



City of Thousand Oaks

BUSINESS ROUNDTABLE (BR)

May 11, 2010

The Acorn Room

2100 Thousand Oaks Boulevard

Summary Notes

Call to Order by Dr. Ashish Vaidya (Chair) at 8:06 a.m.

Roll Call: Present: Robert Bianchi, Betsy Friedman, Leonard Greenlee, Larry Horner, Phil Koonce, John LaRocca (Vice Chair), Susan Murata, Michael Schiff

Staff: Gary Wartik, Economic Development Manager; Haider Alwami, Senior Planner; Joana Smith, Office Supervisor

Absent: Cheryl-Lee Brown

Public Comments: Jan Smith of the Greater Conejo Valley Chamber of Commerce reported that the Chamber has won two awards: 1) Education Committee won an award from the PTA, 2) Chamber recognized for Outstanding Service by the California Chamber. As well, members will travel next Monday to Washington, D.C., to lobby Members of Congress, in particular focus will be on funding for the 101/23 freeway interchange. Ms. Smith also mentioned upcoming Business Success Story Seminar on June 18, 9 a.m. – 1 p.m., at the Renaissance Agoura Hills Hotel. Subject will be E-Myth Solutions: Making Your Business Work for You.

New Business:

New members Robert Bianchi, Betsy Freidman, and Larry Horner were welcomed and administered the oath of office:

Election of New Chair and Vice Chair:

Motion was made to elect John LaRocca as Chair of the Business Roundtable. Carried 10-0, Brown absent.

Motion was made to elect Michael Schiff as Vice Chair of the Business Roundtable. Carried 10-0, Brown absent.

Current Sub-Committee Reports/Action: Postponed until next meeting.

Angled Parking Project and the Lakes:

Rick Lemmo, Senior Vice President, Community Relations, Caruso Affiliated, which owns and manages the Lakes Shopping Center, gave an overview of the Boulevard Angled Parking Project. Proposed project will be heard at tonight's City Council meeting, and if approved, will add additional parking on Thousand Oaks Boulevard in front of the Lakes. Mr. Lemmo mentioned that if this project is approved tonight, it may be completed between September 1– October 1, 2010.

Senior Planner Haider Alawami, gave a description of the project: He noted that it will provide additional 10 parking spaces; cars will back into their own lane, and bike lanes will also have separate lane. Parking will not be metered, but there may be some restricted parking.

Motion was made to support the Angled Parking Project at the Lakes, and have the BR Chair speak at the City Council Meeting. Motion carried 10-0, Brown absent. Chair LaRocca will attend meeting and speak in support at tonight's City Council meeting.

Business Sector Panel – Auto Mall Dealerships:

The first Business Sector Panel represented the local automotive dealers from the Thousand Oaks Auto Mall. The panelists were BR member Susan Murata, Vice President of the Silver Star Automotive Group; Chris Shaver, Vice President of the Shaver Automotive Group (Jeep and Subaru); and Scott Stanley, General Manager of Honda of Thousand Oaks. The panel provided information about sales, the ratio of new to used vehicle sales, why that is changing, and the industry's new business model.

The new model, born out of the recent Chapter 11 Bankruptcies of General Motors and Chrysler, involves the factories no longer producing large quantities of unsold vehicles and "pushing them onto dealers," but instead seeking more customer orders and producing fewer vehicles for dealership inventories. It was noted that the change will, in part, help dealers reduce their "flooring" costs (financing of inventory), yet it also has already begun to reduce the ability of dealers to offer customers more choices with respect to models, colors, and equipment levels. Several dealers noted that in order to obtain certain models, dealer-trading with franchises as far away as Texas are required to timely meet customer demand. In past years, dealers would likely have every color and model, with differing levels of equipment, in stock and ready for customers to drive away.

It was noted that vehicle sales, until recently, have been running well below 2006-07 levels, during which the dealers collectively sold 25,733 units. For example, year 2009 sales were down one-third at 17,236 vehicles. Employment levels within the Auto Mall decreased during the period by more than 20 percent as a reflection of fewer sales.

Each of the representatives noted, however, that as sales have improved and profits have returned, employment levels are once again increasing incrementally.

Some discussion occurred about profit margins and how dealers generate the bulk of their income. The panel noted that the average vehicle sale involves only a 2 – 3 percent profit margin, on a good day. Most dealer profits, it was noted, come from: 1) used vehicle sales, 2) new and used vehicle service, and 3) factory sales incentives and givebacks. Perhaps the most interesting statistic of all was the disclosure that tracking sales reflects that only 38 percent of vehicle sales are made to residents of the Conejo Valley. Some surprise was expressed by the fact that 62 percent of all sales are made to residents of other parts of Ventura County, the San Fernando Valley, and beyond. Such information suggested two things to the BR members: 1) the Chamber's new Buy Local campaign should help focus attention on the Auto Mall; and 2) thousands of people from outside the local area are familiar with the Thousand Oaks Auto Mall.

Roundtable Comments and Open Forum: None.

Adjournment: 9:40 a.m. to June 8, 2010, 8:00 a.m., Acorn Room.