied with the Safeway store. The most favored grocery store outside of Moraga was Trader Joe's in Lafayette, followed by Costco in Concord, Diablo Foods in Lafayette, Whole Foods in Walnut Creek, Andronico's in Walnut Creek, and Lunardi's in Lafayette. The Town also received an overwhelming request for a second grocery store by nearly 1,400 out of 1,600 respondents, 88 percent of the total.

- **New Retail Businesses.** The survey results revealed that respondents strongly favor retaining the local movie theater and garden/nursery store, but they would also like for Town officials to encourage a bookstore, upscale bakery/coffee shop, white tablecloth restaurant, specialty food store, specialty clothing store, and an organic food market to locate in Town. On the contrary, respondents are split on the Town inviting a co-ed health club, computer/electronic store, and a hotel or inn. A sports bar is less than desirable with 57 percent of respondents not in favor. However, overall, the majority of respondents are in favor of encouraging more retail businesses to locate in Moraga to increase the sales tax base, or 77 percent of the total.

OTHER RESULTS

- **Farmer's Market.** The majority of respondents, 89 percent of the total, are in favor of keeping the Farmer's Market in Town.

- **Specialty Housing.** Respondents were over 70 percent supportive of adding workforce housing in Moraga for teacher, police offices, and firefighters as well as the opportunity to develop more senior condominiums and/or apartments.