

ATTACHMENT A

**MARKET OVERVIEW OF THE
WESTSIDE AND NORTH
AVENUE AREA COMMUNITY
PLAN**



City of Ventura



MARKET OVERVIEW OF THE WESTSIDE / NORTH AVENUE COMMUNITY PLAN

Prepared for City of Ventura

Prepared by Illuminas Consulting, LLC

March 31, 2011

Final Report

General Limiting Conditions

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- Every reasonable effort has been made to ensure that the data contained in this report are accurate as of the date of this study; however, factors exist that are outside the control of Illuminas Consulting (Illuminas) and that may affect the estimates and/or projections noted herein.
- This study is based on estimates, assumptions and other information developed by Illuminas from its independent research effort, general knowledge of the industry, and information provided by and consultations with the client and the client's representatives.
- No responsibility is assumed for inaccuracies in reporting by the client, the client's agent and representatives, or any other data source used in preparing or presenting this study.

Introduction

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- The City of Ventura is currently finalizing a draft of the Westside and North Area Community Plan document. This effort represents the culmination of a number of years of effort and community input.
- Leading up to this, there have been a number of studies and plans which have provided incremental steps toward establishing the planning, design and strategic guidelines which will be supportive of the community's vision for the area.

Introduction (cont.)

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- As part of its community planning process, the City has engaged Illuminas Consulting to provide economic and market-oriented context to the major elements of the plan.
- This proposed assessment will provide a grounded “reality-check” as well as a sense of market timing to the plan’s projections.
- The market assessment is macro in scale, considering the long term demand for the proposed uses in the plan in relation to regional growth. The consultant did not undertake a feasibility assessment of individual site potential.
- The market assessment focuses on assessing the long-term potential for job-and income-producing land uses within the Community Plan Area.

Report Objectives

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- What are the area's market potentials as envisioned by the Community Plan including medium and long-term timing for the proposed uses?
- Does the Community Plan appropriately address issues related to the mitigation of obstacles to private investment in the area including code and design guidelines?
- What can the City realistically expect to achieve in attempting to attract green or sustainable businesses to this area?
- Will the presence of quality executive-housing located to the north east of the North Avenue section, act as an economic development catalyst for new business location?
- What are the job impacts of plan's elements over time?

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Section I

The Westside and North Avenue Community Plan

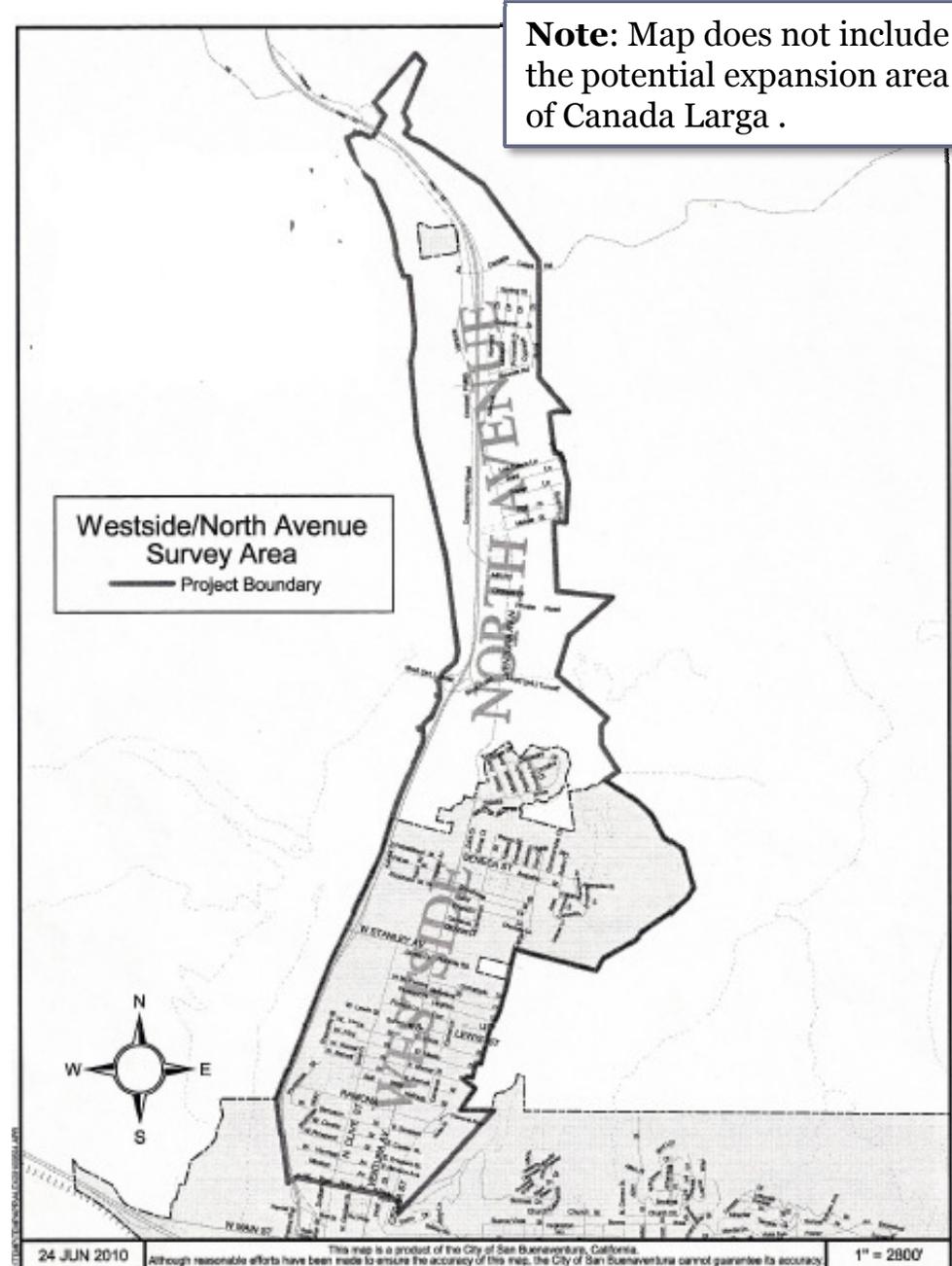


Westside and North Avenue Plan Area

The proposed Westside Community Plan area consists of approximately 1,740 acres located on the western edge of the City and in unincorporated Ventura County.

The Plan Area begins at the southern end of Ventura Avenue where the Westside abuts the Downtown area along Park Row.

Northward, the area includes the neighborhoods between SR 33 and the bluffs all the way past the City boundaries to the area just north of the Canada Larga interchange.



There are Three Districts Under Consideration for Inclusion in the Final Plan Area

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- **The Westside Area** – This area is the southernmost lies within the present boundaries of the City of Ventura as well as the 2005 General Plan.
- **The North Avenue Area** – this area falls outside present City boundaries and is under consideration for annexation. Approximately 744 acres of this area are presently included in the City’s General Plan. Nearly 90 acres north of the Brooks campus are not part of the City’s General Plan.
- **Rancho Cañada Larga** – this area falls outside City boundaries and is under consideration for annexation. It is not presently included within the boundaries of the City’s General Plan.

Description of the Westside Area

- The southern portion of the plan area comprises an older section of the city and its existing land use pattern is heavily influenced by oil field production and supporting businesses dating back to the 1920's. The area is roughly 1,200 acres in size.
- Workforce housing, many on small lots, dates back to the same period.
- Along Ventura Avenue, commercial development ranges from small single-story shops to larger two-story mixed-use buildings.
- However, there are often abrupt transitions between industrial and residential land uses, coupled with a discontinuous pattern of industrial land uses along Ventura Avenue and Olive Street with a resulting inconsistent pattern of building.
- The primary connection between Ventura Avenue and State Route 33 for the Westside is Stanley Avenue. Stanley Avenue is home to the Ventura Unified School District headquarters and bus operations center, Ventura Community College District headquarters, as well as industrial uses and several mixed-use development proposals.

Description of the North Avenue Area

- The North Avenue area is more sparsely developed with buildings that range from warehouses to ranch houses, and also includes the Brooks Institute of Photography and two suburban style residential neighborhoods.
- The overall area consists of approximately 800 acres.
- The large areas of vacant land between developments create a disconnected development pattern and discontinuous uses.
- This area is characterized by a higher concentration of industrial support uses, sometimes intermixed with individual residential parcels.
- The northernmost portion of the North Avenue area is characterized by little or no transition between oil industry uses, residences, and agricultural land.

Description of the Rancho Cañada Larga Site

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- Approximately 800 acre site located to the east of the northern most end of the Community Plan Area
- The site's property owner has proposed that the site be annexed to the City.
- Approximately 200 acres would be considered for development, leaving nearly 480 acres for the riparian corridor and open space.
- Development would consist of up to 100 large-lot residential properties.

Planned Land Use Allocation in Acres

	Currently in General Plan 1/			Not in General Plan 2/			TOTAL
	Westside Area	North Avenue	TOTAL	North Avenue	Canada Larga	TOTAL	
Predominately Residential							
Neighborhood Low	340.9	118.6	459.6			-	459.6
Neighborhood Medium	128.0	16.5	144.6			-	144.6
Executive Housing					757.8	757.8	757.8
Mixed Use							
Neighborhood High	135.0	-	135.0			-	135.0
Commerce	98.5	3.6	102.1	39.5		39.5	141.7
Industrial	110.5	295.4	405.9	50.0		50.0	455.9
Other							
Public / Institutional 3/	63.3	7.9	71.1				71.1
Parks / Open Space	27.4	84.9	112.3				112.3
Agriculture	-	217.5	217.5				217.5
TOTAL	903.7	744.4	1,648.1	89.5	757.8	847.3	2,495.4

Notes:

1/ Land use acreages for Westside and North Avenue areas that are currently included within the boundaries of the General Plan were supplied by City of Ventura, Community Planning Department.

2/ For uses not currently included in the City's General Plan, total acreages were derived from the Ventura County Assessor's property database. General land uses for property located in the North Avenue area were estimated based on the 2006 Westside Economic Development Strategy for Opportunity Site Number 6.

3/ Currently, the General Plan designates the Brooks Institute campus, located in the North Avenue area, as "Industrial". For purposes of this report, it is identified as "Institutional." The Industrial land use category for the North Avenue area has been adjusted accordingly.

Land Use Allocation by Area (cont)

- At present, the mix of land uses set forth in the Community Plan, envisions 1,737 acres (this includes the 89.5 acres within the North Avenue area that is not part of the City's General Plan). Note, this total does not include the Canada Larga expansion area.
- Uses that are specifically “jobs producing” in nature total 704 acres depending on the build out mix of “Neighborhood High”, which can include mixed use developments (for this analysis, it is assumed that the equivalent of 25 percent of Neighborhood High land area would be devoted to commercial uses.)
- A total of 40 percent of the Community Plan land area is devoted to jobs-producing land uses (e.g. Commerce, Industrial, Public/Institutional, and a portion of Neighborhood High).

Section II

Market Area Overview

Ventura County is considered to be part of a larger regional market consisting of the Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties. Within this region, residential and employment populations are concentrated in Los Angeles County. However, recent growth has favored suburban areas, particularly the western portion of Riverside and San Bernardino counties, the Santa Clarita Valley and the combined communities within Ventura County.

This section identifies major regional growth trends, with focus on the trends for industrial and commercial real estate demand expected in the Ventura submarket.

Regional Population Trends

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- Since 1990, the five-county region has added just over 4.1 million new residents and nearly 1 million households.
- During this same period Ventura County added 175,700 residents and 51,700 households representing just 4 percent of regional population growth.
- Population growth in Ventura has been limited since 2006 due to severe job losses and very little production of new housing.

Historic Population, Housing and Employment Trends

				Years 1990 to 2010	
	1990	2000	2010	Growth	Annual Rate
Population					
Los Angeles	8,863,052	9,519,330	10,441,080	1,578,028	0.8%
Orange	2,410,668	2,846,289	3,166,461	755,793	1.4%
Riverside / San Bernardino MSA	2,588,793	3,255,526	4,212,684	1,623,891	2.5%
Ventura	669,016	753,197	844,713	175,697	1.2%
Total	14,531,529	16,374,342	18,664,938	4,133,409	1.3%
Households					
Los Angeles	2,989,521	3,133,771	3,286,860	297,339	0.5%
Orange	827,097	935,287	1,005,502	178,405	1.0%
Riverside / San Bernardino MSA	866,804	1,034,812	1,295,665	428,861	2.0%
Ventura	217,298	243,234	269,011	51,713	1.1%
Total	4,900,720	5,347,104	5,857,038	956,318	0.9%
Employment					
Los Angeles	4,615,644	4,425,819	3,765,900	(849,744)	-1.0%
Orange	1,305,098	1,501,864	1,360,742	55,644	0.2%
Riverside / San Bernardino MSA	822,648	1,093,715	1,100,042	277,394	1.5%
Ventura	275,000	322,141	269,892	(5,108)	-0.1%
Total	7,018,390	7,343,539	6,496,575	(521,815)	-0.4%

Source: California Department of Finance; Southern California Association of Governments; California Employment Development Department

Regional Employment Trends

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- While regional population growth has been positive over the past 20 years, the area has been impacted by several significant economic recessions which has reduced employment by more than 500,000 over 1990 levels.
- Job loss has been significant in Los Angeles County totaling to 850,000 fewer jobs than in 1990.
- In Ventura County, there has been a net loss of 5,100 jobs over the 20 year period.
- In contrast to Los Angeles and Ventura Counties, the Riverside / San Bernardino MSA as well as Orange County experienced positive job growth over this period collectively adding just over 333,000 jobs.

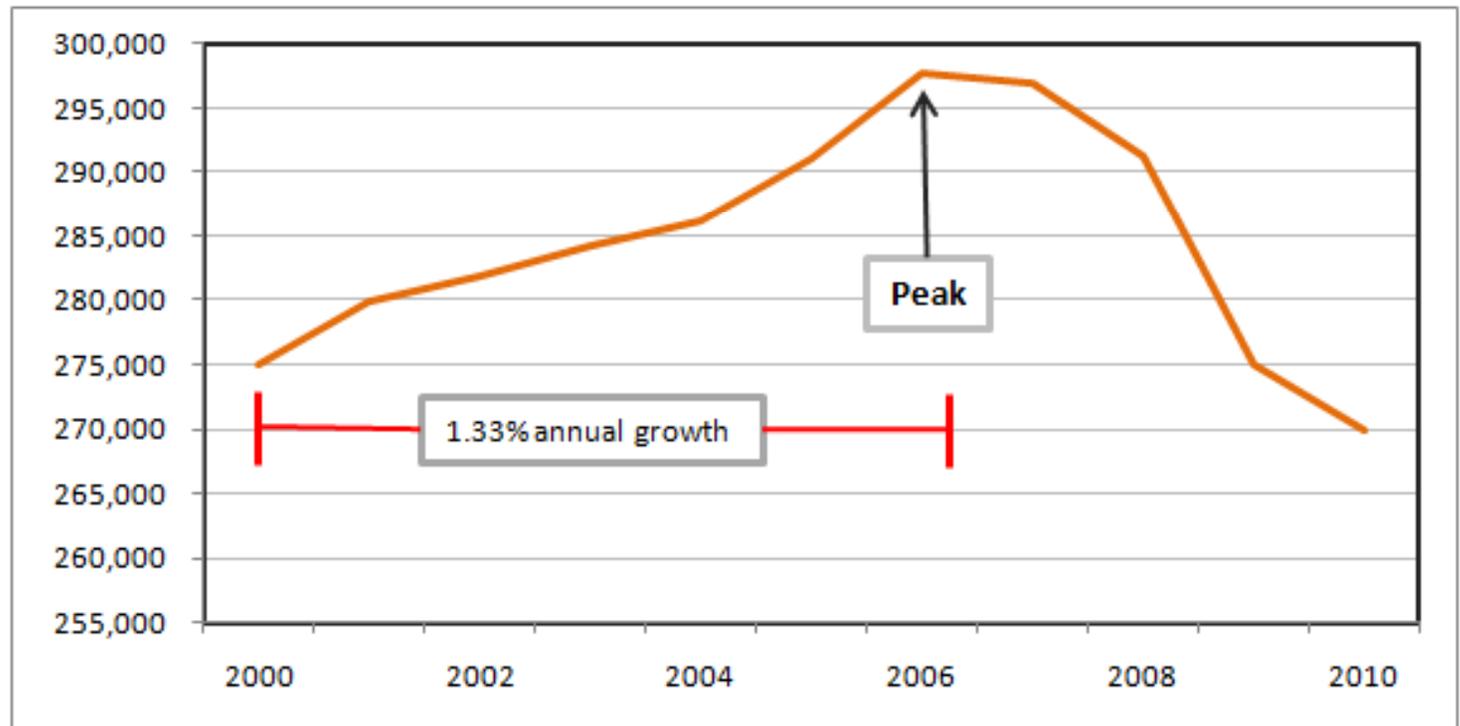
Detail of Annual Job Growth in Ventura County

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During the first half of the last decade, Ventura County added 22,750 jobs. This represents a 1.3% annual growth rate between 2000 and 2006.

Since the beginning of the current recession, the County's employment total has fallen by 27,850 jobs effectively wiping out the gains of the first half of the decade.

**Ventura County Employment Growth
2000 to 2010**



Source: California Employment Development Department

Major Employment Sectors – Ventura County

As of 2010, employment in Ventura County was concentrated in Professional and Business Services, Retail Trade, Education and Health Services and Local Government.

Collectively, these four sectors account for 50 percent of all jobs within the County.

Manufacturing is also a significant employment sector in the County economy.

**Employment by Industry
Ventura County**

Industry	2010	Share
Mining and Logging	1,200	0.4%
Construction	11,725	4.3%
Manufacturing - Durable Goods	19,658	7.3%
Manufacturing - Non-Durable Goods	11,875	4.4%
Wholesale Trade	11,592	4.3%
Retail Trade	33,917	12.6%
Transportation, Warehousing and Utilities	5,342	2.0%
Information	5,017	1.9%
Finance, Insurance and Real Estate	20,300	7.5%
Professional and Business Services	35,708	13.2%
Education and Health Services	32,658	12.1%
Leisure and Hospitality	28,717	10.6%
Other Services	9,450	3.5%
Government - Federal	7,492	2.8%
Government - State	2,475	0.9%
Government - Local	32,767	12.1%
Total	269,892	100.0%

Source: California Employment Development

Employment Growth by Sector

- Between 2000 and 2005, during the region's employment expansion phase, Ventura County added a significant number of jobs in the following sectors:
 - Construction
 - Wholesale Trade
 - Retail Trade
 - Finance, Insurance and Real Estate (FIRE)
 - Education and Health Care
 - Leisure and Hospitality
- With the exception of wholesale trade and FIRE, most of these new jobs were likely directly related to the County's growth in population rather than an addition to its basic economy. As such, they are vulnerable to the ebbs and flows of population growth.
- Since 2005, Ventura County has lost a significant number of jobs with the largest losses occurring in construction, manufacturing and the finance, insurance and real estate sectors.

Employment Growth by Sector (cont)

Growth in Employment by Industry Ventura County

Industry	Years 2000 - 2005			Years 2005 - 2010			
	2000	2005	2010	Growth	Annual %	Growth	Annual %
Mining and Logging	683	775	1,200	92	2.5%	425	9.1%
Construction	15,400	18,792	11,725	3,392	4.1%	(7,067)	-9.0%
Manufacturing - Durable Goods	27,708	23,850	19,658	(3,858)	-3.0%	(4,192)	-3.8%
Manufacturing - Non-Durable Goods	13,442	13,850	11,875	408	0.6%	(1,975)	-3.0%
Wholesale Trade	10,333	12,533	11,592	2,200	3.9%	(942)	-1.5%
Retail Trade	33,575	36,492	33,917	2,917	1.7%	(2,575)	-1.5%
Transportation, Warehousing and Utilities	5,567	5,808	5,342	242	0.9%	(467)	-1.7%
Information	7,908	6,158	5,017	(1,750)	-4.9%	(1,142)	-4.0%
Finance, Insurance and Real Estate	17,742	24,475	20,300	6,733	6.6%	(4,175)	-3.7%
Professional and Business Services	39,367	38,333	35,708	(1,033)	-0.5%	(2,625)	-1.4%
Education and Health Services	24,100	28,317	32,658	4,217	3.3%	4,342	2.9%
Leisure and Hospitality	25,092	29,192	28,717	4,100	3.1%	(475)	-0.3%
Other Services	9,733	10,392	9,450	658	1.3%	(942)	-1.9%
Government - Federal	8,175	7,425	7,492	(750)	-1.9%	67	0.2%
Government - State	1,700	2,317	2,475	617	6.4%	158	1.3%
Government - Local	34,467	32,442	32,767	(2,025)	-1.2%	325	0.2%
Total	274,992	291,150	269,892	16,158	1.1%	(21,258)	-1.5%

Source: California Employment Development Department

Economic Recovery is Slowly Beginning

Job losses throughout Ventura County may have finally stabilized. Though there was little new job growth in 2010, there were no major layoffs either. Adjusted for seasonality, there were no significant private sector job losses since June 2010.

With the exception of Orange County which has recorded significant job growth in the past year, the other areas of the greater Los Angeles region still continued to experience significant job losses in 2010.

Non-farm Jobs Created, by Selected County or MSA
December 2009 to December 2010

County/MSA	Jobs Created/Lost	Percent Change
Sacramento MSA	-17,700	-2.2%
East Bay Counties	-15,900	-1.7%
San Francisco MSA	-12,700	-1.4%
Kern County	-3,900	-1.1%
Inland Empire	-9,300	-0.8%
Los Angeles County	-4,200	-0.1%
Ventura County	-100	0.0%
Santa Barbara County	500	0.3%
San Diego County	6,300	0.5%
Santa Clara County	8,500	1.0%
Orange County	20,900	1.5%
California	+87,800	+0.6%

Source: California Employment Development Department, Labor Market Division. Chart from *2011 Real Estate and Economic Outlook Report*; California Economic Forecast

Employment Trends Affecting Future Growth

- Despite the volatile nature of the regional economy, Ventura County is beginning to capture somewhat larger shares of a few key employment sectors.
- Periodic fluxuations in employment levels can hide ongoing patterns that are significant for determining short and long-range growth.
- Using a technique called Location Quotient Analysis (LQ), we can see a pattern emerging of increasing concentration of several regional employment sectors in the Ventura County area.

Ventura County is beginning to increase it's share of several key employment sectors

An LQ number significantly greater than 1.0 indicates a concentration of employment in excess of regional averages.

Within the County, Manufacturing, Wholesale Trade and the Finance and Insurance sectors are gradually increasing their share of regional employment growth.

Over time, this growth will translate into a greater share of the regional market for Ventura County.

Location Quotient Analysis Selected Ventura County Employment Sectors

Selected Sectors	2000	2005	2010	% Change
Manufacturing				
Durable Goods	1.11	1.15	1.22	8.92%
Nondurable Goods	0.86	1.07	1.14	24.28%
Total Manufacturing	1.02	1.12	1.19	14.53%
Wholesale Trade	0.72	0.83	0.84	13.44%
Transportation, Warehousing & Utilities	0.53	0.55	0.52	-2.12%
Telecommunications	1.56	1.26	1.17	-33.55%
Finance & Insurance	1.31	1.52	1.50	12.72%
Professional & Business Services	0.99	0.91	0.94	-5.70%
Educational & Health Services	0.90	1.01	0.97	7.70%
Leisure & Hospitality	1.00	1.01	0.97	-2.12%

Note: Analysis compares growth rates of Ventura County to the larger five-county Southern California region

Source: California Employment Development Department

Industrial Real Estate Market

- In addition to looking at population and employment growth trends, it is important to also have a sense of the current scale of the County's industrial real estate market.
- This is the primary real estate sector that will promote job growth within the Community Plan area. Demand for all types of industrial building space ^{1/} as well as master-planned land areas is mostly driven by companies that have markets much larger than the City of Ventura.
- Other potential job-producing uses – such as commercial office, retail and entertainment – are likely to be local-serving in nature and demand for these uses will be driven based on the number of residents or employees located nearby.

Notes:

1/ Industrial real estate includes manufacturing, warehouse and distribution space, and light-industrial space including R&D, flexible tech space, etc.

The Ventura County Industrial Market

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- Currently there is a total of 76 million square feet of built industrial space located within Ventura County. Vacancies total 4.6 million square feet or 6.1 percent of supply.
- The City of Ventura has an industrial inventory 12.3 million square feet of space with a current overall vacancy rate of 4.8%. The city's industrial inventory constitutes 16 percent of the county total.
- The Oxnard / Port Hueneme area has the largest inventory in the County with 25.4 million square feet. This submarket comprises 33 percent of the county's industrial inventory.

Industrial Inventory in Ventura County

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Industrial Market Indicators 4th Quarter 2010

	Camarillo	Conejo Valley (VC Only)	North VC	Oxnard / Port Hueneme	Moorepark / Simi Valley	City of Ventura
Supply (sf)	11,983,224	9,730,947	3,294,217	25,392,356	13,271,284	12,345,806
Market Share	16%	13%	4%	33%	17%	16%
Gross Absorption in Qtr	125,224	200,007	8,400	287,801	157,459	72,714
SF Built in 21010	84,347	-	40,039	-	-	13,316
SF Under Construction	-	-	-	-	-	-
Direct Vacant (sf)	1,002,988	611,692	141,776	1,208,632	1,078,081	595,451
Direct Vacant (%)	8.4%	6.3%	4.3%	4.8%	8.1%	4.8%
Average Lease Rate						
Industrial Space	\$ 0.66	\$ 0.76	\$ 0.53	\$ 0.53	\$ 0.63	\$ 0.60
R&D / Flex	\$ 0.78	\$ 0.99	n.a.	\$ 0.76	\$ 0.80	\$ 0.82

Source: DAUM Commercial Real Estate

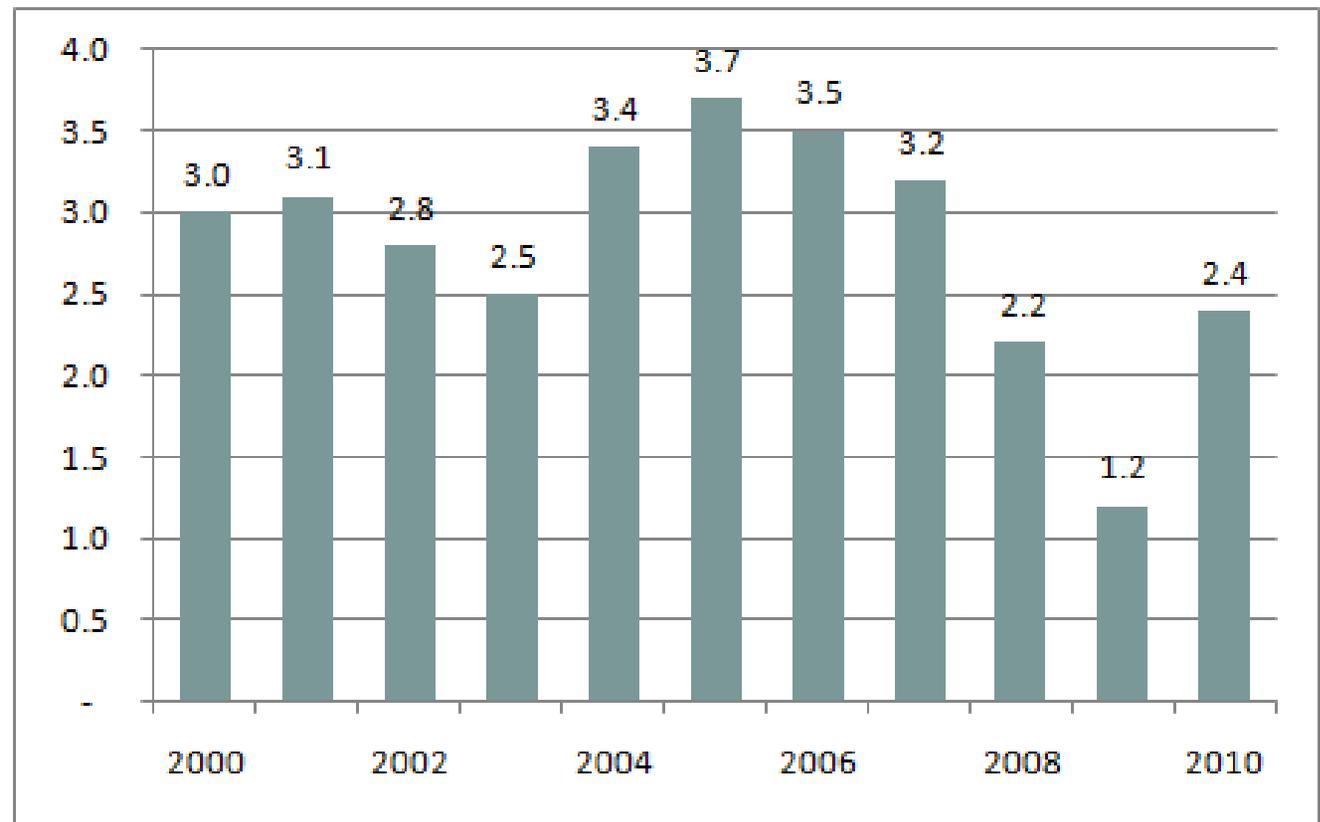
Industrial Absorption in the County Since 2000

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Between 2000 and 2010, a total of 31 million square feet of new industrial space was absorbed in the County. This works out to an annual average of 2.8 million square feet .

Even though demand for space has dropped off significantly since 2008, roughly 5.8 million square feet of industrial space was still absorbed during this period.

Gross Industrial Absorption - Ventura County
(Millions of Square Feet)



Source: CB Richard Ellis

Competitive Supply – Existing Industrial Parks

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- It is estimated that due to the recent recession there is approximately 4.6 million square feet of vacant industrial space located at industrial parks throughout the County.
- The cities of Camarillo and Moorpark / Simi Valley have the largest amount of vacant industrial space currently totaling to 45 percent of all vacancies or 2.1 million square feet.
- In addition to vacancies in completed buildings, there are additional vacant parcels within existing industrial parks such as Ventura's Arundell business park.
- Development ready sites (with infrastructure and entitlements in hand) will be the first choices for new investment when the business climate begins to improve.

Competitive Supply – Planned and Proposed Projects in Ventura County

As of February 2011, there is a total of 3.8 million square feet of approved industrial space ready to be built. This includes the 1.6 million square foot Fillmore Business Park in the City of Fillmore.

There is an additional 9.9 million square feet that is pending approvals. Most of this activity is located in the City of Oxnard.

New Development Summary

Ventura County

February 2011

Industrial Square Feet

<u>Location</u>	<u>Pending</u>	<u>Approved</u>	<u>Total</u>
Ventura	114,117	447,790	561,907
Oxnard	9,115,277	389,811	9,505,088
Camarillo	63,338	237,005	300,343
Fillmore	0	2,112,559	2,112,559
Santa Paula	3,960	3,960	7,920
Moorpark	560,000	340,000	900,000
Thousand Oaks	0	121,300	121,300
Simi Valley	0	190,188	190,188
Total West County	9,296,692	3,191,125	12,487,817
Total East County	560,000	651,488	1,211,488
Total County	9,856,692	3,842,613	13,699,305

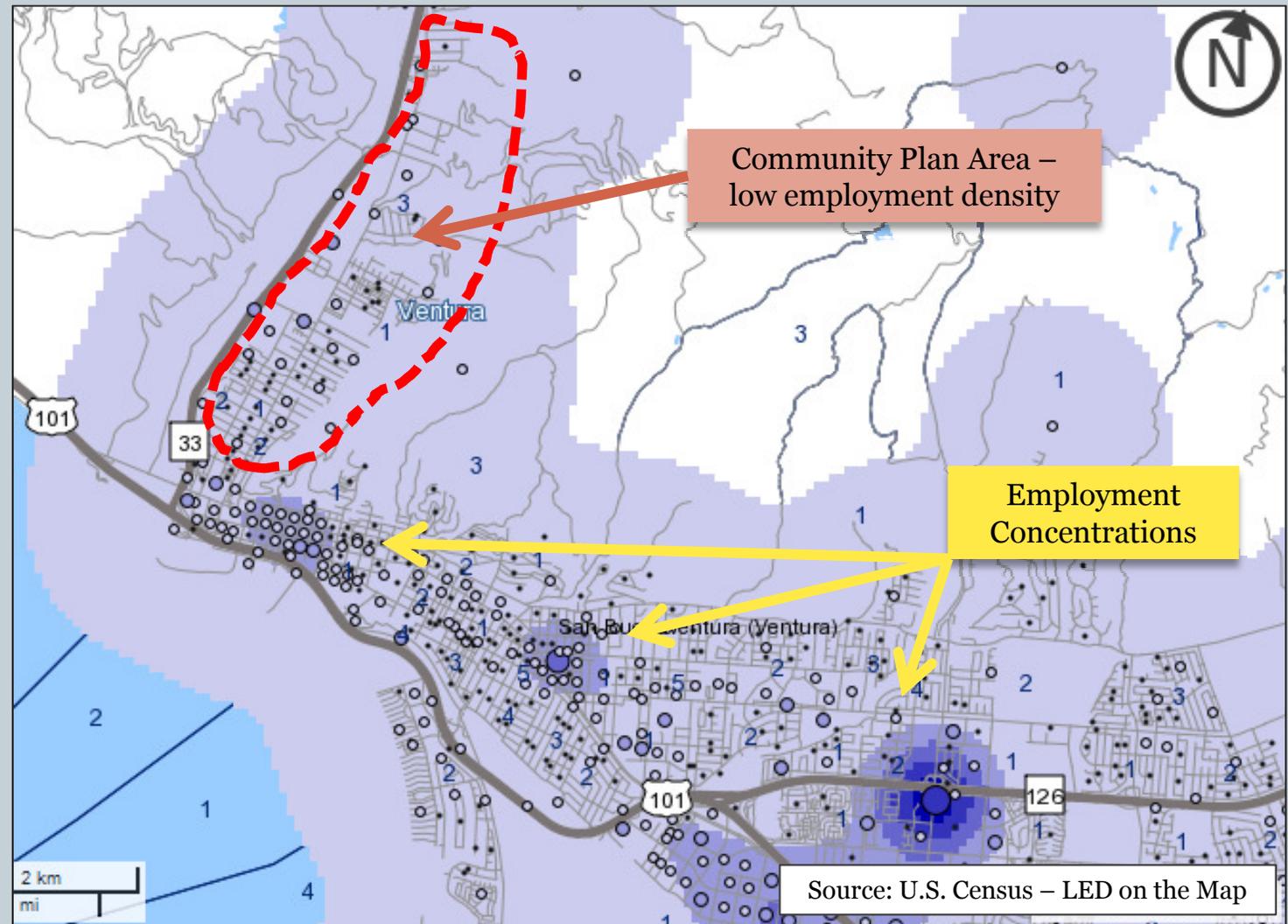
Source: California Economic Forecast

Employment within the Community Plan Area

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Compared to other areas of the City, the Westside and North Avenue Plan area has a low density of employment in relation to its size.

The U.S. Census estimates that as of 2008, there were 2,017 employees working in the area, representing just 4.3 percent of the City's job base.



Existing Employment in the Community Plan Area

Construction and retail employment constitute 40 percent of the Community Plan area's job base.

Manufacturing, wholesale trade and transportation / warehouse, jobs typically associated with industrial employment, add up to only 217 jobs or 13.5 percent of the area total.

**Estimated Onsite Employment - Westside and North Avenue Community Plan Area
Year 2008**

Employment Category	Tract 22	Tract 23	Tract 12.04	Total for Area	Share
Agriculture and Mining	5	6	71	82	4.1%
Utilities	-	-	2	2	0.1%
Construction	210	219	57	486	24.1%
Manufacturing	38	36	87	161	8.0%
Wholesale Trade	27	29	38	94	4.7%
Retail	38	251	31	320	15.9%
Transportation / Warehouse	3	-	13	16	0.8%
Finance and Insurance	1	13	-	14	0.7%
Real Estate	31	68	4	103	5.1%
Professional / Technical	2	4	-	6	0.3%
Waste Management	114	6	36	156	7.7%
Education Services	62	47	-	109	5.4%
Health and Social Assistance	154	5	-	159	7.9%
Arts and Recreation	30	10	-	40	2.0%
Accommodation and Food Service	-	177	9	186	9.2%
Other	27	41	15	83	4.1%
Total	742	912	363	2,017	100.0%

Note: Census Tract Area 12.05 also includes a portion of the Community Plan Area; however, there were no jobs that were located within the plan area boundaries.

Source: U.S. Census LED on the Map. Data is derived from unemployment insurance wage records.

Residence of Plan Area Employees

Location of Employee Residence Westside & North Avenue Community Plan Area Year 2008

Employment Category	Tract 22	Tract 23	Tract 12.04	Total for Area	Share
Residence in City of Ventura	223	237	83	543	27%
Residence Outside City of Ventura	519	675	280	1,474	73%
Total	742	912	363	2,017	100%

Source: U.S. Census LED on the Map. Data is derived from unemployment insurance wage records.

Data on commuting patterns for the Plan Area indicates that nearly three-quarters of all Plan Area employees reside outside the City of Ventura. Most commuting employees traveled from Oxnard, Camarillo, Santa Barbara and Los Angeles.

Real Estate in the Community Plan Area

Industrial Properties

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Existing and Active Industrial Properties

Land Use	Westside Area		North Avenue Area	
	Acres	Building Area	Acres	Building Area
Warehouse / Distribution	112.4	551,404	14.9	160,523
Manufacturing	65.0	451,768	31.5	219,125
Self Storage	3.0	58,117	2.6	50,783
Service / Signage	0.5	7,726	0.2	1,937
Storage Yards	14.7		1.6	
Cement/Gravel Plant	-		2.6	
	195.6	1,069,015	53.4	432,368

Note: This table does not include sites with oil field production or non-active land areas zoned for industrial use such as the Petrochem property

Source: CoStar

Real Estate in the Community Plan Area

Industrial Properties

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- There is a total of 1.5 million square feet of commercial industrial space located in the Plan Area with 71 percent of it located in the Westside portion.
- Since 2000, only 56,250 square feet have been added to area's inventory.
- Current vacancies run at 4.6 percent, which mirrors the industrial vacancy rate experienced in the larger City of Ventura.
- Average lease rates for industrial space run at \$0.70 per square foot.
- There are 127 acres of land area devoted to warehouse space and 97 acres devoted to manufacturing uses.

Real Estate in the Community Plan Area

Commercial Office Properties

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- There is a total of 199,550 square feet of Class B office space in eight buildings. Class C space is much smaller and totals 48,400 square feet in 22 separate buildings.
- Vacancies for Class B office are currently at 12.5 percent. There is no vacancy in the Class C inventory.
- Since 1996, only 57,900 square feet of new office space has been added to the area.
- Rents for Class B space currently average \$1.60 per square foot.
- There are 63 acres of land area presently occupied by commercial office structures.

Source: CoStar Reality Information

Real Estate in the Community Plan Area

Retail Properties

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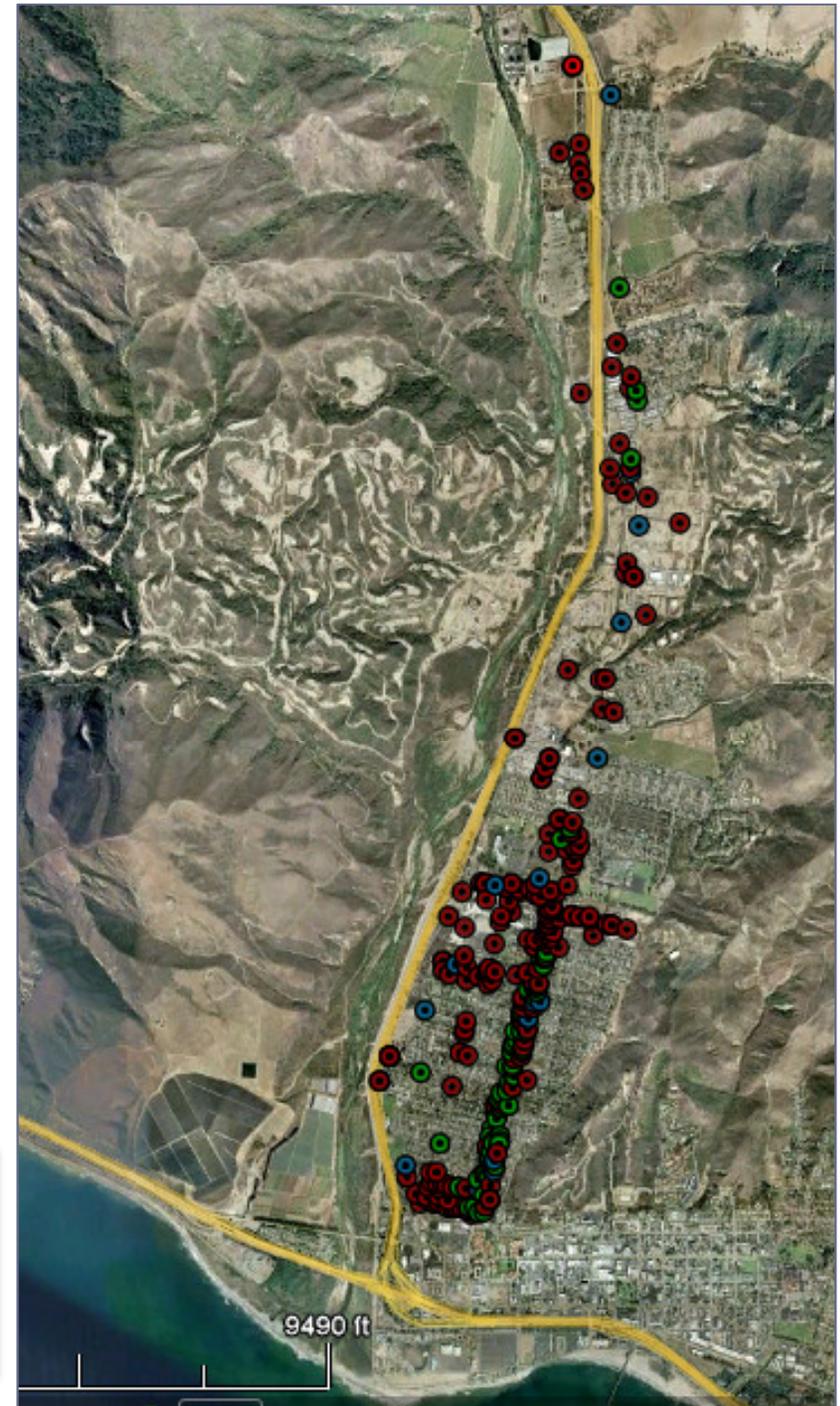
- There is a total of 23,939 square feet of retail located in shopping center space and 202,223 square feet in small freestanding structures.
- Due to the limited supply and adjacent residential neighborhoods, there is very little vacancy at the moment, totaling to less than 2 percent.
- Average lease rates for shopping center space are \$1.08 per square foot and \$1.00 per square foot for freestanding retail.
- Retail uses account for 16 acres of land area.

Source: CoStar Reality Information

Concentration of Existing Businesses

This map indicates the concentration of existing industrial-, office- and retail-based businesses located in the Community Plan area.

The Westside portion of the Plan area has the highest concentration of existing industrial, office and retail development.



Section III

Demand Projections

Long term demand for land uses relevant to the Westside and North Avenue Area Community Plan is determined by estimating the real estate impacts of long range employment and population forecasts developed by the State of California Employment Development Department (EDD), and the Southern California Association of Governments (SCAG).

The consultant has employed a 10- and 20-year forecast for this study. Employment trends are run forward in order to gauge the potential for land use demand over the coming two decades.

Additionally, long-term population projections for the area were developed in order to assess potential impacts on housing demand by type.

Dedicated Effort by a Community is Often Needed in Order to Realize Demand Projections

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- Projecting employment capacity is more than a simple projection of job growth, it is a product of zoning, public investments, market dynamics, technological innovation and local growth management policy.
- In addition to job capacity, factors that contribute to a strong economy include an educated workforce, high value-added businesses, a diverse mix of jobs, the success of economic development efforts, targeted infrastructure investments and the City's quality of life assets.

Land Use Demand Methodology

1. Ventura County employment projections are developed utilizing recent forecasts by the State of California's Employment Development Department as well as the Southern California Association of Governments.
2. Translate 10- and 20-year forecasts to building typology.
3. Estimate net occupied square footage, and then net and gross acres by land use type.
4. Assess likely capture rates for the City of Ventura as well as the Community Plan Area.

Step 1: 10- and 20-Year Employment Projections

Projected Employment Growth Ventura County

Industry	Total Projected Employment by Year			Employment Change by 10-Year Period		
	Year 2010	Year 2020	Year 2030	2010 to 2020	2020 to 2030	Total 20-Yr Growth
Mining and Logging	1,200	1,358	1,503	158	145	303
Construction	11,725	13,265	14,668	1,540	1,403	2,943
Manufacturing - Durable Goods	19,658	22,084	24,162	2,426	2,078	4,504
Manufacturing - Non-Durable Goods	11,875	13,413	14,795	1,538	1,382	2,920
Wholesale Trade	11,592	13,136	14,565	1,545	1,429	2,973
Retail Trade	33,917	38,392	42,492	4,476	4,099	8,575
Transportation, Warehousing and Utilities	5,342	6,048	6,697	706	649	1,355
Information	5,017	5,639	6,174	622	535	1,158
FIRE	20,300	22,844	25,056	2,544	2,212	4,756
Professional and Business Services	35,708	40,468	44,871	4,759	4,403	9,162
Education and Health Services	32,658	37,313	41,917	4,655	4,604	9,259
Leisure and Hospitality	28,717	32,693	36,514	3,976	3,821	7,798
Other Services	9,450	10,693	11,829	1,243	1,136	2,379
Government - Federal	7,492	8,417	9,210	925	793	1,718
Government - State	2,475	2,788	3,062	313	274	587
Government - Local	32,767	36,952	40,662	4,185	3,710	7,895
	269,892	305,503	338,177	35,612	32,674	68,286

Source: Based on current projections by the California Employment Development Department and Southern California Association of Governments.

Long Term Employment Trends

- Over the next 20 years, Ventura County is expected to add just over 68,000 new jobs to its existing base.
- The largest gains will be in Professional and Business Services (9,116 jobs) and Education and Health Services (9,259 jobs).
- Industrial-oriented employment, represented by manufacturing and transportation/warehousing and utilities is projected to grow by 8,779 jobs.
- Ventura County's projected manufacturing employment growth runs counter to prevailing trends within the larger region which anticipate manufacturing employment decreasing over time.
- These macro trends represent a shifting of manufacturing business operations from higher cost areas with aging facilities and infrastructure to newer areas.
- Some of these jobs are moving out of California, however outlying areas of the region such as Ventura, Santa Clarita, and the Inland Empire are also benefiting by attracting businesses looking to expand operations or relocate.

Step 2: Translate Forecasts to Building Typology

Industry Employment Sectors and Building Types

Industry	Office	Institution	Flex and Bus Park	General Industrial	Warehouse	Retail	TOTAL
Mining and Logging							
Construction	14%		18%	40%	18%	10%	100%
Manufacturing - Durable Goods	8%		24%	60%	8%		100%
Manufacturing - Non-Durable Goods	8%		24%	60%	8%		100%
Wholesale Trade	8%		22%	20%	40%	10%	100%
Retail Trade	5%	1%	6%		12%	76%	100%
Transportation, Warehousing and Utilities	15%		12%	13%	55%	5%	100%
Information	25%		25%	40%		10%	100%
FIRE	72%	1%	5%	1%	1%	20%	100%
Professional and Business Services	72%	1%	5%	1%	1%	20%	100%
Education and Health Services	30%	53%	5%	1%	1%	10%	100%
Leisure and Hospitality	20%	1%	7%	1%	1%	70%	100%
Other Services	72%	1%	5%	1%	1%	20%	100%
Government - Federal	43%	35%	5%	1%	1%	15%	100%
Government - State	43%	35%	5%	1%	1%	15%	100%
Government - Local	43%	35%	5%	1%	1%	15%	100%

Source: Based on an analysis of EDD workforce occupational data and original survey work by E.D. Hovee & Company, LLC 2009

Step 3: Estimated Net Occupied Sq Ft. of Building Space

Projected Demand by Type of Building Ventura County

Industry	20 Year Job Growth	Estimated Demand by Building Type - Square Feet					
		Office	Institution	Flex / Bus Park	General Industrial	Warehouse	Retail
Mining and Logging	303	-	-	-	-	-	-
Construction	2,943	144,210	-	317,850	1,088,932	794,626	147,153
Manufacturing - Durable Goods	4,504	126,113	-	648,582	2,499,744	540,485	-
Manufacturing - Non-Durable Goods	2,920	81,769	-	420,527	1,620,780	350,439	-
Wholesale Trade	2,973	83,253	-	392,476	550,061	1,783,983	148,665
Retail Trade	8,575	150,060	51,449	308,695	-	1,543,473	3,258,442
Transportation, Warehousing and Utilities	1,355	71,138	-	97,561	162,940	1,117,881	33,875
Information	1,158	101,288	-	173,637	428,305	-	57,879
FIRE	4,756	1,198,412	28,534	142,668	43,989	71,334	475,560
Professional and Business Services	9,162	2,308,913	54,974	274,871	84,752	137,435	916,235
Education and Health Services	9,259	972,185	2,944,331	277,767	85,645	138,884	462,945
Leisure and Hospitality	7,798	545,836	46,786	327,501	72,128	116,965	2,729,178
Other Services	2,379	599,515	14,274	71,371	22,006	35,685	237,903
Government - Federal	1,718	258,614	360,856	51,551	15,895	25,775	128,877
Government - State	587	88,333	123,256	17,608	5,429	8,804	44,020
Government - Local	7,895	1,188,213	1,657,972	236,853	73,030	118,427	592,133
Total	68,286	7,917,851	5,282,431	3,759,518	6,753,636	6,784,196	9,232,867
Square Feet Per Employee		350 sf	600 sf	600 sf	925 sf	1,500 sf	500 sf

Source: Based on current projections by the California Employment Development Department and Southern California Association of Governments.

Step 4: Estimate Capture of Demand by City of Ventura and by Community Plan Area (acres of land area)

Projected Long Term Demand by Acres of Land Area City of Ventura and Westside / North Avenue Community Plan Area

Demand Projection Period - 2010 to 2030	Estimated Demand by Building Type - Square Feet						TOTAL
	Office	Institution	Flex / Bus Park	General Industrial	Warehouse	Retail	
Projected County Demand in Square Feet	7,917,851	5,282,431	3,759,518	6,753,636	6,784,196	9,232,867	39,730,500
Market F.A.R.	0.50	0.60	0.45	0.40	0.50	0.35	
Estimated Net Land Area for Building (sf)	15,835,703	8,804,052	8,354,484	16,884,091	13,568,392	26,379,619	89,826,341
Net-to-Gross Land Area Percentage 1/	85%	85%	80%	80%	80%	95%	
Estimated Gross Land Area (sf)	18,630,239	10,357,709	10,443,105	21,105,113	16,960,490	27,768,020	105,264,676
Estimated Gross Land Area (acres)	427.7	237.8	239.7	484.5	389.4	637.5	2,417
Fair Share Capture of Demand by City (%)	23%	23%	16%	16%	16%	10%	16%
Estimated Acres by Use Captured by City	98.4	54.7	38.4	77.5	62.3	63.7	395
Estimated Capture by Community Plan Area (%)	17%	25%	77%	84%	82%	19%	48%
Estimated Acres by Use Captured by Plan Area	17.1	13.6	29.5	65.4	51.2	11.9	189

Notes:

1/ Net to gross factor accounts for internal roads, drainage, landscaping and other infrastructure.

Assumptions regarding market FAR's, net-to-gross land area ratios and capture rates are by the consultant

Source: Based on current projections by the California Employment Development Department and Southern California Association of Governments.

Assumptions about Demand Industrial Uses

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- As the Ventura economy begins to recover during the next several years, demand for business expansion will be primarily satisfied by refilling vacated space County-wide and by newly developed projects already in the approval stage.
- Within the City of Ventura, existing industrial and business park areas such as Arundell will fill up as the last remaining spaces are built out.
- Over time, new structures will be required to satisfy growing demand for space. The Westside and North Avenue areas will become attractive for development if sufficient land areas can be aggregated to create quality master planned space for light industrial and distribution facilities.

Assumptions about Demand Office and Retail

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- **Office:** While there are still considerable office vacancies in other parts of the City, it is anticipated that the Community Plan Area could become a destination for small office users and start-ups looking for unconventional space such as live-work and flexible configurations of space.
- **Retail:** As pointed out in the 2006 Economic Development Strategy for the Westside and North Avenue Area, retail uses are likely to consist of stores and services catering to the neighborhood residents rather than drawing customers from the larger city.
- The table on the following slide illustrates the demand projection used to estimate supportable square feet of retail space for the Community Plan Area. In addition to existing residents, it is assumed that at least 1,500 additional households will be added over time.

Assumptions about Demand Retail

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Existing residents of the Westside and North Avenue areas are estimated to have sufficient consumer spending power to support approximately 278,000 square feet of retail space. At present, there is 225,000 square feet of retail and service commercial space with a very low two percent vacancy rate.

Assuming that an additional 1,500 households could be added to the area over time (with median incomes of \$75,000), then the new residents could support an additional 120,000 square feet of retail.

Given the above assumptions, total supportable retail in the area would be approximately 400,000 square feet.

Assumptions for Projections of Supportable Square Feet of Retail Space

	Current Households	Additional Households
Households 1/	4,743	1,500
Median Household Income	\$ 60,000	\$ 75,000
Household Spending Power 2/	\$ 14,670	\$ 20,000
Area Spending Power	\$ 69,579,810	\$ 30,000,000
Average Sales Per SF Threshold	\$250 PSF	\$250 PSF
Supportable Square Feet	278,000	120,000
Less Existing SF of Retail 3/	(225,000)	-
Unrealized Demand (sf)	53,000	120,000

Supportable SF of Retail

Existing	225,000
Unmet Demand by existing residents	53,000
Demand from Future Residents	120,000
Total Supportable Square Feet	398,000

Notes:

1/ Existing housing units estimated by City of Ventura, GIS unit

2/ Based on 2009 Consumer Expenditure Survey, U.S. Bureau of Labor Statistics

3/ Derived from CoStar survey data

Assumptions about Demand Institutional (Medical and Health Care)

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- It is assumed that incremental demand for institutional uses will be filled primarily by businesses and organizations engaged in health and medical care services.
- This sector of the economy is projected to be a high growth area for Ventura County over the coming two decades.
- Health and medical care services will likely constitute additional medical office space rather than traditional hospital space.
- For purposes of this analysis, incremental demand from institutional uses has been included with office and retail in the Commerce category.

Summary of Incremental Demand Projection by Time Period

Projected Demand by Land Use Area and by Building Types Westside and North Avenue Community Plan

By Primary Land Area 2010 to 2020

Industrial Uses				
Flex / Bus Park	General Industrial	Warehouse	TOTAL	
Gross Acres of Land Area	13.1	30.8	24.4	68.3
Gross Building Area (sf)	205,093	429,562	425,485	1,060,140
Employment (jobs)	342	464	284	1,090

Commercial / Institutional Uses				
Office	Institution	Retail	TOTAL	
Gross Acres of Land Area	7.7	5.6	4.9	18.2
Gross Building Area (sf)	142,710	125,167	70,805	338,682
Employment (jobs)	408	209	142	758

By Primary Land Area 2020 to 2030

Industrial Uses				
Flex / Bus Park	General Industrial	Warehouse	TOTAL	
Gross Acres of Land Area	16.4	34.6	26.8	77.8
Gross Building Area (sf)	257,395	482,441	466,342	1,206,178
Employment (jobs)	429	522	311	1,261

Commercial / Institutional Uses				
Office	Institution	Retail	TOTAL	
Gross Acres of Land Area	9.4	8.0	7.1	24.4
Gross Building Area (sf)	173,941	176,738	102,195	452,874
Employment (jobs)	497	295	204	996

By Primary Land Area 20 Year Period

Industrial Uses				
Flex / Bus Park	General Industrial	Warehouse	TOTAL	
Gross Acres of Land Area	29.5	65.4	51.2	146.1
Gross Building Area (sf)	462,489	912,003	891,827	2,266,319
Employment (jobs)	771	986	595	2,351

Commercial / Institutional Uses				
Office	Institution	Retail	TOTAL	
Gross Acres of Land Area	17.1	13.6	11.9	42.6
Gross Building Area (sf)	316,651	301,904	173,000	791,556
Employment (jobs)	905	503	346	1,754

Source: Based on current projections by the California Employment Development Department and Southern California Association of Governments.

Comparison of Existing Uses and Incremental Demand to Community Land Plan Area

Westside and North Avenue Community Plan

Incremental Demand for 20-Year Time Period	Industrial Uses (acres)				Commercial / Institutional Uses (acres)			
	Flex / Bus Park	General Industrial	Warehouse	TOTAL	Office	Institution	Retail	TOTAL
Existing Built Area	n.a.	96.6	127.3	223.9	63.0	71.2	16.0	150.2
Incremental Demand	29.5	65.4	51.2	146.1	17.1	13.6	11.9	42.6
Total	29.5	162.0	178.5	370.0	80.1	84.8	27.9	192.8
Land Use Allocation for Community Plan								
Total 1/	435.9				195.4			

Note:

1/ Community Plan land use totals include the Westside Area and the North Avenue Area including the two sites north of the Brooks campus that are not currently included in the General Plan boundaries. The total acreage for Commerce / Institutional uses includes a portion of the "Neighborhood High" designation which is assumed to consist of 25% commercial uses.

This table compares the Community Land Plan acreages with the projected demand by land area. There appears to be a sufficient amount of land set aside for near and long-term industrial uses. The plan has designated 436 acres of industrial area. Projections for the coming 20 years anticipate demand at 370 acres. Likewise, demand for commercial uses are anticipated to be nearly 193 acres. The Plan has set aside 195 acres for these uses.

Development Opportunities

Westside Area versus North Avenue

- The previous analysis of demand assumes that the North Avenue area is annexed to the City of Ventura.
- Because the North Avenue area is less built-up, it will be easier to develop to contemporary industrial and commercial standards. This is the area where the bulk of new industrial and commercial development will occur in the near- and long-term timeframe.
- If the North Avenue area is not annexed to the City, near term development in the Community Plan area will likely be limited to the two Westside Opportunity Sites as well as a small amount of commercial and industrial infill.
- Using the 2006 Economic Development Strategy Plan as a guide, development of the two opportunity sites in the Westside area would result in 50,000 square feet of retail and approximately 55,000 of office space.

Development Opportunities

Westside Area versus North Avenue (cont)

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- An analysis of existing vacant parcels remaining in the Westside area reveals that there are only two lots over 1 acre in size that are designated for industrial use. If developed, these two lots would result in an additional 40,400 square feet of industrial use space.
- In addition, there are approximately 36 acres of small industrial lots located along the Ventura Avenue corridor between Park Row Avenue and Stanley Avenue. Overtime, there will be some recycling of these parcels resulting in additional commercial infill development at higher densities than are present today.
- The consultant believes that it is reasonable to assume that long-term demand will result in approximately 80,000 square feet of additional commercial space that could be accommodated in this manner by 2030.

Incremental Demand for Westside Area Only

Westside Only

Incremental Demand for 20-Year Time Period	Industrial Uses (acres)				Commercial / Institutional Uses (acres)			
	Flex / Bus Park	General Industrial	Warehouse	TOTAL	Office	Institution	Retail	TOTAL
Existing Built Area	n.a.	65.0	112.4	177.4	40.5	63.3	13.1	116.9
Incremental Demand	2.5	-	-	2.5	3.8	1.9	5.5	11.1
Total	2.5	65.0	112.4	179.9	44.3	65.2	18.6	128.0

If the boundaries of the Community Plan Area are delegated to the Westside area only, then incremental growth will be based on the area's two opportunity sites and infill development opportunities.

It is projected that many older existing industrial parcels located along the Ventura Avenue corridor will convert overtime to commercial uses. In addition, there are two vacant industrial parcels of sufficient size for a small amount of industrial infill built to contemporary standards.

In total, this scenario yields an additional 2.5 acres of new industrial development and 11.1 acres of new commercial development.

Projected Job Impacts

Assuming that the North Avenue area is annexed to the City, the projected development will result in 4,105 new jobs to the area (20-year projection).

Looking only at the Westside area, due to its built up area, projections for job growth are restricted to development occurring at Opportunity Sites 1 and 2 as well as a small amount of commercial and industrial infill. This results in a projection of 524 new jobs.

Westside and North Avenue Area

<u>Period</u>	Industrial	Commercial	Total
2010 to 2020	1,090	758	1,848
2020 to 2030	1,261	996	2,257
Total	2,351	1,754	4,105

Westside Only

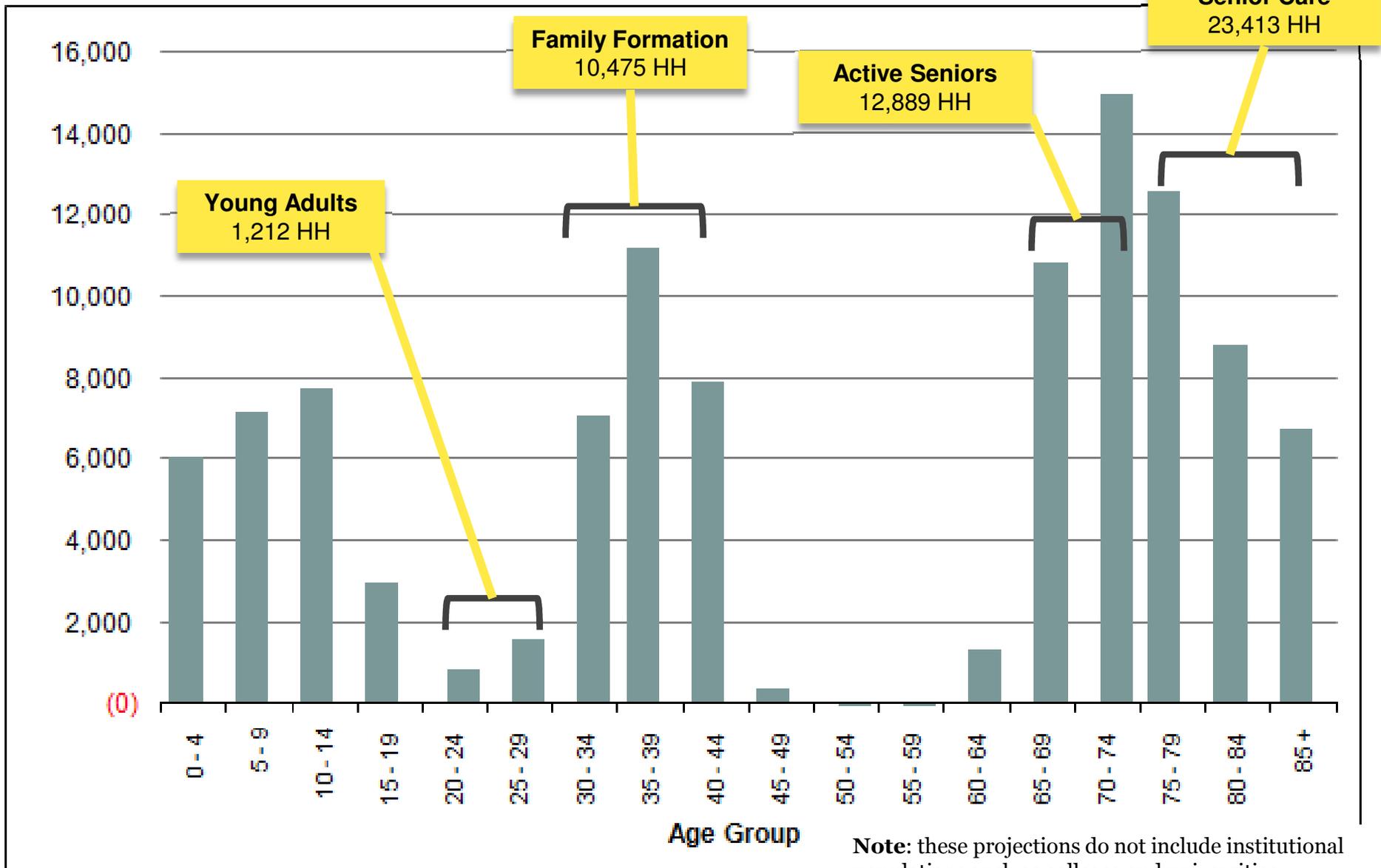
<u>Period</u>	Industrial	Commercial	Total
2010 to 2020	67	257	324
2020 to 2030		200	200
Total	67	457	524

A Note Regarding Projected Population Growth

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- Because the corridor area within the Community Plan is envisioned as a mixed-use location, population growth should be noted with regards to housing demand by varying age groups.
- Housing choices are often informed by life stage with younger people typically seeking rental and for-sale choices in urbanized locations that are close to amenities and jobs. Conversely, the so-called “active senior” age group represents a demand for housing choices to replace homes that have become too large to maintain once children leave.
- As projected by the California Department of Finance, Ventura County is expected to add nearly 100,000 new residents over the coming 20 years.
- The chart on the following slide converts this projection into household growth at varying age levels.

Long Range Population Projections - Ventura County Projected Growth by Age Group - 2010 to 2030



Source: State of California Department of Finance and Illuminas Consulting

Projected Population Growth (cont)

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- A large portion of the County's population is expected to become increasing older as many existing residents age in place.
- Growth of the "Young Adult" population, those most likely to fuel demand for more urban-type housing choices will grow by only 1,200 households from present levels, though it should be noted that these number do not include institutional populations such as colleges and universities.
- The "Active Senior" and "Senior Care" populations are expected to increase by 12,900 households and 23,400 households respectively.
- These projections indicate that in addition to housing geared to singles and young couples, there should be consideration given to including housing options in the Plan area geared toward independent senior living.

Section IV

Market Demand for “Green” Business and Employment

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The Westside and North Avenue Community Plan has identified targeting of green industry as a desirable economic development objective. This section presents a definition of the market and assesses it's size and potential for capture in the Ventura County region.

What is a Green Business and a Green Job?

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- A Green Firm is an organization that provides products and/or services that are aimed at utilizing resources more efficiently, providing renewable sources of energy, lowering greenhouse gas emissions, or otherwise minimizing environmental impact.
- A Green Job is an occupation that 1) directly works with policies, information, materials, and/or technologies that contribute to minimizing environmental impact, and 2) requires specialized knowledge, skills, training, or experience in these areas.

What is the Green Economy?

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- As Californians install solar systems on their roofs, municipalities buy zero-emission busses, and businesses examine their carbon footprints, tracking the development of California's green economy is more complex than a conventional industry analysis.
- Some producers of green technologies are more easily identifiable than others; however, most producers stem from the design and manufacture of conventional technologies and products.

The Green Economy (cont)

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- New discoveries and importantly new demand for green technologies are fueling the expansion of business activities across the entire economy to develop in greener ways, offer greener products, and provide services in helping businesses (and residents) become more resource efficient.
- This reality means that more often than not, green products and practices are contained in the same industry categories as conventional products and practices.

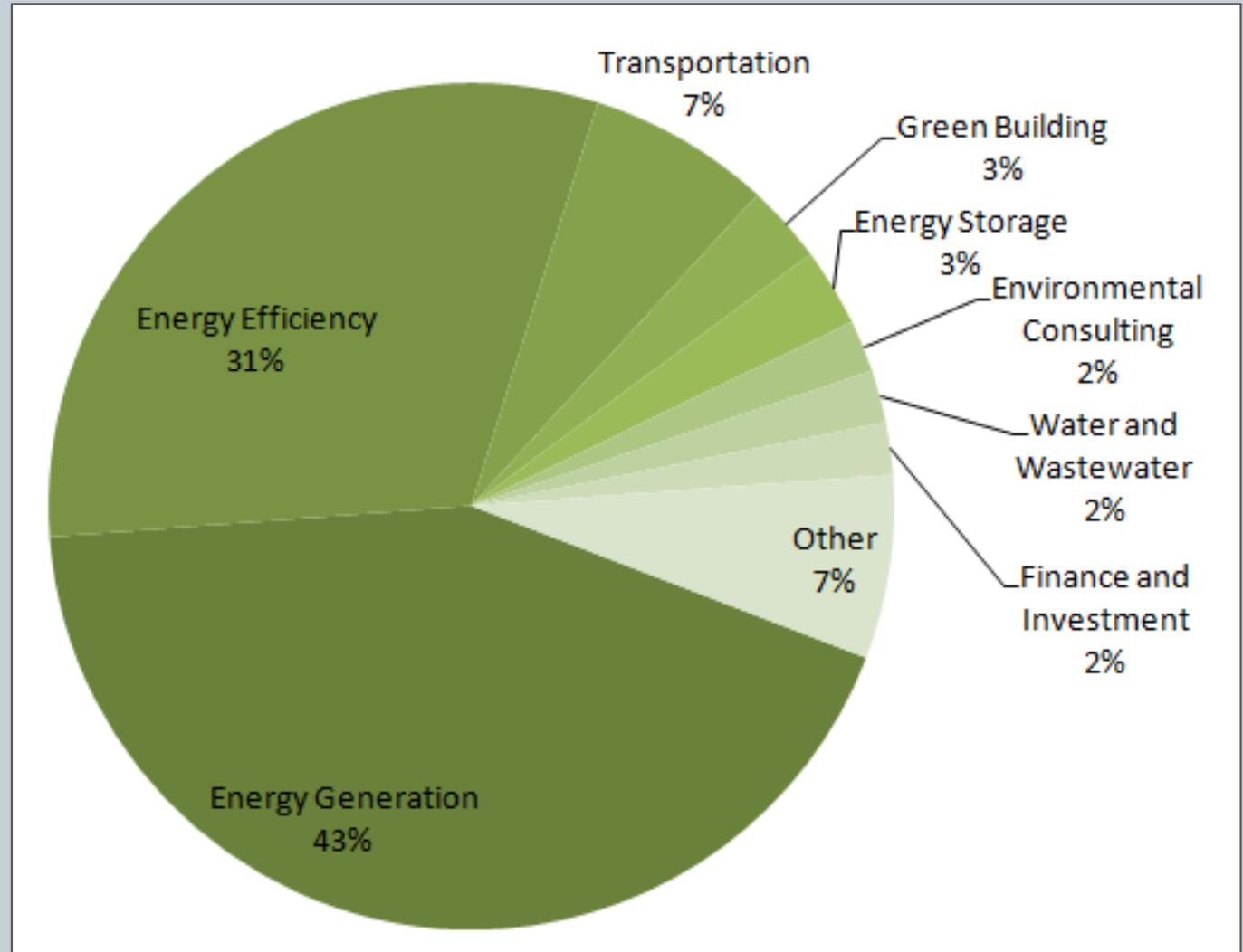
Composition of California's Green Economy

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By business segment, California's green businesses are primarily working in the areas of energy generation and energy efficiency.

As of 2009, there were 125,000 employees working in the State's green tech sector. This represents just less than 1 percent of total non-farm employment.

Sector statistics derived from *Clean Technology and the Green Economy*, March 2008, California Economic Strategy Panel



Green Business Segments

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- **Energy generation** represents the largest segment of California's green businesses. These include businesses with primary activities in manufacturing, design, installation, system management, consulting and various business services and associations focused on energy generation or specific forms such as solar or wind. The 64 percent of these businesses and 53 percent of employment relates specifically to solar energy generation.
- **Energy efficiency** makes up 31 percent of green business. Forty percent of these firms are in energy conservation consulting; however, the bulk of employment is in the manufacturing, design and sales of low-wattage or zero-wattage lighting products.

Green Business Segments (cont)

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- Seven percent of green businesses are in **transportation**. Forty-eight percent are focused on alternative fuels which represents 33 percent of employment in that sector. The main activities of one-third of these businesses is related electric vehicles, many of which are recreational vehicles.
- **Green building** and **energy storage** each accounts for 3 percent of green firms. While two-thirds of which are in design and/or construction, 21 percent are focused on the manufacture and sales of green building materials. The activities of the vast majority energy storage firms are in the design, manufacturing, and distribution of various battery technologies.

Green Business Segments (cont)

68

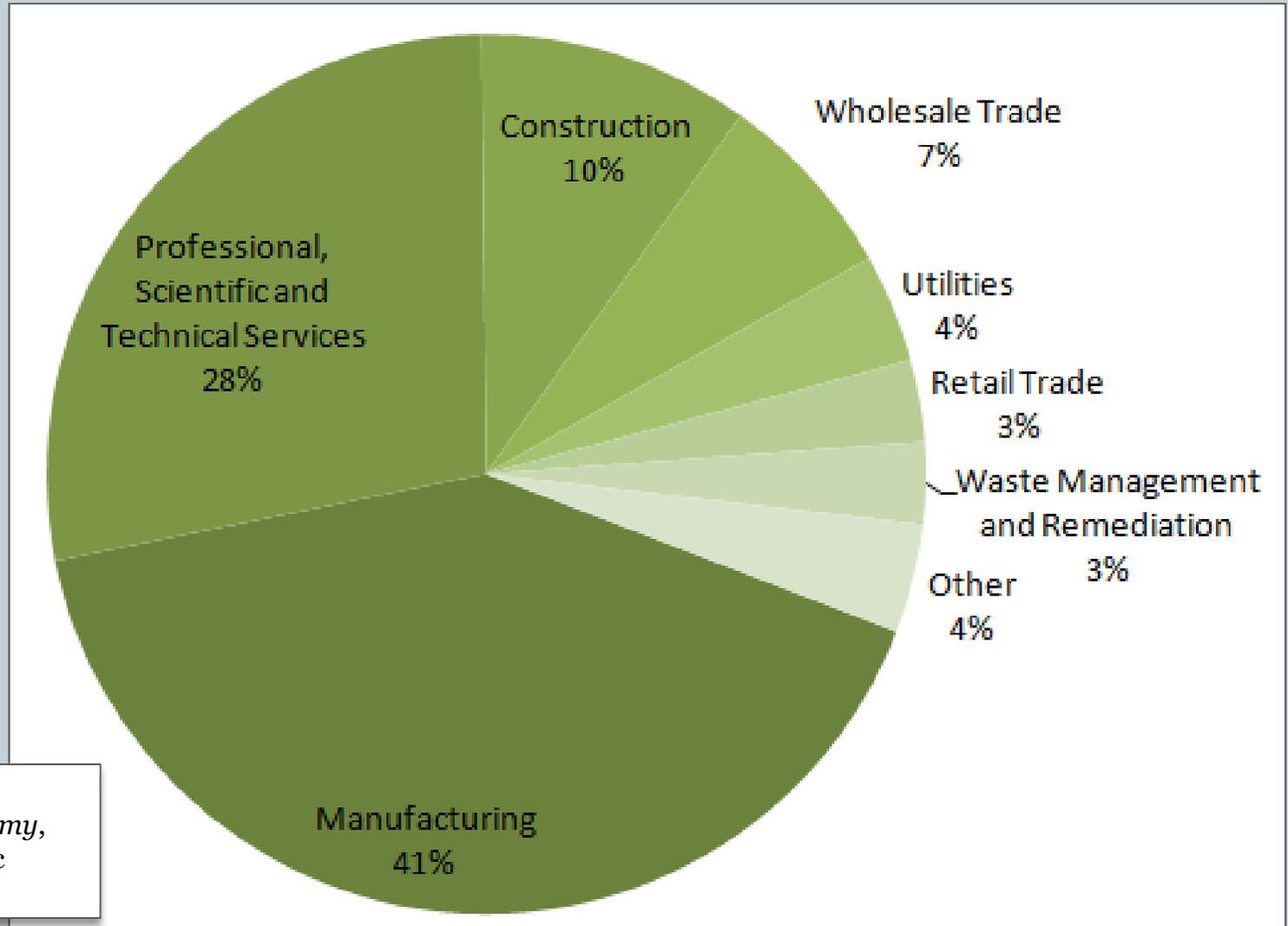
- Environmental consulting, water & wastewater, and finance & investment each accounts for 2 percent of the state's green businesses.
- **Environmental consulting** firms help other firms assess, manage and monitor their environmental impact and sometimes their related public relations as well. This segment includes research and testing services.
- **Water & wastewater** firms are specialized in the design and manufacture of water purification products and consulting services. They also include water management services.
- **Finance & investment** includes businesses providing project financing specifically for large and small-scale renewable energy projects. Also included in this group are venture capital and private equity firms specializing in clean technology ventures.

California Employment in Green Industries

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The following sectors account for the majority of green jobs in California:

- (1) Manufacturing
- (2) Professional, Scientific and Technical Services
- (3) Construction



Statistics derived from *Clean Technology and the Green Economy*, March 2008, California Economic Strategy Panel

Employment by Industry Classification

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- **Manufacturing** is the industry sector with the largest share of green employment. Associated directly with solar, 18 percent of employment in green manufacturing is in semiconductor and related device manufacturing. Various forms of instrument and device manufacturing, lighting, heating system, battery and turbine manufacturing are some of the top employers.
- In **professional, scientific and technical services**, energy conservation consultants account for 38 percent. Following these are engineering services and research and development with 19 percent and 15 percent of employment in that sector respectively. Employment in this sector also reflects marketing activities specialized in green business.

Employment by Industry Classification (cont)

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- Not surprisingly, over half of employment in **construction** is in plumbing, heating and air conditioning contractors. Among other things, these are the installers of energy efficient furnaces as well as solar systems. Electrical contractors make up 29 percent of green construction employment as the electrical infrastructure is vital to most all green segments.
- Supplying the three sectors described above is **wholesale trade**, and 30 percent of employment in this sector relating to green business is electronic parts and equipment which includes semiconductor devices and communication equipment.

Regional Locations of Green Jobs

Estimates of the number of “green jobs” vary according to how they are defined, but a recent and reasonable estimate places the total statewide at 125,000.

Within this grouping, Ventura County is counted in the Central Coast Region, which contains just 2 percent of all green jobs statewide.

Long-term projections indicate that this area will gain 9,000 green jobs over then next 20 years.

California Green Jobs By Region

Region	2009		2030	
	Jobs	Share	Jobs	Growth
Greater Los Angeles	38,871	31%	179,871	141,000
Bay Area	33,855	27%	156,855	123,000
Southern Border	20,062	16%	93,062	73,000
Greater Sacramento	15,047	12%	70,047	55,000
Inland Empire	7,523	6%	34,523	27,000
San Joaquin Valley	6,270	5%	29,270	23,000
Central Coast	2,508	2%	11,508	9,000
Northern California	1,254	1%	6,254	5,000
Total	125,390	100%	581,390	456,000

Projections by EPS and based on *U.S. Metro Economics Current and Potential Green Jobs in the U.S. Economy*; Global Insight for the Conference of Mayors, 2008

Source: Green Jobs in California, Economic and Planning Systems, 2009

Primary Business Sectors Represented in the Central Coast Region

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- Companies involved in Energy Generation, Air and Environment and Water and Wastewater services represent nearly 60 percent of all current green businesses located within the Central Coastal region.
- **Energy generation** includes businesses with primary activities in manufacturing, design, installation, system management, consulting and various business services and associations focused on energy generation or specific forms such as solar or wind.
- **Air and Environment** includes businesses involved in environmental consulting, emissions monitoring and environmental remediation.
- **Water & wastewater** firms are specialized in the design and manufacture of water purification products and consulting services. They also include water management services.

Ventura County Capture Potentials

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- For reporting purposes, Ventura County has been included in the Central Coast Region of California.
- This area includes the counties of Monterey, San Luis Obispo, Santa Barbara and Ventura.
- Currently this regional area has a total non-farm employment base of 654,100 jobs. Employment within Ventura County accounts for 42% of the regional job base.
- A simple “fair-share” assessment of the long-term green job projections implies that the Ventura County has the potential to attract approximately 3,800 jobs over the coming 20-year period.
- Success will depend on active economic development efforts.

Understanding the Market and Real Estate Life Cycle Needs of Green-Tech Business

	Incubator	Innovator / Creator	Fabricator	Manufacturer	Warehouse / Distribution
Character	Mind	Mind + Hand	Mind + Hand + Machine	Hand + Machine	Building + Lot
Value Creation	\$\$\$\$\$	\$\$\$\$	\$\$\$	\$\$	\$\$
Barriers to Entry	Very High	Moderately High	Moderate	Low	Low
Required Education and Training	PhD / Masters	Bachelors / Masters / VoTech	High School / GED / VoTech /Bachelors	< High School / VoTech	< High School
Compensation	High	Mid - Moderate	Mid - Minimum	Minimum +	Minimum +
Physical	Space that is Inspired and boutique	Creative urbanism	Industrial urbanism	Factory / Industrialism	Large lot
	Co-creative environments	24/7 - edgy, but clean	Efficient and flexible	Buffers and seperated uses	Open Space
	University access	Lifestyle amenities	Synergy of services	Access to raw materials	Transportation access
Compatible Uses	Education, housing, live-work, service retail, office, light industrial			Service retail, light industrail	Manufacturing
Real Estate	Diverse, small and flexible space. Adaptive reuse + new construction	Small, moderate footprint space. Adaptive reuse	Flexible, mid-size space. Roll-up doors, office and work spaces	Large footprint sites, simple low-investment buildings	Very large footprint, simple low - investment buildings. Large lots.
Network	University R&D, Knowledge Clusters	Related service and materials providers	Related service providers, transportation	Raw material providers, storage and waste / recyclers	Transportation

Source: UrbanGreen LLC

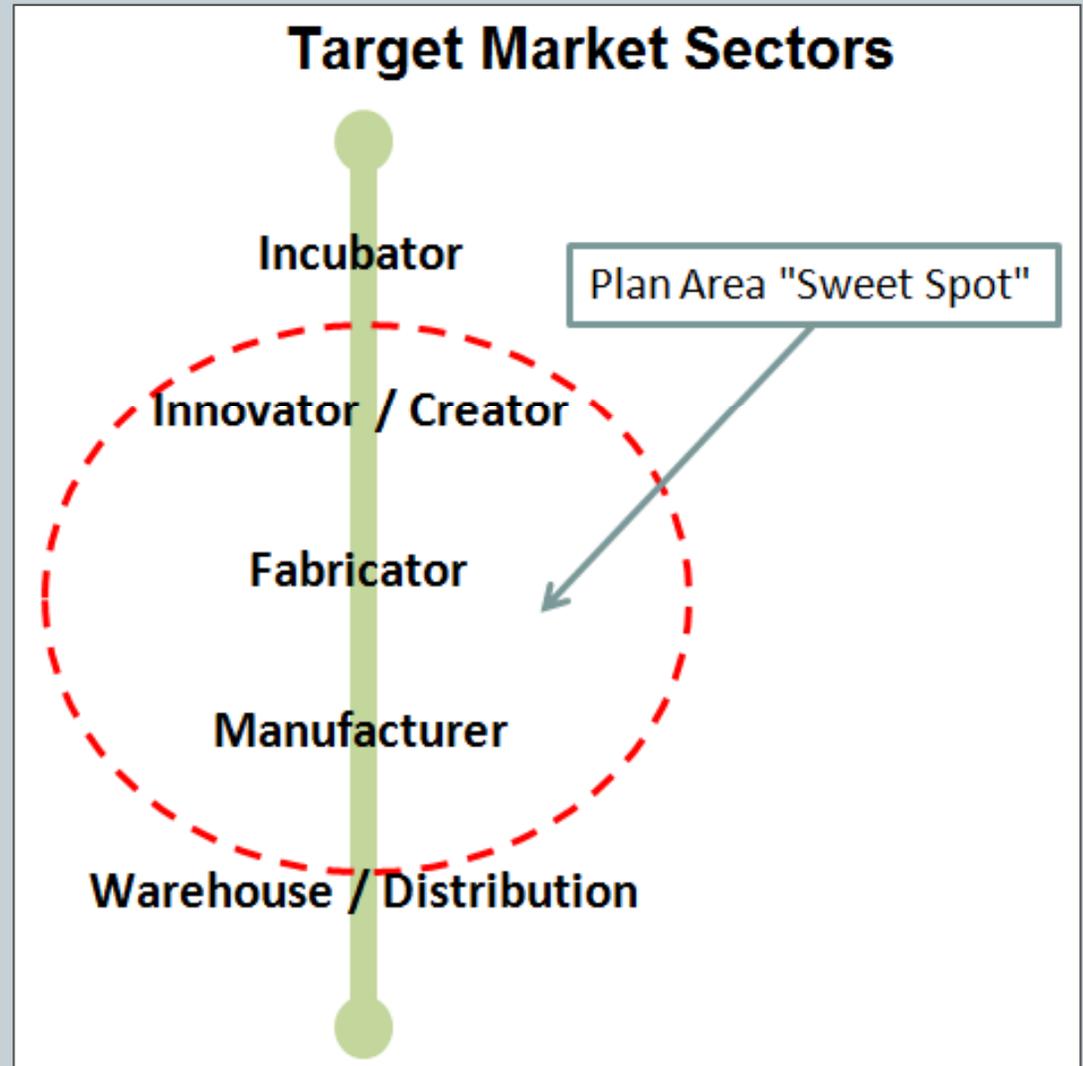
Potential Life-Cycle Targets

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While it is possible that the City can facilitate the creation of additional incubator spaces like the successful Ventura Ventures Technology Center, it is unlikely that business in the incubator stage of their life-cycle would find the Community Plan Area an ideal location.

Nonetheless, there are green industry business targets that would be feasible in an evolving Westside / North Avenue Plan area.

To the extent that the Commercial areas can support a concentration of live-work space, this could appeal to companies in the Innovator / Creator phase. Areas with light industrial buildings would work for fabrication and manufacturing businesses



Potential Building Impact

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Years 2010 to 2030 (10% Capture of County Demand)

	Office	Flex / Bus Park	Warehouse	TOTAL
Building Type Distribution	10%	65%	25%	100%
SF Per Employee	350	600	1,500	
Estimated SF of Space	13,300	148,200	142,500	304,000

Creating a “Green-tech” district will necessitate an active economic development strategy aimed at demonstrating Ventura’s “value proposition” to the green industry. As noted in previous slides, the life-cycle segment of the industry most likely to respond to the Plan Area’s building inventory and the City’s labor supply would be companies involved in manufacturing production and distribution of green products. If appropriate office product is built, this may also appeal to firms involved in professional and technical services to green industry.

The table above indicates a potential building impact in the Plan Area if 10 percent of County wide demand can be captured.

Section V

Executive Housing Issue

Executive Housing as an Economic Development Asset

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- As part of its consideration of the feasibility of including the Canada Larga site into the Westside / North Avenue Area Community Plan and annexing the property into the City, Council has asked the consultant if the existence of a supply of “executive housing” within the City could be seen as an asset from the perspective of economic development.
- In other words, how critical is the presence of executive housing to recruiting or retaining companies to locate in the City of Ventura.

What is “Executive Housing”?

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- Generally when the term is used it refers to housing that is defined by price, location, size and density.
- Structures are generally family housing on large lots, often one-acre or more in size. Residences typically have four-to-five bedrooms.
- Location and environment are important factors with rural and semi-rural locations particularly popular.
- Restricted access (gated areas) is often seen as an important amenity.
- Values usually are in the upper end range for the market with prices of \$1 million to \$3 million common.

The Business Decision to Locate

- Companies choose to locate in a particular area for a variety of reasons.
- The reasons for a particular choice are not only grounded in economic and financial factors but, in fact, in subjective criteria which is not often amenable to simple explanation.
- The relocation of most manufacturing, regional offices, and distribution centers are usually justified by cost reductions, improved operating efficiencies or choosing a strategic location to take advantage of new opportunities.
- These are in place for headquarters moves as well, but there are usually transcending considerations which overwhelm the basics and make these relocation decisions very corporate “personal” and leadership-centric.

The Business Decision to Locate (cont)

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- Business factor considerations such as adequate site and infrastructure availability, access to transportation networks, the presence of a qualified, yet affordable labor supply and an overall “business friendly” environment are usually the first factors considered when a new location is under review.
- Below this top tier, “quality of life” issues do come into play. Depending on the company, these can include the presence of affordable housing for employees, the quality of the local school district, cultural and recreational amenities and a sufficient inventory of housing that appeals to the company’s senior management.

Executive Housing as an Asset

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- While not generally considered to be in the top tier of community economic development assets, the presence of a suitable number of housing choices geared toward senior executives and business owners is still an important “quality of life” asset that should help a community when all business location factors are taken under consideration.
- In 2000, the Ventura Chamber of Commerce commissioned a survey of County business executives that confirmed the relative importance of a high-end housing supply in a company’s location decision matrix.

Capturing the Residential Impact of Business Location Choices is also an Economic Development Benefit

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- In general, if suitable housing choices are not located nearby, typical buyers of executive housing are prepared to commute in order to obtain the type of property they are looking for.
- However, for the community hosting the business location, it is advantageous to capture both the company and the residential locations of as many employees as possible.
- Capturing new residents “in town”, at all income levels, increases sales at local stores, services and restaurants, adds to the city’s tax base and increases the likelihood that volunteer contributions of time and funding will stay in the host community.

Existing Nearby Locations of Luxury Housing Currently “On the Market”

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Homes with Asking Prices of \$1 Million or More (Feb 2011)

City	Number	Average Asking Price	Average House Size	Average Lot Size	Area
Ventura	28	\$ 1,550,000	3,443	0.2 ac	Beach, Hillside
Ojai	30	\$ 1,934,500	3,207	1.6 ac	Rural
Oxnard / Port Hueneme	34	\$ 2,400,000	3,393	0.2 ac	Beach, Marina
Camarillo	52	\$ 1,670,000	5,045	1.2 ac	Luxury nieighborhoods
Total	144				

Note: Includes properties up to three acres in size

Source: Zillow.com

The above survey does not include a full accounting of the luxury housing inventory in the local area, but it does give a snapshot view of what is currently on the market. While all four cities listed above, have a supply of million dollar homes, only Ojai and Camarillo offer choices with larger lots and housing with some level of privacy.

The Following Caveats Should be Noted when Considering the Relative Importance of Executive Housing

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- **The presence of executive housing by itself does not guarantee every buyer will bring jobs to the City of Ventura.** If built as currently described by the site's owner, the location and the lot sizes will appeal to buyers in the luxury market as a whole.
- **The presence of executive housing does not guarantee that a company will remain in Ventura.** As an example, the recent loss of Kinko's corporate offices was most likely due to its change in ownership (the new owners live in Texas) and to the company's objective of finding a lower cost workforce. Increased executive housing choices would not have changed this outcome.

Conclusion

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- In general a community that has a suitable inventory of housing choices representing the full spectrum of income levels will be that much more competitive when a company is choosing between several possible locations.
- However, quality of life assets, while important, will not be a major deciding factor in a relocation decision unless the community also has its first tier assets in place (land, labor, infrastructure, business climate, etc.)

Section VI

Observations about the Draft Community Plan and Development Code

Traditional Funding Sources for Revitalization are Currently at Risk

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- We are presently in the middle of an uncertain environment with regards to public financing tools used to induce private development investment in off-market areas.
- Redevelopment, the traditional vehicle in California for providing needed infrastructure development, site assembly and investment risk reduction may not be available if the current version of the Governor's budget holds.
- Moreover, federal Community Development Block Grant funds (CDBG), a key funding source for neighborhood revitalization projects is also in danger of significant cut backs.
- The plan lays out numerous capital projects without identified funding (apart from redevelopment). Some contingency funding sources and/or strategies should be included in the plan document.

The Plan Area has Significant Infrastructure Issues to Solve

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- There are a number of significant infrastructure issues which will need to be resolved in order to increase the feasibility of modern development in the area.
- The lack of a levee separating the Ventura River from the Petrochem / Brooks property as well as much of the North Avenue land area west of the freeway presents a problem for the development of these areas and protection from flooding.
- Antiquated freeway on- and off-ramps, while serviceable, may not be adequate for increased truck traffic which would come with additional industrial development.
- The Plan Area has substandard roads and bridges and there few improved streetscapes, particularly in the North Avenue area.

The Economics of Density and Renovation

- The development code mandates mixed use projects on parcels of 30,000 square feet or more.
- Vertical mixed-use projects (such as ground floor retail , with housing or office space above) generally are more expensive to develop and finance than single-use or horizontal mixed-use.
- As such, there will be a significant lag time before this type of development becomes feasible in the Community Plan area. Achievable rents and property sale prices will need to rise in order for the project economics to pencil out.
- Additionally, the application of a form-based code may hamper renovation of older commercial properties along the corridor if existing owners are unable to afford to upgrade to the standards mandated. New property owners may be required for redevelopment to take place.

The Targeting of Innovative Industries such as Green-Tech Implies a Very Active Attraction Strategy will be Required

- As demonstrated, there is a real, though small network of “green” businesses located in the State.
- Growth in this sector of the economy is projected to continue and there will be a number of these jobs that locate somewhere in Ventura County.
- Capture of business activity in this sector will depend on active promotion of the City’s assets and demonstrating that there is a value proposition to locating in the City as well as in the Westside / North Avenue area.
- These jobs will not simply locate here unless a real case can be made for the Plan Area’s competitive value.

Well Located Housing will Support the Commercial Development

- One of the important overriding objectives of the plan is to focus on jobs producing uses. Nonetheless, new housing development should not be discounted as it is an important element for the area.
- While it will be several years before the market recovers enough to support both investment and sales, increasing the residential base at strategic nodes along the Ventura Avenue corridor will help to support new commercial development including retail, services, and small office uses.
- If education services cluster is pursued, additional student-related housing should be considered.
- The Development Code indicates that Live-Work housing should be a single household. Many communities that plan for this type of housing allow one of the units to be leased out. This would promote more flexibility of use.