

Economic Base Study City of San Buenaventura

Presented to:

The City of San Buenaventura
Economic Development
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Chapter 1 INTRODUCTION

1.1 Purpose of the Economic Base Study

The Economic Base Study has been prepared to achieve an understanding of the City's economic base and how each industry sector contributes to the City of San Buenaventura's economy. The purpose is also to identify target economic opportunities that are both realistic and compatible with the City's vision. In this context, the study analyzes the growth and distribution of the County's economic base to identify key industries that can be attracted to the City and support its vision for a diversified economy. Job types, salary and skill levels, income, land availability and housing affordability are also important attributes of the economy. Additionally, the study analyzes trends and conditions that relate to the City's ability to promote economic vitality, and presents different indicators to measure the condition of the City's economic well-being.

The findings of the Economic Base Study will form the background for preparing the Economic Development Element of the Comprehensive Plan. In order to maintain the City's Comprehensive Plan vision of a fiscally healthy and balanced economy, the Economic Development Element defines broad goals and policies and discusses existing and future economic development efforts. It also serves to compile key economic policies in one document and to set priorities for future economic actions.

The Economic Development Element is closely linked to other elements of the Comprehensive Plan, such as Land Use, Circulation and Housing. Economic development is impacted by almost everything the City does toward maintaining and influencing a high quality of life. This includes improving parks and recreation, enhancing public safety, improving streets, storm drains and other physical infrastructure, and is intimately connected to activities of outside agencies and organizations. Quality of life is a key consideration in maintaining a strong economic base.

The Economic Development Element's long-term goals and policies serve to provide an organizational framework that can guide ongoing development efforts. Recognizing that economic development is not a static process, the goals and policies should also maintain flexibility to respond to changing economic trends and local market conditions. Additionally, it

should suggest implementation actions by which economic performance can be monitored and evaluated on a regular basis to gauge effectiveness of the City's Economic Development strategy.

The Economic Development Element builds upon ongoing programs and provides a framework within the context of the Comprehensive Plan to insure that the City of San Buenaventura is able to maintain a strong economic base and take advantage of future economic opportunities. It helps guide development standards to achieve economic goals. A strong economy not only provides the local workers with adequate income to afford a high quality of life, but it also provides local government with adequate public revenues to maintain a high quality of public services.

1.2 Achieving the Vision: Ventura Vision 2000

The *Ventura Vision 2000* was developed by a broad-based citizen's outreach committee and accepted by the City Council in March 2000 to serve as the shared vision for the community. This document describes an economic vision for the City of San Buenaventura as follows:

- Develop a flourishing and balanced economy by encouraging a broad range of high quality employment and entrepreneurial opportunities;
- Encourage private economic development that can support public services and amenities associated with a high quality of life;
- Develop a vital and prosperous economy while maintaining "small-town" qualities;
- Achieve enhanced economic vitality through cooperation between private and public sectors; and
- Actively participating in regional economic development efforts.

The visioning process led to the specification of a broad economic strategy and economic objectives, which are identified in a section of *Ventura Vision 2000* entitled "Our Prosperous Community" and are summarized in Table 1-1.

**Table 1-1
City of San Buenaventura Economic Base Analysis
Ventura Vision 2000 Economic Objectives**

FOCUS AREA	OBJECTIVES
Business/Industrial Sectors	Promote a diverse range of jobs, businesses and industries that provide a balance of high paying employment and entrepreneurial opportunities.
Special Focus Areas	Create economic enhancement in areas with outstanding potential and/or special needs.
Tourism	Improve tourism opportunities in a way that respects the needs of residents and minimizes impact on community.
Retail/Sales Tax Revenue	Develop a vibrant and diverse retail sector.
Agricultural Sector	Promote a forward-looking agricultural sector that is integrated with the economy & urban fabric of community.
Business Infrastructure	Enhance infrastructure to support a prosperous economy and the retention, expansion and attraction of targeted businesses.
Workforce Education	Work with educational institutions to create programs that enhance skills and capacities of the local work force.
Quality Housing	Promote a mix of attractive and high-quality housing for Ventura's residents.
Public Sector Financial Management	Maintain an efficient system of public fiscal management.
Effective Partnering and Public-Private Sector Interaction	Develop strategic partnerships between public and private sectors to promote a broad range of employment opportunities and overall economic vitality.

Source: Ventura Vision March 2000, City of San Buenaventura.

1.3 Key Economic Development Issues

While economic growth in the City of San Buenaventura offers opportunities for the City to achieve its economic vision, there are also potential constraints. The following summarizes key economic issues for the City:

- Services, retail, government and manufacturing account for the vast majority of jobs in Ventura County today. Since San Buenaventura is the county seat, the county government (including the County Hospital) is by far the largest single employer in the City. A key goal is to find opportunities to diversify the local economy;
- Several key industry sectors have been identified for Ventura County and are also important to San Buenaventura, including: high technology manufacturing, non-durable manufacturing, business and financial services and tourism. The City should diversify its employment base in these key sectors in order to maintain a balanced economy. Training programs are integral to providing jobs in these emerging industries;
- Recently, at the regional and County level, there has been increasing job growth in technology-related fields such as biotechnology, computer software, communications, entertainment, multimedia, education and business and financial services. A key question is: how does the City position itself to capture a share of these markets?
- The City has a low vacancy rate and limited space for new residential development. The shortage of housing, as well as its high cost, is a constraint to attracting businesses to the City. Employers require housing to serve the needs of their employees at all levels;
- A shortage of available commercial and industrial land will continue to be a constraint. However, there are locations in the City that present opportunities for development. Parcels of land that are underutilized present opportunities for re-use. For example, in the Westside Corridor, redevelopment studies have already been undertaken. Downtown and neighborhood revitalization also provide opportunities for new development;
- Tourism is strong in San Buenaventura. Its beaches, museums, downtown, harbor and nearby Channel Islands attract more than 1.5 million visitors annually. Potential opportunities exist to expand the tourist and visitor market;
- The City also has opportunities for enhancement of beachfront property from the Santa Clara River outlet northward for hotel and visitor possibilities, including the fairgrounds. This area, referred to as the “String of Pearls,” should focus on tourism opportunities and expanded access;
- The City’s high visibility and accessibility due to its location along U.S. Highway 101 and State Highway 126 are locational attributes which can attract retail, commercial, tourism and industrial opportunities;
- Retail trade is a significant economic activity because sales tax is the major municipal General Fund revenue source. While San Buenaventura generates a high level of sales tax per capita compared with other areas of Ventura County, there are opportunities to expand the retail base; and
- Infrastructure capacity and limited financing resources will be an ongoing constraint.

1.4 Data Sources and Methodology

A variety of existing resources have been used to provide historic trends and indicators for evaluating the City's economic base including the following:

- Demographic data from the 1990 and 2000 U.S. Censuses;
- Taxable sales for fiscal years 1989-2000, City of San Buenaventura;
- Taxable sales 1989-2000, 3rd quarter, California State Board of Equalization;
- Business License Tax Data for years 1990-2000, City of San Buenaventura;
- City of San Buenaventura Adopted Budget 2000-01;
- Vacant residential and non-residential land inventory, City of San Buenaventura;
- Employment, gross product and average wage data for 1993 – 2000 from the University of California, Santa Barbara's (UCSB) Economic Outlook 2001, and special tabulations;
- Permit activity and valuation data from the Construction Industry Research Board, 2001;
- *Ventura County Business Cluster Analysis*, Applied Development Economics, September 11, 1995;
- *Tourism Master Plan*, City of San Buenaventura, June 1999; and
- A windshield survey of the City's existing and proposed development areas.

1.5 Organization of the Report

Chapter 1 has presented the purpose of the Economic Base Study as well as the City's Vision and key economic issues. Chapter 2 presents demographics including population, housing characteristics, ethnicity and age distribution of working age population. Chapter 3 includes an analysis of physical and locational attributes of the City as they relate to available land and the City's primary resource assets. Chapter 4 includes a discussion of residential and non-residential market trends including taxable sales, housing affordability, building activity and valuation, and tourism characteristics. Chapter 5 presents the economic base analysis, which integrates the employment and wage trends for the City and County and addresses economic potential. Chapter 6 discusses fiscal and financial considerations as well as fiscal revenues by land use development. Chapter 7 addresses economic opportunities and constraints for the City of San Buenaventura. Chapter 8 provides key economic policy areas for consideration, priority setting and potential policy action. And finally, Chapter 9 presents an outline of the Economic Development Element.

Chapter 2
DEMOGRAPHICS

2.1 Population and Households

Table 2-1 shows the change in population and household characteristics from 1990 to 2000. As shown, the City's population grew at less than an average of one percent annually between 1990 and 2000. Ventura County population growth was slightly higher at 1.2 percent annually. Total households in the City grew at about the same rate as the population, with owner-occupied households growing faster than renter-occupied households, or an average 1.3 percent annually. Average household size remained practically constant in San Buenaventura since 1990 at 2.62 persons per household in 2000. This is less than Ventura County at 3.10 persons per household.

Table 2-1
City of San Buenaventura Economic Base Analysis
Population and Household Characteristics: 1990 to 2000

	1990	2000	1990 - 2000 Change	1990 - 2000
				Avg Annual Growth
<u>San Buenaventura</u>				
Population	92,575	100,916	8,341	0.9%
Households	35,408	38,524	3,116	0.8%
Owner-Occupied	19,928	22,596	2,668	1.3%
Renter-occupied	15,480	15,928	448	0.3%
Avg. HH size owner	na	2.62		
Avg. HH size renter	na	2.46		
Avg. HH size	2.61	2.62		
<u>Ventura County</u>				
Population	669,016	753,197	84,181	1.2%
Households	217,298	243,234	25,936	1.1%
Owner-Occupied	142,262	164,380	22,118	1.5%
Renter-occupied	75,036	78,854	3,818	0.5%
Avg. HH size owner	na	3.03		
Avg. HH size renter	na	3.08		
Avg. HH size	3.08	3.10		

Source: Stanley R. Hoffman Associates, Inc.
U.S. Census, 1990 and 2000.

2.2 Ethnic Composition

The ethnic composition of San Buenaventura and the County in 2000 is shown in Table 2-2. The majority of the City is classified as White at 68 percent of the total population, compared with the County at 57 percent. The next largest ethnic group in San Buenaventura is Hispanic, which represents 24 percent of the total population. Hispanics comprise about one-third of the County's population. Other races, including those whose origin is more than two races, comprise about 7 percent of the City's population and about 10 percent of the County's population.

Table 2-2
City of San Buenaventura Economic Base Analysis
Ethnic Distribution in 2000

Race	San Buenaventura	% of Total	Ventura County	% of Total
White	68,710	68%	427,449	57%
Black	1,284	1%	13,490	2%
Hispanic	24,573	24%	251,734	33%
Asian	2,933	3%	39,452	5%
Other	917	1%	5,678	1%
More than two races ¹	2,499	2%	15,394	2%
Total	100,916	100%	753,197	100%

1. New classification system in 2000 Census includes an additional category for origin of more than two races.

Source: Stanley R. Hoffman Associates, Inc.
U.S.Census Bureau, 2000.

2.3 Age Distribution: Working Age Population

The working age population, persons age 18 to 64 years, provides an indication of the potential labor force. As shown in Table 2-3, about 62.0 percent of the City's population in year 2000 was comprised of persons in this age category, about the same as the County (61.0 percent). As shown, although there has been a relatively small increase in the age 18 to 64 category for both the City and the County; this age category declined slightly as a percentage of the total population from 1990 to 2000. For the City, population in this category declined from 64.0 percent of the total population in 1990 to 62.2 percent of the total in 2000. The County's

Table 2-3
City of San Buenaventura Economic Base Analysis
Working Age Population: 1990 and 2000

Population	San Buenaventura		County	
	1990	2000	1990	2000
Ages < 18	21,763	25,262	182,908	214,244
Ages 18 - 64	59,265	62,723	423,639	462,149
Ages 65 and over	<u>11,547</u>	<u>12,931</u>	<u>62,469</u>	<u>76,804</u>
Total Population	92,575	100,916	669,016	753,197
Ages < 18 as % of Total	23.5%	25.0%	27.3%	28.4%
Ages 18 - 64 as % of Total	64.0%	62.2%	63.3%	61.4%
Ages 65+ as % of Total	<u>12.5%</u>	<u>12.8%</u>	<u>9.3%</u>	<u>10.2%</u>
	100.0%	100.0%	100.0%	100.0%

Source: Stanley R. Hoffman Associates, Inc.
U.S. Census 2000.

distribution of this age group also declined during the same time period, from 63.3 percent to 61.4 percent. Correspondingly, there was a slight increase in the other age categories from 1990 to 2000 for both the City and the County.

2.4 Jobs to Households Ratio

The jobs to households ratio is a general indicator used to measure the growth in jobs relative to households. In theory, if households have job opportunities closer to home, this can potentially reduce overall commuting. Table 2-4 presents a regional comparison of projected jobs to households ratios for each of the six counties within the SCAG (Southern California Association of Governments) region for 1997 and 2025. These ratios are for the combined incorporated and unincorporated areas of each county. The City of San Buenaventura is also shown for comparison. In 1997, the ratio for Ventura County was 1.26, slightly less than the regional ratio of 1.34. By 2025, SCAG forecasts that Ventura County will increase to 1.40, higher than the projected regional ratio of 1.34. This is more job growth relative to households than for

Table 2-4
City of San Buenaventura Economic Base Analysis
Regional Job to Households Trends: 1997 to 2025

County	1997			2025			Change
	Jobs	Households	Ratio	Jobs	Households	Ratio	
Imperial	55,573	38,384	1.45	94,061	97,883	0.96	-0.49
Los Angeles	4,303,192	3,071,597	1.40	5,290,938	4,118,809	1.28	-0.12
Orange	1,345,626	887,887	1.52	2,043,660	1,068,051	1.91	0.39
Riverside	432,400	462,830	0.93	1,006,419	933,887	1.08	0.15
San Bernardino	540,141	508,551	1.06	1,085,709	889,875	1.22	0.16
Ventura	<u>293,948</u>	<u>232,831</u>	1.26	<u>431,506</u>	<u>309,210</u>	1.40	0.14
Regional Total	6,970,880	5,202,080	1.34	9,952,293	7,417,715	1.34	0.00
San Buenaventura	54,918	37,399	1.47	72,855	44,396	1.64	0.17

Source: Stanley R. Hoffman Associates, Inc.
 SCAG 2025 Regional Forecasts

neighboring Los Angeles County, which is projected to decrease from 1.40 in 1997 to 1.28 in 2025. The City of San Buenaventura's jobs to households ratio is higher than the County, with its ratio projected to increase from 1.47 in 1997 to 1.64 in 2025.

Chapter 3

PHYSICAL AND LOCATIONAL CHARACTERISTICS

3.1 Overview of Primary Resource Assets

One of California's original mission towns, the City of San Buenaventura is located 63 miles northwest of Los Angeles. The City's beaches and its warm Mediterranean climate are among the key resources that San Buenaventura offers. The City has a small boat harbor that includes the headquarters of the Channel Islands National Marine Sanctuary, as well as a seaside fairgrounds facility. These key attractions, along with the City's cultural amenities, can help promote tourism as a strong component of the City's economic base. Figure 3-1 shows some of these amenities. Among these are the following:

Ventura Harbor – The Harbor is the home of the Channel Islands Visitor Center, and provides a variety of dining and shopping opportunities;

The Ventura Pier – The pier at the end of California Street was originally built in 1872, making it one of California's oldest wooden piers. It features food, a gift shop and views of the Channel Islands, coastline and mountains;

Ventura State Beach – Visible from Harbor Boulevard and Highway 101, the State Beach is an important link between the downtown area and the Harbor;

The Channel Islands National Park Visitor Center and Anacapa Island – These attractions are unique resources, which have the potential to enable the City to be a nature/adventure tourism destination offering sailing, kayaking, scuba diving and snorkeling;

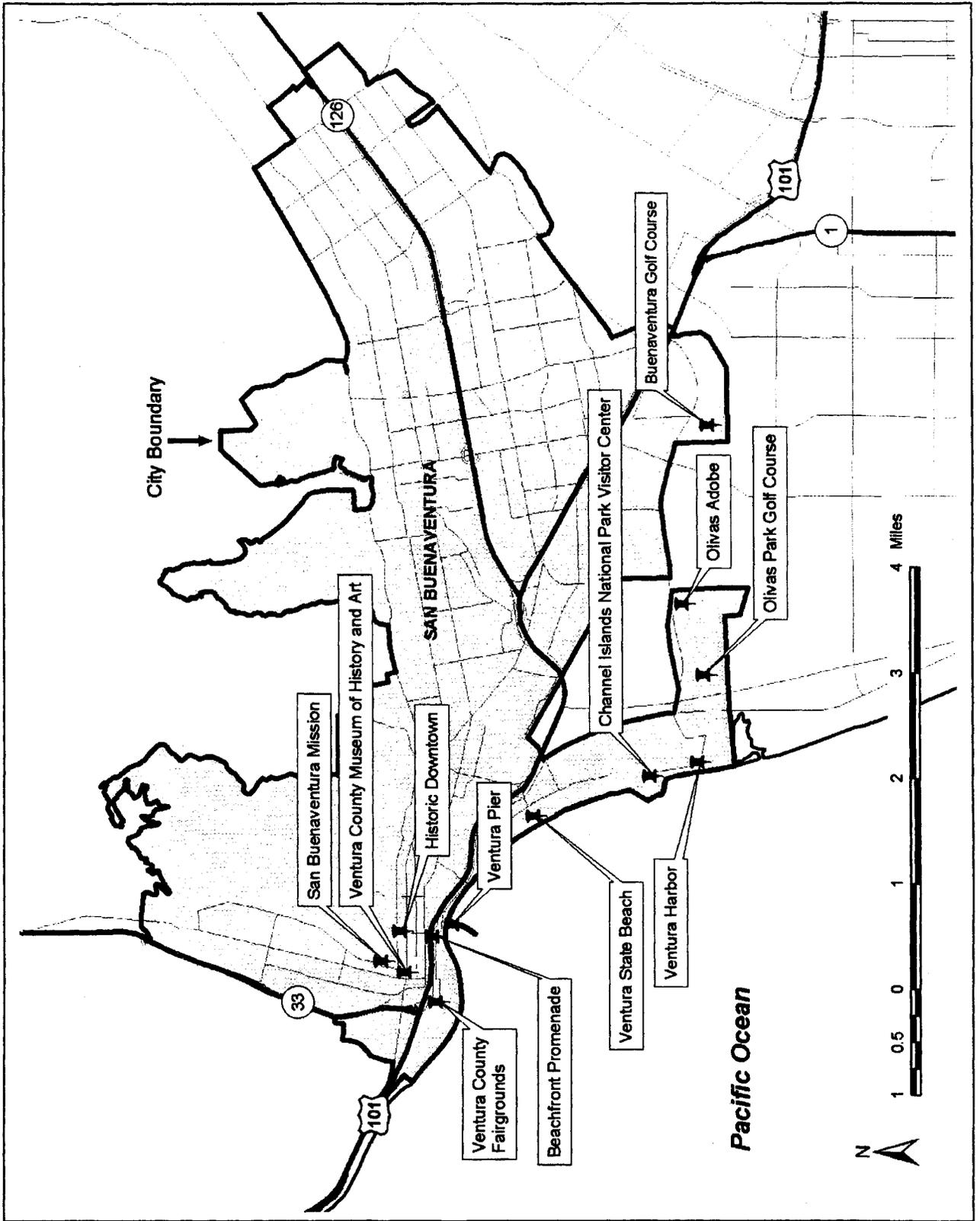
The Beachfront Promenade – At the ocean end of California Street, the beachfront promenade is home to the Holiday Inn and conference center. The Promenade hosts several weekend arts and crafts shows throughout the year;

Olivas Adobe – The 1999 *Tourism Master Plan* identified Olivas Adobe as an underutilized historic attraction that could offer outdoor concerts and banquet facilities;

Ventura County Museum of History & Art – The museum offers excellent art and historical exhibits featuring the area's artists and historical artifacts. Additional plans include a 750-seat auditorium and a gallery with touring exhibits;

Historic Downtown – San Buenaventura's historic and quaint downtown area offers a variety of restaurants and retail offerings in a small-town setting with historic architecture and cultural amenities. Along Main St. is a 10-screen state-of-the-art cinema complex along with bookstores, antique shops, restaurants, specialty retailers and galleries;

**Figure 3-1
San Buenaventura Economic Base Analysis
Key Tourism Amenities**



Golf Courses – The City’s two golf courses, Olivas Park and Buenaventura Golf Club, could be included as part of overall destination packages. Through the creation of hotel and golf packages, additional overnight visitors could be generated;

San Buenaventura Mission – Built in 1782, the Mission anchors the western part of the downtown area and is still used for regular Catholic Church services. There are plans for the Mission to add a theater and undergo other renovations; and

Ventura County Fairgrounds – The Ventura County Fair attracts over 35,000 patrons annually with weekend attendance nearly at capacity, and could be used year-round for other events as well.

3.2 Transportation Options

The City has a variety of transportation options, providing bus and rail transportation, as well as easy access by freeway. Being a coastal city, Ventura also offers commercial shipping and pleasure boating passage. These transportation options include:

Freeway/Highway - Highway 101 (Ventura Freeway), runs south to Los Angeles, San Fernando Valley and San Diego, and north to Santa Barbara, San Luis Obispo and San Francisco;

Port and Water travel – Close to San Buenaventura, nearby Port Hueneme is the only deep-water port between Long Beach and San Francisco. Products are shipped in and out of this port daily. For small vessels, Ventura Harbor Marina provides both commercial and private recreational and live-aboard boating facilities;

Rail Service - METROLINK provides commuter rail service twice daily from Ventura to Los Angeles with stops in several Ventura County communities as well as Los Angeles County destinations. AMTRAK also honors Metrolink commuter passes; and

Bus Lines - Ventura Inter-city Transit Authority (VISTA) operates 4 regular bus routes and two general public dial-a-ride services. In addition, South Coast Area Transit (SCAT) operates bus routes serving the cities of San Buenaventura, Oxnard, Port Hueneme and the County area between them.

Airports – Airline travel is in close proximity to Los Angeles International, Burbank-Glendale-Pasadena Regional Airport and Santa Barbara Municipal Airport. For private aircraft Camarillo, Oxnard and Santa Paula Airports provide several opportunities in the area.

3.3 Vacant Land Analysis

According to the City, there is a total of 589 acres of vacant residential, commercial and industrial land available within the City. Commercial and industrial land comprises about 277 acres of this vacant acreage, or about 47 percent of the total. At an estimated floor area ratio (FAR) of 0.50, this results in about 6.0 million square feet of maximum buildable area. This is a rough estimate since the approximate square footage varies for office, retail and industrial uses.

The 312 acres of vacant residential land results in about 2,278 new housing units at an average 7.3 units per acre. When 30 percent slope constraints are applied to applicable residential parcels, the number of potential units is reduced somewhat. The City has indicated that housing supply and affordability are key issues and potentially deter companies from relocating to, or expanding in the City.

3.4 Employment Densities

Site selection is one of the most difficult tasks of facility development. Because the City of Ventura is largely built-out, there are few large sites available. Infill development on smaller parcels and adaptive reuse of existing structures can also provide additional site inventory.

Continued job creation will require development of new facilities to house the economic activity. As shown in Table 3-1, the acreage required by type of development per 100 new employees varies according to land use. Retail and industrial uses tend to be more land consumptive per employee than office development that can be accommodated by a range of land use intensities.

Also, increased job growth drives the demand for additional housing at a variety of price and rental ranges. While hypothetical jobs/housing balance ratios have been considered, in practice it is difficult to specify one overall ratio because the variation in employment types and wages will influence the mix of housing types and densities demanded.

**Table 3-1
City of San Buenaventura Economic Base Analysis
Required Land Area per 100 New Employees by Land Use**

Employment Sector	Average Building sq.ft. per Employee	Building Area sq. ft. per 100 Employees	Estimated FAR (Floor Area Ratio)	Required Land Area per 100 New Employees	
				Square feet	Acres
Retail	500	50,000	0.23	217,391	5.0
Office	300	30,000	0.35	85,714	2.0
	300	30,000	1.00	30,000	0.7
Industrial	600	60,000	0.45	133,333	3.1

Source: Stanley R. Hoffman Associates, Inc.

3.5 Redevelopment Project Areas

Redevelopment is a process created to assist city and county government in eliminating blight from designated areas and to achieve desired development, revitalization and rehabilitation of commercial, industrial and residential property. The City began its redevelopment effort in 1966 with the adoption of the Beachfront project area and added the Mission Plaza and Downtown projects in subsequent years. In December 1997, the three existing project areas were combined into a single Downtown Project Area. The tax increment generated by the sales or reassessment of property in this project area is the Redevelopment agency's primary revenue source. Tax increment monies are anticipated to grow at 4 percent to 6 percent based on recent redevelopment activities and property ownership turnover.

The City's Redevelopment Project area encompasses 320.5 acres, which is quite small relative to the City's geographic area. Many other jurisdictions that are smaller than San Buenaventura have larger redevelopment project areas and therefore are able to generate a larger amount of tax increment for project funding.

Chapter 4

MARKET ASSESSMENT

4.1 Taxable Sales Trends

As the City's major municipal General Fund revenue source, sales tax is a significant contributor to San Buenaventura's economic vitality. This section discusses taxable sales trends in the City of San Buenaventura, addressing its performance relative to the region and nearby communities. First, total taxable sales for the City from 1989 to 2000 are presented. Per capita taxable retail sales by individual sales category for the City in 1989 and 2000 are then compared to the County and State for this same time period. The City's per capita taxable retail sales are also compared with nearby communities for 1989 and 1999, since 1999 was the most recent calendar year for which data was available for these communities. The last section presents trends related to the City's business-to-business (non-retail) taxable sales from 1989 to 2000. All taxable sales values are presented in constant 2000 dollars to remove the effects of inflation.

4.1.1 Total Taxable Sales Trends

Total taxable sales transactions in the City declined about 3 percent in year 2000 inflation adjusted dollars from about \$1.73 billion in 1989 to \$1.68 billion in 2000 as shown in Figure 4-1. Year 1989 was chosen as a benchmark because it was the peak year before the decline in the early to mid-1990s. As shown in Table 4-1, taxable retail sales transactions represented about 75 to 80 percent of the total, decreasing from about \$1.33 billion to about \$1.31 billion over this same period, or a decline of about 1.6 percent. Transactions from All Other Outlets (i.e., non-retail), primarily business-to-business, declined about 7.7 percent in real dollars, decreasing from about \$402 million in 1989 to about \$372 million in 2000. Inflation from 1989 to 2000 was about 2.7 percent annually according to the Bureau of Labor Statistics Consumer Price Index. Taxable retail sales in year 2000 have almost returned to their 1989 level in real dollars.

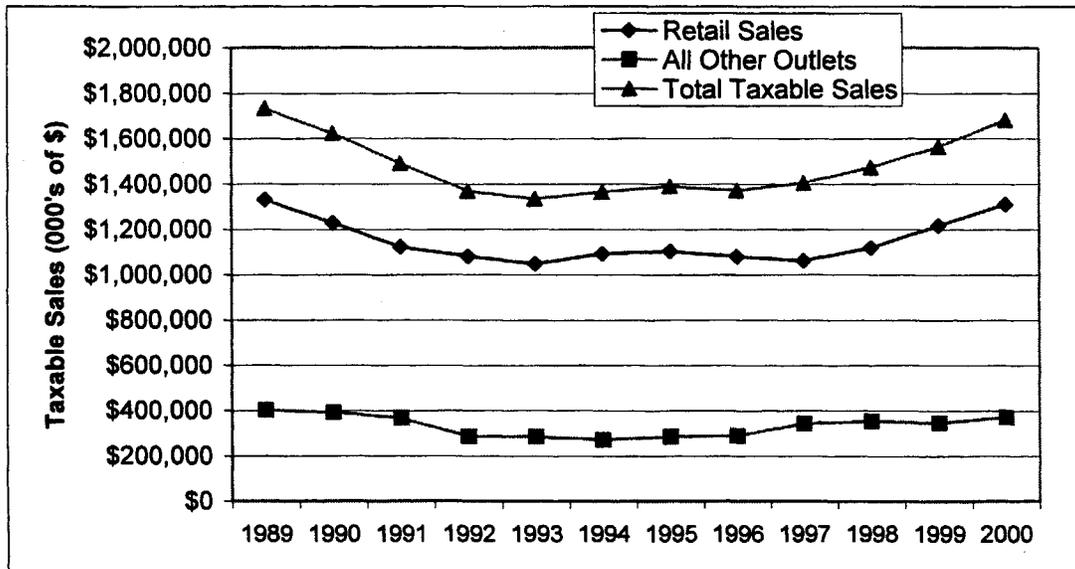
Table 4-1
City of San Buenaventura Economic Base Analysis
Taxable Sales: 1989-2000
(In thousands of constant 2000 dollars)

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000 ³	1989 to 2000 Change	Percent Change
Retail Group														
Apparel Stores	\$50,740	\$48,004	\$40,757	\$41,266	\$40,432	\$39,835	\$36,781	\$34,823	\$31,208	\$26,326	\$24,766	\$62,896	\$12,156	24.0%
General Merchandise ¹	204,974	187,856	181,895	178,683	172,532	173,570	161,221	159,133	159,235	166,534	190,661	222,840	17,866	8.7%
Food Stores	72,893	69,797	72,464	76,189	57,895	55,960	56,517	58,340	64,899	63,284	63,756	54,513	-18,380	-25.2%
Eating and Drinking Places	132,232	124,329	122,602	117,590	114,111	116,525	117,486	119,373	122,333	126,449	136,444	141,016	8,783	6.6%
Home Furnishings	95,193	99,149	89,199	86,180	80,951	82,739	75,331	64,051	55,094	57,509	57,191	51,270	-43,923	-46.1%
Building Materials	98,074	78,167	66,820	65,024	60,663	63,180	66,062	69,143	63,645	77,642	101,935	87,168	-10,906	-11.1%
Auto Dealers and Supplies	361,418	302,189	246,763	236,534	243,650	270,351	282,447	275,950	284,408	344,016	364,269	385,887	24,469	6.8%
Service Stations ²	98,018	109,661	97,345	90,376	90,504	94,700	99,949	111,604	89,093	72,590	84,237	91,272	-6,746	-6.9%
Other Retail Stores ³	217,933	210,367	205,251	189,111	187,950	195,225	207,962	188,233	191,522	184,808	194,025	213,180	-4,753	-2.2%
Retail Subtotal	\$1,331,477	\$1,229,518	\$1,123,105	\$1,080,953	\$1,048,718	\$1,092,084	\$1,103,735	\$1,080,650	\$1,061,436	\$1,119,156	\$1,217,285	\$1,310,043	\$81,566	7.7%
All Other Outlets (Non-Retail) ⁴	402,453	393,631	367,639	287,203	285,816	271,995	285,242	290,360	343,767	354,405	345,791	371,503	-30,951	-7.7%
Total Taxable Sales	\$1,733,930	\$1,623,149	\$1,490,744	\$1,368,157	\$1,334,534	\$1,363,778	\$1,388,978	\$1,371,010	\$1,405,203	\$1,473,562	\$1,563,076	\$1,681,545	\$347,615	24.7%
Retail as % of Total	76.8%	75.7%	75.3%	79.0%	78.6%	80.1%	79.5%	78.8%	75.5%	75.9%	77.9%	77.9%		

1. Drug stores are included in General Merchandise beginning in 1997.
2. Packaged Liquor is included in Other Retail beginning in 1997.
3. Year 2000 data is provided by the City of San Buenaventura.
4. Includes business-to-business and business/personal services taxable sales.

Sources: Stanley R. Hoffman Associates, Inc.
State Board of Equalization.

Figure 4-1
City of San Buenaventura Economic Base Analysis
Total Taxable Sales Transactions (in \$000's), 1989 to 2000
(in constant 2000 dollars)



Source: California State Board of Equalization & City of San Buenaventura (year 2000).

4.1.2 Per Capita Taxable Retail Sales Trends

San Buenaventura: Per Capita Taxable Retail Sales by Category: 1989 and 2000

Per capita taxable retail sales are a rough estimate of the retail sales performance in San Buenaventura, and are calculated by dividing the total retail sales by the City's total population for a particular year. As shown in Table 4-2, per capita taxable retail sales for the City have declined in 2000 inflation adjusted dollars from \$14,383 in 1989 to \$12,982 in 2000 with declines in most categories. The largest dollar decreases were in Home Furnishings and Food Stores followed by Service Stations, Building Materials and Other Retail. The largest relative changes were in the Home Furnishings and Food Store categories that declined by 50.6 percent and 31.4 percent respectively. Auto Dealers and Supplies have continued to represent the largest portion of the City's per capita taxable retail sales in spite of a 2.1 percent decline in real dollars per capita from 1989 to 2000. Apparel is the only category that showed an increase (13.7 percent) while General Merchandise showed only a small decrease (0.3 percent).

Table 4-2
City of San Buenaventura Economic Base Analysis
Per Capita Taxable Retail Transactions: City of San Buenaventura
(in constant 2000 dollars)

Retail Group	1989	2000	Change	% Change
Apparel Stores	\$548	\$623	\$75	13.7%
General Merchandise ¹	2,214	2,208	-6	-0.3%
Food Stores	787	540	-247	-31.4%
Eating and Drinking Places	1,428	1,397	-31	-2.2%
Home Furnishings	1,028	508	-520	-50.6%
Building Materials	1,059	864	-196	-18.5%
Auto Dealers and Supplies	3,904	3,824	-80	-2.1%
Service Stations	1,059	904	-154	-14.6%
Other Retail ²	<u>2,354</u>	<u>2,112</u>	<u>-242</u>	-10.3%
Retail Subtotal	\$14,383	\$12,982	-\$1,401	-9.7%
Population	92,575	100,916	8,341	9.0%

1. General merchandise includes drug stores.
2. Other retail includes packaged liquor and second-hand merchandise.

Sources: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization.
U.S. Census Bureau.
Consumer Price Index: inflation factor 1989/2000: 1.34

This data suggests that there are opportunities for diversification in the retail base in order to address the growing competition in the City's market area and to serve the City's population, employment and tourists.

Comparative Per Capita Taxable Retail Sales: City, County and State

Table 4-3 presents the per capita taxable retail sales for the City compared to both Ventura County and the State in 1989 and 2000. The City's per capita taxable retail sales continues to be higher overall than both the County and the State. However, it has declined in real dollars relative to its population growth from 1989 to 2000, decreasing from \$14,383 to \$12,982 per capita during this time period. The City's population increased from 92,575 to 100,916 during this time period, or by about 9 percent. The total per capita taxable retail sales for both the County and State have remained relatively constant from 1989 to 2000 in real dollars.

Table 4-3
City of San Buenaventura Economic Base Analysis
Comparative Per Capita Taxable Retail Transactions: 1989
(in constant 2000 dollars)

Retail Group	City	County³	State³
Apparel Stores	\$548	\$374	\$438
General Merchandise ¹	2,214	1,365	1,319
Food Stores	787	626	639
Eating and Drinking Places	1,428	888	998
Home Furnishings	1,028	393	408
Building Materials	1,059	868	806
Auto Dealers and Supplies	3,904	1,911	1,540
Service Stations	1,059	589	644
Other Retail ²	<u>2,354</u>	<u>853</u>	<u>1,108</u>
Retail Subtotal	\$14,383	\$7,867	\$7,899
Population	92,575	669,016	29,760,021

Comparative Per Capita Taxable Retail Transactions: 2000

Retail Group	City	County³	State³
Apparel Stores	\$623	\$442	\$379
General Merchandise Stores ¹	2,208	1,399	1,356
Food Stores	540	515	549
Eating and Drinking Places	1,397	966	1,052
Home Furnishings	508	354	407
Building Materials	864	725	668
Auto Dealers and Supplies	3,824	2,079	1,703
Service Stations	904	638	737
Other Retail Stores ²	<u>2,112</u>	<u>1,586</u>	<u>1,688</u>
Retail Subtotal	\$12,982	\$8,703	\$8,540
Population	100,916	753,197	33,871,648

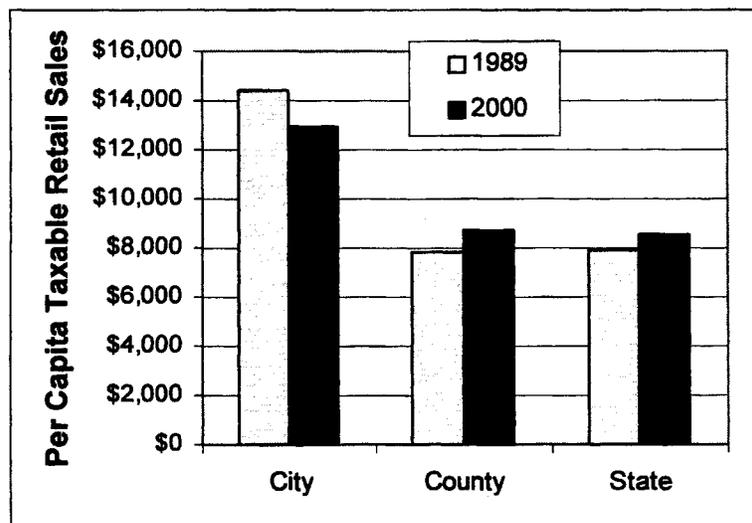
1. General merchandise includes drug stores.
2. Other retail includes packaged liquor and second-hand merchandise.
3. 2000 annual sales were estimated by applying a factor to the first 3 quarters of retail sales in 2000. This factor was the ratio of sales for the first 3 quarters in 1999 to annual 1999 sales by retail category.

Sources: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization.
U.S. Census 2000 population estimates.
Consumer Price Index: inflation factor 1989/2000: 1.34

Competitive Position and Retailing Opportunities

The City's 2000 per capita taxable retail sales relative to the County and State are shown in Figure 4-2. As shown, the City remains higher in per capita sales than both the County and the State. However its competitive position has declined, primarily due to the extensive retail development along the Highway 101 corridor in communities such as Oxnard and Camarillo. This suggests that the City needs to target key retail sectors in order to maintain a strong share of the retail market. Revitalization of the City's regional mall and the downtown central business district, and development of the Montalvo Square and Ventura Gateway projects are examples of enhancing local retailing opportunities. Future opportunities for development need to be identified in other parts of the city targeting both the local population and the tourism markets.

Figure 4-2
Comparative Per Capita Taxable Retail Sales: 1989 and 2000
(In Constant 2000 Dollars)



Source: California State Board of Equalization.

Comparative Per Capita Taxable Retail Sales: San Buenaventura and Nearby Communities

Table 4-4 shows per capita taxable retail sales for the City of San Buenaventura compared to nearby communities and the County from 1989 to 1999 in 2000 dollars. Year 1999 was chosen because this was the latest year with published retail sales data for the other communities. During 1999, the City of San Buenaventura had higher per capita taxable retail sales overall

(\$12,062) than the County (\$8,029). This was only exceeded by the per capita taxable retail sales in Thousand Oaks of \$13,988.

Table 4-4
City of San Buenaventura
Comparative Taxable Retail Per Capita Sales, 1989 and 1999
(in constant 2000 dollars)

Jurisdiction	1989	1999	Change	% Change
San Buenaventura	\$14,385	\$12,062	-\$2,323	-16.1%
Camarillo	5,281	7,471	2,189	41.5%
Oxnard	7,998	8,513	515	6.4%
Thousand Oaks	12,221	13,988	1,767	14.5%
Ventura County	\$7,867	\$8,029	\$162	2.1%

Source: Stanley R. Hoffman Associates, Inc.
 California State Board of Equalization Taxable Sales: 1989-1999.
 California State Department of Finance, population estimates.
 Consumer Price Index: inflation factor 1989/2000: 1.34
 Consumer Price Index: inflation factor 1999/2000: 1.03

4.1.3 Non-Retail Taxable Sales

Non-Retail sales tax revenues include primarily manufacturing, leasing, building materials – wholesale, and business services firms that generate taxable sales to other businesses, and in some cases to the public. Also included are a smaller amount of taxable sales from business and personal services. As shown in Table 4-5, four categories accounted for about 53 percent of the total non-retail sales tax revenues in 2000 of \$372.5 million. These categories included Light Industry (18.6 percent), Leasing (14.4 percent), Building Materials – Wholesale (12.0 percent) and Oil and Gas Products (8.2 percent). Only about 15 percent of the total non-retail sales are attributable to business and personal services. Expansion of the industrial and business sectors should increase non-retail taxable sales commensurately. As shown previously in Table 4-1, total taxable non-retail sales have declined by 7.7 percent from 1989 to 2000 in constant 2000 dollars.

Table 4-5
City of San Buenaventura Economic Base Analysis
Business-to-Business Taxable Sales by Category: 2000

Category	Taxable Sales	% of Total
Non-store retailers	\$4,536,000	1.2%
Part-Time Business	5,380,000	1.4%
Vending Companies	92,100	0.0%
Building Materials Wholesale	44,672,600	12.0%
Office Machines	20,850,400	5.6%
Health Services	4,973,400	1.3%
Leasing	53,511,800	14.4%
Electronic Equipment	12,639,100	3.4%
Government/Non-Profit	5,252,400	1.4%
Auctioneer Sales	425,400	0.1%
Business Services	26,977,500	7.3%
Food Processing/Equip	2,433,300	0.7%
Mfg./Textiles	1,270,000	0.3%
Chemical Products	7,009,800	1.9%
Photo Processing/Equip	3,188,800	0.9%
Vehicle Parts	1,200,800	0.3%
Transportation	158,900	0.0%
Oil and Gas Products	30,617,200	8.2%
Heavy Industry	23,067,800	6.2%
Light Industry	<u>69,225,200</u>	<u>18.6%</u>
Total Business-to-Business	317,482,500	85.5%
Total Business/Personal	<u>\$54,020,200</u>	14.5%
All Other Outlets (non-retail)	\$371,502,700	100.0%

Sources: Stanley R. Hoffman Associates, Inc.
City of San Buenaventura.

4.2 Estimated Retail Sales Capture

“Retail sales capture” is an approximate indicator of how well the retail sector is performing in the City. While households do not spend all of their purchasing power in their city of residence, hypothetical sales capture is estimated by comparing total annual retail sales in the City to the estimated total annual retail purchases by the City’s residents. If the total retail sales are greater than the total retail purchases by the City’s residents, this indicates that the City is generally drawing sales from outside its boundaries. The U.S. Consumer Expenditure Survey provides data on average annual household retail expenditures that is used to estimate resident purchases.

Table 4-6 shows the estimated retail sales capture for the City of San Buenaventura during 2000. As shown in Table 4-6, households in the City of San Buenaventura spent an estimated \$871.7 million on retail purchases in 2000, or about 34 percent of their average household income. As indicated in Column D (retail sales less household purchases), the City has an estimated total positive capture of about \$578.5 million in retail sales, or about 66 percent of the City’s potential household purchasing power. The strongest categories are Auto Dealers and Other Retail followed by Building Materials and General Merchandise.

4.3 Residential Market Trends

As with other areas in Southern California, housing affordability is a primary issue in Ventura County in meeting the needs of the labor force. The high cost of housing is an obstacle in attracting businesses to the City. Another key issue for the City is the limited acreage available for new residential development. This section discusses average home price trends from 1990 to 2000 in the County, trends in the City’s rental housing market, and trends in residential building activity and valuation from 1990 to 2000.

4.3.1 Average Home Price Trends: 1990 to 2000

In the City of San Buenaventura, housing mix and affordability is a major factor when attracting businesses to the area. Table 4-7 shows the average home prices for Ventura County from 1990 to 2000 in inflation-adjusted dollars. In 2000, the average price of a new home in real dollars

Table 4-6
City of San Buenaventura Economic Base Analysis
City of San Buenaventura Estimated Retail Sales Capture
(in constant 2000 dollars)

Retail Category	(A) Total Retail Sales (in 000's) ¹	(B) Average Purchases per Household ²	(C) Total HH Purchases (in 000's) ³	(D) = (A) - (C) Estimated Capture (in 000's)
Apparel Stores	\$62,896	\$1,349	\$51,969	\$10,927
General Merchandise Stores ⁴	235,838	5,024	193,545	42,293
Food Stores	181,710	4,734	182,373	-663
Eating and Drinking Places	141,016	2,933	112,991	28,025
Home Furnishings	51,270	971	37,407	13,863
Building Materials ⁵	87,168	872	33,593	53,575
Auto Dealers and parts ⁶	385,887	3,838	147,855	238,032
Gasoline Service Stations	91,272	1,367	52,662	38,610
Other Retail ⁷	213,180	1,541	59,365	153,815
Totals	\$1,450,237	\$22,630	\$871,760	\$578,477

Number of Households	38,524
HH Size	2.56
Average Household Income	\$67,198
Retail Expend. As % of Income	33.68%

1. Total retail sales for Drug Stores are factored up by 0.62 and Food Stores are factored up by 0.30 to account for the non-taxable portion of these categories.
2. Based on estimates from the U.S. Consumer Expenditure Survey.
3. Estimated by multiplying average expenditures per household by total households.
4. General Merchandise includes Drug Stores.
5. Includes only sales to households and not to contractors or builders
6. Does not include automobile purchases by businesses.
7. Other Retail includes Packaged Liquor.

Source: Stanley R. Hoffman Associates, Inc.
U.S. Consumer Expenditure Survey.
City of San Buenaventura.

Table 4-7
City of San Buenaventura Economic Base Analysis
Average Home Price Trends for Ventura County: 1990 to 2000
(in constant 2000 dollars)

Year	Existing Homes		New Homes	
	Average Price	% Change	Average Price	% Change
1990	\$306,879	N/A	\$358,943	N/A
1991	289,629	-5.6%	323,949	-9.7%
1992	275,763	-4.8%	300,757	-7.2%
1993	263,444	-4.5%	292,004	-2.9%
1994	255,209	-3.1%	276,614	-5.3%
1995	250,680	-1.8%	276,478	0.0%
1996	243,837	-2.7%	269,763	-2.4%
1997	244,382	0.2%	284,836	5.6%
1998	259,578	6.2%	311,578	9.4%
1999	267,842	3.2%	358,217	15.0%
2000	\$280,754	4.8%	\$360,888	0.7%

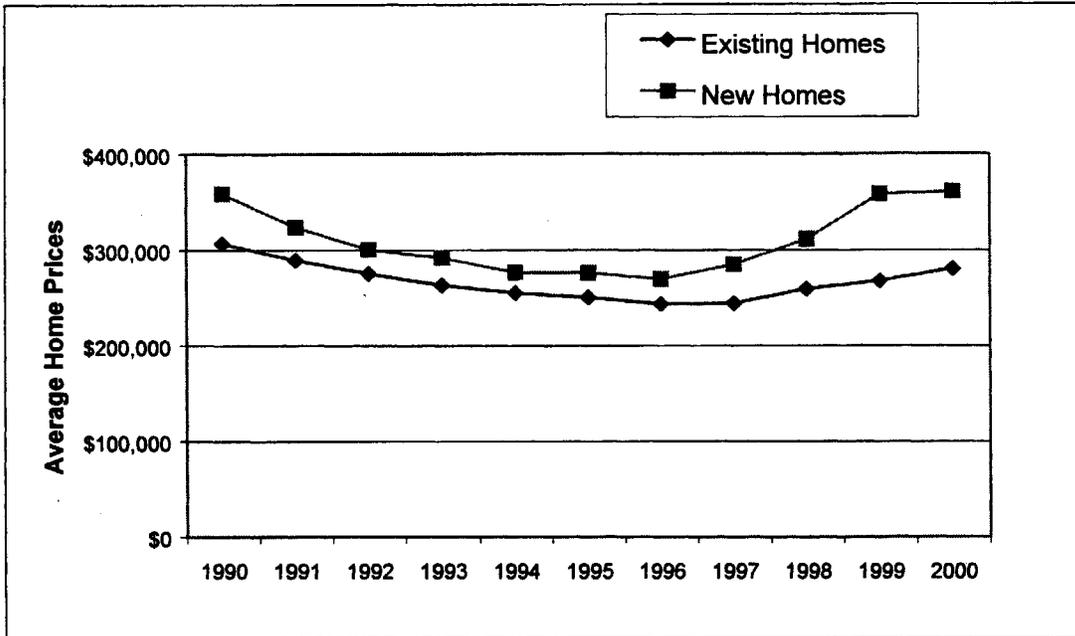
Sources: Stanley R. Hoffman Associates, Inc.
Real Estate Research Council of Southern California,
First Quarter, 2001.

was \$360,888, compared to \$280,754 for an existing home. As shown in Figure 4-3, prices declined overall from 1990 to 1996 in real dollars, but have been on the rise again since 1997. By 2000, average prices in real terms are estimated to have returned to 1990 levels for new homes while average prices for existing homes are about 9 percent below 1990 levels.

4.3.2 Housing Affordability

A range of estimated maximum affordable home prices is shown in Table 4-8 table as a “rule of thumb.” This is based on estimated household incomes for one worker versus multiple worker households using data from UCSB’s *Economic Outlook 2001*. The report also estimated that the median home price for the City of San Buenaventura was \$230,000 in 2000. As indicated, the median-priced home would not have been affordable to many of the employees earning the average salary in key industry sectors as shown in Table 4-8. Affordability would require either higher wages or multiple wage earners per household.

Figure 4-3
Average Home Price Trends for Ventura County: 1990 to 2000
(in Constant 2000 Dollars)



Source: Real Estate Research Council of Southern California.

**Table 4-8
City of San Buenaventura Economic Base Analysis
Housing Affordability by Sector and Annual Salary**

Industry Sector	Average Salary per Worker 2000	Maximum Affordable Housing Price	
		Single Worker ¹ Per Household	Multiple Workers ² Per Household
Agricultural	\$25,298	\$83,480	\$127,450
Mining	46,555	153,630	234,550
Construction	36,724	121,190	185,020
Durables Manufacturing	38,683	127,650	194,890
Non-Durables Manufacturing	34,401	113,520	173,310
Transportation, Comm. & Utilities	41,506	136,970	209,110
Wholesale Trade	40,956	135,150	206,340
Retail Trade	21,273	70,200	107,180
Finance, Insurance, Real Estate	36,839	121,570	185,600
Services	30,231	99,760	152,310
Public Sector	54,787	180,800	276,030
Private Sector	30,218	99,720	152,240
All Industries	\$33,314	\$109,940	\$167,850

1. Calculation of affordable home price is based on a multiplier of 3.3 times average worker salary assuming the Federal housing affordability standard of 30% of gross income.
2. Based on wage and salary data from *Outlook 2001*, an average household income factor of 53% above the first worker is applied for additional workers in the household.

Source: Stanley R. Hoffman Associates, Inc.

4.3.3 Rental Housing Market Trends

Due to the growing gap between prices and income levels, apartments have become a critical source of housing for Ventura County's workforce and middle class. At the estimated average rent range of \$650 to \$1,200 per month for a 2-bedroom apartment based on current listings, an annual income of \$23,400 to \$43,200 is needed to qualify. This estimate is computed on the estimated threshold of one-third average household income to cover housing, and it equates from \$11.25 to \$21.80 per hour, based on a 40-hour week. Rental rates for the first quarters of years 1998 to 2001 are shown in Table 4-9 in inflation-adjusted dollars. The average rent for an apartment in the first quarter during this time period increased from \$915 in 1998 to almost \$1,100 in 2001. Vacancy rates have remained relatively stable at about 3.0 percent.

Table 4-9
City of San Buenaventura Economic Base Analysis
Average Rental Trends for Ventura County: First Quarter 1998 - 2001
(in constant 2000 dollars)

Year/Qtr.	Average Rent	Change	Average Vacancy Rates
98-1	\$915	n/a	3.0%
99-1	\$929	\$14	2.6
00-1	\$1,013	\$84	3.1
01-1	\$1,066	\$53	2.9%

Sources: Stanley R. Hoffman Associates, Inc.
Real Estate Research Council of Southern California,
First Quarter, 2001.

4.3.4 Residential Building Activity Trends

Table 4-10 presents new residential building activity trends in the City of San Buenaventura from 1990 to 2000 in year 2000 dollars. As shown in Table 4-10, an average of 191 new single-family units and an average of 28 new multi-family units were built annually over the 1990 to 2000 period. The total valuation for single-family development averaged about \$35.9 million annually, while multi-family development averaged only about \$2.3 million. As shown, in inflation-adjusted dollars total new residential valuation changed dramatically during the intervening years while the \$41.8 million of residential valuation in 1990 was relatively similar to the \$42.2 million in 2000.

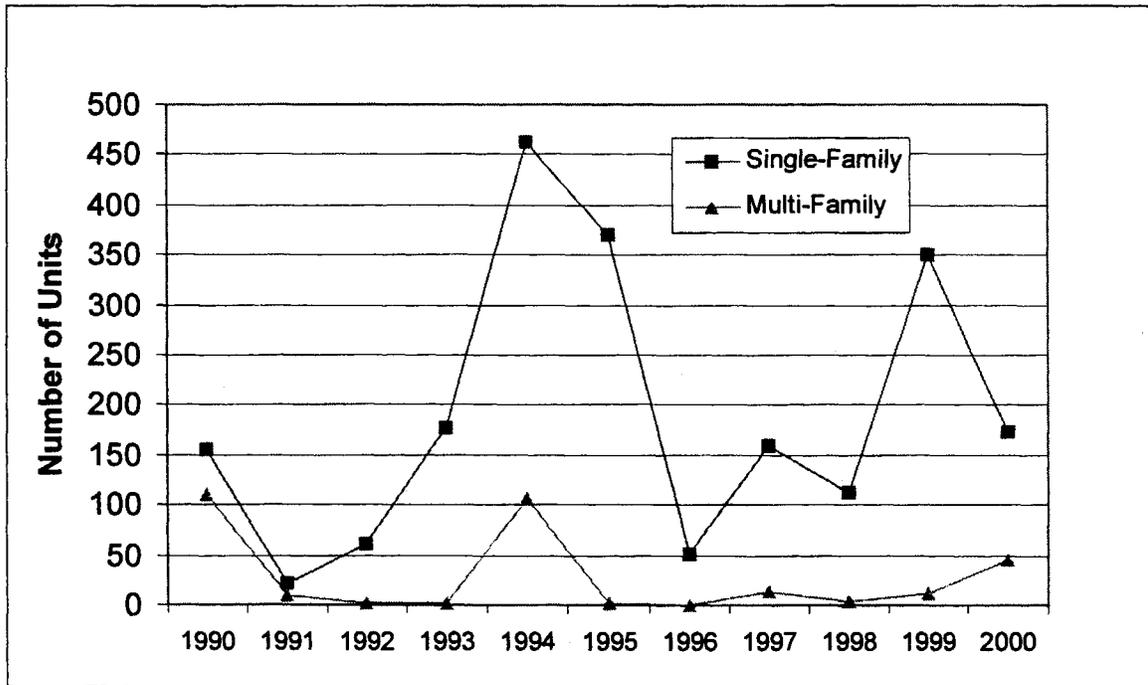
As shown in Figure 4-4, building activity for both single-family and multi-family development fluctuated widely over this time period. This figure also shows that multi-family development comprised a small percentage of the total residential volume from 1990 to 2000, averaging about 13 percent of the total development annually over this time period.

Table 4-10
City of San Buenaventura Economic Base Analysis
New Residential Building Permit Activity: 1990 to 2000
(In constant 2000 dollars)

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	1990 - 2000 Annual Avg.	Percent of Total
Single Family													
Units	155	22	62	178	463	370	52	159	113	350	174	191	87.2%
Valuation (000's)	\$33,079	\$5,821	\$15,058	\$34,465	\$81,008	\$63,344	\$8,846	\$29,896	\$23,554	\$64,938	\$34,818	\$35,893	93.9%
Avg. Value per Unit	\$213,000	\$265,000	\$243,000	\$194,000	\$175,000	\$171,000	\$170,000	\$188,000	\$208,000	\$186,000	\$200,000		
Multi-Family													
Units	111	9	2	2	106	2	0	14	4	12	45	28	12.8%
Valuation (000's)	\$8,751	\$941	\$259	\$216	\$5,474	\$215	\$0	\$922	\$324	\$1,105	\$7,408	\$2,329	6.1%
Avg. Value per Unit	\$79,000	\$105,000	\$130,000	\$108,000	\$52,000	\$107,000	\$-	\$66,000	\$81,000	\$92,000	\$165,000		
Total Residential													
Units	266	31	64	180	569	372	52	173	117	362	219	219	100.0%
Valuation (000's)	\$41,829	\$6,761	\$15,317	\$34,681	\$86,481	\$63,559	\$8,846	\$30,818	\$23,878	\$66,043	\$42,225	\$38,222	100.0%
Avg. Value per Unit	\$157,000	\$218,000	\$239,000	\$193,000	\$152,000	\$171,000	\$170,000	\$178,000	\$204,000	\$182,000	\$193,000		

Source: Stanley R. Hoffman Associates, Inc.
Construction Industry Research Board.

Figure 4-4
City of San Buenaventura Economic Base Analysis
City of San Buenaventura New Residential Building Activity: 1990 to 2000



Source: Construction Industry Research Board, September 2001.

4.4 Non-Residential Market Trends

As with residential development, one of the key issues for the City is the limited availability of commercial and industrial acreage sufficient to provide the types of structures needed for key industries to locate. This section discusses the City's industrial and commercial building activity trends, retail development and the office market.

4.4.1 Industrial and Commercial Building Permit Activity

Table 4-11 presents new non-residential building activity trends in the City of San Buenaventura from 1990 to 2000 in year 2000 dollars. As shown in Table 4-11, the total valuation of non-residential building permits declined from 1990 to 2000, decreasing from about \$23.2 to \$10.7 million in inflation-adjusted dollars. This represents an average annual valuation of about \$13.5 million. Average annual commercial valuation was about \$11.9 million, while industrial valuation was about \$2.6 million. Industrial building activity has remained a small percentage of the total non-residential development from 1990 to 2000, ranging from 5.5 to 31.5 percent of the total valuation.

Table 4-11
City of San Buenaventura
New Non-Residential Building Permit Valuation: 1990 to 2000
(in thousands of constant 2000 dollars)

Year	Commercial	% of Total	Industrial	% of Total	Total
1990	\$19,446	84.0%	\$3,715	16.0%	\$23,160
1991	14,625	92.8%	1,142	7.2%	15,767
1992	2,472	100.0%	0.0	0.0%	2,472
1993	6,197	100.0%	0.0	0.0%	6,197
1994	3,406	100.0%	0.0	0.0%	3,406
1995	9,739	100.0%	0.0	0.0%	9,739
1996	7,835	73.1%	2,888	26.9%	10,723
1997	4,985	68.5%	2,288	31.5%	7,272
1998	22,456	94.5%	1,317	5.5%	23,774
1999	31,922	89.0%	3,949	11.0%	35,871
2000	\$7,862	73.3%	\$2,867	26.7%	\$10,729
Avg. Valuation Per Year	\$11,904		\$2,595		\$13,555

Source: Stanley R. Hoffman Associates, Inc.
 Construction Industry Research Board.

4.4.2 Office Market Trends

Office supply and leasing activity within Ventura County has been provided by CB Richard Ellis from their report, Office Market, 3rd Quarter 2001, and is summarized in Table 4-12 and Figure 4-5. The data refers to leasable office buildings from the 3rd quarter of 1999 to the 3rd quarter of 2001 for buildings with a size of 10,000 or more square feet, and is based on CB Richard Ellis's survey data. It provides an approximation of market activity. According to Table 4-12, as of the third quarter 2001, there were 241 office buildings surveyed in Ventura County, accounting for about 9.1 million total office building square feet. Approximately 61 percent, or about 5.5 million total square feet, were in the East County while 39 percent, or about 3.6 million square feet, were in the West County. Figure 4-5 shows a summary of office building square footage for the same time period and shows that the East County comprised most of the increase in total office leasing activity within Ventura County.

As shown in Table 4-12, total office building square footage for Ventura County increased from 3rd quarter 1999 to 3rd quarter 2001 by about 1.25 million square feet, and includes both new construction and existing buildings added to the survey.

- The East County added about 1.1 million square feet in 22 office buildings, accounting for 91 percent of the increase in total office square footage;
- The communities of Thousand Oaks and Westlake Village comprised 90 percent of the County's total increase; and
- San Buenaventura's increase comprised about 99.7 thousand square feet, or 88 percent of the West County's net increase in total leasable office building square footage, but only about 15,000 square feet of that amount was new construction.

Table 4-12
City of San Buenaventura Economic Base Analysis
Area Office Market Activity, 3rd Quarter 1999 to 3rd Quarter 2001

City	No. of Buildings Surveyed	Average Building Square Feet	Total Occupied Square Feet ¹	Total Occupied Square Feet ²	Vacant Square Feet	Vacancy Rate
3rd Quarter, 1999						
San Buenaventura	45	25,432	1,144,418	947,722	196,696	17.2%
Oxnard	23	51,524	1,185,046	997,034	188,012	15.9%
Camarillo	27	41,317	1,115,564	1,040,659	74,905	6.7%
West County	95	36,263	3,445,028	2,985,415	459,613	13.3%
Thousand Oaks	35	29,717	1,040,104	922,317	117,787	11.3%
Westlake Village	70	43,353	3,034,691	2,724,759	309,932	10.2%
Simi Valley	12	26,944	323,331	301,781	21,550	6.7%
East County	117	37,591	4,398,126	3,948,857	449,269	10.2%
Total County	212	36,996	7,843,154	6,934,272	908,882	11.6%
3rd Quarter, 2001						
San Buenaventura	51	24,395	1,244,132	1,041,646	202,486	16.3%
Oxnard	23	53,546	1,231,549	1,060,951	170,598	13.9%
Camarillo	28	38,659	1,082,458	1,022,236	60,222	5.6%
West County	102	34,884	3,558,139	3,124,833	433,306	12.2%
Thousand Oaks	47	34,467	1,619,972	1,314,130	305,842	18.9%
Westlake Village	80	44,718	3,577,432	3,232,043	345,389	9.7%
Simi Valley	12	27,778	333,331	330,299	3,032	0.9%
East County	139	39,789	5,530,735	4,876,472	654,263	11.8%
Total County	241	37,713	9,088,874	8,001,305	1,087,569	12.0%
2 Year Change						
San Buenaventura	6	(1,037)	99,714	93,924	5,790	-0.9%
Oxnard	0	2,022	46,503	63,917	(17,414)	-2.0%
Camarillo	1	(2,658)	(33,106)	(18,423)	(14,683)	-1.2%
West County	7	(1,380)	113,111	139,418	(26,307)	-1.2%
Thousand Oaks	12	4,750	579,868	391,813	188,055	7.6%
Westlake Village	10	1,365	542,741	507,284	35,457	-0.6%
Simi Valley	0	833	10,000	28,518	(18,518)	-5.8%
East County	22	2,199	1,132,609	927,615	204,994	1.6%
Total County	29	717	1,245,720	1,067,033	178,687	0.4%
% Increase of Total County						
West	24%		9%	13%		
East	76%		91%	87%		

1. Data includes Ventura County's existing competitive multi-tenant industrial buildings that are vacant or occupied, with a building size of 10,000 or more square feet, and also includes both new construction and existing buildings added to the survey. It excludes government, medical, and owner/user buildings.
2. This represents leasing activity among the buildings surveyed.

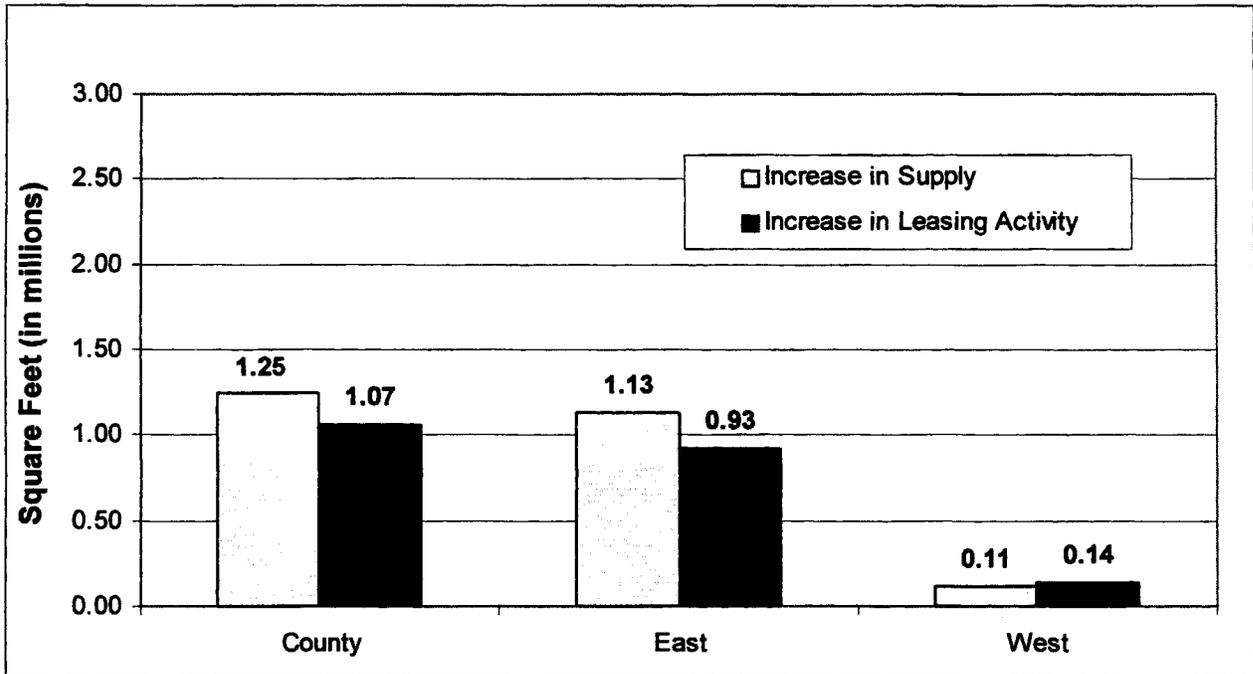
Source: Stanley R. Hoffman Associates, Inc.
 CB Richard Ellis, Office Markets, 3rd Quarter, 1999 and 2001.

Absorption

Most new leasing activity also occurred in the East County. Figure 4-5 shows the absorption of office building space from 3rd quarter 1999 to 3rd quarter 2001.

- The East County accounted for 87 percent of the County's surveyed leasing activity of office buildings, or about 1.1 million square feet;
- Again, the communities of Thousand Oaks and Westlake Village comprised the bulk of this leasing activity, or 84 percent of the County's total increase; and
- The West County represented about 13 percent of the County's net surveyed leasing activity, or 139.4 thousand square feet; San Buenaventura showed leasing activity of about 93.9 thousand square feet.

Figure 4-5
City of San Buenaventura Economic Base Analysis
Increase in Office Supply and Leasing Activity
Ventura County: 3rd Quarter 1999 to 3rd Quarter 2001



Source: CB Richard Ellis

Vacancy Rates

Overall, the County experienced a slight increase in vacancy rates from 11.6 percent in 3rd quarter 1999 to 12.0 percent in 3rd quarter 2001, or an increase of 0.4 percent. Table 4-13 summarizes the vacancy rates for Ventura County.

- The East County increased from 10.2 percent in 1999 to 11.8 percent in 2001, comprising about 654.3 thousand of the County's 1.1 million vacant square feet;
- West County declined from 13.3 percent in 1999 to 12.2 percent in 2001; and
- The City of San Buenaventura had the highest vacancy rate within the County in 1999 of 17.2 percent, declining to 16.3 percent in 2001.

**Table 4-13
City of San Buenaventura Economic Base Analysis
Office Building Activity Summary**

	Vacancy Rate ¹		Average Lease Rates/SF/MO ²		
	1999	2001	Class A	Class B	Class C
Office					
West County	13.3%	12.2%	\$1.6 to \$1.85	\$1.50 to \$1.65	\$1.25 to \$1.50
East County	10.2%	11.8%	2.25 to 2.75	1.75 to 2.20	1.25 to 1.70
Ventura County	11.6%	12.0%	\$1.60 to 2.75	\$1.50 to \$2.20	\$1.25 to \$1.70

1. Vacancy rates as of 3rd quarter 1999 and 2001.
2. Lease rates quoted for Industrial are "NNN" (tenant is responsible for taxes, insurance, maintenance and repairs for 2nd quarter 2001).

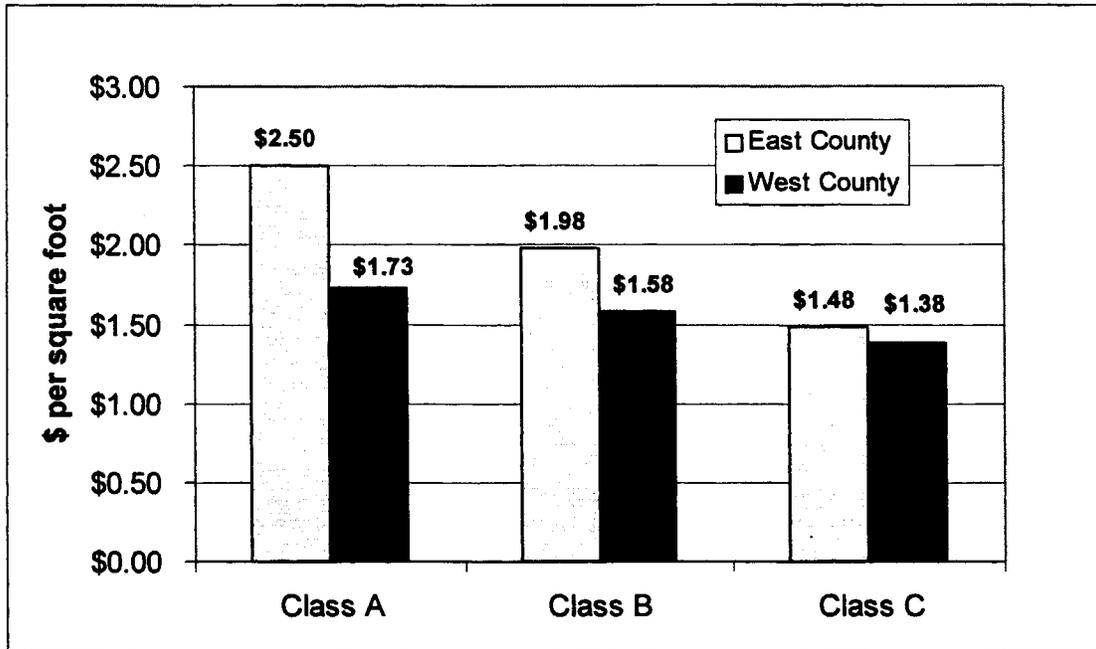
Definitions: Class A- high and mid-rise office buildings, Class B- 2-3 story/garden style office buildings, Class C- back office/research and development office buildings.

Source: Stanley R. Hoffman Associates, Inc.
CB Richard Ellis, Office Markets, 3rd Quarter, 1999 and 2001.

Lease Rates

Figure 4-6 shows a graph for the midpoint lease rates for office in the second quarter of 2001. Class A represents high and mid-rise office buildings. Class B represents 2-3 story/garden style office buildings. Class C is back office/research and development office buildings. As Table 4-13 and Figure 4-6 show, the East County had relatively higher office lease rates than the West County.

Figure 4-6
City of San Buenaventura Economic Base Analysis
Ventura County: Mid-Point Office Lease Rates, 2nd Quarter 2001



Source: CB Richard Ellis.

Market Trends

The office building construction and leasing activity for leasable, non-owner/user buildings has been stronger in the East Ventura County area. While the City of San Buenaventura has shown some activity, it has been a relatively small portion of the overall market activity. Vacancy rates have generally been higher and market lease rates lower. The lower average lease rates have not spurred significant new construction activity in the City and a major change in this trend is not expected in the near term.

4.4.3 Industrial Market Trends

Industrial supply and absorption activity within Ventura County has been provided by CB Richard Ellis from their report. Industrial Market, 3rd Quarter as presented in Table 4-14 and Figure 4-7. The data refers to leasable industrial buildings with a building size of 10,000 or more square feet from 3rd quarter 1999 to 3rd quarter 2001, and is based on CB Richard Ellis's

Table 4-14
City of San Buenaventura Economic Base Analysis
Area Industrial Market Activity, 3rd Quarter 1999 to 3rd Quarter 2001

City	No. of Buildings Surveyed	Average Building Square Feet	Total Occupied Square Feet	Total Occupied Square Feet ²	Vacant Square Feet	Vacancy Rate
3rd Quarter, 1999						
San Buenaventura	300	26,270	7,880,893	7,575,329	305,564	3.9%
Oxnard	362	40,003	14,481,021	12,933,818	1,547,203	10.7%
Camarillo	236	40,992	9,674,084	8,984,835	689,249	7.1%
West County	898	35,675	32,035,998	29,493,982	2,542,016	7.9%
Thousand Oaks	166	39,322	6,527,499	5,283,066	1,244,433	19.1%
Westlake Village	133	36,445	4,847,171	4,490,540	356,631	7.4%
Simi Valley	167	42,721	7,134,401	6,363,200	771,201	10.8%
Moorpark	77	37,381	2,878,351	2,464,452	413,899	14.4%
East County	543	39,388	21,387,422	18,601,258	2,786,164	13.0%
Total County	1,441	37,074	53,423,420	48,095,240	5,328,180	10.0%
3rd Quarter, 2001						
San Buenaventura	323	25,858	8,352,073	7,629,078	722,995	8.7%
Oxnard	398	41,501	16,517,523	15,368,759	1,148,764	7.0%
Camarillo	249	40,157	9,999,148	9,027,102	972,046	9.7%
West County	970	35,947	34,868,744	32,024,939	2,843,805	8.2%
Thousand Oaks	180	38,481	6,926,547	6,369,290	557,257	8.0%
Westlake Village	134	39,159	5,247,296	5,115,284	132,012	2.5%
Simi Valley	177	43,420	7,685,401	6,714,631	970,770	12.6%
Moorpark	84	41,053	3,448,438	3,219,961	228,477	6.6%
East County	575	40,535	23,307,682	21,419,166	1,888,516	8.1%
Total County	1,545	37,655	58,176,426	53,444,105	4,732,321	8.1%
2 Year Change						
Ventura	23	(412)	471,180	53,749	417,431	4.8%
Oxnard	36	1,498	2,036,502	2,434,941	(398,439)	-3.7%
Camarillo	13	(835)	325,064	42,267	282,797	2.6%
West County	72	272	2,832,746	2,530,957	301,789	0.2%
Thousand Oaks	14	(841)	399,048	1,086,224	(687,176)	-11.0%
Westlake Village	1	2,714	400,125	624,744	(224,619)	-4.8%
Simi Valley	10	699	551,000	351,431	199,569	1.8%
Moorpark	7	3,672	570,087	755,509	(185,422)	-7.8%
East County	32	1,148	1,920,260	2,817,908	(897,648)	-4.9%
Total County	104	581	4,753,006	5,348,865	(595,859)	-1.8%
% Increase of Total County						
West	69%		60%	47%		
East	31%		40%	53%		

1. Data includes Ventura County's existing competitive multi-tenant industrial buildings that are vacant or occupied, with a building size of 10,000 or more square feet, and also includes both new construction and existing buildings added to the survey. It excludes government, medical, and owner/user buildings.
2. This represents leasing activity among the buildings surveyed.

Sources: Stanley R. Hoffman Associates, Inc.
CB Richard Ellis, Office Markets, 3rd Quarter, 1999 and 2001.

survey data. It provides an approximation of market activity. As shown in Table 4-14, as of the third quarter 2001, there were a total of 1,545 industrial buildings surveyed in Ventura County, accounting for over 58 million total industrial building square feet. In 3rd quarter 2001, approximately 60 percent of the industrial space, or about 34.9 million total square feet, was in the West County, with the other 40 percent, or about 23.3 million square feet, in the East County. However, the East County accounts for about 53 percent of the gross leasing activity over the past two years.

As shown in Table 4-14, total industrial building square feet for Ventura County increased from 1999 to 2001, by about 4.8 million square feet, which includes both new construction and existing buildings added to the survey.

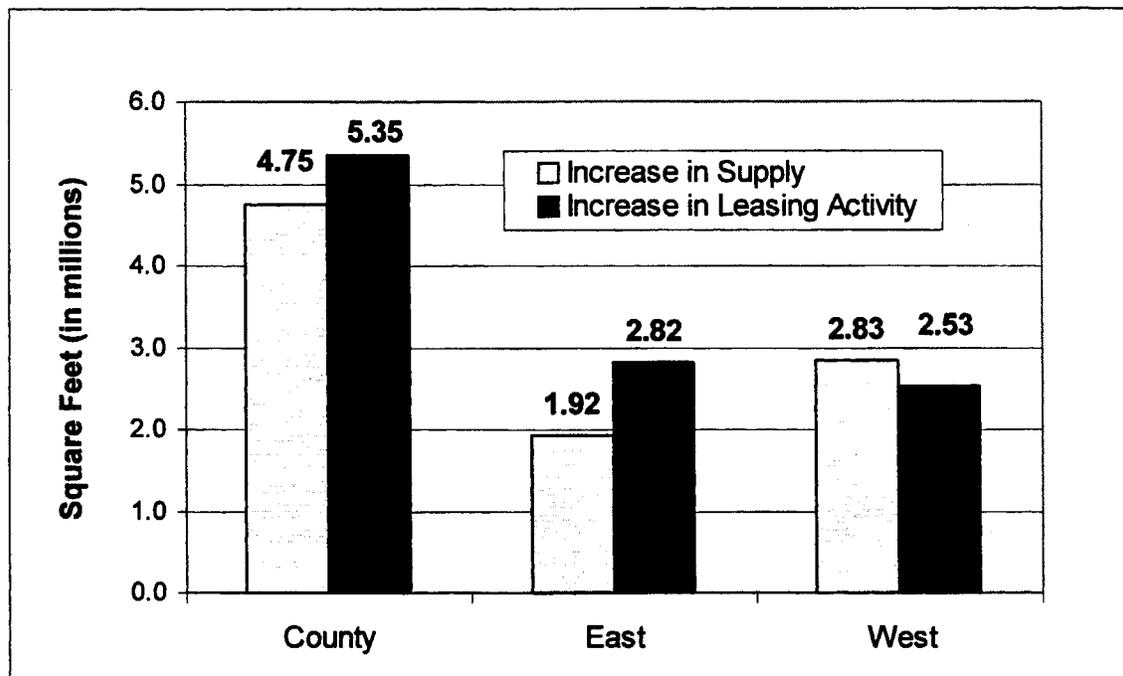
- The West County included about 2.8 million square feet, accounting for 60 percent of the increase in total surveyed industrial square footage;
- The East County captured about 1.9 million square feet, or about 40 percent of the County's total increase; and about 43 percent of the increase was in the City of Oxnard, adding about 2.04 million square feet; and
- In contrast, the City of San Buenaventura added 10 percent of the total, or 471.2 square feet.

Absorption

The majority of the gross leasing activity occurred in the East County. Figure 4-7 shows the leasing of industrial buildings from 3rd quarter 1999 to 3rd quarter 2001.

- The East County accounted for 53 percent of the County's leasing of industrial buildings, or about 2.82 million square feet;
- The West County absorbed the other 47 percent, or about 2.53 million square feet;
- Two cities contained about two thirds of the total leasing activity with Oxnard at about 2.43 million square feet and Thousand Oaks at about 1.09 million square feet; and
- In contrast, the City of San Buenaventura only leased about 53.7 thousand square feet of industrial space.

Figure 4-7
City of San Buenaventura Economic Base Analysis
Increase in Industrial Supply and Leasing Activity
Ventura County: 3rd Quarter 1999 to 3rd Quarter 2001



Source: CB Richard Ellis.

Vacancy Rates

Overall, the County experienced a decrease in vacancy rates from 10.0 percent in 3rd quarter 1999 to 8.1 percent in 3rd quarter 2001 as summarized in Table 4-15 for the buildings surveyed.

- Average industrial vacancy rates decreased significantly in the East County from 13.0 percent in 1999 to 8.1 percent in 2001; and
- In contrast, the West County increased slightly in average vacancy rate from 7.9 percent in 1999 to 8.2 percent in 2001.

Lease Rates

Figure 4-8 shows the mid-point of lease rates for industries in the 2nd quarter of 2001. Class A represents high-tech/research and development industrial space. Class B represents light industrial space and Class C is heavy industrial space. Industrial lease rates for the East County were relatively higher than the West County during the 2nd quarter of 2001.

Table 4-15
City of San Buenaventura Economic Base Analysis
Industrial Building Activity Summary

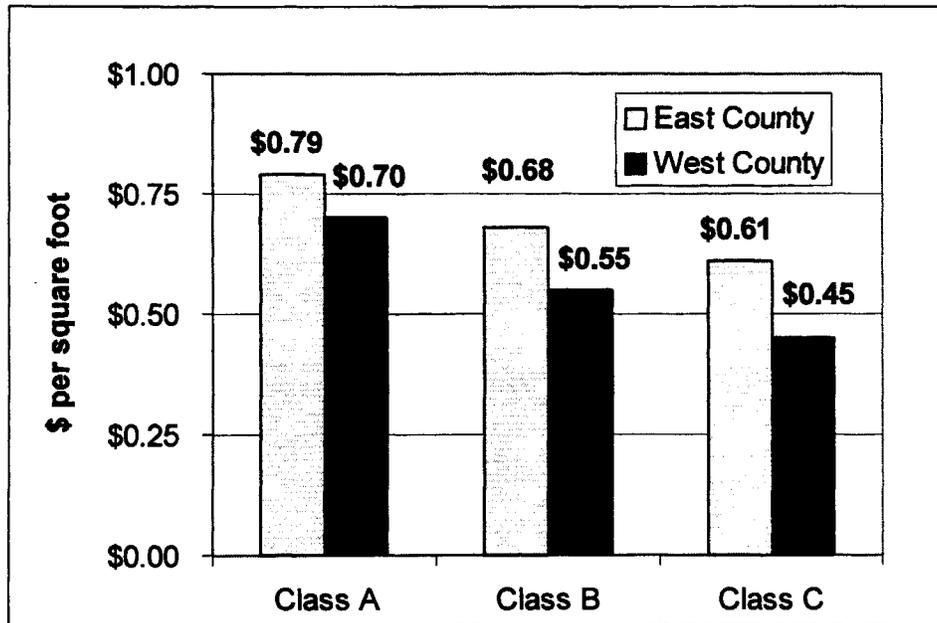
	Vacancy Rate ¹		Average Lease Rates/SF/MO ²		
	1999	2001	Class A	Class B	Class C
Industrial					
West County	7.9%	8.2%	\$0.70	\$0.55	\$0.45
East County	13.0%	8.1%	0.79	0.68	0.61
Ventura County	10.0%	8.1%	\$0.70-\$0.79	\$0.55 to \$0.68	\$0.45 to \$0.61

1. Vacancy rates as of 3rd quarter 1999 and 2001.
2. Lease rates quoted for Industrial are "NNN" (tenant is responsible for taxes, insurance, insurance, maintenance and repairs for 3rd quarter 1999 and 2001).

Definitions: Class A- Class Hi-tech/R&D space, Class B- Light Industrial, Class C- Heavy Industrial.

Sources: Stanley R. Hoffman Associates, Inc.
 CB Richard Ellis, Office Markets, 3rd Quarter, 1999 and 2001.

Figure 4-8
City of San Buenaventura Economic Base Analysis
Mid-Point Industrial Lease Rates, 2nd Quarter 2001



Source: CB Richard Ellis

Market Trends

Industrial space development and absorption is more evenly spread between East and West Ventura County than office development. Despite cutbacks in the high-tech industry, industrial properties continue to lease and sell at a steady pace. Diversity in industrial businesses within Ventura County is mitigating the impact of the economic slowdown on the market. Less speculative construction is expected as developers become more cautious. In contrast to the stronger absorption in other communities throughout the County, the City of San Buenaventura has shown relatively little new industrial space absorption from 3rd quarter 1999 to 3rd quarter 2001.

4.4.4 Retail Market Trends

Data from CB Richard Ellis for existing competitive community and neighborhood shopping centers in Ventura County is presented in Table 4-16 with many of these centers anchored by major tenants. The data is shown for gross leasable square footage (GLA). This information covers the period from 3rd quarter 1999 to 3rd quarter 2001.

As shown in Table 4-16, the total gross leasable square footage (GLA) in the CB Richard Ellis survey was over 13.7 million square feet in 3rd quarter 2001. This GLA was relatively evenly distributed between East (48 percent) and West County (52 percent). The countywide retail center vacancy rate was about 7.6 percent for 3rd quarter 2001. This grew by almost 2 percentage points from 3rd quarter 1999.

In the City of San Buenaventura, about 1.9 million square feet of community and neighborhood center space was included in the survey. While the square footage remained the same over the two-year period, the vacancy rate for the City was shown to have increased to 14.7 percent in 3rd quarter 2001 from 4.1 percent in 3rd quarter 1999. This increase in vacancy rate was due to almost 200.0 thousand square feet becoming available for lease over this period.

Table 4-17 lists the characteristics of the multi-tenant retail centers located in the City of San Buenaventura as reported in the 2000 Shopping Center Directory (published annually by the

Table 4-16
City of San Buenaventura Economic Base Analysis
Area Retail Market Activity, 3rd Quarter 1999 to 3rd Quarter 2001

City	No. of Buildings Surveyed	Total Sq. Ft. of Gross Leasable Area ¹	Total Sq. Ft. Available ²	Vacancy Rate
<u>3rd Quarter, 1999</u>				
San Buenaventura	17	1,868,635	76,997	4.1%
Oxnard/ Pt. Hueneme	21	3,265,730	236,761	7.3%
Camarillo	10	1,528,146	147,799	9.7%
Santa Paula/Fillmore	<u>NA</u>	<u>NA</u>	<u>NA</u>	<u>NA</u>
West County ³	48	6,662,511	461,557	6.9%
Newbury Park	5	346,373	14,843	4.3%
Thousand Oaks	14	2,121,107	113,496	5.4%
Westlake Village	5	555,487	8,820	1.6%
Simi Valley	21	2,923,974	153,658	5.3%
Moorpark	<u>3</u>	<u>489,887</u>	<u>9,282</u>	<u>1.9%</u>
East County	48	6,436,828	300,099	4.7%
Total County	96	13,099,339	761,656	5.8%
<u>3rd Quarter, 2001</u>				
San Buenaventura	17	1,868,635	274,994	14.7%
Oxnard/ Pt. Hueneme	23	3,332,730	263,218	7.9%
Camarillo	11	1,581,809	123,174	7.8%
Santa Paula/Fillmore	<u>3</u>	<u>307,243</u>	<u>32,237</u>	<u>10.5%</u>
West County	54	7,090,417	693,623	9.8%
Newbury Park	6	469,490	7,050	1.5%
Thousand Oaks	14	2,121,107	118,163	5.6%
Westlake Village	5	555,487	7,500	1.4%
Simi Valley	23	2,978,995	182,485	6.1%
Moorpark	<u>3</u>	<u>489,887</u>	<u>29,746</u>	<u>6.0%</u>
East County	51	6,614,966	344,944	5.2%
Total County	105	13,705,383	1,038,567	7.6%
<u>2 year Change</u>				
Ventura	0	0	197,997	10.6%
Oxnard/ Pt. Hueneme	2	67,000	26,457	0.7%
Camarillo	1	53,663	-24,625	-1.9%
Santa Paula/Fillmore	<u>3</u>	<u>307,243</u>	<u>32,237</u>	<u>NA</u>
West County	6	427,906	232,066	2.9%
Newbury Park	1	123,117	-7,793	-2.8%
Thousand Oaks	0	0	4,667	0.2%
Westlake Village	0	0	-1,320	-0.2%
Simi Valley	2	55,021	28,827	0.9%
Moorpark	<u>0</u>	<u>0</u>	<u>20,464</u>	<u>4.1%</u>
East County	3	178,138	44,845	0.6%
Total County	9	606,044	276,911	1.8%
<u>% Increase of Total County</u>				
West	67%		84%	
East	33%		16%	

1. Data includes existing competitive community/neighborhood shopping centers in Ventura County with the majority anchored by major tenants.
2. This represents space currently available for direct lease.
3. Data for West County 3rd Quarter, 1999 was not available for the Cities of Santa Paula & Fillmore.

Source: Stanley R. Hoffman Associates, Inc.
 CB Richard Ellis, Retail Markets, 3rd Quarter, 1999 and 2001.

Table 4-17
City of San Buenaventura Economic Base Analysis
Retail Centers in San Buenaventura

Center Name and Location	Type	Year Built	Total Sq. Ft.	Anchors	Other Tenants
Existing Centers					
Pacific View Ventura (Buenaventura Mall) Main St. & Mills St.	SR	1963	801,152	Circuit City JC Penney Macy's Rite Aid Pharmacy Robinson's- May Sears	Big 5 Sporting Goods, Footlocker Kaybee Toys, Lechter's housewares Radio Shack, Sam Goody Other fast food, clothing, electronic, houseware, jewelry, shoe stores
Telephone Road Plaza Telephone Rd. & Main St.	C	1982	250,000	Ross Office Depot	Starbucks, Payless Shoe Store, hair salon, fast food
Central Shopping Center SWC Telephone & Petit Ave.	N	1965	62,314	Ralph's Grocery	Dry cleaners, Video shop Fast food, hair salon, gym, pharmacy
Gateway Village Shopping Center NWC & N. Banks Drs.	C	1988	117,000	Kids R US Toys R US	Other tenants in about 48,500 sq. ft. of total square feet.
K-Mart Center 1739 Victoria St.	N		98,000	K-Mart	
Marina Village Seaward Ave. & Harbor Blvd.	N	1967	75,000	Bank of A. Levy Colony Kitchen Restaurant People's Bank Thriftmart grocery Vons Supermarket	Century 21, Wash N' Dry Home Savings of America video store, dry cleaners
Mission Plaza Ventura & Main Sts.	C	1984	101,000	Rite Aid Pharmacy Vons Supermarket	Fast food, hair salon
The Plaza SEC Thompson Blvd. & Borchard Dr.	C	n/a	100,000	Rite Aid Pharmacy Vons Supermarket	World Savings & Loan, Blockbuster Video Fast food, dry cleaners, nail salon
Ventura Century 10 Theater Plaza NWC Main St. & Chestnut	N	1998	36,100	Ventura Century 10 Theatres	Ben & Jerry's Ice Cream, Juice Shack, Kelly's Coffee & Fudge, Quizno's
Ventura Village Telephone Rd. & Victoria Rd.	N	1986	76,080	Vons Supermarket Other	Blockbuster Video, Launderland Cleaners, fast food, personal care
Victoria Plaza Telegraph Rd. & Victoria Ave.	N	1962	50,000	Sav-On	Bank of America, fast food, hair salon
Victoria Village Victoria Ave. & Raiston	N	1982	90,000	Ralph's Grocery	Fast food, pizza shop, pub, bank
Total Existing Square Feet			1,866,646		
Centers Under Construction					
Montalvo Hill Victoria & Raiston	N	Current	128,013	Ralph's Grocery LA Fitness Long's Drugs	
Ventura Gateway Telephone & Portola	N	Current	276,520	Kohl's Department Store	
Total Square Feet Under Construction			404,533		
Total Square Feet: Existing and New			2,261,179		

1. C = Community, N = Neighborhood, R = Regional, SR = Super Regional.

Source: National Research Bureau, Shopping Center Directory 2000.

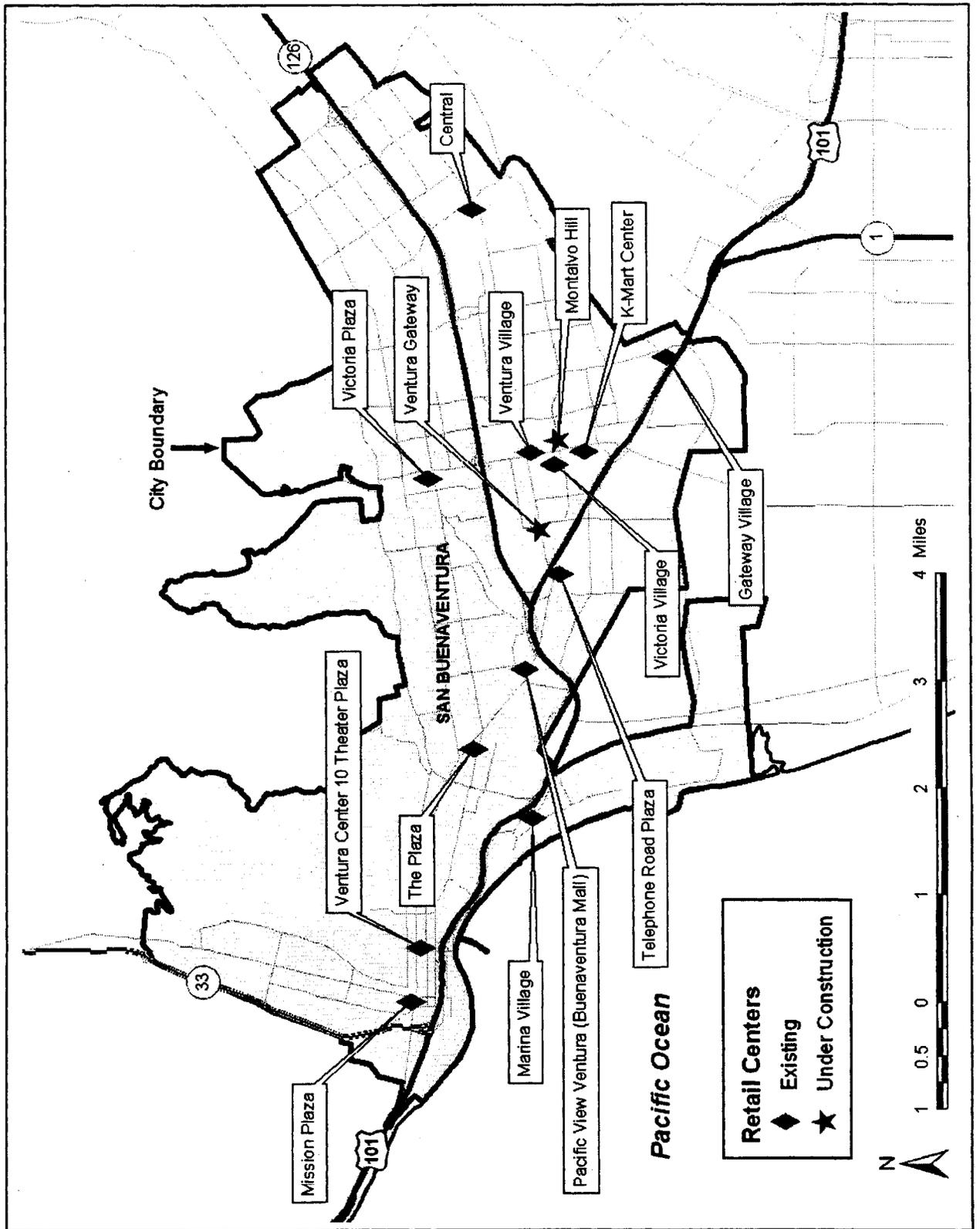
National Research Bureau). In addition, retail centers under construction in the City are also shown. The existing centers include a total of about 1.9 million square feet of anchor tenants as well as smaller retail shops. The two largest centers together comprise about 1.1 million square feet or 57 percent of the total. The largest center is the Pacific View (Buenaventura Mall) super regional center at Main and Mill Streets, with about 801,000 square feet of space including anchors such as Macy's, Robinson's-May, Sears and JC Penney. Most of the centers were built prior to 1990 and several, including the recently refurbished Buenaventura Mall, were built in the 1960s. Development of the Montalvo Hill and Ventura Gateway projects currently under construction represent additional retail opportunities. These retail projects will include a total of 404,533 square feet, resulting in about 2.3 million square feet of retail in the City when completed. Figure 4-9 shows the locations of both the existing centers and those under construction.

4.5 Tourism

Tourism is an important component of the City's economic base, providing jobs in hotel, retail and restaurant establishments. In addition, the industry generates public revenues from transient occupancy tax and retail sales. The City of San Buenaventura's Tourism Master Plan provides an assessment of the City's tourism industry, which indicates that several growth opportunities exist. Major tourist venues include the Channel Islands National Park, beaches and harbor, and downtown cultural attractions.

Ventura County is part of the Central Coast travel region that extends northward to Santa Barbara, San Luis Obispo and Monterey Counties. According to the California Division of Tourism, this region is estimated to have about 31.4 million visitor trips representing about 12.4 percent of California's travel volume. The Division estimates that regional travel expenditures total approximately \$5.4 billion. Channel Islands National Park attracted almost 500,000 visitors in 2000. The Division of Tourism also reported that the average daily room rate in 2000 for the Oxnard-Ventura area was \$73.09 and the average occupancy rate was 69.9 percent. In this context, there are significant opportunities for the City to increase tourism and business travel. Jobs as well as sizable public revenues are generated through increased hotel occupancy tax and

Figure 4-9
San Buenaventura Economic Base Analysis
Retail Centers in San Buenaventura



retail sales. Table 4-18 shows average expenditures per person per day on business and leisure travel for the Central Coast travel region. In 1999 visitors to Ventura County spent an average of \$55 per day in travel expenditures, including lodging, food and beverages, shopping, recreation and entertainment. This was less than the other counties in the region.

Table 4-18
City of San Buenaventura Economic Base Analysis
Average Expenditures Per Person Per Day in 1999
(in constant 2000 dollars)

Area	Total ¹	Business	Leisure
Santa Barbara County	\$77.50	\$81.40	\$76.60
Monterey County	\$96.80	\$124.80	\$86.70
San Luis Obispo County	\$86.10	\$93.10	\$85.10
Ventura County	\$55.10	\$62.80	\$53.00

1. Expenditures do not include transportation.

Sources: Stanley R. Hoffman Associates, Inc.
 California Division of Tourism.

4.5.1 Hotel Room Sales

Hotel room sales are another indicator that reveals the level of the City's tourism activities. Table 4-19 shows the room sales generated by hotels in San Buenaventura compared to the County. Hotel room sales in the City represent 25 to 28 percent of the total room sales in the County from 1993 to 2000. As shown, the average annual growth in hotel sales for the City during this time period was about the same as the County. However, as shown in Figure 4-10, the City has shown some slowing since 1998.

4.5.2 Hotel Inventory

As shown in Table 4-20, the City of Ventura currently has several lodging places with a total of about 1,340 rooms as listed in the 2001 AAA Tour Book. The nightly room rate ranges from \$50 to \$295. Due to the City's accessibility and visibility from the I-101 highway, hotel development could continue to capture a variety of tourist and business travelers.

Table 4-20
City of San Buenaventura Economic Base Analysis
Lodging in the City and Daily Rates

Hotel/Motel	Address	Total Rooms	Daily Rates	
			Low	High
La Quinta Inn	5818 Valentine Rd	142	\$55	\$79
Seaward Inn	2094 E. Harbor Blvd.	41	50	80
Vagabond Inn	756 E. Thompson Blvd.	82	56	83
Country Inn & Suites By Carlson	298 Chestnut St.	120	84	94
Best Western Inn	708 E. Thompson Blvd.	75	59	99
The Clocktower Inn	181 E. Santa Clara	49	99	129
Clarion Ventura Beach Hotel	2055 Harbor Blvd.	284	109	149
Holiday Inn Ventura Beach Resort	450 E. Harbor Blvd.	260	129	149
Four Points Ventura Harbortown By Sheraton	1050 Schooner Dr.	152	135	159
Bella Maggiore Inn	67 S. California St.	28	75	175
Victorian Rose Bed & Breakfast	896 E. Main St.	5	99	175
La Mer European Bed & Breakfast	411 Poli St.	5	90	185
Inn On The Beach	1175 S. Seaward Ave.	24	80	195
Pierpoint Inn	550 Sanjon Rd	72	\$115	\$295
Total Rooms		1,339		

Source: Stanley R. Hoffman Associates Inc.
AAA 2001 TourBook, Southern California & Las Vegas

4.5.3 Transient Occupancy Tax

Hotel transient occupancy tax, at 10 percent of gross room receipts, also contributes significantly to the City's public revenues. As shown in Table 4-21, in real dollars this revenue source has grown from about \$2.1 million in 1995 to \$2.7 million in 2000. This has resulted in a 5.0 percent average annual increase that is relatively higher than the average inflation rate of 2.1 percent over this time period. Figure 4-11 indicates that this source of public revenues has grown steadily since 1995.

Table 4-21
City of San Buenaventura Economic Base Analysis
Transient Occupancy Tax: 1995 to 2000
(in constant 2000 dollars)

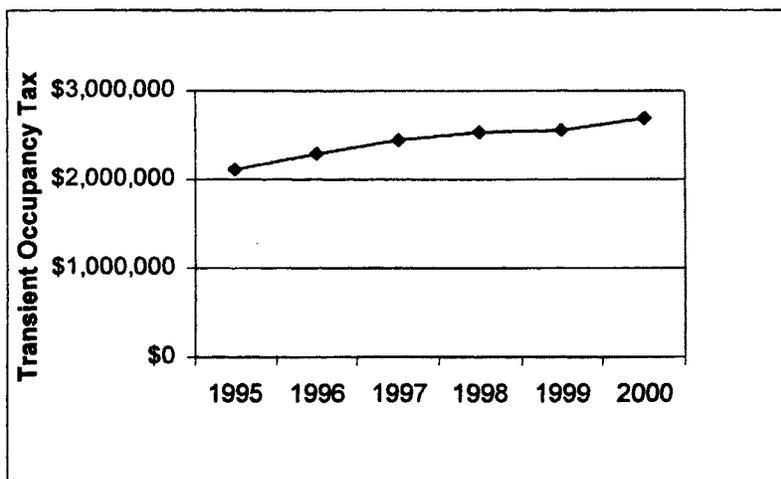
Year	Total TOT	Annual Growth rate
1995	\$2,105,385	N/A
1996	2,278,909	8.2%
1997	2,442,882	7.2%
1998	2,533,881	3.7%
1999	2,561,527	1.1%
2000	\$2,680,824	4.7%

Annual average growth rate 5.0%

1. CPI average 1995 to 2000: 2.1%

Sources: Stanley R. Hoffman Associates, Inc.
City of San Buenaventura.
Bureau of Labor Statistics, Consumer Price Index.

Figure 4-11
Transient Occupancy Tax: 1995 to 2000
(in Constant 2000 Dollars)



Source: City of San Buenaventura.

Chapter 5

ECONOMIC BASE ANALYSIS

In economic base theory, the driving force of the local economy is considered to be the Basic Industries or those industries that export a high proportion of their goods and services outside of the local region and cause income to flow into the region. The theory is that local regions grow as the external demand for locally produced goods and services grow. The economic base model then links changes in the local economy to changes in the basic industries through a multiplier effect where money earned through export activities generates demand for local, or non-basic, activity. Basic industries support indirect jobs and business linkages that further expand the economic base.

5.1 Employment Profile and Economic Base: 1993 to 2000

The employment profile from 1993 to 2000 for Ventura County and the City of San Buenaventura is shown in Table 5-1. Additionally, selected industries that are estimated to constitute the economic base employment are also shown. Traditionally, economic base industries were considered to be agriculture, mining and manufacturing. However, other industries can also be considered to be part of the economic base. For example, portions of Transportation relate to long distance transportation and the seaport that serves markets outside Ventura County. Also, a portion of Services, such as those related to tourism and some business services serve broader markets. Additionally, some government employment can be considered basic, particularly employment related to the two military bases in Ventura County.

As shown in Table 5-1, the economic base employment for Ventura County is estimated at about 79,300, or almost 28 percent of the total County employment of 245,008 in year 2000. The City is relatively less comprised of basic industries than Ventura County with an estimate of about 11,000 basic employment, representing about 22 percent of the total City employment of 50,146 for the same year. The City's basic employment is proportionally less than Ventura County indicating proportionally more in Services and Retail Trade.

**Table 5-1
City of San Buenaventura Economic Base Analysis
Employment: 1993 and 2000**

EMPLOYMENT CATEGORY	Ventura County Employment				Ventura City Employment				
	1993	2000	Annual Rate	Economic Base	1993	2000	Annual Rate	Economic Base	
Agriculture	18,017	17,700	-0.3%	17,700	2,261	2,644	2.3%	2,644	✓
Production	10,250	11,067	1.1%		1,155	1,503	3.8%		
Services	7,767	6,633	-2.2%		1,106	1,141	0.4%		
Mining	2,217	1,100	-9.5%	1,100	749	473	-6.3%	473	✓
Construction	9,108	15,317	7.7%		2,336	3,032	3.8%		
Durable Manufacturing	21,983	25,850	2.3%	25,850	1,589	2,718	8.0%	2,718	✓
Electronic Equipment	6,533	8,967	4.6%		236	242	0.3%		
Transportation Equipment	2,250	2,467	1.3%		71	239	18.9%		
Instruments & Measuring Equipment	4,487	2,900	-6.0%		147	271	9.2%		
Industrial Machinery	3,692	5,358	5.5%		593	846	5.2%		
Non-Durable Manufacturing	8,367	14,183	7.8%	14,183	1,909	1,732	-1.4%	1,732	
Transportation and Public Utilities	10,200	12,250	2.7%	2,704	1,358	1,766	3.8%	597	
Transportation	4,400	5,758	3.9%		669	889	4.1%		
Communications & Public Utilities	5,800	6,492	1.6%		689	877	3.5%		
Wholesale Trade	11,167	12,725	1.9%	2,800	2,019	2,122	0.7%	720	
Retail Trade	43,317	50,500	2.2%		8,709	10,664	2.9%		
Retail Trade (non-food)	9,267	11,792	3.5%		5,587	6,901	3.1%		
Eating & Drinking	16,183	17,575	1.2%		3,122	3,763	2.7%		
Finance, Insurance & Real Estate	12,600	14,875	2.4%		2,219	1,952	-1.8%		
Finance	5,633	5,983	0.9%		421	536	3.5%		
Services	64,808	79,183	2.9%	9,182	16,085	16,879	0.7%	2,052	
Business Services	16,292	25,425	6.6%		4,463	3,757	-2.4%		
Health Services	16,217	16,658	0.4%		5,268	5,508	0.6%		
Other Services	32,300	37,100	2.0%		6,353	7,615	2.6%		
Public Sector	43,225	44,658	0.5%	5,759	5,316	6,162	2.1%	0	
Private Sector	201,783	243,683	2.7%		39,232	43,983	1.6%		
Total, All Industries	245,008	288,342	2.4%	79,278	44,548	50,146	1.7%	10,937	
<i>Economic Base Employment as Percent of Total Employment:</i>		100%		27.5%		100%		21.8%	

Source: Stanley R. Hoffman Associates
California Employment Development Department data as provided by the
University of California, Santa Barbara, Economic Forecast Project

5.2 Comparative County/City Employment Trends

As shown above in Table 5-1, the growth in employment from 44,548 in 1993 to 50,146 in 2000 represents an annual average growth rate of 1.7 percent for the City of San Buenaventura. This is relatively slower than the County growth rate of 2.4 percent. A key economic development issue is potentially attracting industries that can drive the economy and that are growing within the larger market area. For example, **Durable Manufacturing** has been growing at about 2.3 percent per year in the County over the 1993 to 2000 period in the County; within the City this group has been growing relatively faster at about 8.0 percent per year. Potentially there could be opportunities to attract industries within the Durable Manufacturing group such as Electronic Equipment, Transportation Equipment, Instruments and Measuring Equipment and Industrial Machinery.

In **Non-Durable Manufacturing**, the trend is reversed. The County shows relatively rapid growth of about 7.8 percent per year while the City actually declined in employment at about 1.4 percent per year. This group includes the rapidly expanding biotechnology and research and development firms, such as Amgen, that are primarily located in the eastern portion of the County. A consideration would be to determine if there are opportunities to attract these types of firms to San Buenaventura and what conditions need to be in place to achieve this objective.

In the **Services** sector, selected activities such as Business Services and Tourism provide the opportunity to expand the economic base. The expansion of Business Services could likely increase the capture of professional and technical businesses such as: engineering and management, legal and accounting, computer and data management and specialized consulting activities, such as planning and environmental services. Also, the expansion of Tourism could likely capture increased hotel and retail activity that serves both the leisure and business traveler.

San Buenaventura as a percent of County Employment

As shown in Table 5-2, from 1993 to 2000 the City of San Buenaventura's employment declined slightly from 18.2 to 17.4 percent as a percent of County employment. However, selected sectors showed sizable increases or decreases relative to the County. For example, Durables Manufacturing (Electronics and Transportation Equipment, Instruments and Industrial

Table 5-2
City of San Buenaventura Economic Base Analysis
City's Share of County Employment: 1993 and 2000

Employment Category	City % of County		Change
	1993	2000	
Agriculture	12.5%	14.9%	2.4%
Production	11.3%	13.6%	2.3%
Services	14.2%	17.2%	3.0%
Mining	33.8%	43.0%	9.3%
Construction	25.6%	19.8%	-5.9%
Durable Manufacturing	7.2%	10.5%	3.3%
Electronic Equipment	3.6%	2.7%	-0.9%
Transportation Equipment	3.2%	9.7%	6.5%
Instruments & Measuring Equipment	3.3%	9.3%	6.1%
Industrial Machinery	16.1%	15.8%	-0.3%
Non-Durable Manufacturing	22.8%	12.2%	-10.6%
Transportation and Public Utilities	13.3%	14.4%	1.1%
Transportation	15.2%	15.4%	0.2%
Communications & Public Utilities	11.9%	13.5%	1.6%
Wholesale Trade	18.1%	16.7%	-1.4%
Retail Trade	20.1%	21.1%	1.0%
Retail Trade (non-food)	60.3%	58.5%	-1.8%
Eating & Drinking	19.3%	21.4%	2.1%
Finance, Insurance & Real Estate	17.6%	13.1%	-4.5%
Finance	7.5%	9.0%	1.5%
Services	24.8%	21.3%	-3.5%
Business Services	27.4%	14.8%	-12.6%
Health Services	32.5%	33.1%	0.6%
Other Services	19.7%	20.5%	0.9%
Public Sector	12.3%	13.8%	1.5%
Private Sector	19.4%	18.0%	-1.4%
Total, All Industries	18.2%	17.4%	-0.8%

Source: Stanley R. Hoffman Associates

California Employment Development Department data as provided by the
University of California, Santa Barbara, Economic Forecast Project

Machinery) increased from 7.2 percent to 10.5 percent of County employment while Non-Durables Manufacturing (Food and Kindred Products, Apparel and Printing and Publishing) declined from 22.8 percent to 12.2 percent. Finance, Insurance and Real Estate declined from 17.6 percent to 13.1 percent and Business Services declined from 27.4 percent to 14.8 percent.

5.3 Average Salary Trends: 1993 to 2000

Another economic base consideration is the relative salaries generated by the respective industries. As shown in Table 5-3, the average salary for all industries in the County for year 2000 is estimated at about \$38,800 while those for the economic base industries average about \$47,800, or 23 percent higher. In some industries that comprise the economic base employment, the averages are much higher than the County average, such as Durable Manufacturing (\$53,222) and Non-Durable Manufacturing (\$77,033). In the City of San Buenaventura, the average salary for the estimated basic employment at \$34,400 is only 3 percent higher than the total for all industries of \$33,466. In selected basic industries, for example Durable and Non-Durable Manufacturing industries, the average salaries range from 10 to 16 percent higher, respectively.

In addition, selected categories within the Services sector, such as Legal Services and Engineering and Management, can have higher average salaries than this sector as a whole as shown in Table 5-4. This suggests that if the right mix of basic industries can be expanded or attracted to the city, there is the potential to increase average incomes in the local area.

5.4 Key Economic Indicators

This section addresses various economic indicators that can assist in assessing the strengths and weaknesses of a geographic area's economic base. This includes the ability to compare the local economy with the larger economy, and identify what industries in the City's economic base lead or lag behind local growth trends. These indicators include location quotients, shift-share analysis and gross product analysis.

5.4.1 Location Quotients

The location quotient assesses the local distribution of a larger area's economic activity. In this analysis, the location quotient assesses the local distribution of employment within San Buenaventura by comparing an industry's share of the local economy with that same industry's share of the Tri-County economy, including the Counties of Ventura, Santa Barbara and San Luis Obispo. A ratio of greater than 1.0 means that the city has more concentration of that particular industry compared with the Tri-County regional economy and a ratio of less than 1.0 means that it has less.

Table 5-3
City of San Buenaventura Economic Base Analysis
Average Salaries: 1993 and 2000¹

EMPLOYMENT CATEGORY	Ventura County Average Salaries				Ventura City Average Salaries			
	1993	2000	Annual Rate	Economic Base	1993	2000	Annual Rate	Economic Base
Agriculture	\$15,198	\$21,350	5.0%	\$21,350	\$17,871	\$25,298	5.1%	\$25,298
Production	\$17,117	\$21,819	3.5%		\$21,257	\$30,917	5.5%	
Services	\$13,176	\$18,231	4.7%		\$14,336	\$17,894	3.2%	
Mining	\$49,851	\$57,173	2.0%	\$57,173	\$46,334	\$46,555	0.1%	\$46,555
Construction	\$28,869	\$37,030	3.6%		\$29,960	\$36,724	3.0%	
Durable Manufacturing	\$35,570	\$53,222	5.9%	\$53,222	\$28,081	\$38,683	4.7%	\$38,683
Electronic Equipment	\$36,345	\$60,455	7.5%		\$23,134	\$39,706	8.0%	
Transportation Equipment	\$46,226	\$50,685	1.3%		\$22,476	\$32,040	5.2%	
Instruments & Measuring Equipment	\$36,812	\$58,277	6.8%		\$34,324	\$35,869	0.6%	
Industrial Machinery	\$39,953	\$56,489	5.1%		\$31,305	\$43,196	4.7%	
Non-Durable Manufacturing	\$28,331	\$77,033	15.4%	\$77,033	\$26,504	\$38,026	5.3%	\$38,026
Transportation and Public Utilities	\$36,123	\$40,971	1.8%	\$40,971	\$28,814	\$41,506	5.4%	\$41,506
Transportation	\$28,176	\$33,390	2.5%		\$23,751	\$28,316	2.5%	
Communications & Public Utilities	\$43,680	\$48,384	1.5%		\$33,730	\$54,875	7.2%	
Wholesale Trade	\$32,858	\$43,427	4.1%	\$43,427	\$26,458	\$40,956	6.4%	\$40,956
Retail Trade	\$15,105	\$21,337	5.1%		\$15,826	\$21,273	4.3%	
Retail Trade (non-food)	\$18,698	\$26,227	5.0%		\$19,646	\$26,471	4.4%	
Eating & Drinking	\$9,107	\$12,621	4.8%		\$8,989	\$11,741	3.9%	
Finance, Insurance & Real Estate	\$32,516	\$46,808	5.3%		\$27,327	\$36,839	4.4%	
Finance	\$39,971	\$53,514	4.3%		\$38,008	\$43,651	2.0%	
Services	\$26,595	\$37,566	5.1%	\$37,566	\$25,392	\$30,231	2.5%	\$30,231
Business Services	\$20,957	\$28,728	4.6%		\$20,610	\$24,337	2.4%	
Health Services	\$31,085	\$39,456	3.5%		\$30,871	\$34,995	1.8%	
Other Services	\$26,598	\$31,554	2.5%		\$24,208	\$29,694	3.0%	
Public Sector	\$35,973	\$52,354	5.5%	\$52,354	\$34,423	\$54,787	6.9%	\$54,787
Private Sector	\$25,733	\$37,930	5.7%		\$23,953	\$30,479	3.5%	
Total, All Industries	\$26,542	\$38,808	5.6%	\$47,781	\$25,202	\$33,466	4.1%	\$34,401
Economic Base Employment as Percent of Total Employment:		100%		123%		100%		103%

1. Average salaries are shown in nominal dollars.

Source: Stanley R. Hoffman Associates
 California Employment Development Department data as provided by the
 University of California, Santa Barbara, Economic Forecast Project

Table 5-4
City of San Buenaventura Economic Base Analysis
Services Sector Average Salaries: 1993 and 2000 ¹

Sector	Ventura County Average Salaries				Ventura City Average Salaries			
	1993	2000	Annual Rate	Economic Base	1993	2000	Annual Rate	Economic Base
Services	\$26,595	\$37,566	5.1%	\$37,566	\$25,392	\$30,231	2.5%	\$30,231
Business Services	\$20,957	\$28,728	4.6%		\$20,610	\$24,337	2.4%	
Health Services	\$31,085	\$39,456	3.5%		\$30,871	\$34,995	1.8%	
Hotel & Lodging	\$12,843	\$17,903	4.9%		\$11,193	\$15,186	4.5%	
Legal	\$41,199	\$44,677	1.2%		\$41,849	\$49,977	2.6%	
Engineering & Mgmt	\$43,616	\$44,578	0.3%		\$40,037	\$49,005	2.9%	
Other Services	\$22,946	\$27,205	2.5%		\$17,980	\$23,629	4.0%	

1. The detail for the Services category was developed using 2-digit SIC data from EDD and normalizing the data to the Services employment numbers provided by UCSB through their labor market data. Average salaries are shown in nominal dollars.

Sources: Stanley R. Hoffman Associates, Inc.
 California Employment Development Department, 2-digit SIC data.

As shown in Table 5-5, the City is less concentrated in basic employment than the Tri-County region. For example, the year 2000 location quotients of 0.776 for Durable and 0.245 for Non-Durable Manufacturing are both less than the ratio of 1.0. While the Mining sector has ratios significantly above 1.0 in 1993 and 2000, this is a relatively small portion of the economy. Also, the Services sector is either close to or above the ratio of 1.0. This likely reflects both the influence of household serving businesses and tourism on the local economy. These indicators provide information in evaluating the economy and in identifying target industry sectors that can achieve the City's desired objectives and economic vision.

Table 5-5
City of San Buenaventura Economic Base Analysis
Tri-County Location Quotients: 1993 and 2000¹

Industry Sector	Location Quotient	
	1993	2000
Agriculture	0.642	0.634
Mining	2.372	2.843
Construction	1.435	1.179
Durables Manufacturing	0.445	0.776
Non-Durables Manufacturing	0.395	0.245
Transportation, Comm. & Utilities	0.605	0.798
Wholesale Trade	1.187	1.108
Retail Trade	1.055	1.119
Finance, Insurance, Real Estate	0.987	0.774
Services	1.058	0.979
Public Sector	<u>1.727</u>	<u>2.006</u>
Total, All Industries	1.000	1.000

1. The location quotients assess the local distribution of employment within the City of San Buenaventura by comparing an industry's share of the local economy with that same industry's share of the Tri-County economy (Ventura, Santa Barbara and San Luis Obispo Counties).

Sources: Stanley R. Hoffman Associates, Inc.
California Employment Development Department data as provided
by UCSB, Economic Forecast Project.

5.4.2 Shift-Share Analysis

The Shift-Share analytical technique has been developed to understand how local economies change and to distinguish between trends that are more national or regional rather than local in scope. While the comparison economy is typically either the national, state or regional level, for this analysis, the City of San Buenaventura is compared to the County of Ventura's employment growth trends.

The Shift-Share method divides the economy into three components. The first component, the "Share Effect", identifies how much of the employment growth in the city's economy was due to overall economic growth in the County. The second component, the "Industry Mix Effect",

measures how much of the local economic growth was the result of its industry composition being tilted toward or away from faster growing industries. The third component, the "Competitive Shift", estimates the amount of growth in the local economy that was due to local competitive conditions.

As shown in Table 5-6, the City's employment would have grown by 17.7 percent if it experienced the same share of employment growth as the County's overall growth rate. The industry mix effect accounted for only a 2.3 percent overall increase, where each industry at the City level grew at the same relative rate as the corresponding industry at the County level. It shows wide variation depending upon the particular industry.

The third component, the competitive shift, shows an overall 7.5 percent negative growth at the City level. This essentially indicates that the City was not strongly competitive in several of the faster growing industry groupings at the County level, namely, Non-durables Manufacturing and Services. Also, the Finance, Insurance and Real Estate grouping grew less rapidly relative to the County.

When combined, these three components increased 12.6 percent from 1993 to 2000. While the County of Ventura showed relatively rapid growth in several important industry groupings, such as Non-durables manufacturing and Services, the City was not as competitive as other jurisdictions in the County in capturing these same industries.

Table 5-6
 City of San Buenaventura Economic Base Analysis
 Shift Share Analysis: 1993 - 2000

Industry Sector	Employment				Shift Share Components of Growth							
	San Buenaventura		Ventura County		Share Effect ¹		Industry Mix ²		Competitive Shift ³		Total	
	1993	2000	1993	2000	Percent	Change	Percent	Change	Percent	Change	Percent	Change
Agriculture	2,261	2,644	18,017	17,700	17.7%	400	-19.4%	-440	18.7%	423	17.0%	384
Mining	749	473	2,217	1,100	17.7%	132	-68.1%	-510	13.6%	102	-36.8%	-275
Construction	2,336	3,032	9,108	15,317	17.7%	413	50.5%	1,179	-38.4%	-897	29.8%	696
Durables Manufacturing	1,589	2,718	21,983	25,850	17.7%	281	-0.1%	-2	53.5%	850	71.1%	1,130
Non-Durables Manufacturing	1,909	1,732	8,367	14,183	17.7%	338	51.8%	989	-78.8%	-1,504	-9.3%	-177
Transportation, Comm. & Utilities	1,358	1,766	10,200	12,250	17.7%	240	2.4%	33	9.9%	135	30.0%	408
Wholesale Trade	2,019	2,122	11,167	12,725	17.7%	357	-3.7%	-75	-8.8%	-178	5.1%	103
Retail Trade	8,709	10,664	43,317	50,500	17.7%	1,540	-1.1%	-96	5.9%	511	22.4%	1,955
Finance, Insurance, Real Estate	2,219	1,952	12,600	14,875	17.7%	392	0.4%	8	-30.1%	-667	-12.0%	-266
Services	16,085	16,879	64,808	79,183	17.7%	2,845	4.5%	723	-17.2%	-2,773	4.9%	794
Public Sector	5,316	6,162	43,225	44,658	17.7%	940	-14.4%	-764	12.6%	670	15.9%	846
Total, All Industries	44,549	50,145	245,009	288,341	17.7%	7,879	2.3%	1,046	-7.5%	-3,329	12.6%	5,597

1. The Shift-Share method divides the economy into three components. The first component, the "Share Effect", identifies how much of the employment growth in the city's economy was due to overall economic growth in the County.
2. The second component, the "Industry Mix Effect", measures how much of the local economic growth was the result of its industry composition being tilted toward or away from faster growing industries.
3. The third component, the "Competitive Shift", estimates the amount of growth in the local economy that was due to local competitive conditions.

Source: Stanley R. Hoffman Associates, Inc.
 University of California, Santa Barbara, Economic Outlook Project 2001, Special Tabulation.

5.4.3 Gross Product Analysis

Gross product is a measure of the total value added of all goods and services production in a particular area. It is a more comprehensive economic output indicator than employment or wages alone and is measured as the sum of consumption expenditures, government purchases of goods and services and gross investment. The gross product estimates have been prepared by the University of California, Santa Barbara (UCSB) Forecast Project for 1993 through 2000, in constant 1996 dollars, based on state as well as local Standard Industrial Classification (SIC) data and by making an assumption regarding the labor income share of the local area. While gross product estimates are typically made at a national level, the UCSB estimates provide an approximate measure of local economic production in the City of San Buenaventura and the County.

Gross City Product

The estimated Gross City Product by industry sectors is shown in Table 5-7, Panel A. The City's total gross product grew at an annual average rate of 4.3 percent from 1993 to 2000, increasing from about \$4.2 billion to \$5.7 billion. The three largest industry sectors were Services (27%), Retail Trade (15%) and Finance, Insurance and Real Estate (13%) constituting an estimated 55 percent of the City's total gross product in year 2000. The public sector was estimated at 9 percent of the gross product.

Durables Manufacturing grew to 6 percent of the Gross City Product in 2000 from only 2 percent in 1993 and increased its share of total County Gross Product from 7 percent to 9 percent, as shown in Table 5-7, Panel C. In contrast, Non-Durables Manufacturing stayed constant at 4 percent of the Gross City Product from 1993 to 2000, but dropped significantly from 23 percent to 5 percent when viewed as a share of the County's Gross Product. The significance of these two sectors is that include the rapidly growing sectors of high technology manufacturing and biotechnology.

County Gross Product

In contrast, the estimated Gross County Product grew more rapidly from 1993 to 2000 at an average annual rate of 6.6 percent, as shown in Table 5-7, Panel B, increasing from about \$20.7

Table 5-7
City of San Buenaventura Economic Base Analysis
Gross Product Analysis: 1993 and 2000¹
(in millions of 1996 dollars)

A. Gross City Product

Employment Category	1993	Percent of Total	2000	Percent of Total	AAGR ²
Agriculture	\$215	5%	\$326	6%	6.1%
Mining	190	4%	192	3%	0.1%
Construction	231	5%	277	5%	2.6%
Durables Mfg	103	2%	344	6%	18.8%
Non-Durables Mfg	176	4%	216	4%	2.9%
Trans., Comm., Utilities	192	5%	375	7%	10.0%
Finance, Insurance & Real Estate	687	16%	719	13%	0.6%
Retail Trade	491	12%	828	15%	7.8%
Wholesale Trade	210	5%	359	6%	8.0%
Services	1,309	31%	1,548	27%	2.4%
Public Sector	435	10%	502	9%	2.1%
Private Sector	3,805	90%	5,183	91%	4.5%
Total	\$4,240	100%	\$5,688	100%	4.3%

B. Gross County Product

Employment Category	1993	Percent of Total	2000	Percent of Total	AAGR
Agriculture	\$1,421	7%	\$1,815	6%	3.6%
Mining	419	2%	521	2%	3.2%
Construction	742	4%	1,064	3%	5.3%
Durables Mfg	1,445	7%	3,824	12%	14.9%
Non-Durables Mfg	782	4%	3,992	12%	26.2%
Trans., Comm., Utilities	1,798	9%	1,907	6%	0.9%
Finance, Insurance & Real Estate	3,765	18%	5,382	17%	5.2%
Retail Trade	1,967	9%	3,242	10%	7.4%
Wholesale Trade	1,196	6%	1,960	6%	7.3%
Services	5,816	28%	7,227	22%	3.2%
Public Sector	1,368	7%	1,490	5%	1.2%
Private Sector	19,351	93%	30,934	95%	5.9%
Total	20,719	100%	\$32,423	100%	6.6%

C. Gross City Product as a Percent of County: 1993-2000

Employment Category	1993	2000
Agriculture	15%	18%
Mining	45%	37%
Construction	31%	26%
Durables Mfg	7%	9%
Non-Durables Mfg	23%	5%
Transportation	11%	20%
Finance, Insurance & Real Estate	18%	13%
Retail Trade	25%	26%
Wholesale Trade	18%	18%
Services	23%	21%
Public Sector	32%	34%
Private Sector	20%	17%
Total	20%	18%

1. Gross County/City Product data is computed using both state as well as local SIC data and by making an assumption regarding the labor income share of the local area. It measures the total value added for all goods and services production in the respective area.
2. AAGR = Average Annual Growth Rate

Source: Stanley R. Hoffman Associates, Inc.
UCSB Economic Forecast Project, November, 2000.

billion to 32.4 billion. The three largest industry sectors, when combining Durables and Non-Durables Manufacturing, were Manufacturing (24%), Services (22%) and Finance, Insurance and Real Estate (17%) constituting an estimated 63 percent of the County's total gross product in year 2000. The public sector was estimated at only 5 percent of the gross product in 2000, declining from 7 percent in 1993.

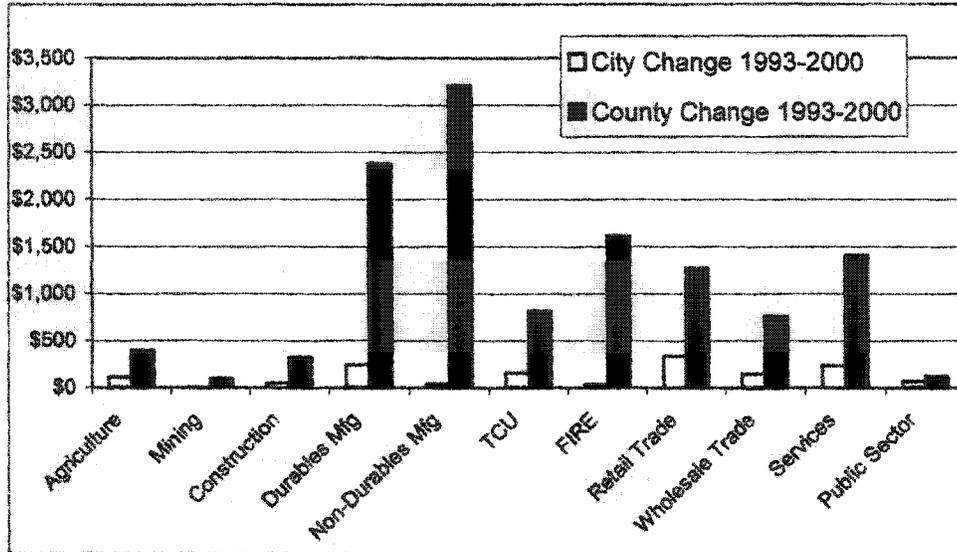
At the county level, the Gross Product for Durables Manufacturing and Non-Durables Manufacturing exhibited the most rapid growth from 1993 to 2000. As shown Table 5-7, Panel B, Non-Durables Manufacturing and Durables Manufacturing grew at average annual rates of 26.2 percent and 14.9 percent, respectively, over this same period. While the City was estimated to capture a greater proportion of the Durables Manufacturing growth in the County, it was not able to maintain that same capture performance for Non-Durables Manufacturing. This later sector includes growth in bio-technology firms that were more concentrated in the Thousand Oaks area of eastern Ventura County.

Comparative Change in Gross Products

The change in Gross Product for the City and the County are compared in Figure 5-1 and provides a measure of local competitiveness. Overall, the Gross Product of the City, in constant 1996 dollars, declined to about 18.0 percent in 2000 as a share of the County's Gross Product from 20.0 percent in 1993. This represents a capture of about 16.0 percent of the County's estimated \$11.7 billion increase in Gross Product from 1993 to 2000.

When viewed by employment category as shown in Table 5-8, the City captured only about 1.3 percent of the County's most rapidly growing Non-Durables Manufacturing sector. The City fared better by capturing about 10.0 percent of the next fastest growing sector of Durables Manufacturing. While Finance, Insurance and Real Estate (FIRE) and Services did not grow as rapidly because of their relatively large initial base, they did exhibit sizable growth from 1993 to 2000 in County Gross Product as shown in Figure 5-1 and Table 5-8. The City captured only about 2 percent of the County Gross Product growth in FIRE, but fared better by capturing about 17.0 percent of Services. These measures indicate where the City could potentially strengthen its economic position.

Figure 5-1
City of San Buenaventura Economic Base Analysis
Change in Gross Product for City and County: 1993 and 2000
(in millions of 1996 dollars)



Note: TCU = Transportation, Communication, Utilities; FIRE = Finance, Insurance & Real Estate.

Table 5-8
City of San Buenaventura Economic Base Analysis
City and County Change in Gross Product: 1993-2000

Employment Category	Change in Gross Product: 1993-2000		% of County Change
	County	City	
Agriculture	\$394	\$111	28.2%
Mining	102	2	2.0%
Construction	322	46	14.3%
Durables Mfg	2,379	241	10.1%
Non-Durables Mfg	3,210	40	1.2%
Trans., Comm., Utilities ¹	109	183	167.9%
Finance, Insurance & Real Estate	1,617	32	2.0%
Retail Trade	1,275	337	26.4%
Wholesale Trade	764	149	19.5%
Services	1,411	239	16.9%
Public Sector	122	67	55.1%
Private Sector	<u>11,583</u>	<u>1,379</u>	<u>11.9%</u>
Total	\$11,705	\$1,446	12.4%

1. The City change is greater than 100% of the County change due to the decline in the Utilities sector in other areas of the County.

Source: Stanley R. Hoffman Associates, Inc.
 UCSB Economic Forecast Project, November, 2000.

5.5 Emerging Industry Clusters

A report prepared in September 1995 for the County, entitled *Ventura County Business Cluster Analysis*, identified and located business clusters in the County and discussed past growth trends and future projections. As defined in this report, business clusters are concentrations of local businesses that produce a set of related goods and services, and use similar technologies and labor skills. Usually, these goods and services are exported outside the region or attract money into the region.

Industry concentrations present in the County are the starting point for developing clusters. Based on an analysis of growth potential for the respective industries, certain emerging clusters were recommended in this report as providing the best opportunity for successful County involvement. In order to connote a cluster, there must be actual interaction among the companies through networking associations and there must be institutional support through the assistance of public and non-profit resources. Also, they tend to be located in a relatively concentrated geographic area. Most of the industry concentrations identified in the County did not meet these criteria, but had the potential for growth, and were therefore identified as emerging clusters. The following clusters were identified by the 1995 study as emerging or declining clusters:

Growing and Emerging Clusters

- Agriculture
- Communications (subgroup of high technology)
- Machinery (subgroup of metals and machinery)
- Biomedical
- Plastics
- Environmental
- Tourism
- Business Services
- Health Care
- Education and Training

Declining Clusters

- Defense
- Oil and Gas

The emerging clusters reflect the increased importance of biotechnology and other high-technology production in both the national and global economies. Declining industries include the Defense and Mining sectors, which includes oil and gas extraction companies. The Report further identified several non-cluster industries, including:

Non- Cluster Industries

- Electrical Equipment
- Apparel
- Paper
- Sporting Goods
- Cosmetics
- Publishing

The importance of analyzing the clusters, according to the 1995 Cluster study, is to give regions a better understanding of the missing links in locally available supplies. This information could help identify market opportunities for Ventura County businesses. Representatives of various economic clusters can then work with public officials to ensure the availability of timely, appropriate and cutting-edge services, including education and training, and public infrastructure.

The Study further recommends that the government of Ventura County, in collaboration with the Council on Economic Vitality, implement a structured program to identify, survey and further assist business clusters in Ventura County. The value of this approach would be to enable local governments to be proactive in improving their competitive position by eliminating key barriers and improving access to public facilities and services. The more recent information, which was discussed previously in the Gross Product Analysis section, identifies the following four industry categories as focus areas for the City of San Buenaventura to improve its competitive position:

- Durables Manufacturing, including machinery and high-technology manufacturing;
- Non-Durables Manufacturing, including bio-medical and bio-technology;
- Finance, Insurance and Real Estate, including corporate headquarters and back-office operations; and
- Services, including Professional and Technical Services and those related to Tourism.

Additionally, attention should be paid the Agriculture sector, which represents over 2,600 jobs in San Buenaventura, and the Mining sector that includes oil and gas extraction. While these sectors are not growing particularly, they both have an important presence in the City that is likely to remain for a number of years.

5.6 Major Employers in San Buenaventura in Year 2000

About 31 percent of the City's total employment, or 15,425, in year 2000 was provided by the major employers shown in Table 5-9. About 15 percent of the total City jobs, or 7,665, were estimated in the public sector. This is higher than the data for public employment of about 6,200 in year 2000 presented previously in Table 5-1 and reflects the lack of compatibility with the conventions used to report public sector data by the California Economic Development Department, according to the UCSB researchers. Also, while Manufacturing represents a key industry in the County, it is not represented among the top employers of the City.

The Services sector in the City should continue to grow reflective of County trends and indicates the need for continuing office development. Further, in order to provide a diversified employment base with sufficient income, the City of San Buenaventura will have to continue to focus on employment in the key growth industries such as high technology, biotechnology, multimedia, electronics, finance, and business and professional services.

Table 5-9
City of San Buenaventura Economic Base Analysis
Major Employers in San Buenaventura: 2000

Company	Type	Employees	% of Total City
County of Ventura ¹	Public	5,540	
Ventura County Health Care Agency ¹	Public	1,500	
City of Ventura	Public	<u>625</u>	
		7,665	15.3%
Kinko's Corporate Offices ²	Business Services	1,248	
Madera Corporation	Business Services	323	
Ventura Unified School District	Educational Services	2,287	
Ventura College	Educational Services	757	
Bank of America	Financial Services	406	
Community Memorial Hospital	Health Services	1,300	
Meditech Health Services, Inc.	Health Services	<u>400</u>	
		6,721	13.4%
Southern California Edison	Utility	650	1.3%
Pictsweet Mushroom Farms	Agriculture	<u>389</u>	0.8%
Sub-total Major Employers		15,425	30.8%
Total City Employment		50,146	100.0%

1. Of the 7,700 estimated County workers, about 70 percent are located at the Government Center or other locations in the City. According to County Health Care personnel, an estimated 1,500 employees work in the City at the County Health Care Agency out of a total of about 1,900 employees.
2. Kinko's has recently reported the relocation of their corporate facilities outside the City over the next several years.

Sources: Stanley R. Hoffman Associates, Inc.
City of San Buenaventura.

5.7 Labor Force Characteristics

This section addresses characteristics of the City's labor force from occupational data available from the 1990 census, educational attainment as a measure of skill-level and preparedness for certain types of high-technology jobs, and educational and training resources provided by the City to assist workers in obtaining the skills necessary to pursue jobs in high-growth industries.

5.7.1 Occupational Data in 1990

The characteristics of the City and County's labor force in 1990 are shown in Table 5-10. As shown, the majority of the residents' occupations, in both the County and the City, were in the Managerial and Professional and Technical, Sales and Administrative Support categories, with these combined categories representing over 60 percent of the total occupational categories. Service occupations represent about 11 percent of the total occupations in the City. In general, the salaries for managerial and technical occupations are higher than for service occupations.

Table 5-10
City of San Buenaventura Economic Base Analysis
Occupations in 1990 - Employed Persons 16 Years and Over

Occupation	San Buenaventura	% of Total	Ventura County	% of Total
Managerial and professional specialty occupations				
Executive, administrative, and managerial positions	7,011	14.7%	49,202	14.6%
Professional specialty occupations	<u>8,276</u>	<u>17.3%</u>	<u>49,051</u>	<u>14.6%</u>
	15,287	32.0%	98,253	29.2%
Technical, sales, and administrative support occupations				
Technicians and related support occupations	1,964	4.1%	13,283	3.9%
Sales occupations	5,962	12.5%	41,491	12.3%
Administrative support occupations, including clerical	<u>7,797</u>	<u>16.3%</u>	<u>52,787</u>	<u>15.7%</u>
	15,723	32.9%	107,561	31.9%
Service occupations	5,454	11.4%	37,637	11.2%
Farming, forestry, and fishing occupations	819	1.7%	15,908	4.7%
Precision production, craft, and repair occupations	5,830	12.2%	39,379	11.7%
Operators, fabricators, and laborers	<u>4,678</u>	<u>9.8%</u>	<u>38,034</u>	<u>11.3%</u>
Total employed persons 16 years and over	47,791	100.0%	336,772	100.0%

Source: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, 1990.

The service category includes hotel and restaurant workers as well as business, professional and health workers. Although the City's hotels are a major generator of City public revenues, in terms of worker income, the average annual salary of service workers in the hotel industry was only about \$17,900 in 2000 in the County. This is based on average salary estimates provided by UCSB's Economic Forecast Project. A key issue will continue to be the availability of housing

that is adequate to meet the expanding employment needs of local businesses and its ability to reduce significant commuting into San Buenaventura.

5.7.2 Educational Attainment

Although the 1990 U.S. Census provides data on the composition of the City's labor force by type of job and occupation, it is dated. More recent data on educational attainment can be used as a proxy to estimate a more current picture of the labor force. Educational level can be used as an approximation of a person's skill level (i.e., jobs requiring higher skills generally require a higher level of education or training). As shown in Table 5-11, the data provided in the 2001 *Ventura County Economic Outlook* indicates that about 84 percent of San Buenaventura residents aged 25 and over have at least a high school diploma; slightly higher than the County at 79 percent. About 34 percent have an Associates Degree or higher, versus about 32 percent countywide. The implications may be that employers with requirements for skilled, higher wage jobs could be attracted to the City in the future.

Table 5-11
City of San Buenaventura
Population Age 25+ Years by Education Level: 2001

Education Level	San Buenaventura	Ventura County
Elementary or Some High School	15.9%	20.6%
High School Graduate	21.7%	22.1%
Some College	28.2%	25.6%
Associates Degree only	9.6%	8.6%
Bachelors Degree only	15.4%	15.1%
Graduate Degree	9.3%	7.9%
Percent of Population with High School Diploma & Above	84.1%	79.4%
Percent of Population with Associate Degree & above	34.2%	31.7%

Source: 2001 Ventura County Economic Outlook

5.7.3 Education and Training Resources

As shown in Table 5-12, there are several higher educational institutions in the City of San Buenaventura that provide opportunities for education and training. These institutions form a resource base that can assist in providing a skilled and educated labor force, as well as re-training workers in declining industries. For example, Ventura Community College offers a Small Business Academy, a training program for small business entrepreneurs to improve management and development of their businesses. In addition, their Biotechnology Program facilitates economic development in the region by training and placing students in biotechnology positions. The new California State University in nearby Camarillo will provide opportunities for training and education as well. In 2002, the California State University, Channel Islands will open with approximately 2,500 students. By the year 2006, enrollment is expected to increase to 5,000 students, eventually reaching 15,000 in both on-campus and distance learning programs. These institutions are important in building the labor force skills that can serve the targeted industries. Also, the Ventura Unified School District recognizes the importance of a quality K-12 school system. A recently approved bond measure of \$81 million is being invested in expanding their facilities and programs, such as the new Foothill Technology High School.

Table 5-12
City of San Buenaventura Economic Base Analysis
Educational Institutions in San Buenaventura

College/ University	Address
Azusa Pacific University Satellite Campus	5700 Ralston
Brooks Institute of Photography	5301 N. Ventura Avenue
California Lutheran University	1001 Partridge Drive, Suite 220
Technology Development Center	5200 Valentine Road
UCSB Ventura Center	3585 Maple Street #112
Ventura Community College	4667 Telegraph Road
Ventura College Community & Resource Development	4667 Telegraph Road
Ventura College of Law	4475 Market Street

Source: Stanley R. Hoffman Associates, Inc.
Ventura Chamber of Commerce

Chapter 6

FISCAL AND FINANCIAL CONSIDERATIONS

6.1 Public Revenue Trends

A large portion of the City's General Fund revenue comes from the primary revenues and fees that include sales taxes, property taxes, utility user taxes, motor vehicle license fees, franchise fees, business license tax, interest earnings and transient occupancy taxes. According to the City budget, these primary revenue sources combine to represent between 80 and 85 percent of total General Fund Revenue. Table 6-1 shows the trends in these primary revenues in current and constant 2000 dollars from fiscal years 1996/97 to 2000/01. In current dollars, these primary revenues increased from about \$41.5 million dollars in 1996/97 to about \$44.8 million in 2000/01, or an increase of about 8 percent. When adjusted for inflation in 2000 dollars, total primary revenues declined by about 0.8 percent from 1996/97 to 2000/01. In constant dollars, motor vehicle license fees, franchise fees and sales tax have shown the largest increases over this time period. Interest earnings have shown the most dramatic change, decreasing by about 55 percent.

Figure 6-1 illustrates the growth and distribution of selected primary General Fund revenues for fiscal years 1996/97 and 2000/01 in constant 2000 dollars. Distribution of most primary sources has remained stable over this time period, with only slight increases. The largest portion of the primary revenues is sales tax, at about 36 percent in 2000/01, followed by property tax at about 23 percent. Sales tax has increased slightly from about 33 percent to 36 percent of the total General Fund revenues from 1996/97 to 2000/01. Utility user tax has remained at about 12 percent of the primary revenue sources, while Motor Vehicle License Fees has increased slightly from about 9 percent to 11 percent of the primary revenues during this time period. Transient occupancy taxes (TOT) comprised about 6 percent of the primary revenue sources in 2000/01, while franchise fees and business license tax comprised about 4 percent and 3 percent of the total General Fund revenues respectively.

Table 6-1
City of San Buenaventura Economic Base Analysis
Primary General Fund Revenue Sources: Fiscal Years 1996/97 to 2000/01¹
(In current dollars)

Category	1996/97	1997/98	1998/99	1999/00	2000/01	1996/97 to 2000/01 % Change
Sales Tax	\$13,630,752	\$14,487,131	\$15,442,300	\$15,242,448	\$16,144,100	18.4%
Property Tax	9,174,490	9,250,059	9,485,765	9,981,220	10,310,300	12.4%
Utility User Tax	5,019,413	5,204,062	4,926,108	5,086,814	5,407,100	7.7%
Motor Vehicle License Fees	3,914,189	4,245,721	4,529,170	4,200,000	5,082,700	29.9%
Interest Earnings	4,979,691	3,709,348	3,605,465	3,286,718	2,417,300	-51.5%
Franchise Fees	1,388,205	1,558,885	1,563,293	1,525,000	1,653,900	19.1%
Business License Tax	1,127,989	1,167,468	1,264,689	1,228,413	1,325,500	17.5%
Transient Occupancy Tax (TOT)	2,258,719	2,310,419	2,508,347	2,484,000	2,508,800	11.2%
Total Primary Revenue Sources	\$41,491,448	\$41,933,093	\$43,325,137	\$43,034,613	\$44,849,700	8.1%

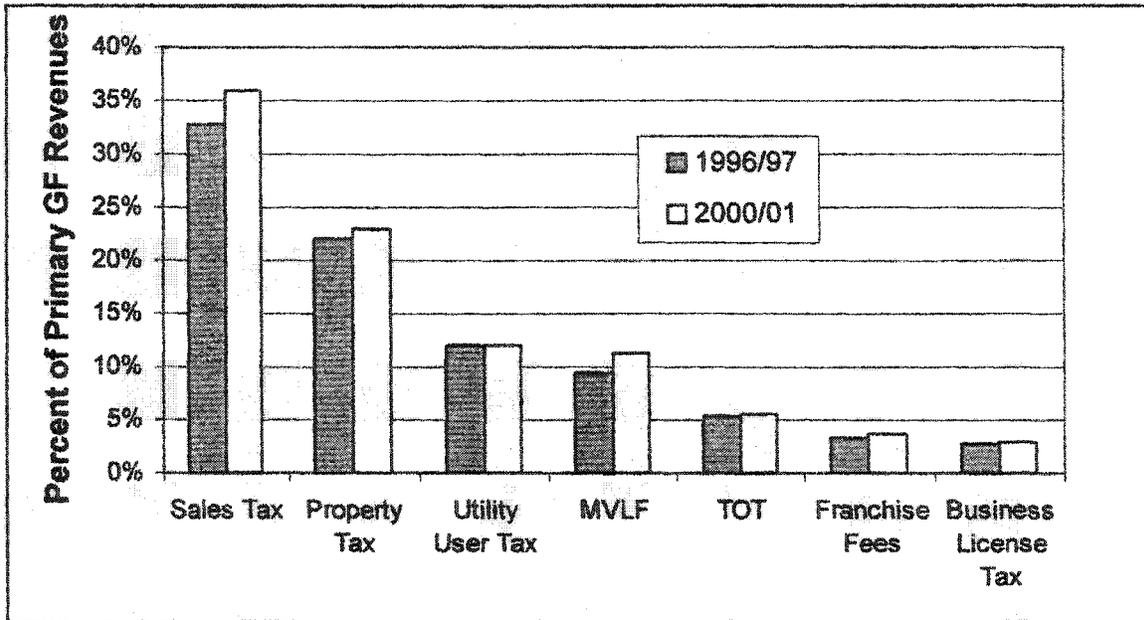
(in constant 2000 dollars)

Category	1996/97	1997/98	1998/99	1999/00	2000/01	1996/97 to 2000/01 % Change
Sales Tax	\$14,851,029	\$15,537,448	\$16,327,164	\$15,747,165	\$16,144,100	8.7%
Property Tax	9,995,825	9,920,688	10,029,312	10,311,724	10,310,300	3.1%
Utility User Tax	5,468,770	5,581,356	5,208,380	5,255,252	5,407,100	-1.1%
Motor Vehicle License Fees	4,264,802	4,553,536	4,788,697	4,339,073	5,082,700	19.2%
Interest Earnings	5,425,492	3,978,276	3,812,063	3,395,550	2,417,300	-55.4%
Franchise Fees	1,512,482	1,671,904	1,652,872	1,575,497	1,653,900	9.4%
Business License Tax	1,228,971	1,252,109	1,337,157	1,269,089	1,325,500	7.9%
Transient Occupancy Tax (TOT)	2,458,749	2,477,924	2,652,079	2,566,252	2,508,800	2.0%
Total Primary Revenue Sources	\$45,205,920	\$44,973,242	\$45,807,723	\$44,459,600	\$44,849,700	-0.8%

1. FY 1999-2000 projected, City of San Buenaventura 2000-2001 Budget.
FY 2000-01 estimated, City of San Buenaventura 2000-2001 Budget.

Sources: Stanley R. Hoffman Associates, Inc.
City of San Buenaventura, Adopted Budget 2000-2001.

Figure 6-1
City of San Buenaventura Economic Base Analysis
Distribution of Primary Revenue Sources: Fiscal Years 1996/97 and 2000/01
(in constant 2000 dollars)



Source: City of San Buenaventura, Adopted Budget 2000-01.

New retail and property development can provide the support for both increased sales and property taxes, as well as promote revitalization efforts through redevelopment property tax increment. These revenues are significant when it comes to funding the desired service increases as a result of population and employment growth and to enhance the community's quality of life.

6.2 Fiscal Revenues by Land Use

The General Fund is a major source of revenues for funding many of the public services required to meet the needs of existing, as well as future population and employment in the City. As discussed previously, the primary revenue sources of the General Fund include property tax, sales tax, motor vehicle license fees, transient occupancy tax (TOT), interest earnings, utility user tax, franchise fees, and business license tax. When these primary revenues are allocated by

land uses, patterns emerge that are reflective of current fiscal conditions. These patterns can assist in evaluating the fiscal impacts of future development.

While the total General Fund revenues allocated to residential land uses (\$27.6 million) is only slightly less than for retail land uses (\$28.8 million) as shown in Table 6-2, the General Fund revenue per acre is highest for commercial land uses at \$25,075. This is followed by \$8,413 per acre for industrial and \$4,060 for residential land uses. Of the 8,784 developed acres estimated for the City, 6,807 are residential, 1,148 are commercial and 829 are industrial.

Table 6-2 also presents the primary General Fund revenues by land uses. The commercial land use category is clearly the highest because of sales taxes and hotel occupancy taxes which comprise about 52 percent of the total commercial General Fund revenues per acre. Similarly, non-retail sales taxes are estimated to comprise about 51 percent of the total General Fund revenues per acre for industrial land uses.

For residential land uses, property taxes and motor vehicle license fees constitute almost 47 percent of the total estimated General Fund revenues per acre. Clearly, sales taxes allocated on a situs basis to retail acres, even though the bulk of retail sales taxes are generated by household purchasing power, influences the residential category's lower per acre allocation.

6.3 Redevelopment Financing

Currently, the Agency's tax increment proceeds are being used primarily to retire a loan extended to the Agency from the City's General Fund. Payments by the Agency to the City began in 2000-2001 from proceeds received in 1999-2000. To date, the total amount of loans provided to the Agency is about \$16.4 million. The remaining credit available for Agency use is about \$577.4 thousand. As shown in Table 6-3, the redevelopment budget for 2001-2002 indicates that estimated Redevelopment Agency revenues currently available are about \$2.0 million. These agency revenues include property tax increment and other revenues. However, after estimated expenditures of about \$1.8 million, the balance remaining for Agency use at year-end 2001-2002 is estimated at about \$180.0 thousand. This includes the annual Agency repayment of \$500.0 thousand to the General Fund for the City's initial loan.

Table 6-2
City of San Buenaventura Economic Base Analysis
Estimated Fiscal Revenues by Land Use
(in constant 2001 dollars)

Primary General Fund Revenue Category	Revenue ¹ 2000/01	Unit for Allocation ²	Estimated Revenue Per Acre		
			Residential	Commercial	Industrial
Property Tax	\$10,310,300	Per Assessed Value	\$1,140	\$1,952	\$376
Sales Tax	16,144,100				
Retail	12,576,254	Per Commercial Acre		\$10,955	
Non-Retail	3,567,846	Per Industrial Acre			\$4,304
Motor Vehicle License Fees	5,082,700	Per Residential Acre	\$747		
Transient Occupancy Tax (TOT)	2,508,800	Per Commercial Acre		\$2,185	
Interest Earnings	2,417,300	Per Weighted Average	\$155	\$956	\$321
Utility User Tax	5,407,100	Per Capita/Employee	\$636	\$667	\$375
Franchise Fees	1,653,900	Per Capita/Employee	\$195	\$204	\$115
Business License Tax	1,325,500	Per Employee		\$821	\$462
Total Primary Revenues	\$44,849,700	Primary Revenues/Acre	\$2,872	\$17,740	\$5,952
		Gen. Fund Revenues/Acre	\$4,060	\$25,075	\$8,413
Total General Fund Revenues	\$63,394,801		\$27,634,081	\$28,786,443	\$6,974,277
Primary Revenues % of Total	70.7%				
Assumptions for Allocation					
Developed Acres in City ³	8,784		6,807	1,148	829
% of Total Developed Acres	100.0%		77.5%	13.1%	9.4%
Percent of Total Valuation ⁴	100.0%		75.2%	21.7%	3.0%
Gen. Fund Revenues less Interest	\$42,432,400		\$18,496,476	\$19,267,792	\$4,668,132
Interest Earnings Distribution	100.0%		43.6%	45.4%	11.0%
Population ⁵	100,916		100,916		
Employment ⁶	50,145			35,658	14,487
Employment @ 50%	25,073			17,829	7,244
Population/Employment Allocation	100.0%		80.1%	14.2%	5.7%

Notes:

- Based on estimated primary General Fund revenues for FY 2000-01, City of San Buenaventura. According to the Budget document, these General Fund revenues represent the City's primary General Fund revenues.
- Valuation is per the assessed value as of June 30, 2001. Industrial and Commercial valuations are based on the distribution of commercial and industrial valuation per the CIRB (Construction Industry Research Board) for years 1990 through 2000, which was applied to the total combined commercial/industrial assessed value provided by the Assessor.
- Developed acreage is based on City GIS data.
- Acreage allocation factors are based on developed acres in the City. Per capita or per employee factors are used to allocate revenues where the revenue categories apply to the residential population and/or businesses in the City. In the formula, employment is weighted at 50 percent.
- Population is based on 2000 Census and employment is based on data in Table 5-1.

Sources: Stanley R. Hoffman Associates, Inc.
City of San Buenaventura, Adopted Budget 2000-2001.
Ventura County Assessor's Office.

Table 6-3
City of San Buenaventura Economic Base Analysis
Proposed Redevelopment Agency Budget for 2001-2002

Estimated Revenue	Amount
2000-2001 Tax Increment Available	\$383,160
One Time Property Sale (Thompson/Figueroa)	116,840
2001-2002 Annual Tax Increment	1,266,000
<u>2001-2002 Other Revenue</u>	<u>226,882</u>
Total Estimated Revenue Available 7/1/2001	\$1,992,882
Proposed Expenditures	Amount
20% Housing Set Aside	\$308,500
Payment on Loan Interest	500,000
Annual COP Debt Payment	435,333
<u>RDA Administration Budget</u>	<u>568,713</u>
Total Proposed Expenditures	\$1,812,546
Estimated Balance Available Year End 2001-2002	\$180,336

Source: City of San Buenaventura, *Adopted Budget, 2001 - 2002*.

Redevelopment property tax increment financing may not be a sufficient long-term tool for fully funding the needed capital projects and improvements. There are two key issues that limit the potential of redevelopment financing as a tool for the City. First, the repayment of the initial loan from the City reduces available property tax increment. Secondly, the City's Redevelopment Project area encompasses only 320 acres, which is quite small relative to the City's geographic area. Therefore, the amount of property tax increment generated from future development may not be sufficient to fund projects that require large capital financing or are in other parts of the City.

6.4 Other Financing Approaches

In addition to redevelopment financing tools, the City depends on its General Fund revenues, State gasoline taxes, State and Federal grants and loans and other revenue resources for funding varying levels of ongoing operations and maintenance costs and capital costs of public improvements. These improvements enhance the residents' quality of life and help promote existing and increased business activity.

Operations and Maintenance Funding

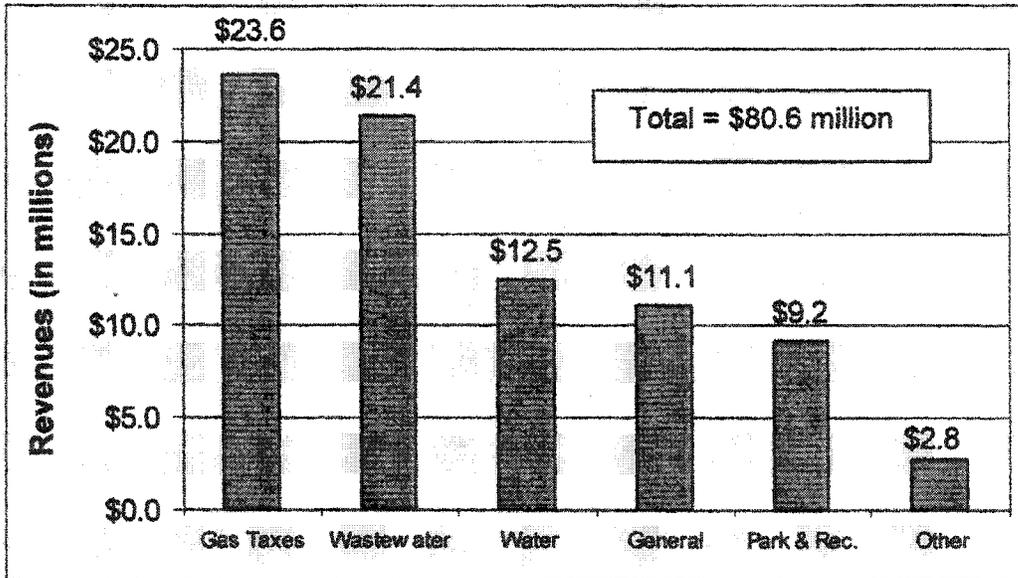
The City depends primarily on its primary General Fund revenues for funding the operations and maintenance of City services. For fiscal year 2000 – 2001, these revenues are estimated at about \$40.0 million. However, these resources are not adequate to fund all of the City's public safety or public works priorities. Therefore, the shortfall for these departments, as well as Recreation, Administrative and Financial services and Community and Economic Development are augmented, whenever possible, with a combination of charges for services, licenses and permits, interest earnings, other minor revenues, and some State and Federal resources. According to the City, for fiscal year 2001 – 2002 local taxes and fees comprise about 90 percent of the General Fund's resources. The State and Federal portion comprises only about 10 percent of the citywide General Fund.

Capital Funding

Potential sources of capital funding may come from both internal and external sources. The City's General Fund, State gasoline taxes and redevelopment property tax increment are the primary sources of internal revenues that can be used to fund improvements. Other local sources may include special taxes or benefit assessments that are subject to either popular or land owner voter approval. External sources may include state and federal resources, such as federal Community Development Block Grants (CBDG) and Transportation Efficiency Act (TEA 21) Grants and State Park Bond funds.

The City's 2001 – 2006 Capital Improvement Plan (CIP) includes a total of 216 projects for a total cost of about \$290.0 million. Capital Improvement Plans are 5 to 10 year plans that indicate what improvements are necessary and identify the means to pay for those improvements. As shown in Figure 6-2, about \$80.6 million has been estimated for CIP revenues in 2001 - 2002.

Figure 6-2
City of San Buenaventura
2001 – 2002 Capital Improvement Revenue Distribution



Source: *City of San Buenaventura, Adopted 2001 – 2002 Operating, Capital Improvement, Redevelopment Agency Budget.*

Figure 6-2 shows that the primary CIP revenue category for 2001 – 2002 is gasoline taxes. The City receives State gasoline taxes, that may be used for both operations and maintenance and capital improvements related to streets and roads. The City’s annual budgeting process may designate a portion of these revenues for specific facilities subject to annual budgeting priorities. About \$23.6 million has been estimated for gas tax revenues in fiscal year 2001-2002. According to the CIP, these revenues will be used for a range of public works activities such as street improvements, slurry seal, median modification safety improvements, traffic signal improvements, upgrades to bridges and freeway off-ramps, and transit facilities maintenance. Large portions of the CIP revenues have also been allocated for wastewater (\$21.4 million) and water facility (\$12.5 million) improvements in 2001 – 2002.

Additionally, Federal and state grants are important public revenue sources for capital funding. The state grants estimated for 2001 – 2002 range in amounts from \$350,000 to \$5,000,000 million, with some requiring matching funds. Some of these grants will be used for construction

of freeway ramps and bridges, and other street improvements, such as those available through a process administered by the Federal Government via The Transportation Efficiency Act for the 21st Century (TEA 21). A high priority is placed on enhancing connections between highways, transit and pedestrian movement and on integrating these systems into their surrounding communities, such as linkages with the nearby train station. A special category places a priority on facilities for pedestrians, landscaping and scenic beautification.

Another primary source of federal grant funding is the Community Development Block Grant (CDBG) program. CDBG grants are federal grants that are awarded to cities on a formula basis for housing and community development activities. Eligible activities include acquisition, rehabilitation, homebuyer assistance, economic development activities, homeless assistance and public services. About \$1.2 million of funds are estimated in 2001 – 2002 and will be used to fund the Simpson Street, Westside Gateway and Ramona Street improvements as well as the City's Homeless and Continuum of Care concerns.

Other resources that have been used by the City or will possibly be used in the future come from State Park Bond funds, Federal Economic Development Administration grants, Small Business Administration funds, public art resources and charitable gifts and donations. Identifying and obtaining the appropriate revenues for capital facilities becomes a key component of the implementation strategy.

Chapter 7

ECONOMIC OPPORTUNITIES AND CONSTRAINTS

7.1 Overview

The primary purpose of the Economic Base Study is to identify target economic opportunities that are both realistic and compatible with the City's Vision statement. This section summarizes key economic opportunities as well as constraints for the City. These opportunities and constraints are the foundation for policy consideration and priority setting in the next steps of this process.

7.2 Opportunities

Capturing a share of emerging markets

A key opportunity is potentially attracting industries that can drive the economy and are growing within the larger market area. Durable Manufacturing has been growing over the 1993 to 2000 period relatively faster in the City than for the County. There could be opportunities to attract industries within the Durable Manufacturing group such as Electronic Equipment, Transportation Equipment, Instruments and Measuring Equipment and Industrial Machinery. Recently, at the regional and County level, there has been increasing job growth in technology-related fields such as biotechnology, computer software, communications, entertainment, multimedia, education and business and financial services.

Diversification of the Employment Base

Several key industry sectors have been identified for Ventura County and are also important to San Buenaventura, including: high technology manufacturing, non-durable manufacturing, business and financial services and tourism. The City must diversify its employment base in these key sectors in order to maintain a balanced economy.

Expanding Tourism

The City's beaches and its coastal climate are among the key resources that San Buenaventura can offer. The City also has opportunities for enhancement of beachfront property (the "String of Pearls") from the Santa Clara River outlet northward for hotel and visitor possibilities, including the fairgrounds. However, the beach-harbor-downtown areas will need to be better

linked to promote the City as an overall tourist destination. In addition, hotels are a generator of transient occupancy tax (TOT), an important source of City General Fund revenues.

Expanding Retail Development

Retail trade is a significant economic activity because sales tax is the major municipal General Fund revenue source. While San Buenaventura generates a relatively high level of sales tax per capita compared with other areas of Ventura County, there are opportunities to expand the retail base.

Visibility and Access

The City's high visibility and accessibility due to its location along U.S. Highway 101 and State Highway 126 are locational attributes which can attract retail, commercial, tourism and industrial opportunities.

Revitalization and Redevelopment

There are also opportunities for revitalization and redevelopment in different areas of the City. For example, in the Westside Corridor, redevelopment studies have already been undertaken. There are also continuing opportunities for revitalization in the Downtown.

7.3 Constraints

Shortage of Available Non-Residential Land

A shortage of available commercial and industrial land limits the number of and types of businesses that could locate in the City. However, parcels of land that are underutilized present opportunities for re-use, such as the Westside Corridor.

Shortage of Housing and Residential Land

The lack of availability of a wide range of housing types in different price ranges, presents a constraint when attracting businesses to the City. Employers require housing to serve the needs of their employees at all levels, and the City has a low vacancy rate and limited acreage for new residential development.

Aging Infrastructure

Public infrastructure to meet the needs of an increasingly technology oriented economy will be essential to remain competitive. To expand and modernize the City's infrastructure capacity will require reinvestment in the city's public infrastructure as well as obtaining the necessary financing resources.

Limited Financial Resources

Limited financial resources will be an ongoing constraint. As an older established community, service costs may increase beyond the ability to generate public revenues to maintain and provide for city services and infrastructure. Obtaining adequate financing resources will continue to be an important tool for implementation.

Chapter 8

ECONOMIC POLICY CONSIDERATIONS

8.1 Overview

Economic development is a dynamic process that increases the wealth of the community and allows it to provide a high quality of life for its residents, businesses and organizations. The intent is to promote and maintain a sound economic base by encouraging land uses that will attract and retain specific economic segments of the market and concurrently enhance the economic position of the community.

The County of Ventura and the City of San Buenaventura are part of a larger Southern California economy that is shaped by local, national and global forces. This in turn generates growth pressures northward on Ventura County as the Los Angeles basin continues to expand. The 2001 Ventura County Economic Outlook expects the economy of Ventura County to grow more slowly than it has over the past four years, but still at impressive rates. These trends will effect what happens in the City and provide economic opportunities for growth. How the City's business sectors may be influenced by these trends needs to be clearly understood.

The City plays a vital role in developing an economic strategy by providing assistance to local businesses and identifying and attracting businesses which are needed to provide a balanced and diversified economic base while remaining sensitive to environmental concerns. A responsive city government can create a stable, confident atmosphere for potential investors with long-term commitments to the community.

The Economic Base Study provides an understanding of the City of San Buenaventura's economy in the context of Ventura County. As priorities are selected, this will lead to an updated Economic Development Element as part of the Comprehensive Plan. The Economic Development Element is intended to direct the City's efforts in the area of economic growth, and presents economic goals and their corresponding objectives, policies and programs for future implementation. The goals and policies are a guide to local decision-making, while economic background information contained in this study becomes the basis for informed choices.

8.2 Key Economic Policy Areas

The Economic Development Element will present economic goals and their corresponding objectives, policies and programs for future implementation. Following are the key areas for policy consideration, priority setting and potential policy action:

Diversification of the Local Economy – A key goal is to find opportunities to diversify the local economy. Several key industry sectors have been identified as emerging industries for San Buenaventura, including: high technology, non-durables manufacturing, finance, business services, tourism and retail trade. The City must diversify its employment base in these key sectors in order to maintain a balanced economy.

Capturing Emerging Industries – Particular focus should be on increasing job growth in technology-related fields such as biotechnology, computer software, entertainment, multimedia and business services that also have the ability to increase average wages. This will involve providing locations for such industries to locate in the City, as well as providing job training programs to train workers in these emerging industries.

Retention and Strengthening of Existing Businesses – While new economic opportunities are sought to keep the City competitive, the retention and expansion of existing businesses to the extent possible will also serve to preserve and grow the established economic base. Partnerships with local business organizations and educational institutions will facilitate this effort.

Attracting a High-Skill Labor Force – The focus should be on attracting and developing a labor force with skills that are commensurate with the high technology and services jobs in the industries that the City wishes to attract. In order to develop and maintain an educated and skilled labor force in the City, continuing training programs should be provided. In addition, varied housing opportunities need to be available to appeal to a diverse labor force.

Housing Affordability – The shortage of housing, as well as a mix of housing types, presents a constraint when attracting businesses to the City. Employers require housing to serve the needs of their employees at all wage and salary levels.

Availability of Developable Residential Land – A vibrant economic base will place demands on housing for workers who wish to live near their place of work. Residential land supply is also limited. Developable land for housing at all price levels is a critical issue.

Availability of Developable Non-Residential Land – Finding adequate sites for new or expanding firms is a major constraint since the City has a shortage of available commercial and industrial land. The City will need to look at underutilized parcels of land, such as former oil fields or older urban areas, and their possibilities for re-use. The retention, expansion and attraction of firms are highly dependent on their ability to afford the cost of land.

Maintaining Growth in Public Revenues Commensurate with Public Services – A large portion of the City's General Fund revenue comes from sales taxes, property taxes, utility user taxes, motor vehicle license fees and transient occupancy taxes. As an older established community, service costs may increase beyond the ability to generate public revenues. Attention to maintaining growth among these key public revenue sources will be important to providing a high quality of public services and facilities.

Maintaining Strong Taxable Sales Growth – The largest portion of the General Fund revenues comes from taxable sales. Taxable sales are generated from both the retail sector and from business to business transactions. Maintaining competitiveness through retail revitalization of existing centers and new retail development that provides a wide range of retail goods and services will continue to enhance taxable retail sales. An important opportunity for taxable sales growth is from businesses that generate strong non-retail taxable sales. This business-to-business activity also reflects a strong interrelationship between employment sectors within the economic base.

Expanding Tourism – The City has opportunities for enhancement of tourism opportunities, including the development of beachfront property. Beaches, museums, the downtown, the harbor and nearby Channel Islands are amenities that benefit residents and attract more than 1.5 million visitors annually. Enhancement of these opportunities, particularly along the coast and in the downtown area, will continue to support restaurants, shopping, lodging, entertainment and visitor oriented activities.

Revitalization and Reinvestment Opportunities – As a largely built-out community the City must address the continued vitality of the established commercial, industrial and residential areas. This will require reinvestment in the city's public infrastructure as well as private property investment and modernization. Infrastructure to meet the needs of an increasingly technology oriented economy will be essential to remain competitive. Specific revitalization and reinvestment activities must recognize the importance and unique character of these areas to achieve economic vitality while respecting the community's quality of life.

In conclusion, the City has a number of attributes and advantages that will continue to make it an attractive and desirable location for businesses, residents and tourists. These attributes will attract retail, commercial, tourism and industrial opportunities. The goals and policies set forth in the Economic Development Element will play an important role in shaping the future quality of life for the City of San Buenaventura's residents and businesses.

Chapter 9

OUTLINE OF THE ECONOMIC DEVELOPMENT ELEMENT

9.1 Purpose of the Economic Development Element

The purpose of the Economic Development Element is to establish economic goals and policies that will lead to the City's vision of a prosperous community while maintaining a high quality of life. These policies will also provide the foundation for the Implementation Strategies, as a separate document, that will lead to specific actions and programs. The following is an annotated outline of the Economic Development Element.

9.2 Outline of the Element

Purpose

The purpose of the Economic Development Element is to enhance the economic character and achieve the community's economic vision. It is used as a basis for a more specific economic development strategy and provides direction to focus resources to retain and attract new businesses, and provide public services that are well integrated with land use, circulation, and public facilities.

Economic Development Issues

The City must consider what actions are necessary in order to achieve its vision, such as diversifying industries and employment, increasing public revenues and fiscal sustainability, improving housing availability and affordability, upgrading infrastructure, utilizing available land and enhancing its financing capabilities.

Background Economic Analysis

The background economic analysis presents different indicators to measure the condition of the City's economic well being. Analysis within the Economic Development Element will include the economic base study, target industry analysis, employment trends and characteristics, and addressing future economic conditions.

Economic Development Policies

Economic development policies serve as the guiding principles to enhance the City's competitive position. These policies are intended to facilitate increased employment opportunities through diversification of the economic base, expansion and attraction of businesses, encouragement of public/private partnerships, enhancement of public services and infrastructure and meeting the housing needs of the area's employees.

Implementation Strategy

The Implementation Strategy will be prepared as a separate document and draw upon the Economic Development Policies. An economic strategy is used to develop specific programs and actions to achieve the vision of the City. Geographic areas of the community that can support commercial, industrial, and professional businesses would be identified to retain and attract businesses that lead to a broader range of wages and increased public revenues. Business retention and recruitment can be encouraged by maintaining public infrastructure, providing a full range of economic development services, and improving labor skills to meet the needs of new business opportunities.

