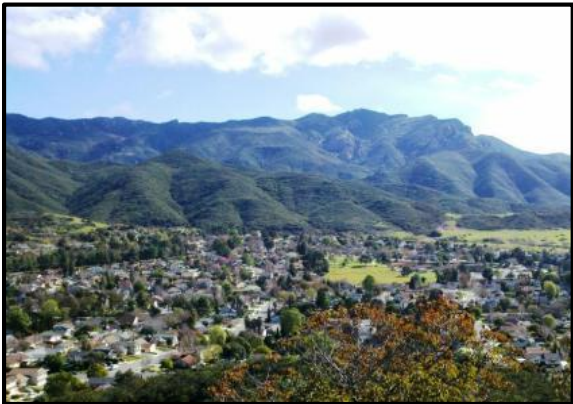


# Thousand Oaks Economic Development Strategic Plan



# Thousand Oaks Economic Development Strategic Plan

## ***Baseline Assessment of Conditions that Drive the Economy in Thousand Oaks and Economic Development Implement Strategies for Future Vitality.***

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## EXECUTIVE SUMMARY

Thousand Oaks, which lies in the heart of the Conejo Valley and the northwestern part of the Greater Los Angeles Area, over the years has exhibited a vital entrepreneurial spirit embellished by the expansive development of high-tech and medical product industries. The City's robust and generally upscale suburban character has several unique features; home to California Lutheran University, a major regional shopping center and auto mall, a major transportation corridor – US 101 Freeway, and is in close proximity to primary community attractions including open space and recreational amenities.

The City has achieved relative economic success through the successful master planning effort adopted in the 1970's. Still, the future for Thousand Oaks is a harvest of challenges, some of which are practically unavoidable as the digital economy converts the lifestyles and social patterns of every generation. With today's consumer's using online websites for purchasing clothing, shoes and a broad array of soft goods, and with groceries next on the internet horizon (Amazon/Whole Foods), even the most vibrant communities are exposed to the closure of major department stores, reduction in retail store format sizes and overall consolidation trends reinforced by bankruptcies of dozens of major retail store chains. As a result, today's inescapable economic forces demand approaches to land use and infrastructure that explore diversification in uses and densities, and concepts for public amenities and private attractions that help cities capture trips that retain or convert to "sales" sufficient to sustain vibrant commercial corridors.

The loss of the large retail stores comes with some opportunities, as these web-based retailers need dozens of new smaller distribution facilities throughout southern California to be able to provide next day delivery services (known as "last mile" distribution centers). Under State law, these can act as point of sale locations, generating significant sales tax to the local community.

Younger consumers (known as Millennials), with their increased use of media and digital communication, seek gathering places with restaurants and entertainment venues, rather than just collections of retail stores. Another important group, according to many economic theorists, is the creative class of professionals (artists, designers, scientists, musicians, and programmers) who are a collateral force in economic development across the United States. This dynamic workforce segment is attracted to communities with urban environments and clustered centers, which provide a sense of vitality, diversity, convenience and balanced mix of work, entertainment, services, arts and culture.

The growth in the Millennial population, the largest population segment in history, brings opportunities for communities to attract new technology business and create 24/7 live work environments that can revitalize downtown and other commercial clusters. To attract these technology companies, communities need a wide variety of housing choices to be available for today's workforce, including up-to-date rental and mixed use.



## APPROACH

This Economic Development Strategic Plan (“EDSP” or “Plan”) is focused on taking advantage of strategic opportunities, while recognizing the constraints facing the City. To assist the City in developing the Plan, Kosmont followed these primary steps:

### 1. Gather baseline information/data

- Analyze economic and market trends for Thousand Oaks and Ventura County
- Interview community leaders and stakeholder groups

### 2. Identify key areas best suited to focus new development (Opportunity Areas)

- Downtown
- Thousand Oaks Blvd.
- The Oaks Mall
- Rancho Conejo Industrial Park

### 3. Assess the City's tolerance for risk

- Available Capital reserves
- General fund revenue growth
- Willingness to borrow using public debt
- Willingness to invest funds directly or
- Provide performance based incentives to private sector

### 4. Review of applicable Economic Development Tools

- Enhanced zoning
- Development Agreements
- Enhanced Infrastructure Financing Districts/Financing Programs
- Tax rebates/reimbursements

### 5. Consideration of Strategic Approaches

- Examined successful economic development case studies in similar communities
- Evaluated Community-wide plan changes
- Project/property specific focus on **Opportunity Sites**; defined by properties that are privately or publicly owned with sufficient beneficial attributes of size, location, desirability, market demand, existing or zoning potential, adjacency features, and other salient characteristics, the combination of which would justify additional public and/or private investment to beneficially diversify and improve Thousand Oaks.





## CONCLUSIONS

If properly executed, strategically timed and funded, local economic development programs are essential to maintaining a viable economy, which in turn supports a livable community. For Thousand Oaks, economic development should be a consistent and concerted effort on the part of the City Council and staff to influence the direction of private sector investment toward opportunities that can lead to sustainable economic growth. **We conceive this as a strategy focused on public and private investment in “Opportunity Sites.”**

Sustainable economic growth can be characterized by a combination of judicious and strategic public policy and investment which triggers and accelerates desired private sector investment. To the extent successful, sustainable economic growth provides fundamentally reliable incomes for the labor force, profitable business opportunities for employers, and adequate tax revenues for maintaining services and infrastructure, then in the aggregate the future needs of the community can be supported. When responding to business needs in a fast-paced digital laced world, it is critical that government be able to respond in a timely manner to take advantage of opportunities as they arise.

Given today’s economic challenges, the City is faced with a series of choices in planning for its long-term future.

- Does the City want to strategically identify and attract types of new multi-use retail/entertainment/resort concepts – or – focus more on retention of existing businesses?
- Does the City want to maintain plus pursue improved community services – or – conserve resources based on anticipated long-term cuts, particularly during the next economic downturn?
- Does the City want to pursue the status quo, characterized as a stabilized suburban retirement leaning community – or – to become a residential, live/work/play environment balanced by different housing and work space facilities/amenities, more suited for multiple generations?
- Can the City develop strategic, effective and acceptable criteria for allocating scarce future residential and commercial development permits allowable under Measure E? For example, focusing increased density in certain areas within the City can transfer value to existing landowners instead of preferred users or uses. A development opportunity oriented approach tends to increase value to owners or buyers willing to engage in redevelopment.

## CASE STUDIES

In evaluating economic strategies, there are often valuable lessons that can be learned from the experience of other similar communities, who have faced the same economic challenges and achieved great success.

Based on input from community members and the Consultant's prior experience, several examples of comparable cities with successful implementation strategies were examined to understand the challenges they faced, the decisions they made and the lessons they learned, as well as providing real life examples for Thousand Oaks to follow.

### **Specific Case Study Examples Examined in Report**

- *Leveraging Biotech Cluster* – Describes the successful development of a major biotech cluster in the La Jolla/Torrey Pines area of San Diego County, leveraging off of a single large biotech firm beginning in the late 1980's.
- *Creating a Dynamic New Downtown* - Discusses how the City of Brea created a new mixed-use "downtown gathering" area separate from the successful regional mall.
- *Creating Attractive High Density Housing* – Summarizes how the predominately single family suburban community of Pleasanton in northern California provided new housing opportunities for millennial workforce.
- *Downtown Revitalization* – Provides an overview of how the city of Scottsdale, AZ has met the challenge of attracting new high technology industry and its workforce to a suburban community.
- *Repositioning of Existing Retail Centers*- Describes how a highly successful retail center in Scottsdale, AZ, the Scottsdale Fashion Mall, is being redeveloped to add residential and commercial uses to high-end experiential retail in response to changing retail market trends to maintain its position as a premier retail/entertainment destination.
- *Attracting New Technology* – Shows how the City of Carpinteria has built a cluster of high technology, by attracting companies away from Santa Barbara and enabling them to afford expansion that has added close to 1,000 new jobs.

## STRATEGIC RECOMMENDATIONS

Kosmont offers the following twelve economic development based recommendations to help the City maintain its financial health and achieve future community economic and social vitality, such as enhanced quality of life, job growth, support of the arts and a balanced economy with sustainable neighborhoods. The recommendations are presented under the following categories: General Implementation; Real Estate/Zoning; Public/Private Investment; and Education/Entrepreneurship.

### General Implementation

1. Develop an “Opportunity Sites” approach to economic development.
  - a) Involve and inform community using digital community outreach (e.g. digiConversation™)<sup>1</sup>
  - b) Invite a broad audience of investors and developers. Utilize web-based platforms and other tools to help promote existing and future economic development opportunities within the City (e.g. OppSites, an online national economic development marketplace which efficiently exposes cities to developers seeking investment opportunities that are supported by communities).
2. Examine the creation of a Council Ad-Hoc committee to evaluate and implement the goals and recommendations of the Economic Development Strategic Plan.

### Real Estate/Zoning

3. Update the City’s understanding of Measure E as related to the allowable number of housing units and limits on future development.
4. Review and/or update underlying policies and elements of the General Plan and/or specific plans, as necessary, which can provide an opportunity for City to better plan for future community needs (e.g. inclusion of an Economic Development or affordable housing Element).
5. Examine creation of a Development Opportunity Reserve™ (DOR™)<sup>1</sup> as a tool to:
  - Give priority considerations to targeted business growth opportunities
  - Require specified community benefit contributions (infrastructure, amenities, cultural, other) in exchange for development rights
6. Consider allowing mixed-use development at major shopping centers to help replace the eventual loss of larger department stores and big box retailers.

<sup>1</sup> *digiConversation and Development Opportunity Reserve (DOR) are Kosmont registered trademarks*



## STRATEGIC RECOMMENDATIONS

### Public/Private Investment

7. Identify primary locations for accommodating future growth including less traditional residential and commercial concepts that help create new job growth, and allowing new technology companies to provide employment for all generations.
8. Support reinvestment/growth in key commercial centers and the Thousand Oaks Auto Mall to secure, and grow and/or support major contributors to the tax base.
9. Improve infrastructure (e.g. sidewalks, intersections, building improvements) in the Rancho Conejo Business Park to attract/retain larger high value technology companies and “last mile” distribution facilities. Examine Enhanced Infrastructure Districts (“EIFD”) and Property Assessed Clean Energy Finance Program (“PACE”) as tools to fund such improvements.

### Education/Entrepreneurship

10. Consider investment in creation of new technology business opportunities by supporting organizations like Ventura BioCenter, Hub101 805 Startups, and other similar groups.
11. Leverage California Lutheran University investment in downtown.
12. Consider creating an Innovation Campus/Research Park which can be coupled with workforce housing and supporting commercial services, such as retail, restaurant, and hotel/conference center.

# 1. INTRODUCTION



## ECONOMIC PAST

Incorporated in 1964, The City of Thousand Oaks is recognized as a premiere planned community known for its prime location, natural beauty and historic suburban lifestyle. In the early 1900s, the Janss family purchased 10,000 acres of farmland, which was comprised of chicken, hog, and dairy farms, field crops, and orchards.

Jungleland USA (“Jungleland”), which was created in 1926, started as a private zoo and animal training facility for Hollywood and later became a theme park, which opened in 1929. Jungleland was located at the current site of the City Hall/Civic Arts Plaza and has been classified as one of Southern California's first theme parks. Wild animal shows entertained thousands in the 1940s and 50s. Many TV and movie productions made use of the park's trained animals and were filmed there, including Birth of a Nation, Tarzan, and The Adventures of Robin Hood.

Since incorporation, the City has developed into a quality community, integrating effective planning and citizen involvement, which has grown from 14 square miles to almost 56 square miles and more than 132,000 residents. The population grew rapidly following incorporation, from 35,000 in 1970 to over 104,000 by 1990. Helping fuel that growth was the tremendous success of the biotech company – Amgen. By 1990 it was the City's largest employer, as it remains today, providing thousands of high paying jobs for life science and administrative professionals.

In response to the rapid population growth, the City voters passed Measure E to restrict residential and commercial growth to the capacity allowed in the 1996 General Plan and the City Council adopted the “Parks Initiative”, which requires a vote of the people before land designated as “existing parks, golf courses and open space” can be changed to a different land use category in the City's General Plan.

With the majority of residential and commercially zoned land already developed and the aforementioned measures passed by voters, the City has seen moderate development on vacant land and a renewed interest in redevelopment of existing sites.



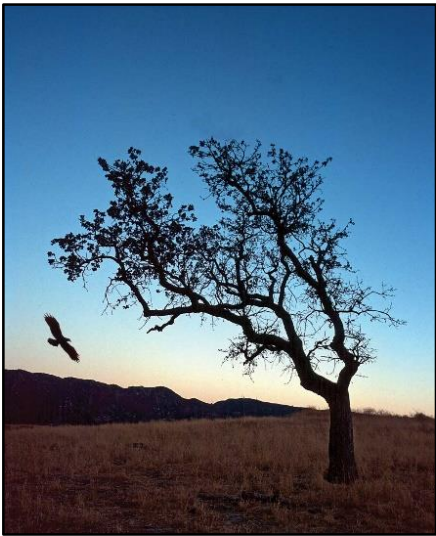
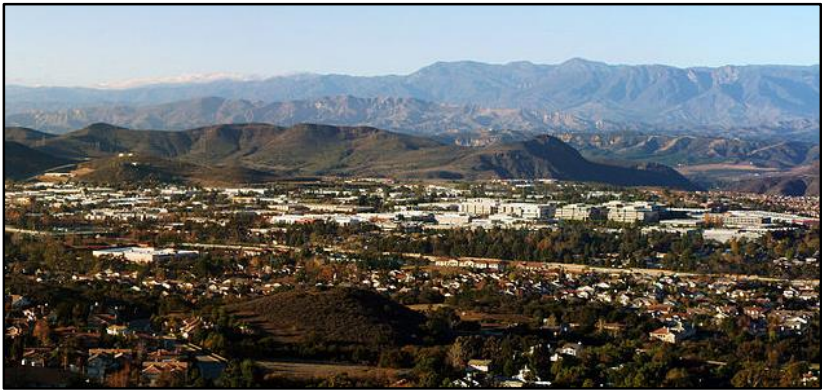
## ECONOMIC PAST

Thousand Oaks is a low tax city, receiving a small portion of the total property taxes generated within its jurisdictional boundaries, and, as a result, is dependent on the very cyclical sales tax and other revenues to sustain its General Fund and provide necessary services.

As the City is approaching build-out with limitations imposed from Measure E and other land use regulations, revenue sources such as developer fees have declined sharply, dropping 80% since 2007. Furthermore, following the 2008 recession, the City has reduced staff by over 100 positions to conserve financial resources.

Thousand Oaks is today, as it was designed, a self sufficient master planned community with single family neighborhoods, regional shopping centers, recreational and open space, exceptional schools, and a large industrial park to allow people to live, work and shop locally.

For many years, Thousand Oaks, as a low property tax city (6% of total property taxes) relied on redevelopment tax increment to provide millions of dollars annually that could be spent on local infrastructure and affordable housing. The loss of redevelopment in 2012 and the changing economic and demographic landscape of the community and region, has necessitated the importance of cities to evaluate economic development opportunities and strategies that can be employed to provide a sustainable tax base and provide the services that residents need most now and into the future.







## PURPOSE

Since its incorporation, the City of Thousand Oaks has embraced many practices to promote economic growth with a focus on quality of life, smart land use policy, health, safety, and welfare of its residents, public-private projects and development of key assets to increase revenues (e.g. The Oaks, The Lakes, Westlake Promenade, Thousand Oaks Auto Mall, and Civic Arts Plaza) and improvements to local infrastructure.

As a result of the State's elimination of redevelopment in 2012, one of the most significant tools to spur economic development in the last 40 years, Thousand Oaks' financial situation was hit especially hard, as redevelopment tax increment revenue had been a tremendous resource that afforded the City an opportunity to devote millions of local property tax dollars to critical infrastructure, affordable housing, public-private projects, public amenities and stimulate the local economy.

With the impact of the Great Recession on sales taxes and other revenues, the City has been faced with new economic realities and a broad array of economic challenges that need to be addressed, such as improving/enhancing aging infrastructure, provision of affordable housing, retention and growth of businesses and job creation.

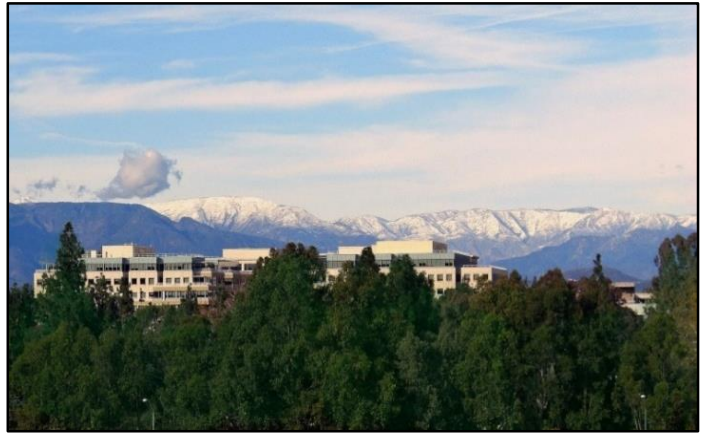
In conjunction with these challenges, aggressive State legislative sustainability & energy/resource efficiency standards and policies have been passed to encourage infrastructure and a carbon footprint based green economy. The emergence of the millennial generation, now 83 million with growing economic influence, has had considerable impact on communities, business, and development.

New State legislative measures have been passed to provide cities with new tools (e.g. Enhanced Infrastructure Financing Districts ("EIFD") and Community Revitalization and Investment Authorities ("CRIA")), and Property Assessed Clean Energy ("PACE") financing.

When these tools are coupled with well-established tools (e.g. land use/zoning, rebate of taxes/revenues, joint powers authorities), they can help drive new revenues and job creation as well as provide a roadmap for Thousand Oaks to focus on creative strategies to help effectuate successful public-private projects and facilitate economic development.

The City, as steward of taxpayer resources, has engaged in an Economic Development Strategic Plan process, with the intention to deploy those resources in the most efficient and effective manner possible to generate a significant economic return and adapt to the new economic realities.





## OVERVIEW

The Economic Development Strategic Plan (“EDSP”) is intended to serve as a policy guide for decision makers and staff, and it establishes direction for Thousand Oaks’ short, medium, and long-range economic development efforts and initiatives and constitutes the City’s first comprehensive economic development plan in its 50+ year history.

The EDSP also guides decisions related to land use and economic development and outlines strategies to retain enhance and expand the City’s business base. By building upon existing strengths and leveraging opportunities, the EDSP will assist the City in growing a strong and diverse economy.

The City’s continual commitment to embrace progress and uphold its core economic principles and values in the wake of economic recessions and downturns has sustained it and the foresight of the City’s leaders to create this economic development strategic plan is pro-active, timely, relevant, and will allow it to think creatively and strategically to sustain it now and into to the future.

This document will also serve to inform the City’s General Plan and specific plan land use and development policies. The EDSP contains targeted strategies and recommendations to enhance the business and residential climate in Thousand Oaks, improve the local economy, and support growth and development in the City that is aligned with the desires and needs of existing residents, community groups and other stakeholders.

Thousand Oaks is desirous of creating a more harmonious balance between community development, quality of life and economic development, utilizing the General Plan as a key driver in the decision-making process. As such, the EDSP is consistent with the General Plan themes and promotes the idea that economic development must be sustainable.

The EDSP for Thousand Oaks is a more targeted and short term-oriented document relative to the General Plan or various specific plans, with efforts to be more responsive to economic cycles and challenges, and will focus on actions, policies, and initiatives that are implementable and lay the foundation for long-term economic growth.

## APPROACH

In preparing the EDSP, we conducted extensive data collection and analysis for Ventura County and Thousand Oaks and utilized a highly collaborative process among business leaders, non-profits, other governmental agencies as well as elected and appointed City officials.

In addition to the feedback received from our collaborative EDSP process, a review of primary economic infrastructure, workforce, and community assets help shape guiding values that provided a framework throughout the preparation of this document.

By building upon existing strengths and leveraging opportunities, the EDSP will enable the City to:

- Enhance the health, safety, and economic welfare of the community;
- Achieve short and long-term key economic development projects with a focus on public infrastructure, sustainability, energy efficiency and new sources of revenue generation;
- Create a diverse employment base and focuses on identified industry clusters, business retention & growth through targeted marketing strategies; and
- Take specific actions and utilize key resources and financing mechanisms, and tools to achieve the goals outlined in the Economic Development Strategic Plan.

## PROCESS

The EDSP is the result of a multi-phased effort involving the business community, developers, elected/appointed officials, appropriate community groups and stakeholders as well as City staff and the City's consultant – Kosmont Companies ("Kosmont") – to craft an economic development strategy that is unique to Thousand Oaks.

Economic development is a dynamic process and as such, the EDSP is intended to serve as a first step into the planning realm of Economic Development and is not intended to represent a policy endpoint or final doctrine, and thus provides a relevant basis for continued flexibility, adaptability and updating as may be necessary in the future.

The goal of the planning process was to gather input and craft a plan with a set of coherent strategies that recognize the City's and region's strengths and capitalize on near and long-term opportunities. The input received during the process set the foundation for the recommendations contained in the EDSP.

As part of the planning process, Kosmont led stakeholders through a series of discussions and separate one-on-one meetings designed to capture feedback on strengths, weakness and opportunities for the City of Thousand Oaks. Input gathered at stakeholder sessions along with economic data and input from the City's Fiscal Sustainability Study, Cal Lutheran University, Ventura County 2017 Economic Outlook Report, CBRE real estate market reports, the City's Comprehensive Annual Financial Report, and various data sources, formed the basis for the EDSP.

## 2. COMMUNITY GOALS & OBJECTIVES



## STAKEHOLDER OUTREACH

On July 13, 2016, Kosmont Companies held targeted stakeholder meetings in connection with the development of the City's EDSP. Kosmont led groups of local and economic regional partners/stakeholders through a series of discussions designed to capture the strengths, weakness and opportunities for the City of Thousand Oaks.

The stakeholders were comprised of:

**Business Advocates:** Thousand Oaks Boulevard Association (TOBA), Westlake Joint Board (Homeowners Associations), Thousand Oaks Auto Mall Association, and Greater Conejo Valley Chamber of Commerce;

**Major Employers/Businesses:** Amgen, Baxalta/Shire, Los Robles Hospital and Medical Center, Janss Marketplace, and Westlake Plaza;

**Educational Institutions:** California Lutheran University;

**Development/Real Estate Entities:** Caruso Affiliated, Macerich, Regency Centers, Sinclair Co., Steaven Jones Development Company, Inc., and CBRE;

**Public/Private Agencies and Special Districts:** Area Housing Authority, Conejo Recreation and Park District, and Southern California Edison); and

**Entrepreneurial/Startups and Businesses:** Ventura Bio Science, CoFounders Crunch, Hub101, and 805 Startups.

The following list summarizes the key goals and issues that were addressed at the stakeholder meetings:

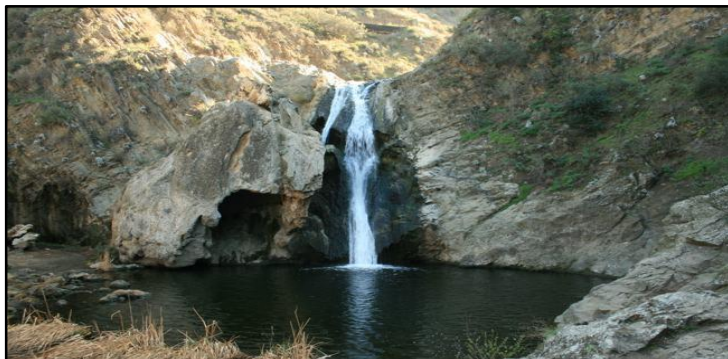
1. Discuss primary economic development options/strategies for TO
2. Engage in a transparent and interactive process that will serve to strategically inform City's EDSP approach
3. Access stakeholders feedback in a manner that facilitates a productive community discussion on T.O. economic development
4. Identify/confirm community assets and strengths as well obstacles and weaknesses
5. Identify primary issues and initiatives and formulate approaches for City's overall EDSP
6. Generate an ongoing and focused community engagement process that pursues a common vision for Thousand Oaks' economy
7. Incorporate direction of comments / feedback and answer questions from stakeholders as part of development of City EDSP

The following is a summary of input/recommendations gathered at the stakeholder sessions on the aforementioned topics, which helped form the basis of the EDSP and development of strategies and approaches as outlined in this document.

## **Stakeholder Summary Feedback/Recommendations**

- City needs to help foster business community in terms of promotion of opportunities and cultivation of business sectors (e.g. Rancho Conejo Industrial Area).
- Support and evaluate opportunities to pursue development of hotel/creative office on Thousand Oaks Blvd and downtown focus area.
- Focus on university and other educational institutions that provide potential pool of employees and help support economic base.
- Retail is the heartbeat of community and the right amount and type of retail is key.
- City needs to provide necessary support to allow entrepreneurial/startup and investment community ability to cultivate, grow, and foster job creation.
- City needs to focus on creating enough bandwidth to attract technology companies, retain jobs and grow industry clusters.
- Leverage community strengths (open space and recreation, great schools and school districts, low crime rate).
- Entry level and affordable housing is needed to support local workforce (e.g. nurses @ Los Robles Hospital and Medical Center).
- Office market in City is underperforming and classic office space does not meet needs of new user (e.g. high ceilings, open beams).
- City should work with existing building owners to incentivize or rehabilitate existing office spaces to suit the needs of modern tenants (e.g. creative office).
- City's image and reputation in eyes of development community is troubling to private investment. Permit streamlining, processing, and conditions of approval should be evaluated.
- Development constraints need to be addressed. City has imposed restrictions on end user (developer owner) in terms of timing and aesthetics, which adds too much unnecessary cost to developer.
- Daytime population is where the retail is thriving, so a big void exists in the downtown area. City would need to address that issue to generate activity, coffee shops. Transportation options to connect downtown focus area to The Oaks Mall would help and/or structured parking.
- City should focus on walkability and hosting public events in the downtown focus area to increase activity and traffic to the area.
- City should explore potential of other uses in downtown such as boutique hotel, creative office product, which can give downtown area a unique identity.
- Millennial population tastes and preferences and need for entry level housing as well as sustainable buildings and improvements could help cater to demographic.



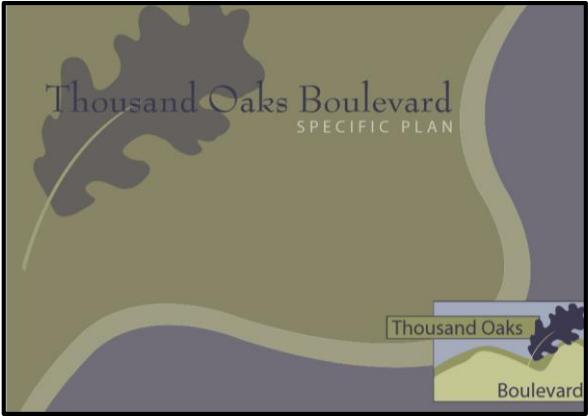
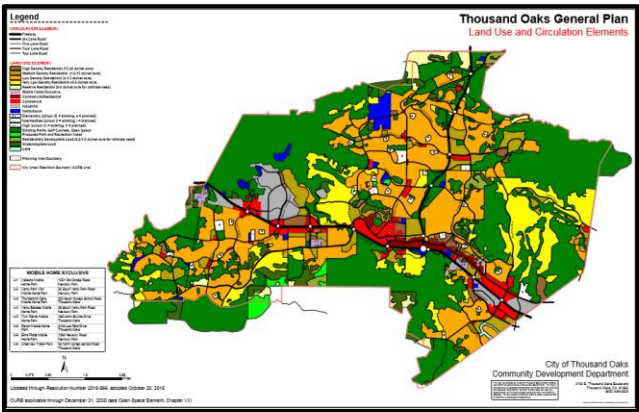


## PRIMARY GOALS

The goals and objectives included in the EDSP were derived from an evaluation of challenges and opportunities associated with Thousand Oak's primary economic drivers. Based on this evaluation, the EDSP is structured around the following goals:

- Create a diverse employment base & a balanced approach to ED that focuses on identified industry clusters;
- Establish the City of Thousand Oaks as an energy efficient, green, tech/sustainable community;
- Increase and expand local partnerships with the community, public agencies, business and private developers;
- Support and attract investment that expands existing businesses and creates new jobs and contributes to the fiscal health of Thousand Oaks;
- Enhance major thoroughfares & commercial/entertainment districts to create vibrant environmentally sustainable and pedestrian oriented neighborhoods;
- Deliver & market destination-based activities & public amenities that attract businesses, customers & visitors;
- Promote and enhance quality of life in Thousand Oaks;
- Leverage the assets of higher education within and proximate to Thousand Oaks in order to foster innovation, entrepreneurship & build economic opportunities;
- Establish public-private partnerships to implement economic opportunities; Build on existing strengths in areas such as arts, entertainment, retail, and industrial;
- Create neighborhoods which attract younger residents while maintaining unique character of single family community;
- Work to support long term jobs for Thousand Oaks residents & reinforce Thousand Oak's key role in the regional economy; and
- Ensure broad community benefit from economic growth and prosperity.

3. LOCAL PLANNING INITIATIVES



# GENERAL PLAN SUMMARY

The Thousand Oaks General Plan (“GP”) was adopted by Resolution 70-381 on December 22, 1970 shortly after the City’s incorporation in 1964.

The GP provided a long-range comprehensive guide for the physical development of the City’s Planning Area and served as a blueprint for future growth and development and for local leaders to formulate land use decisions.

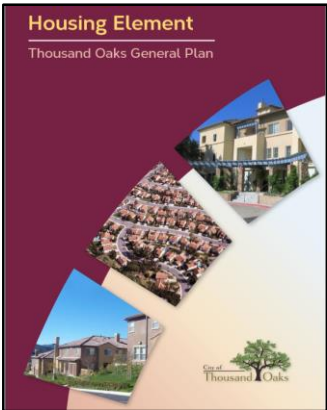
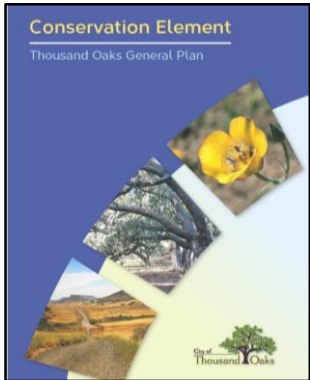
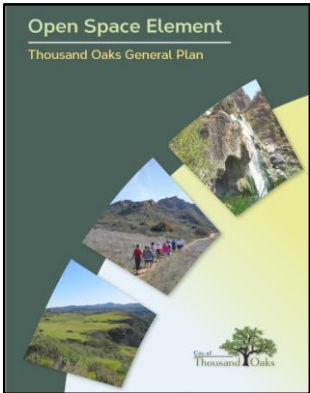
While the GP has sustained the City of Thousand Oaks well over the last 40+ years of its existence, the community has changed and the underlying economic assumptions used as the basis for determining appropriate policy goals and objectives and projections of growth have changed as well.

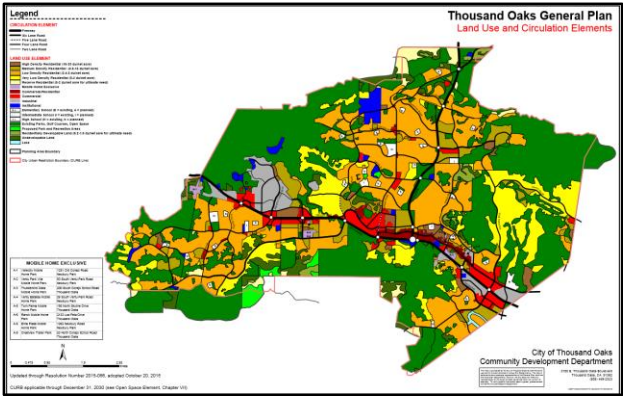
In addition to dealing with economic recessions, demographic shifts and other fiscal policy changes, cities must also contend with new regulations and policies at the State level, such as creating regional sustainable communities strategies to reduce vehicle miles traveled and carbon emissions through land use, housing and transportation planning efforts.

Given the significant changes that we have seen in the overall economy and expected future conditions, revisiting some of the underlying policies and elements of the GP can provide an opportunity for the City to better plan for future community needs.

Communities like Thousand Oaks, that are almost built out, but facing inevitable growth pressures in the population, can benefit from re-examining the GP’s assumptions in a comprehensive way. This can provide the community with a clearer picture of the need for refining priorities, while the private sector can benefit from greater certainty about future development opportunities to help the community withstand future economic down cycles.

For instance, the GP does not have an economic development element. While not a requirement, including such economic policies could help the City attract and maintain a healthy mix of economic sectors, with high-wage jobs, and supporting businesses and commercial activities that build upon and enhance the City’s unique character and natural environment.





GENERAL PLAN SUMMARY

The current GP does include a statement related to economic development goals, objectives, and policies related to the community's development, and various elements which provide more detailed policies and standard in certain topic areas. Together, these serve as the foundation for guiding public and private economic development activities:

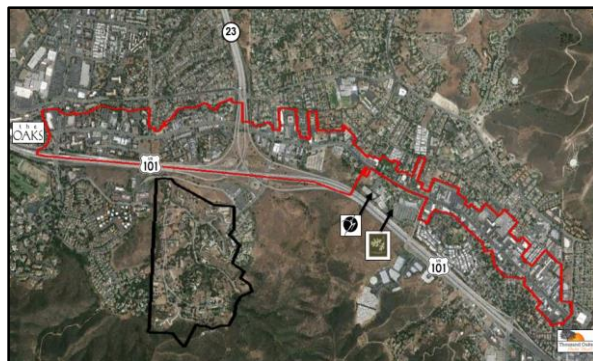
The following is a summary of the economic development-related goals associated with Thousand Oaks' General Plan:

- Encourage commercial facilities which satisfy the Valley's mercantile needs, arranged and located to provide convenient access and compatibility with adjoining use through proper design.
- Provide the framework for a planned and unified community containing a balance of living, working, shopping, educational, civic, cultural and recreational facilities.
- Develop appropriate additional tools enabling commercial, industrial and residential development to flourish in an efficient and compatible manner.

The following list also contains a summary of the economic development-related policies associated with Thousand Oaks' general plan:

- Through good design and the implementation of appropriate development tools, a freeway corridor image will be created making Thousand Oaks visually distinct from surrounding communities.
- Strive to provide a balanced range of adequate housing for Thousand Oaks Planning Area residents in a variety of locations .
- Promote the upgrading of substandard neighborhoods throughout the Planning Area to prevent costly and undesirable deterioration.
- Strengthen the City's commercial core area by improving and enhancing retail, office and service uses.
- Strengthen the axis between the commercial core areas by improving and rebuilding unattractive and undeveloped areas along Thousand Oaks Boulevard.
- Sound financial planning shall be provided to guide future community operational and capital revenues and expenditures.





## T.O. BLVD SPECIFIC PLAN SUMMARY

The Thousand Oaks Boulevard Specific Plan (“TO Blvd SP”), adopted in November 2011 and subsequently amended in August 2016, covers approximately 345 gross acres and follows the boundaries of the Thousand Oaks Boulevard Business Improvement District (“TO BID”) and runs along Thousand Oaks Boulevard from Conejo Boulevard/Moorpark Road in the west to Duesenburg Drive to the east.

The Thousand Oaks Boulevard Association (“TOBA”) helped initiate the TO Blvd SP process and was instrumental in supporting public improvements along Thousand Oaks Boulevard to help revitalize and beautify the City’s downtown core. The TO BID, administered by the TOBA, is funded by annual assessments on properties within its boundaries.

The objective of the TO Blvd SP is to create a unique and improved commercial corridor for the City of Thousand Oaks that is an economically viable, self-sustainable, and pedestrian-friendly destination, while promoting a mix of retail, office, commercial and residential uses in the City’s downtown core.

The City’s General Plan is looked to as the primary guide for growth and development in the community, however, a specific plan is able to focus on the unique characteristics of an area which, in the case of the TO Blvd SP, focuses on the development, design, compatibility of uses, and appropriate densities of projects on Thousand Oaks Boulevard that are consistent with the business community’s vision as supported by TOBA.

In an effort to continue to further the overall City goals, as well as the intent of the TO Blvd SP, the City Council approved a series of major amendments in 2016, as summarized below:

- Allocate an additional 206 dwelling units to the TO Blvd SP area.
- Reduce number of parking spaces required for restaurants from 1 space per 100 sq. ft. to 1 space/200 sq. ft. for the first 2,000 sq. ft. and 1 space/100 sq. ft. for any additional floor area.
- Allow on-street parking adjacent to a development to count toward project’s parking requirement.
- Set the maximum density for stand-alone housing at 30 dwellings per net acre and set no maximum density for vertical mixed-use buildings on Thousand Oaks Boulevard.
- Add microbreweries and wineries to the list of permitted uses.





## CIVIC ARTS SPECIFIC PLAN SUMMARY

The Civic Arts Specific Plan (“Civic Arts SP”) was adopted on September 26, 1989 and has been amended multiple times with the last amendment occurring on June 11, 2013. The Civic Arts SP area encompasses 27 acres and is generally bounded by Thousand Oaks Blvd to the north, Conejo School Road to the east, and Dallas Drive to the west.

The Civic Arts Plaza Specific Plan guides the “comprehensive and integrated development of all components of development projects” and is located within the predominantly commercial corridor of Thousand Oaks Blvd. The principal uses permitted within the Specific Plan are commercial, institutional, and parks and open space.

The adoption of the Civic Arts Specific Plan was to “create a distinctive, high-quality development project” for the former Jungleland site as a centerpiece for Thousand Oaks and the Conejo Valley and stimulate economic development. Important components of the Specific Plan include the government center, civic auditorium, mixed-use development, cultural and park amenities as well as facilitating a pedestrian-oriented environment and preserving open space.

The development concept for the Civic Arts Specific Plan is intended to produce a broad mix of interactive uses, which will create a daytime and evening atmosphere and promote interaction between land uses to advance development and make possible the use of shared facilities such as plazas and parking structures.

Another central component of the Civic Arts Specific plan is pedestrian access through walkways and elevated plazas to building complexes as well as circulation improvements to enhance and encourage development and alternative means of transportation (e.g. bicycles, bus).

The City, as a significant landowner in the area, has recently undertaken efforts to define public improvements to improve the area such as gateway signage and streetscape improvements in order to further the original goals and intent of the Civic Arts SP.

Other efforts are also being explored to induce private investment and install necessary infrastructure and public improvements to enhance the circulation system for cars, pedestrians, bikes as well as elevate the existing Civic Arts Plaza and public space and evaluate alternative land mass that would add to the distinctive nature and character of the area.

The Civic Arts Specific Plan area is broken up into the following four sub-areas, which reflect the major components of the Civic Arts SP area and describe the permitted land uses and purpose of each:

**Area A:**

7.5 acres; generally encompasses The Lakes commercial center and is planned for commercial development and to accommodate entertainment oriented retail commercial uses. A focus of this area was also to allow and encourage pedestrian circulation and potential for outdoor events.

**Area B:**

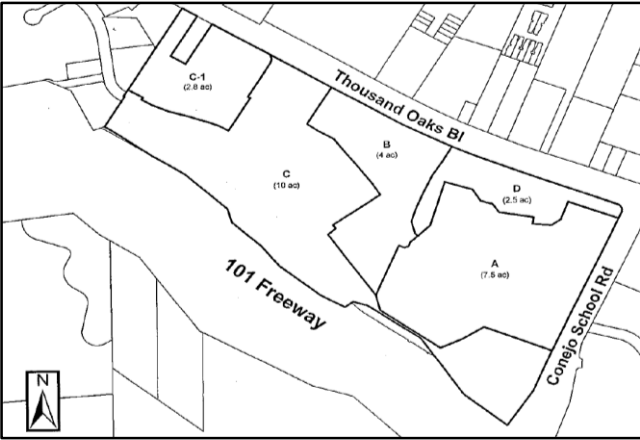
4 acres; generally encompasses The Discovery Center facility and public park, which was meant to be a focal point of the Specific Plan Area. The area was designed as a gathering space for passive recreation and pedestrian connections to adjoining subareas.

**Area C & C-1:**

12.8 acres; generally encompasses the Civic Arts Plaza and Performing Arts Center, City Hall, and vacant undeveloped land included in the former Redevelopment Agency’s Long Range Property Management Plan.

**Area D:**

2.5 acre; is located north of The Lakes commercial project along Thousand Oaks Boulevard and is meant to serve as a visual amenity, which contains green space, pond, public park, pedestrian facilities and other seasonal public amenities (e.g. ice skating rink).



## MEASURE “E” SUMMARY

City Ordinance No. 1280-NS (Measure E) was adopted by the electorate in November 1996. This ordinance requires that any amendment to the Land Use Element of the City’s General Plan that would increase residential capacity or commercial acreage beyond the City’s General Plan as of November 5, 1996, is subject to approval of the electorate.

Since Measure E was approved, there have been no amendments to the Land Use Element that have required a vote of the electorate. However, as the supply of housing lags behind demand and prices are on the rise further increasing the affordability gap, it is imperative to explore whether the basis for residential and commercial maximum capacity caps are still applicable today.

### **Residential Measure E Cap (Public & Private Land):**

There are 567 additional residential units allowed to be built under Measure E, some of which are allocated to the Thousand Oaks Boulevard SP area and the rest available citywide.

In July, 2016, the City Council approved an amendment, which allocated 206 residential units to the TO Blvd SP area from the Measure E cap of units to help support residential growth in that area.

### **Commercial Measure E Cap (Public & Private Land):**

A total of 4.06 acres of additional commercial area is available to be built citywide under Measure E.

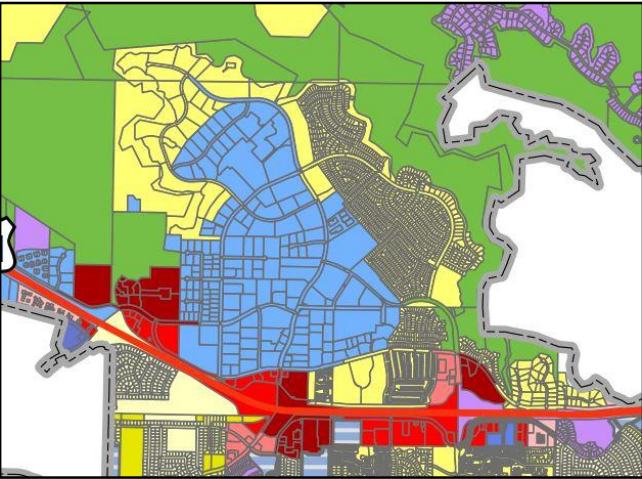
# RANCHO CONEJO INDUSTRIAL PARK SPECIFIC PLAN NO. 15

The Rancho Conejo Industrial Park Specific Plan area was formerly an unincorporated territory of City of Thousand Oaks and was initially created, annexed and approved by City of Thousand Oaks in the early 1990s.

The intent of the Specific Plan is to provide specific development standards for industrial properties within the Specific Plan boundaries and provide continuation of development and use standards equivalent to those under existing Ventura County standards.

The Rancho Conejo Industrial Park Specific Plan area permits a variety of land uses, including all uses set forth as permitted within the City’s M-1 (Industrial Park) Zone. Additional uses within the zone permitted by development permit or special use permit include but are not limited to clubhouses, ambulance service, mail order houses, sign painting and lettering shops, amusement and recreational facilities, swap meets, and recycling facilities and centers.

The Rancho Conejo Industrial Park Specific Plan is contained within Appendix A, Title 9, of the City’s municipal code.







**AUTO MALL OVERLAY ZONE**

The Highway and Arterial Business / Auto Mall Overlay Zone (C-2/AM zoning) was established in order to encourage the grouping of dealerships, automotive sales and leasing uses, and also allow automotive support services to operate within the designated C-2/AM Zone.

The Zone is applied to areas in which a grouping of automobile sales and services can be developed to compliment adjacent land uses, display visual characteristics that enhances that appearance of the area to promote trade and commerce, and accommodate the convenience of motorists with adequate vehicular access and circulation. The intent of the zone is to recognize the special needs associated with auto dealerships and automobile uses within an auto mall area and to develop appropriate development and performance standards to facilitate their growth the prosperity in a manner that is harmonious and sensitive to the surrounding community.

The Auto Mall Overlay Zone permits a variety of auto-oriented uses, including all uses set forth as permitted within the City’s C-2/AM Zone as detailed in the City’s municipal code within Section 4.2102, Title 9, of the City’s municipal code. Generally, all development standards applicable to the Highway and Arterial Business (C-2) Zone apply to the Highway and Arterial Business/Auto Mall (C-2/AM).





4. CURRENT CONDITIONS



SETTING & QUALITY OF LIFE

Situated on the eastern edge of Ventura County, approximately 35 miles from Downtown Los Angeles, and spread over 55 square miles, Thousand Oaks is one of California’s most desirable places to live, work and raise a family.

The City is ranked among the safest suburban communities in the Unites States. Thousand Oaks is also home to exceptional schools, a world-class cultural arts and entertainment venue, 18-hole golf course and banquet facility, thousands of acres of natural open space for outdoor recreation and high quality healthcare facilities.

Today, Thousand Oaks’ economic strengths come from its broad retail sector, large industrial base, higher than average household incomes and property values and prime location. Similar to many cities across the state, Thousand Oaks is working to develop an updated economic development strategy in light of the State’s dissolution of Redevelopment Agencies in 2012.

While easily accessed by automobile from the 101 Freeway, Thousand Oaks is relatively isolated with respect to air and rail service. The only local airport was closed in the 1960’s – thus Burbank is the closest airport for commercial travel. The closest Amtrak and Metrolink service facilities are in Camarillo, and Moorpark.



## OVERVIEW OF KEY ECONOMIC ASSETS

### AMGEN CORPORATE HQ

Founded in 1980, Amgen has become the world's largest independent biotechnology company with \$20 billion in annual revenue and 18,000 worldwide employees.

Amgen is headquartered in Thousand Oaks, with 3.7 million square feet of space on 120 acres and almost 5,000 employees on campus, making them the largest private sector employer in Ventura County and providing the highest paying jobs. Like many companies, Amgen has reduced its employment (1,500 jobs in TO since 2006). Finding business opportunities for these highly educated employees is critical for the long term economic health of the City.



Despite a lack of a biotechnology cluster as exists in Torrey Pines/La Jolla or South San Francisco, Amgen and its alumni have been responsible for several significant new biotech firms in the area, including Atara Biotherapeutics, Kythera Biopharmaceuticals and immunGene as well as the Ventura BioCenter.

### AUTO MALL

The Thousand Oaks Auto Mall is one of the largest collection of auto dealerships in California, with 30 different auto makes represented, including Mercedes, Porsche, and Rolls Royce.

With annual sales of over 25,000 automobiles, the Thousand Oaks Auto Mall and adjacent dealerships are the largest tax generator in the City, yielding over \$7 million in annual sales taxes – almost 25% of the City general fund total. One concern is the cyclicity of automobile sales, with large sales declines occurring during recessionary periods.

With onsite customer parking at a premium, It is important for the City to assist the dealerships in finding room to meet consumer demand.





THE OAKS

The Oaks Mall is a 1.3 million square foot regional shopping center with over 150 retail shops, restaurants, and entertainment.

The Mall is anchored by Nordstrom, Macy's, J.C Penney and a 14-screen AMC theater complex. Taxable annual sales are estimated at \$300 million, generating approximately \$3 million per year in sales taxes to the City general fund

With extensive freeway frontage and large open parking areas, the Oaks and surrounding area, is a prime candidate for mixed-use development.



RANCHO CONEJO INDUSTRIAL PARK

The Rancho Conejo Industrial Park is an industrially zoned area north of the 101 freeway that contains the majority of Thousand Oaks' industrial businesses.

The Rancho Conejo Industrial Park is important for the long term health of the City. It contains over 120 industrial properties, ranging from 5,000 SF to 127,000 SF. With a vacancy rate of ~2%, it represents a strong industrial economic driver for the City. Major tenants are Shire, Sage Publications and Skyworks Solutions.

With 82% of properties in the area constructed prior to 1990, there is a need to improve infrastructure, upgrade aging buildings and enhance environmental sustainability. These improvement could be made by expanding the City's Landscape and Maintenance Assessment District to include the Rancho Conejo Industrial Park



## THOUSAND OAKS BOULEVARD

Thousand Oaks Boulevard is the City's major east/west thoroughfare. It runs parallel to the 101 freeway, connecting The Oaks shopping center on the west, to Civic Arts Plaza and the Auto Mall in the east, and generates \$2 million per year in sales taxes.

Currently, Thousand Oaks Boulevard has over 230 different businesses, but is experiencing high levels of vacancy for retail and office land uses.

A cursory examination of the properties along the boulevard indicates several dozen parcels totaling approximately 45 acres that would be well suited for redevelopment.



## CALIFORNIA LUTHERAN UNIVERSITY

Cal Lutheran ("CLU") is a private university founded in 1959. It is located about two miles north of the Lynn Road exit on the 101 Freeway.

CLU is home to about 4,100 students, representing 60 different countries. While primarily a liberal arts school with 30 different majors in creative arts, humanities and social sciences, as well as biology, chemistry, biochemistry, computer information, computer science and environmental sciences.

CLU has a strong record of encouraging business development from its students and graduates, and actually offers a minor in entrepreneurship.

The Los Angeles Rams professional football team recently constructed an interim practice facility on the CLU campus.





**CIVIC ARTS PLAZA**

The Thousand Oaks Civic Arts Plaza, is the downtown for the City of Thousand Oaks, containing City Hall, the Community Theater complex and The Lakes shopping center.

The Civic Arts complex opened in 1994 and is one of the largest performing arts centers outside Los Angeles and San Francisco. It contains the 1,800-seat Fred Kavli Theater and the 394-seat Scherr Forum Theater hosting international talent and bringing 300,000 patrons annually to over 400 different events. Despite this success, the facility is underutilized, and there may be opportunities to work with the CLU Drama department and others to join in using the theaters.



The Lakes at Thousand Oaks is a high quality dining and shopping experience with Lassens Market, PF Chang’s and California Pizza Kitchen, among other tenants.

There is an excellent opportunity for future residential and mixed-use development in this area to create a true downtown environment.

**HUB 101**

Hub 101 is a co-working, incubator community for entrepreneurs and business start-ups that recently opened in Westlake Village in leased space with Cal Lutheran classrooms.



Hub101 or an equivalent facility could be an excellent anchor tenant for new mixed-use development near the Civic Arts Plaza.

**VENTURA BIOCENTER**

The Ventura BioCenter was founded by a former Amgen employee in 2012 in Thousand Oaks. Located in an 11,000 square foot facility with the only wetlab available for incubator tenants.



## ENTREPRENEURSHIP - SHAPING THE NEW ECONOMY

Entrepreneurial businesses (startup) are becoming an increasingly important component of a healthy community/economy as a means to help drive job retention/creation, business attraction, innovation, and cultural vibrancy and diversity.

Although these kinds of innovative, high-growth businesses are relatively few in number, they can have a significant impact on both local and regional economies in that they account for up to 50% of new jobs, and encourage subsequent employment growth in related industries. Based on the ongoing success and economic importance of startups, local governments should consider creating more dynamic labor markets and supportive regulatory environments to encourage investment by entrepreneurs and entrepreneurial businesses.

The following are a “few common ingredients” that help foster successful entrepreneurial ecosystems as follows:

### Talent

- Investment in human capital builds and retains desirable and talented workforce.
- Communities can help kick start investment in human capital by supporting education for a digital & innovation workforce; and promoting workforce diversity.
- Linking academic research networks with businesses

### Density

- Dense communities foster innovation through collaboration.
- Dense communities increase the potential for successful ventures to emerge. Communities “can foster startup density by supporting cluster growth, creating physical hubs, driving awareness in the media, building networks with mentors, and linking academic research networks with businesses.”

### Culture

- Innovation clusters require a culture of innovation, support, learning, & entrepreneurship.
- Communities can help by fostering public-private communication and teaching/promoting entrepreneurial skills, businesses and jobs.

### Capital

- Experienced investors can help direct entrepreneurial startups to success.
- Communities can take steps to make it easier for startups to access the capital required to start and grow their business, as well as create tax incentives for investors.

### Regulatory environment

- Governments should help create a stable, predictable and supportive regulatory environment to help foster innovation and entrepreneurship.

Source: UpGlobal

## MILLENNIAL POPULATION & WORKFORCE

Today, Thousand Oaks has a significantly lower share of millennials relative to the state (15% of population in the City vs. 22% of population in the state). This has important economic development implications as significant future job growth and real estate investment will come from millennials. Although baby boomers currently spend more than millennials (\$2.3 trillion annual spending), this trend will reverse as boomers retire/age and as millennials increase their net worth and consumption.

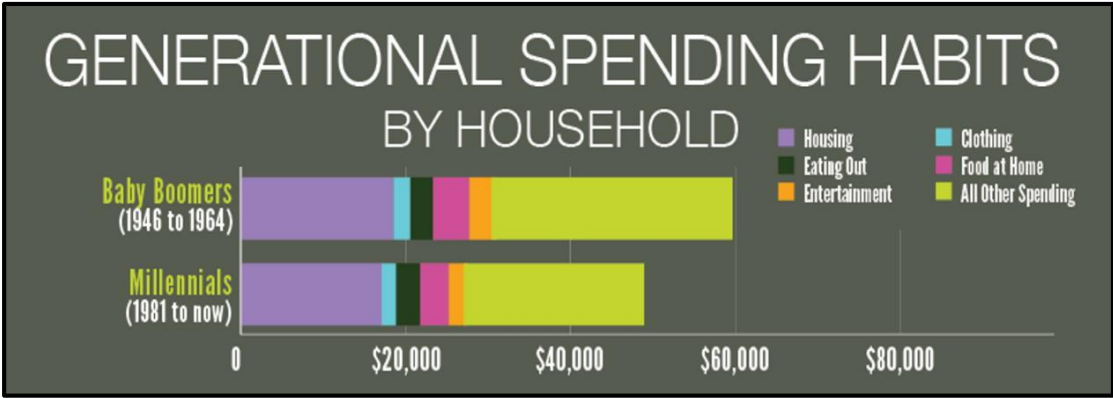
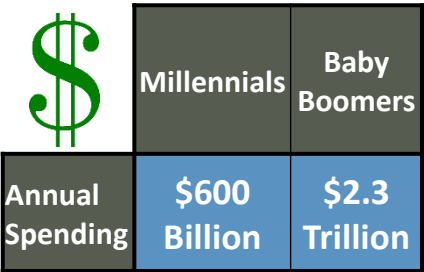
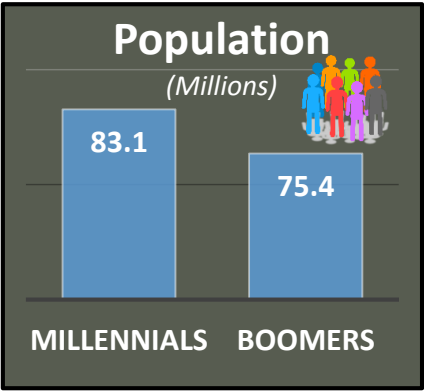
If Thousand Oaks does not direct efforts towards attracting and retaining millennial residential/workforce populations, the City may continue to experience millennial-out-migration in the form of lost business and jobs, potentially contributing to higher vacancies, lower real estate prices, shrinking workforce participation, reduced retail sales, and long-term business relocation.

Based on our research and studies provided by the City, there is an existence of a jobs-housing spatial mismatch as related to the emerging millennial workforce. This mismatch occurs when homes conducive to workers' economic conditions, social positions, and lifestyle preferences are situated far from their employment centers.

For Thousand Oaks, the jobs-housing spatial mismatch is predominantly fueled by a lack of moderate housing options, coupled with a lack of neighborhood characteristics, entertainment, and other millennial-gear-ed-amenities. This imbalance is fueling millennial "out-migration" in the City, reducing the number of young, educated professionals, and potentially jeopardizing the City's ability to maintain and attract businesses and private development in the future.

One way to help prevent continued millennial out migration is to address the high cost of living and lack of a "downtown" & entertainment core in the City. If action is not taken, the potential overall economic impact to the City (and potentially Ventura County) may be significantly greater in the future and more difficult to reverse/ameliorate. It is in the interest of Thousand Oaks residents, businesses, and City staff to act now.

**Millennials spend the largest share of their budget eating out (over 6 %).**



RETAIL TRADE

With close to 14,000 employees, the retail sector is the largest employer and the largest source of tax revenues, generating +\$30 million per year, primarily through sales tax revenues. Retail trade provides part-time and entry level jobs for high school/college students.

RETAIL TRENDS

Retail development is undergoing major shifts as consumer tastes and other economic forces.

- 1. Big Box Shrinkage – bigger is not necessarily better. Many retailers are shrinking the size of new stores by 25% to 50% or more.
- 2. Food and Beverage are the New Anchor Tenants – For the first time restaurant sales have exceeded grocery store sales. You can't eat on the internet so public gathering places are critical to shopping centers.
- 3. Mixed-Use is about the Right Blend – food, entertainment, fitness, medical, office and housing. Think Community Center rather than Lifestyle Center.
- 4. Millennials are Redefining Consumer Spending – They have more spending power than any generation (\$600B) and are technology driven for communication and shopping needs.

RETAIL OPPORTUNITIES

With the high median income, the 125,000 residents of Thousand Oaks have over \$3.1 billion in annual retail spending potential. With the tremendous success of the Auto Mall attracting over \$500 million in surplus spending, and other major retail centers throughout the City, annual retail sales are over \$3.5 billion.

Despite this aggregate surplus, there are opportunities to capture more retail sales in several industry sectors. Building materials has annual leakage, illustrating why Home Depot and Lowe's have tried to bring a new store to the City. Another major opportunity is the restaurant business, which appears to have leakage of \$40 million per year.





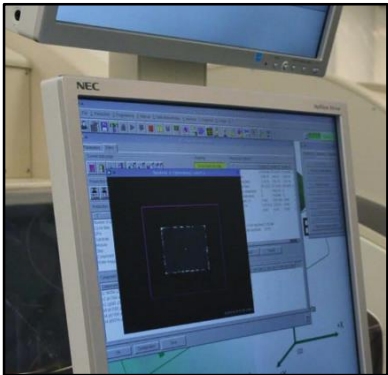
MANUFACTURING

With close to 12,000 employees, the manufacturing sector is the second largest employer and is a major source of economic stability and growth for the City but broader Ventura County economy as well.

Despite some of the downsizing in the employee base with Amgen and Baxalta (now Shire), challenges to the industry still remain. Legal and regulatory challenges to the industry still remain.

Companies like Amgen and Skyworks plan to invest millions of dollars to facilitate business expansion and continued growth. Major companies headquartered in Thousand Oaks are:

- Amgen is one of the world's leading biotechnology companies
- Inphi Corporation, high speed analog semiconductor company
- Skyworks, innovator or high performance analog semiconductors, (power amplifier design center, as well as an 185,000-square-foot, state-of-the-art manufacturing facility for the production of compound semiconductor wafers)
- Xirrus manufactures the patented Wi-Fi Array, a powerful, high-capacity, broad-range Wi-Fi system used to securely deliver data, voice and video services to large user populations, including offices, conference rooms, auditoriums, campuses, warehouses, remote users, and emergency response teams
- Shire, a global innovator in specialty biopharmaceuticals





# REAL ESTATE MARKET OVERVIEW

As compared to neighboring communities in Ventura County, Thousand Oaks real estate market is very healthy with premium rent levels and comparable vacancy rates for most land uses.

## Office Market

Thousand Oaks office market is underperforming. Excluding owner-occupied buildings (i.e. Amgen) the office space inventory of 3.7 million square feet has had vacancy rates fluctuate between 15% and 20% over the past five years, with asking rents holding steady at \$23 per square foot gross.



## Industrial Market

Thousand Oaks industrial market is strong with low vacancy rates and increasing rents. Excluding owner-users, Thousand Oaks industrial market has approximately 700,000 square feet of inventory, and only represents about 1% of total Ventura County industrial space.



## Retail Market

The retail market in Thousand Oaks has had mixed performance in recent years. Vacancy rates have increased from 6% to 8% on the 5.6 million square feet of inventory, but with asking rents increased by 25% since 2011 to over \$30 per square foot triple net.



## Apartment Market

The apartment market is strong with 4,500 rental units, representing 10% of County total. Vacancy rates have decreased from about 6% to 3% since 2011 with asking rent per SF increasing from about \$1.50 to \$1.90 in the same period.

See Appendices for additional market data and historic trends



OPPORTUNITY SITE OVERVIEW

For Development: Borchard Rd. Property
Size: 36.66 acres
APN: 662-001-003
ED Opportunity: Potential residential / commercial development site (exempt from Measure E)
For Development: Daylight Thousand Oaks LLC
Size: 9.68 acres
APN: 660-005-001
ED Opportunity: Comm. / office off 101 fwy
For Development: The Oaks Mall
Size: 18.19 acres
APN: 525-005-247, 525-005-236, 525-002-036, 525-005-252, 525-005-246, 525-005-248
ED Opportunity: Redevelopment/additions of new uses to The Oaks Mall with potential residential
For Development: Nazarbekian Site
Size: 5.97 acres
APN: 669-020-104, 669-020-103, 669-020-105, 525-001-223
ED Opportunity: potential mixed-use project
For Development: Westside Properties
Size: 2.81 acres
APN: 670-018-223, 670-018-221, 670-018-219, 670-018-206, 670-018-222
ED Opportunity: Downtown redevelopment opp.
For Development: Former K-Mart Site
Size: 10.12 acres
APN: 676-015-037, 676-015-036
ED Opportunity: Retail/commercial opportunity





5. SWOT ANALYSIS



## PURPOSE OF SWOT ANALYSIS

A SWOT analysis is an instrumental framework commonly used in EDSPs and other strategic documents to identify Strengths, Weaknesses, Opportunities, and Threats for a particular city or project area.

- Strengths and weaknesses are internal value creating/destroying factors
- Opportunities and threats are external value creating/destroying factors

The SWOT analyses on the following pages examine the internal strengths and weaknesses of the City of Thousand Oaks and Thousand Oaks project areas as well as identifying opportunities and threats.

**A SWOT analysis was conducted for the following areas:**

- Thousand Oaks Citywide
- Rancho Conejo Industrial Park
- Thousand Oaks Boulevard Specific Plan Area
- Thousand Oaks Downtown/Civic Arts Plaza Area



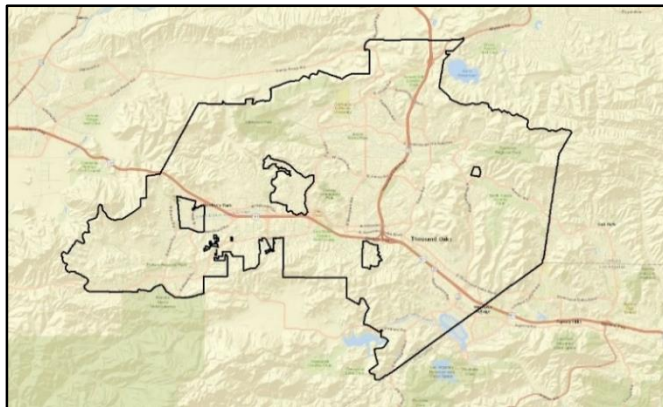
## SWOT ANALYSIS – THOUSAND OAKS CITYWIDE

### Strengths

1. \$3.1 billion in annual HH spending potential
2. Significant leakage in building materials, gas stations, miscellaneous retail and restaurants
3. 101 Freeway / 23 Highway provides excellent regional access
4. Existing Specific Plans
5. Identified Opportunity Areas
6. Support from City Council / Staff
7. Some Sites Acquired & Ready for Development
8. Amgen is world's largest biotech company
9. The Oaks Mall
10. The Auto Mall

### Weaknesses

1. Low property tax City
2. Measure E limitations
3. Underdeveloped Downtown
4. Certain Land Uses Not Performing Well (Office)
5. Lack of centralized shopping, nightlife and hotel cluster
6. Aging population/youth drain
7. Aging infrastructure systems need upgrades
8. Large suburban and "strip" retail needing refreshing and tenant mix



### Opportunities

1. Cooperation with Ventura County / Developers
2. Developer Interest in Identified Opportunity Sites
3. Regional Economy Improving
4. Development potential at Civic Arts , The Oaks Mall, Rancho Conejo Industrial Area and other select site opportunities

### Threats

1. County is Seeing Negative Net Migration
2. VC Job Growth Rate in Bottom 20% of California Counties
3. High paying jobs are down 15% - Amgen downsizing
4. Increasing E.D. Incentives and expanded zoning from proximate cities



# SWOT ANALYSIS – RANCHO CONEJO INDUSTRIAL PARK

## Strengths

1. Large area without residential intrusion
2. Dedicated Industrial Area to Accommodate Future Growth
3. Low Industrial Market Vacancy (1.7%)
4. Support from City Council / Staff
5. Some Sites Ready for New Tenants

## Weaknesses

1. Majority of Structures are Dated / Functionally Obsolete (Require Update)
2. Infrastructure (e.g. streets and sidewalks) need significant improvements
3. Difficulty Attracting Quality Workforce
4. Difficulty Attracting Quality Modern Industrial Tenants

## Opportunities

1. Potential to Leverage PACE for Increased Sustainability
2. Outreach to Industrial Tenants / Developers
3. Regional Economy Improving

## Threats

1. Statewide Sustainability Requirements Increase Industrial Development Cost
2. County is Seeing Negative Net Migration
3. Job Growth Rate in Bottom 20% of California Counties



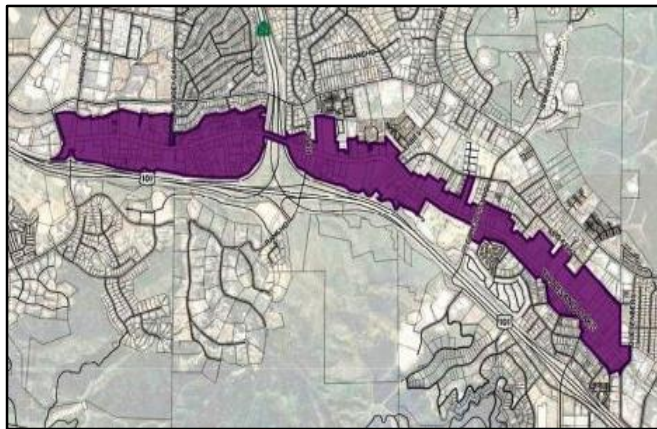
## SWOT ANALYSIS – THOUSAND OAKS BOULEVARD SPECIFIC PLAN AREA

### Strengths

1. Easy access to 101 Freeway / 23 Highway
2. Main Commercial Thoroughfare For City
3. Support from City Council / Staff
4. Several Successful Major Retail Centers (e.g., The Lakes, The Oaks, Auto Mall)
5. Sizeable Underutilized Parcels & Some Vacant Land
6. Existing Specific Plan

### Weaknesses

1. Measure E Restricts/Complicates Development
2. Some Awkward Parcel Configurations (Small / Narrow)
3. Overall Fragmentation of Properties & Ownership
4. Older Commercial Structures
5. Developed as independent traditional strip centers (impediment to pedestrian orientation)
6. Infrastructure & Pedestrian Improvements needed



### Opportunities

1. Integrate With Civic Arts Plaza as New Focal Point
2. Developer Interest on Identified Opportunity Sites
3. Leverage Development Opportunity Reserve / Other E.D. Tools for Future Development
4. Utilize technology based tools (e.g. OppSites) to promote specific opportunity sites and/or specific plan area

### Threats

1. Adjacent residential uses (complicates acceptance of denser development)
2. Diversion of traffic to other streets

## SWOT ANALYSIS – DOWNTOWN/CIVIC ARTS

### Strengths

1. Proximate to 101 Freeway / 23 Highway
2. Along Main Commercial Thoroughfare For City
3. Support from City Council / Staff for Increased Development
4. Sizeable Underutilized Parcels & Some Vacant Land
5. Existing Specific Plan (Civic Arts Plaza SP)
6. High Levels of City Ownership (~49%)
7. Existing Attractions (Theatre / Performing Arts Center)

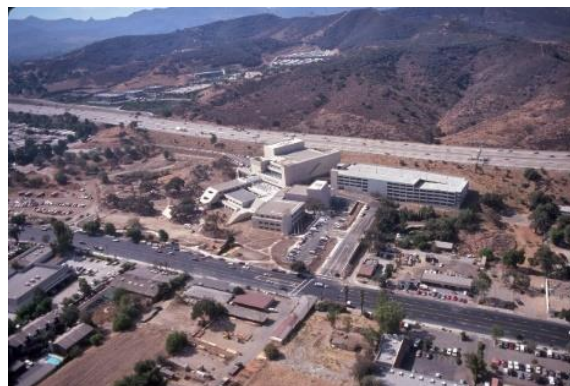


### Weaknesses

1. Measure E Restricts/Complicates Development
2. Steep Topography; in Some Areas >25% gradient
3. Some Awkward Parcel Configurations (Small / Narrow)
4. No Cohesive Circulation System for Multimodal Transportation
5. Not Pedestrian friendly

### Opportunities

1. Developer Interest on Identified Opportunity Sites
2. Leverage Development Opportunity Reserve / Other E.D. Tools for Future Development
3. Utilize technology based tools (e.g. OppSites, digiConversation™) to promote specific opportunity sites and broaden public support for specific projects.
4. Create Mixed-Use Zoning to Accommodate a Variety of Land Uses and attract Millennials
5. Expand Public Programming Options at Performing Arts Center (potential with Cal Lutheran Drama Department?)



### Threats

1. Adjacent residential uses (complicates acceptance of denser development)



# 6. CASE STUDIES & LESSONS LEARNED



## PURPOSE OF CASE STUDIES

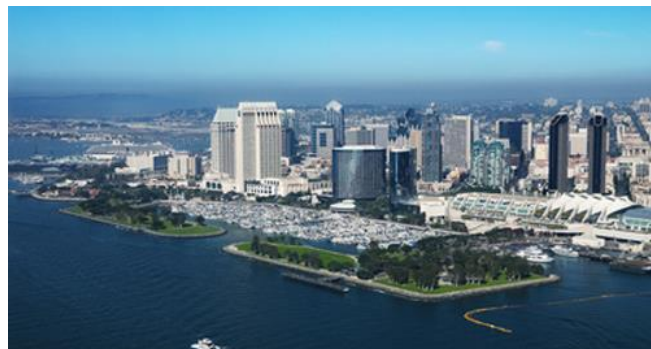
In evaluating the merits of new economic strategies, there are often valuable lessons that can be learned from the experience of other similar communities who have faced economic challenges and achieved great success.

Based on input from community members and the Consultants prior experience, several examples of comparable cities with successful implementation strategies were examined to understand the challenges they faced, the decisions they made and the lessons they learned, as well as providing real life examples for Thousand Oaks to follow.

Specific Examples include:

- *Leveraging Biotech Cluster* – Describes the successful development of a major biotech cluster in the La Jolla/Torrey Pines area of San Diego County, leveraging off of a single large biotech firm beginning in the late 1980's.
- *Creating a Dynamic New Downtown* - Discusses how the City of Brea created a new mixed-use "downtown gathering" area away from the successful regional mall.
- *Creating Attractive High Density Housing* – Summarizes how the predominately single family suburban community of Pleasanton in northern California provided new housing opportunities for millennial workforce.
- *Downtown Revitalization* – Provides an overview of how the city of Scottsdale, AZ has met the challenge of attracting new high technology industry and its workforce to a suburban community.
- *Repositioning of Existing Retail Centers*- Describes how a highly successful retail center in Scottsdale, AZ, the Scottsdale Fashion Mall, is being redeveloped to add residential and commercial uses to high-end experiential retail in response to changing retail market trends to maintain its position as a premier retail/entertainment destination.
- *Attracting New Technology* – Shows how the City of Carpinteria has built a cluster of high technology, by attracting companies away from Santa Barbara and enabling them to afford expansion that has added close to 1,000 new jobs.





## LEVERAGING BIOTECH INDUSTRY

### *La Jolla - City of San Diego*

#### Introduction

Like Thousand Oaks and Amgen, the La Jolla area of San Diego was home to a major biotech company in the 1970's, Hybritech. After it was acquired by E.J. Lilly, many of the scientists did not want to be part of a large corporate pharmaceutical company. Since the City of San Diego desired to attract the biotech industry with the goal of creating a successful life science cluster, the City and other local non-profits/agencies worked together to achieve this vision.

#### Accomplishments

Today, San Diego's biotech industry is responsible for nearly \$9 billion in annual economic impact and employs over 44,000 people across 700 companies. According to San Diego Association of Governments, these companies have an estimated market value of nearly \$25 billion.

#### Government Funding & Assistance

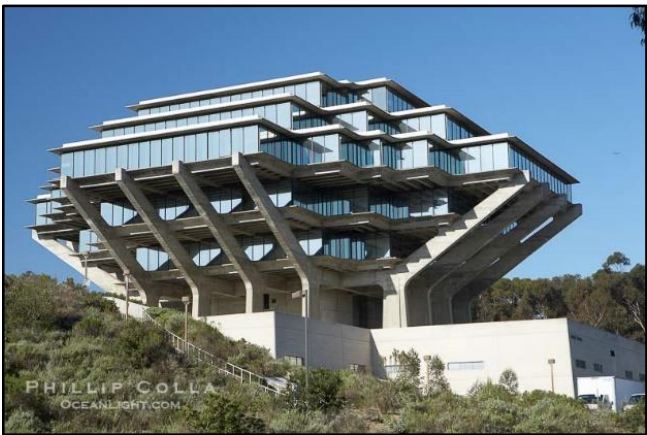
The following are approaches the City of San Diego and University of San Diego used to aid the growth of the biotech industry in the City:

- City conducted mission-oriented work for the US military
- City conducted phased clinical trials through the FDA
- City funded basic research which is typically carried out by universities such as the University of San Diego
- City involved in making land use decisions incentivizing industrial development on City-owned land
- City allowed for natural industry growth through taking a "hands-off" approach regarding industry controls
- City worked collaboratively with biotech businesses in the area to address water shortages for imposition of appropriate policies and restrictions
- City created an ombudsman position to interact with local biotech companies for fast track permitting/processing, the development of long term relationships, and City/industry collaboration to make quick informed decisions in times of need
- City staff supported industry growth by speaking at events and taking part in visits to Washington D.C. and elsewhere to advocate for their local biotech research community

University of San Diego Assistance

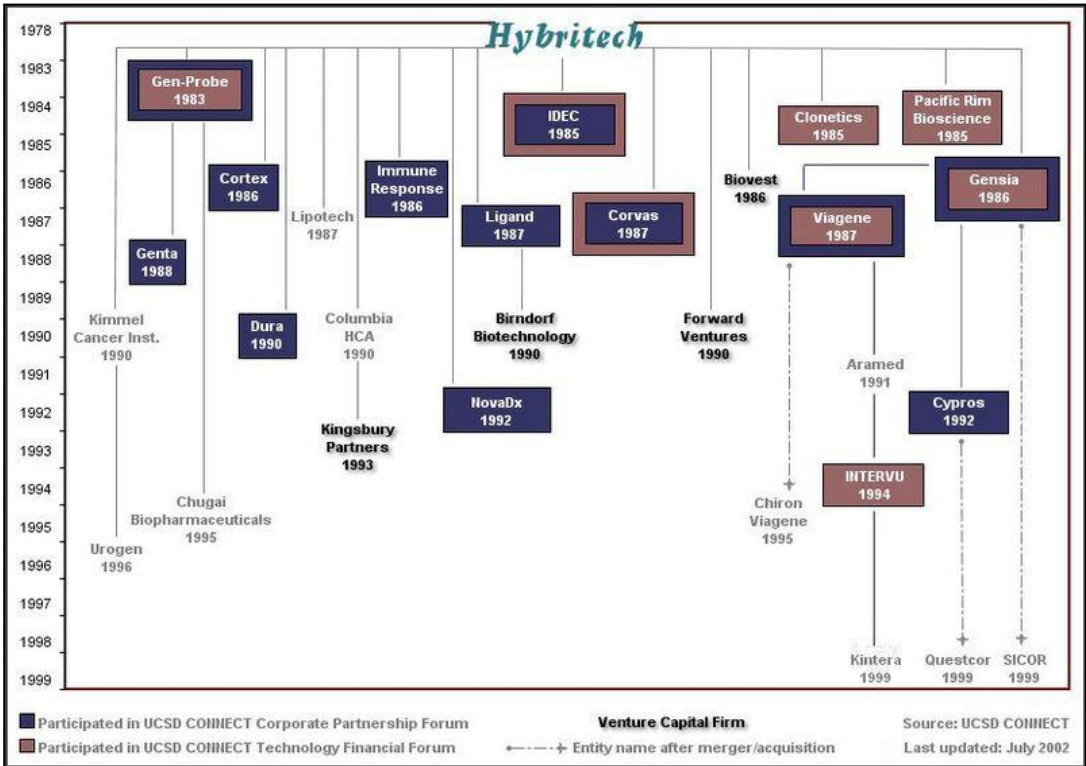
The following are approaches the University of San Diego used to aid the growth of the biotech industry in the City of San Diego:

- University of San Diego’s rank as a top ten scientific research program in the country created collaboration with biotech industry, drew creative and educated members of biotech workforce in region, and helped with founding of innovative biotech companies and products
- Between 1978-1993, half a dozen biotech forms were created on a platform relating to UCSD.



Timeline of Biotech Industry Growth

Below is a timeline of the growth of biotech companies in the San Diego area that branched from Hybritech’s founding in the 1970s:



Lessons Learned

Thousand Oaks needs to be proactive with Amgen and the business community so that it can benefit from tremendous skill sets associated with professionals in the biotech industry.



## CREATING A NEW DYNAMIC DOWNTOWN

### *City of Brea- Birch Street*

#### Introduction

Smart Growth advocates an increase in density and the practice of pedestrian-oriented mixed-use development in existing downtown areas across the U.S.

The Birch Street development in Brea, CA embodies several Smart Growth principles: it is a mixed-use with residential and mixed-income project located in an existing downtown area, and there was heavy public involvement in its development due a desire for a community gathering place.

The entire Birch Street development contains 350,000 square feet of regional and neighborhood economic uses, including 19,000 square feet of office space, twenty restaurants, as well as sixty-two multi-family loft apartments, forty town-homes, and ninety-six single-family garden-style residential homes.

It has won numerous awards, including the 2001 California Redevelopment Association Award of Excellence in Community Revitalization, The California Downtown Association Crystal Eagle Award for Physical Improvement, and The National Association of Housing and Redevelopment Agency Award for Excellence in Program Innovation and Community Revitalization.

The development contains three distinct nodes: the Gateway Center, the Ash Street Cottages, and the Birch Street Promenade.

The Gateway Center was the original development with 185,000 square feet of neighborhood commercial uses on its ground floor, as well as second story office space. Its anchor commercial tenants include a grocery retailer, a pharmacy, a Cost Plus World Market, and a furniture store.

The Birch Street Promenade is pedestrian-oriented retail and entertainment district. It features special street and sidewalk paving, high-quality landscaping, and pedestrian-scale lighting. Its public areas include a town plaza, fountains, and public art. It features specialty shops, restaurants, and cafes.

It has two movie theatres, and high-end apparel retail stores. Its second floor contains sixty-two loft-style apartments. The Birch Street Promenade also contains a police annex. The Birch Street Promenade contains three plazas, which each feature public art and street furniture amenities.

The Ash Street Cottages are ninety-six garden style cottages arranged in a traditional neighborhood layout. They are within walking distance to the shops, movie theatres, and restaurants of The Gateway Center and the Birch Street Promenade.



The City of Brea developed a very specific plan in 1998 to guide the Birch Street Development with very prescriptive development criteria. The document is designed in a very visually appealing manner, with simple layman's descriptions and images.

Its intended audience is to the potential merchants who would inhabit the retail portion of the development. All of the elements and many of the thumbnail sketches can be observed in the development today. The Birch Street Promenade of the development is a regional draw, and the development as a whole is a fully realized implementation of the public's vision.

Its appearance is heterogeneous, and the Ash Street Cottages incorporate many of the design features of the housing styles that were popular during the first phase of Brea's development. The Birch Street Development is truly a functioning mixed-use area, and it is populated at all hours of the day.

The Environmental Protection Agency used Birch Street as a case study for Smart Growth. In the case study, the EPA said that the Birch Street Development is considered highly successful because of its "effective and innovative City government gaining and using citizen input through 'Brea by Design' workshops, and working with experienced urban developers."



## Lessons Learned

Thousand Oaks can create a successful mixed-use "downtown" that meets the needs of all residents through integrated planning and proper zoning/development standards.



## CREATING ATTRACTIVE HIGH-DENSITY HOUSING

### *City of Pleasanton – Downtown Housing*

#### Introduction

Over the last half-century, Pleasanton has evolved into a bedroom suburb, and more recently into a major employment center in the Bay Area region. At each phase of its economic cycle, Pleasanton took strategic steps to ensure that growth and development were managed carefully to maintain the City's high quality of life.

As an additional strategic step, the City of Pleasanton desired to update its existing Economic Development Strategic Plan due to changing conditions since the February 2007 Plan, including a national recession and recovery and the dissolution of Redevelopment Agencies in 2012.



#### Lessons Learned

Thousand Oaks is very similar to Pleasanton, growing up as a single family community, but successfully transitioning to the new economy by providing residents with a wide range of housing opportunities and helping attract white collar employers.



# DOWNTOWN REVITALIZATION

## City of Scottsdale, Arizona – Downtown Redevelopment

### Introduction

Like Thousand Oaks, the City of Scottsdale, AZ is an upper income suburb in a major urban metro area. Known for excellent single family neighborhoods and quality of life, Downtown Scottsdale is now becoming one of Arizona’s hottest places for new high density apartment and condominium housing, office and retail/dining space.

"It's becoming very attractive for technology companies," said Danielle Casey, Scottsdale's economic-development director. "Those are generally higher-wage jobs with a skilled workforce." Such new residents/workers have a tendency to boost retail sales along with the dining and nightlife scene. This in turn draws more activity to the area.



### Accomplishments – Scottsdale Downtown Redevelopment

Several development projects are proposed in and around Old Town, with construction of apartments, townhomes, and restaurants/night clubs expected to begin early next year. These new developments are designed to attract a younger and more technology oriented workforce for the 21st century economy.



Square One Concepts plan to make major renovations to the former AlphaGraphics building, with “Bourbon & Bones” being introduced as an upscale chophouse that holds more than 75 types of bourbon on their drink list. They plan to be open for dinner only, with a 3pm-1am schedule.

JLB Partners, a Texas based developer, plans to demolish an existing Red Lobster restaurant use this to build a five story high-end apartment complex. The 365-unit complex is being designed to home the individuals that are coming to fulfill new technology positions being created in the metro area.



**Lessons Learned**

Like the town of Pleasanton, Scottsdale has learned to transition its downtown area to attract "new economy" employment by creating 24/7 entertainment activity, and housing for a wide range of household types.





# REPOSITIONING OF EXISTING RETAIL CENTERS

## City of Scottsdale, Arizona – Macerich Co. Scottsdale Fashion Square

### Introduction

First opened in 1961 as an open-air center that featured Goldwater’s Department Store and a handful of specialty shops, the Scottsdale Fashion Center has grown into the largest mall in Arizona with ~2 million SF of retail, over 225 retailers/tenants/services, 5 anchor tenants and a 14-screen Harkins Theatres cinema. Near the end of 2016, Macerich Co. announced a phased project to further enhance their upscale regional luxury shopping mall.

### Scottsdale Fashion Square Phased Development

The first phase of the project will update and redefine the luxury wing of the mall, currently anchored by Neiman Marcus, with a new entrance and arrival point, two-story storefronts, and outward facing retail and restaurants. Construction is planned for completion in the fall of 2018.

Macerich Co. also plans to add mixed use elements on a seven-acre parcel immediately north of the mall potentially consisting of high-end residential units, hospitality uses, a class A office building and a high-end organic grocer. The hope is that the addition of high-end experiential retail components and more diverse land uses in the area will maximize the mall’s sales potential, further extent its customer base, and cement its position as the heart of upscale Scottsdale.



*“This multi-phased project is part of Macerich’s long-term strategy, as well as the center’s own history, of continually reinvesting in irreplaceable retail destinations.”*

*- Robert Perlmutter, Macerich CEO*





## Mixed Use Development Component

In 2016, Macerich Co. requested zoning and building elevation changes to parcels north of, and within, the Scottsdale Fashion Square to enable mixed-use projects consistent with their long term vision for the site.

Currently capped at 65 feet, Macerich's request would increase the building height limit to 150 feet, increase floor area ratio from 2.48 to 3.2 and would allow up to 25 dwelling units per acre. The submitted plans call for land use flexibility with the hope of keeping in-line with Downtown Scottsdale's evolving character.

Potential mixed-use additions to the Scottsdale Fashion Mall include high-end residential units, hospitality uses, a class A office building and a high-end organic grocer.

The mall's transition to a more concentrated neighborhood entertainment & commercial center is in keeping with Scottsdale's planning vision and criteria for the downtown area and high level consumer shifts towards mixed-use/work/play projects that provide one-stop shopping and pedestrian connectivity.

***“These policies should assist in the continued transformation of Downtown into a highly efficient mixed-use center and complete urban neighborhood community where residents and visitors can live, work, and thrive.”***

***- Macerich Co. submission to City of Scottsdale***



## Lessons Learned

The Oaks Mall, owned by Macerich Co., is similar to the Scottsdale Fashion Square in that it too will need to adapt to the changing retail environment in order to ensure continued future success and growth of the City's sales tax base. With extensive freeway frontage and large open parking areas, the Oaks Mall and surrounding area would be a prime candidate for mixed-use development, which could help recharacterize the surrounding area, support and enhance the existing retail center, and incentivize needed private investment and development to create future jobs and taxes.

## ATTRACTING NEW TECHNOLOGY INDUSTRY

### *City of Carpinteria*

Carpinteria is a small oceanfront city in southeast Santa Barbara County with approximately 14,000 residents. Despite its small size, it contains headquarters to numerous companies including Agilent Technologies subsidiary Dako, silicone manufacturer Nusil, restaurant management firm CKE, and Procore Technologies. Lynda.com (purchased by LinkedIn in 2015) also leases research and development space and has expanded their facilities multiple times.

### **Relocation of Procore to Carpinteria**

Founded in Montecito by tech entrepreneur Tooey Courtemanche, Procore Technologies makes and provides cloud-based construction management software that allows construction professionals to collaborate on projects from internet-connected devices. Procore's software keeps all drawings, contracts, and documents synced and in a central location (cloud); their model digitizes and streamlines the construction management process. Procore Technologies has made the Inc. 5000 multiple times.

Unable to attract employees in Santa Barbara, given the cost of living, the company moved its 70-person operation to Carpinteria, CA in 2014, and has since grown its staff to over 500 employees.



### **Lessons Learned**

Procore's (and numerous other companies') move to Ventura County, and the subsequent tech boom in cities such as Carpinteria, demonstrates the opportunity for Thousand Oaks and other communities to benefit from new technology industries, by creating an environment that is attractive to business owners and their workforce.

# 7. ECONOMIC DEVELOPMENT TOOLS & APPROACHES



# NEXT GENERATION OF ECONOMIC DEVELOPMENT

Today, economic development requires a bit of alchemy, whereby a blend of finance, economics, real estate, land use, politics, promotion, and communication is needed to create and implement successful projects. However, the fundamental and unchanged aim of economic development is to make communities better through transactions that improve a given city’s image, quality of life, and economic conditions. *Although the goals of economic development have not changed, the strategies and methods used to attain those goals certainly have, primarily due to technologic advancements & digitization.*

The way people communicate and how information is processed about projects has changed dramatically. Even the real estate industry, once the bastion of brokers working the phones, has embraced technology as a basis for showcasing opportunities and communicating on sites, transacting and elevating real estate to its highest and best use, which can result in increased tax production and better jobs. To direct these activities in a manner that results in beneficial projects, requires communities to develop and adopt a strategic approach to economic development that focuses on key DESTINATIONS, embraces DIGITAL based outreach tools, and properly incentivizes DEVELOPMENT.

## Kosmont’s pathway to economic development in a digital age

**Step 1: Find a Developer to Secure Project**  
(Have a **DESTINATION** in mind)



**Step 2: Build Community Support for Econ Devt. Projects**  
(Use **DIGITAL** outreach methods)



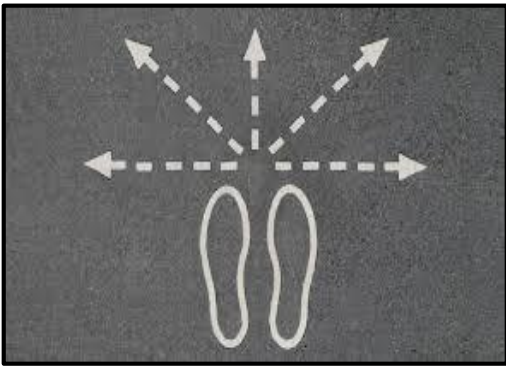
**Step 3: Build the Project - EIFDs/CRIAs & Other Tools**  
(Taxes, Jobs, Sustainability, Placemaking, **DEVELOPMENT**)





**Destination**

Due to changing technology and consumer habits, retail sales can take place anywhere and incentivizing people to the community by creating a sense of place has never been more essential to an economic development strategy. Specifically, for retail, *“placemaking” today is about generating trips from activities that can’t as easily or acceptably be done on the internet (food, exercise, medical, education/training, special events).* As such, the economic metric of sales per square foot is less and less relevant, replaced by unique trips generated as a valuable benchmark of potential sales tax generation. This means that developing and investing in a tenant mix, which generates frequent and substantial levels of trips, is a key strategy behind placemaking and economic development implementation.



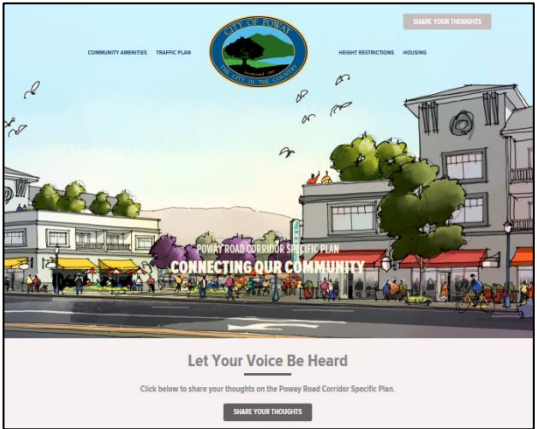
**Digital**

Utilization of *digital resources* in an economic development strategy *can help promote key economic development opportunity sites, connect and communicate with developers/stakeholders, navigate political hurdles, and increase transparency on economic development projects* in your community. The following is a summary of some technology based tools:

**OppSites** (<https://oppsites.com/>) is a digital economic development marketplace, where the public and private sectors work together to promote up- zoned properties and special tax districts by exposing these “opportunity sites” online to thousands of real estate investors and developers who have registered their interest in project categories (e.g. mixed use, residential, transit-oriented, retail). OppSites enables real estate professionals to find development opportunities, learn about local priorities and incentives, follow preferred cities/target areas, and the engage in an online conversation with local economic development leaders about those opportunities using a proprietary instant messaging system.



**digiConversation™** is another technology based community outreach tool that has become a critical piece of the economic development implementation puzzle. This technology uses social media in conjunction with an interactive project website enabling cities to reach more constituents and expand project awareness; thereby creating transparency. Digital community outreach is now a must to gain clarity and generate broader understanding and support for key economic development projects in your community.



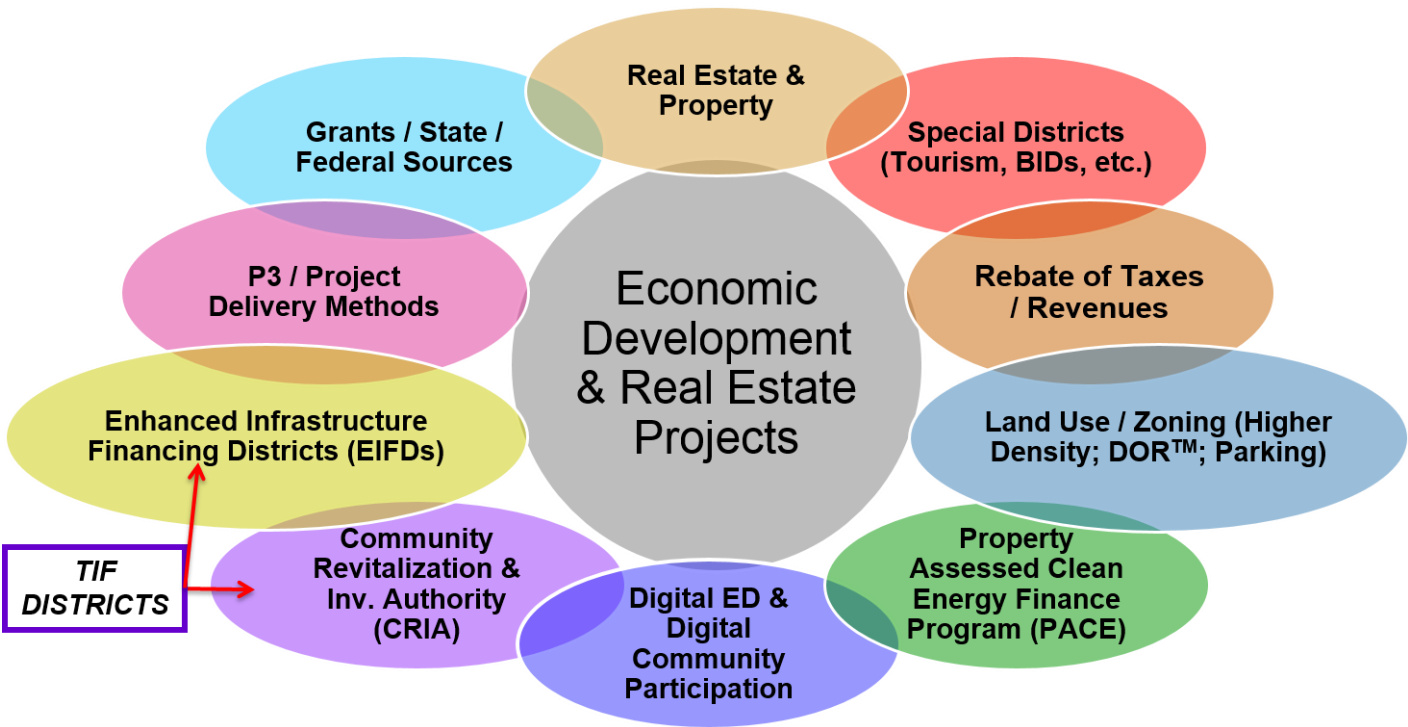
**Development**

As communities’ grapple with creating successful economic development strategies, there are new recently state approved tools available to incentivize development. California now allows special districts such as Enhanced Infrastructure Financing Districts (EIFD), which is summarized in the next section, to utilize tax increment to pay for or finance infrastructure that can induce private investment in higher density mixed use, transit oriented development, affordable housing and viable placemaking, while increasing taxes, creating jobs, and improving a communities’ quality of life.



**ECONOMIC DEVELOPMENT TOOLBOX**

In addition to technology based tools, cities also have 9 basic tools, as shown on the diagram below, to utilize in the pursuit of successful economic development projects. This section highlights a few of the key economic development tools as shown in the graphic below.



## ECONOMIC DEVELOPMENT TOOLS

Below is a highlight of a few of the key economic development tools shown on the previous page.

### **Real Estate and Property**

Public agency land is often under-utilized, offering the potential to increase value & fiscal revenues (e.g. property tax, sales tax, TOT, etc.). Local government-owned real estate can be leveraged to increase market/reuse value and help stimulate and foster economic development projects. The types of real estate owned land can include: former redevelopment Agency (“RDA”) properties, real estate with a public use (civic centers, fire stations, recreation), surplus property (city, school district, utility, other), rights of way/streets/alleys, and parking lots/structures to name a few.

For the City of Thousand Oaks, the use of existing real estate owned by the City and/or RDA could be leveraged in its Downtown to direct private sector investment toward development opportunities and quality mixed-use projects that can help stimulate economic development and sustainable growth. Primary example is city/former RDA property particularly in the Downtown area.

### **Land Use/Zoning - Development Opportunity Reserve (“DOR”)**

When cities approve specific plan updates that allowed upzoning or greater development potential, it most often results in windfall profits to existing land owners and does not stimulate economic development as much as desired.

DOR is a land use/zoning strategy that provides increased density or other variances to special zones within the City in exchange for specific community benefits. By placing increased development potential in an area wide “Reserve Account”, rather than applied on a per-parcel basis, the City can assure there is an incentive to attract the desired new development and the value of DOR density can go to desired projects as opposed to existing owners. In summary, DOR can provide:

- Greater control over who gets additional density. Enables additional density to be utilized by the buyer/developer instead of assigning density to existing owners via Specific Plan
- Additional density awarded for projects that will incentivize new development in financially significant ways in exchange for contributions toward or actually constructing infrastructure and/or community amenities from a pre-approved list.
- Enhance the targeted objectives of a Specific Plan because it controls the amount and allocation of additional density
- Can be used for all project types: Hotel, Retail, Office, Mixed-Use, Residential

For the City of Thousand Oaks, this is a specialized land use tool that can be utilized in concert with a Specific Plan to assign density, parking requirement reductions or other incentives for preferred uses (e.g. mixed use, retail) to facilitate the revitalization efforts of the Downtown and/or Thousand Oaks Boulevard Specific Plan area.

## **Property Assessed Clean Energy Finance Program (PACE)**

Property Assessed Clean Energy (PACE) financing programs encourage and enable property owners to obtain low-cost, long-term financing for energy efficiency building improvements without spending otherwise needed capital for their business. PACE loans qualify for solar energy systems, heating and cooling system upgrades, window replacement, and insulation upgrades. Some of the benefits of utilizing PACE are as follows:

- Enables cities and counties to authorize low cost financing (up to 100% of project costs) to existing and forthcoming property owners and developers.
- Cities can help existing properties and businesses. PACE commercial programs help commercial property owners and developers implement renewable energy and energy & water efficiency projects.
- Municipalities can achieve sustainability while also realizing numerous benefits such as job creation, growth in property tax and other revenue, and shift communities toward regulatory compliance with SB 350.
- Commercial PACE can also be an important early project startup program for Enhanced Infrastructure Financing Districts (EIFD).

For the City of Thousand Oaks, a significant percentage of industrial properties within the Rancho Conejo Industrial Park area are older and functionally obsolete buildings for today's industrial tenants. PACE financing can help kickstart a program to help existing property owners upgrade and/or renovate their properties thereby increasing NOI and satisfying compliance with environmental standards imposed by SB 350. There are potential PACE financing program partners that the city could engage in terms of an outreach program to expose local building owners to commercial PACE loans.



## **Tax and Revenue- Based Financing**

A common tool used for targeted economic development is the concept of development fee waivers or tax rebates (e.g. Hotel TOT or sales tax rebates that are performance based) and are negotiated on a case by case basis only to those projects that produce sufficient economic benefits. Local governments can utilize financing mechanisms such as site-specific tax revenue pledges (SSTR), lease-leaseback structures, and lease revenue bonds as a method to pay for various public improvements. A short summary of these individual financing mechanisms is provided below:

### **A. Site Specific Tax Revenue Pledge (SSTR)**

1. New tax revenues (e.g. sales tax, hotel/TOT) generated by a specific project can be re-invested by a city to reduce a financial feasibility gap
2. Revenue amounts are calculated and contributed each year based on actual increment of public revenues produced that year by the project
3. Recent examples include a TOT (hotel tax) pledge for a hotel project in Redondo Beach and a sales tax pledge for retail mall in Victorville

### **A. Lease-leaseback financing**

1. Lease/sublease of asset between two public agencies enables lease payments to be leveraged (borrowed)
2. Example: Existing building facility, lease payments can start immediately without the need to fund capitalized interest

### **A. Lease revenue bonds**

1. Public agency income stream (e.g. utility, parking) can be arranged in a long-term lease obligation and leveraged
2. Example: Lease of a city utility to a Utility Authority, where lease payments fund the bond payments for public infrastructure improvements to support a major retail center in South Gate

For the City of Thousand Oaks, these financing mechanisms can create opportunities to leverage tax and revenue-based financing to resolve financial feasibility gaps on a project-specific basis within identified economic development opportunity areas such as the Downtown and/or Thousand Oaks Boulevard Specific Plan area to incentivize sales or other tax producing development.

**Special Districts - Enhanced Infrastructure Financing District (“EIFD”)**

California law allows the creation of various specialized districts that apply economic development programs on an area-wide scale versus site-specific level, which may use taxes, assessments, exactions, and other funding sources for projects in the district. Special districts may include: parking districts/parking authorities, business improvement districts (BID), property-based business improvement districts (PBID), community facilities districts (CFD), tourism improvement districts (TID), and enhanced infrastructure financing districts (EIFD).

In February 1, 2012, Governor Jerry Brown dissolved redevelopment agencies, removing a powerful property tax increment financing tool from a local municipality's economic development toolbox. Authorized by SB 628 and AB 313, EIFDs were special districts created to offer a new platform to finance an array of economic development projects, including sustainable infrastructure and affordable housing.

EIFDs are independent government entities, which are governed by a Public Financing Authority (PFA) comprised of participating governments and members of the public and are authorized to use property-based Tax Increment Financing (TIF) within specifically defined geographic areas. EIFDs have flexibility to use an expansive financing toolkit such as property tax increment from participating taxing entities (except school districts), user fees/development fees, federal and state grants/loans, private investment, and bond issuances. The purpose of an EIFD is to finance construction of regional infrastructure, affordable housing, transit priority projects, projects that implement a Sustainable Communities Strategy, and other projects of “communitywide significance.”

For the City of Thousand Oaks, potential opportunities for the application of special districts may include CFD and/or EIFDs to leverage increased property tax from new development for necessary infrastructure improvements and/or maintenance /services in the Downtown, Thousand Oaks Boulevard Specific Plan area and/or Rancho Conejo Industrial Park.

**ECONOMIC DEVELOPMENT STRATEGIC APPROACHES**

Generally, there are three basic preferred strategic methods/approaches that communities can consider to select a preferred path and specific tools to foster economic development activities and growth. Each of these methods/approaches show below require a community to consider its specific economic development priorities, tolerance for risk, economic profile, and overall political philosophy on the best way to achieve economic sustainability:

- 1. Focus on utilizing new Economic Development tools (EIFD/PACE/DOR)
- 2. Target revenue generating projects (sales tax/density)
- 3. Preliminary status quo approach (existing tools)

A summary of each of these aforementioned methods/approaches are on the following pages.

## 1. Utilize New Economic Development Tools

The utilization of evolving economic development (E.D.) tools (e.g. EIFD, PACE, DOR™) provides a new platform to finance economic development projects (e.g. public infrastructure, affordable housing, industrial structures) to induce private investment, create jobs, and achieve compliance with recently approved statewide environmental standards as detailed in regulations such as SB 350 and SB 32.

In order to benefit from the new tools, the City of Thousand Oaks ought to orient a strategy towards sustainability & energy reliability/efficiency, and to the extent possible, incentivize regional cooperation & partnerships with the private sector, to expand their eligibility for State and Federal funding sources such as Cap & Trade and Proposition 1.

This approach can also be coupled with asset-based strategies such as acquisition/disposition of public property for public/private purposes and leveraging city-owned properties.

### Upside

Thousand Oaks can have a high level of control in directing the use of E.D. tools and creating partnerships with public agencies, as needed, for financial contributions. It also allows the City to increase sustainability and get a head start on compliance with CA environmental standards. These tools can also attract and catalyze significant private sector investment, which contributes to creating a long-term framework for community revitalization and growth within the Downtown and/or Rancho Conejo Industrial Park.

### Downside

Implementation of new ED tools, such as an EIFD, will require public resources such as allocation of future property tax revenues and administrative support. The City may also have to relinquish some control to the County or other public taxing entity when it comes to establishing an EIFD. In many cases, these new ED tools will also require a public vote. Evaluating these new ED tools in concert with any prospective economic development project will be key to determining what tools are best suited for the City to utilize.

### Compatible Tools

- Enhanced Infrastructure Financing Districts (EIFD)
- Property Assessed Clean Energy Financing Program (PACE)
- Development Opportunity Reserve (DOR™)
- Digital community outreach programs (e.g., digiConversation)
- OppSites (Economic Development Marketplace)

## 2. Target Revenue Generating Projects

Targeting revenue generating projects allows cities to generate more tax revenues for the General Fund, and can be used for attracting specific private development.

To pursue this strategy, Thousand Oaks must identify sites for revenue generating projects, such as new hotel development to increase Transient Occupancy Tax (TOT) and development of type retail and auto dealers to increased sales tax.

This approach uses tools such as sales tax reimbursement agreements for project specific sales/uses tax & utility taxes, lease /leaseback financing & impact fee and business tax waivers, such as business licenses and development impact fees.

### Upside

Using this approach, Thousand Oaks would be able to pursue multiple transaction formats and explore multiple options for revenue generating. Moreover, this approach primarily consists of existing/well-known tools/statutes that cities are familiar with, which reduces the level of public resources required.

If successful, projects implemented through this approach can significantly change communities, for the better, with respect to public perception, jobs, taxes, and services. This approach can also be used in tandem with Approach #1 – Utilize New ED Tools.

### Downside

As this approach may involve private sector assistance / collaboration, project subsidies can be politically controversial and increase project risk. This approach can also trigger prevailing wage, additional reporting requirements under AB 562 (Government Code 53083), and political activity such as elections, public initiatives, & CEQA litigation that can stall or stop an E.D. project from succeeding.

### Compatible Tools

- Site Specific Tax Revenue Reimbursement (e.g. Sales/uses, utility, TOT)
- Lease-leaseback Financing
- Impact fee and business tax waivers
- Direct project financial assistance



### 3. Status Quo Approach

In order to benefit from a status quo strategy, Thousand Oaks ought to focus and rely on existing tools, such as zoning and land use controls to direct and incentivize preferred development types and avoid direct initiatives and strategies to induce private investment and increase taxes.

This approach requires a resolution, possibly through a General Plan Amendment, on the significant impediment Measure E has on new development in City of Thousand Oaks. This allows new projects to be conditioned by the City of Thousand Oaks via normal public approval processes, and allows some control over actual results such as specific tenants and land uses.

#### Upside

Using this approach poses no immediate financial risk to the City and allows City to condition projects via project approvals. Although there may be some significant upfront costs associated with this approach, as related to planning and design through CEQA & public hearings, it will require less future public resource commitments.

#### Downside

Using a more neutral role to economic development limits the City's ability to place precise limits on projects such as the mix and quantity of specific uses, number of developed units, and precise type of tenants. Overall, it often involves less direct public agency input on projects/properties in the City and potentially slows the pace of E.D. growth as a project's success will be subject to market forces. Moreover, any constraints/challenges identified by City may not be resolved such as parking property upgrades, improved mix of uses or tenants, and downtown revitalization.

#### Compatible Tools

- Expedited processing of entitlements and permits
- Specific Plans
- Development Agreements (DA)

## ECONOMIC DEVELOPMENT OPPORTUNITY AREAS & TOOLS

Opportunity Areas	Potential ED Tools (Hybrid of 3 Preferred Approaches)	Sample Case Studies
<b>Rancho Conejo Industrial Park</b>	<ul style="list-style-type: none"> <li>Property Assessed Clean Energy Finance Program (PACE)</li> <li>Development Opportunity Reserve</li> <li>Direct Project Assistance</li> <li>OppSites (ED marketplace to promote site opportunities)</li> <li>Enhanced Infrastructure Financing District (EIFD)</li> </ul>	<ul style="list-style-type: none"> <li>City of La Verne (adopted intention to establish EIFD, pursuing density bonuses under SP for TOD project.</li> <li>San Diego East County EDC – considering EIFD/PACE</li> <li>Cities of La Verne, Placentia, Poway, Oxnard utilize OppSites to promote site opportunities via RFQ and/or special districts (EIFD, Specific Plans)</li> </ul>
<b>Thousand Oaks Boulevard Specific Plan Area</b>	<ul style="list-style-type: none"> <li>Land use/zoning - Site specific tax revenue reimbursement</li> <li>Fee/tax waivers</li> <li>Development Opportunity Reserve (DOR™)</li> <li>OppSites (ED marketplace to promote site opportunities)</li> <li>Enhanced Infrastructure Financing District (EIFD)</li> </ul>	<ul style="list-style-type: none"> <li>Burbank Media Overlay District Zone (1991-2016) – assigns more density to specific projects that meet community goals (e.g. provides pre-approved list of infrastructure and/or amenities)</li> <li>City of El Monte – Downtown (Evaluating DOR™ as part of Downtown SP)</li> <li>City of Buellton – Avenue of Flags District (Evaluating DOR™ with SP as part of overall ED strategy)</li> </ul>
<b>Thousand Oaks Downtown</b>	<ul style="list-style-type: none"> <li>Expand footprint of property owners through joint ventures/acquisition</li> <li>Expedited processing of entitlements/permits</li> <li>Development Opportunity Reserve (DOR™)</li> <li>OppSites (ED marketplace to promote site opportunities)</li> <li>digiConversation™: digital community outreach to engage and solicit feedback from public on revitalization process</li> <li>Enhanced Infrastructure Financing District (EIFD)</li> </ul>	<ul style="list-style-type: none"> <li>City of Azusa – Downtown Mixed Use (considering joint venture, using owned property &amp; Development Agreement)</li> <li>City of Santa Clarita Old Town Newhall (used owned property, rebate of taxes / revenues, infrastructure improvements)</li> <li>City of Poway – utilizing digital community outreach as tool to solicit community feedback on specific plan and revitalization of major commercial corridor</li> </ul>

# 8. RECOMMENDATIONS & ACTION PLAN



## ECONOMIC DEVELOPMENT RECOMMENDATIONS & ACTION PLAN

The following are the steps City of Thousand Oaks should consider in implementing their economic development strategy:

- 1. Review E.D. approaches for Cities, aka, the four doors of economic development (Section 6)**
  1. Focus on utilizing new E.D. tools (EIFD/PACE/DOR)
  2. Target revenue generating projects (sales tax/density)
  3. Preliminary status quo approach (existing tools)
  4. Hybrid approach
- 2. Target key areas & determine Thousand Oaks' goals for E.D. strategy**
  - Rancho Conejo Industrial Park
  - Thousand Oaks Boulevard Specific Plan
  - Downtown focus areas around Civic Arts Plaza
- 3. Gauge Thousand Oaks' tolerance for risk**
  - Is there comfort partnering with private sector?
  - Constituency/policy issues if strategy is publicly funded
  - How much is City willing to risk?
- 4. Select preferred/best approach for each key area**
  - Update/modify planning & E.D. documents
  - Identify projects & implement E.D. strategy
- 5. Update/modify planning & E.D. documents as necessary**

Given today's economic challenges, the City is faced with a series of choices in planning for its long-term future:

- Does the City want to strategically identify and attract types of new multi-use retail/entertainment/resort concepts – or – focus more on retention of existing businesses?
- Does the City want to maintain plus pursue improved community services – or – conserve resources based on anticipated long-term cuts, particularly during the next economic downturn?
- Does the City want to pursue the status quo, characterized as a stabilized suburban retirement leaning community – or – to become a residential, live/work/play environment balanced by different housing and work space facilities/amenities, more suited for multiple generations?
- Can the City develop strategic, effective and acceptable criteria for allocating scarce future residential and commercial development permits allowable under Measure E? For example, focusing increased density in certain areas within the City can transfer value to existing landowners instead of preferred users or uses. A development opportunity oriented approach tends to increase value to owners or buyers willing to engage in redevelopment.



## STRATEGIC RECOMMENDATIONS

Kosmont offers the following twelve economic development based recommendations to help the City maintain its financial health and achieve future community economic and social vitality, such as enhanced quality of life, job growth, support of the arts and a balanced economy with sustainable neighborhoods. The recommendations are presented under the following categories: General Implementation; Real Estate/Zoning; Public/Private Investment; and Education/Entrepreneurship.

### **General Implementation**

1. Develop an “Opportunity Sites” approach to economic development.
  - a) Involve and inform community using digital community outreach (e.g. digiConversation™)<sup>1</sup>
  - b) Invite a broad audience of investors and developers. Utilize web-based platforms and other tools to help promote existing and future economic development opportunities within the City (e.g. OppSites, an online national economic development marketplace which efficiently exposes cities to developers seeking investment opportunities that are supported by communities).
2. Examine the creation of a Council Ad-Hoc committee to evaluate and implement the goals and recommendations of the Economic Development Strategic Plan.

### **Real Estate/Zoning**

3. Update the City’s understanding of Measure E as related to the allowable number of housing units and limits on future development.
4. Review and/or update underlying policies and elements of the General Plan and/or specific plans, as necessary, which can provide an opportunity for City to better plan for future community needs (e.g. inclusion of an Economic Development or affordable housing Element).
5. Examine creation of a Development Opportunity Reserve™ (DOR™)<sup>1</sup> as a tool to:
  - Give priority considerations to targeted business growth opportunities
  - Require specified community benefit contributions (infrastructure, amenities, cultural, other) in exchange for development rights
6. Consider allowing mixed-use development at major shopping centers to help replace the eventual loss of larger department stores and big box retailers.

<sup>1</sup> *digiConversation and Development Opportunity Reserve (DOR) are Kosmont registered trademarks*

## STRATEGIC RECOMMENDATIONS

### Public/Private Investment

7. Identify primary locations for accommodating future growth including less traditional residential and commercial concepts that help create new job growth, and allowing new technology companies to provide employment for all generations.
8. Support reinvestment/growth in key commercial centers and the Thousand Oaks Auto Mall to secure, and grow and/or support major contributors to the tax base.
9. Improve infrastructure (e.g. sidewalks, intersections, building improvements) in the Rancho Conejo Business Park to attract/retain larger high value technology companies and “last mile” distribution facilities. Examine Enhanced Infrastructure Districts (“EIFD”) and Property Assessed Clean Energy Finance Program (“PACE”) as tools to fund such improvements.

### Education/Entrepreneurship

10. Consider investment in creation of new technology business opportunities by supporting organizations like Ventura BioCenter, Hub101 805 Startups, and other similar groups.
11. Leverage California Lutheran University investment in downtown.
12. Consider creating an Innovation Campus/Research Park which can be coupled with workforce housing and supporting commercial services, such as retail, restaurant, and hotel/conference center.

9. APPENDICES



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SUMMARY DEMOGRAPHIC DATA & TRENDS

City of Thousand Oaks has an older and wealthier population relative to Ventura County, Los Angeles County, and California. The average household size in Thousand Oaks is lower than those in Ventura County, Los Angeles County and the State.

Despite higher wages, medium incomes in Thousand Oaks are projected to grow less quickly than those in Ventura County, LA County and California. Thousand Oaks’ population is projected to grow at a similar rate to Ventura County and Los Angeles County, but slower than the State.

2016	City of Thousand Oaks	Ventura County	Los Angeles County	California
Population	132,365	849,512	10,147,765	38,986,171
Households	48,100	273,149	3,321,508	13,029,292
Average HH Size	2.75	3.07	3.00	2.93
Median Age	42.8	37.0	35.4	35.8
% Hispanic Origin	19.1%	43.1%	49.0%	39.4%
Per Capita Income	\$49,336	\$34,214	\$28,656	\$30,905
Median HH Income	\$104,090	\$78,912	\$57,190	\$62,554
Average HH Income	\$136,414	\$105,062	\$85,730	\$90,812

2016-2021 Annual Growth Rate				
Population	0.62%	0.65%	0.65%	0.87%
Median HH Income	1.59%	2.14%	2.04%	2.73%

Source: ESRI Business Analyst

# COMPARISON DEMOGRAPHIC DATA

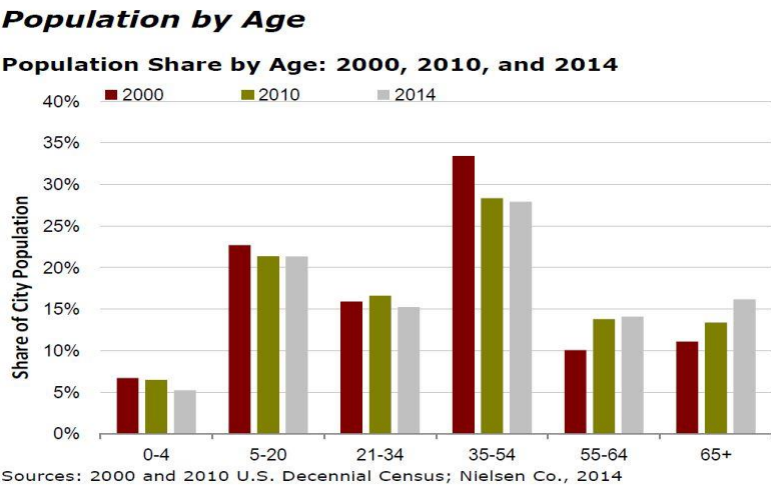
Among neighboring cities in Ventura County, Thousand Oaks has smaller average household size, older median age, and higher income population.

2016	City of Thousand Oaks	City of Santa Clarita	City of Ventura	City of Oxnard	City of Simi Valley	City of Moorpark
Population	132,365	183,882	109,957	205,119	127,462	36,241
Households	48,100	61,299	41,511	51,170	42,010	10,949
Average HH Size	2.75	2.98	2.59	3.98	3.02	3.31
Median Age	42.8	37.0	39.7	30.9	38.8	35.6
% Hispanic Origin	19.1%	31.6%	35.8%	75.4%	26.4%	35.2%
Per Capita Income	\$49,336	\$35,863	\$33,474	\$19,730	\$37,995	\$37,577
Median HH Income	\$104,090	\$86,455	\$66,290	\$59,610	\$92,264	\$101,209
Average HH Income	\$136,414	\$106,947	\$86,701	\$78,044	\$114,506	\$124,186
<u>2016-2021 Annual Growth Rate</u>						
Population	0.62%	0.77%	0.60%	0.65%	0.62%	0.83%
Median HH Income	1.59%	2.28%	2.95%	1.74%	2.12%	1.18%

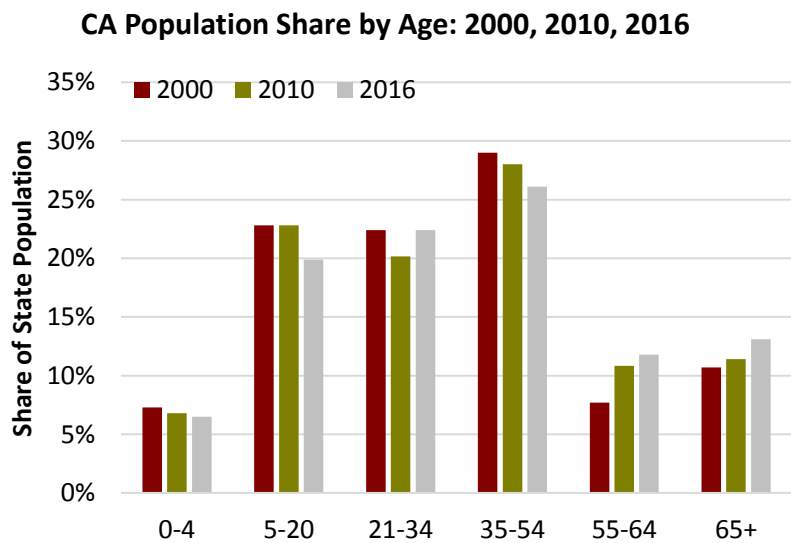
Source: ESRI Business Analyst

# POPULATION BREAKDOWN COMPARISON

The City of Thousand Oaks median age is significantly higher than the statewide average, as shown in the tables below. In addition, the City is aging much faster, with larger percentages in all groups over age 34, and especially in the age 65+ group, which has grown 50% in the last five years. Thousand Oaks is also under-represented with respect to the Millennial generation (age 21-34). The City has just 15% of total population in the age group, 1/3<sup>rd</sup> lower than statewide average of 22%. This has important economic development implications as future job growth is going to be concentrated in that segment.



## Statewide Population Breakdown



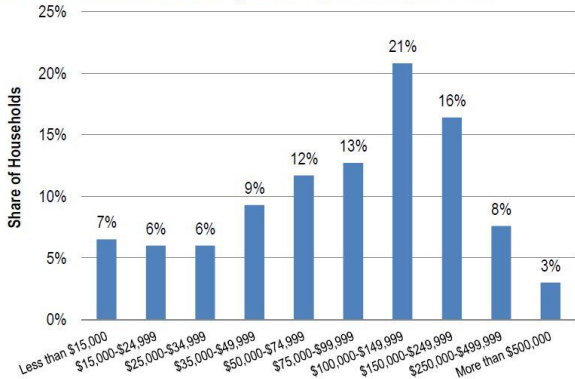
Source: Nielsen Co.

# HOUSEHOLD AND HOUSING DATA

Thousand Oaks is predominantly a single family community and it has among the highest home values in the greater Los Angeles area. Median home prices are close to \$700,000 (\$350 per square foot), a 50% increase from 2012 levels. Over 1/3rd of the City is dedicated open space, providing 15,000 acres and 152 miles of hiking, biking and equestrian trails for local residents. The population density is very low at 2,300 people per square mile, 25% less than Simi Valley and 67% less than Los Angeles.

## Households by Income

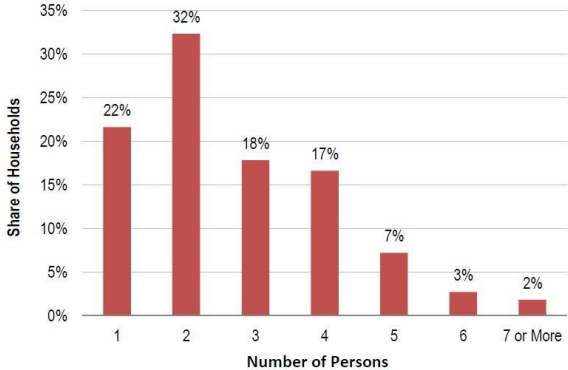
Percent of Households by Household Income: 2014



Source: Nielsen Co., 2014

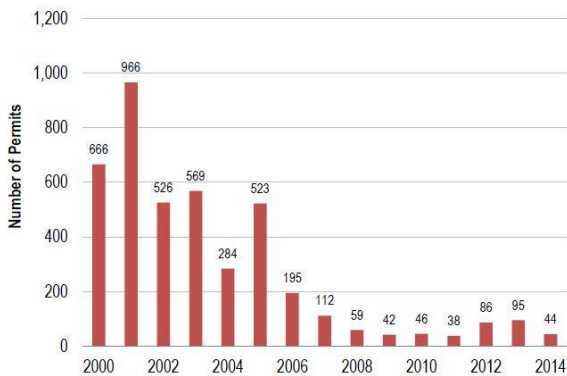
## Households by Size

Percent of Households by Household Size: 2014



Source: Nielsen Co., 2014

## Total Permits Issued for all Residential Units: 2000 - 2014



Source: Construction Industry Research Board, 2000 - 2014

## Home Sales Prices

Median Home Sales Price for Existing Homes: 2000 - 2014 (in \$ thousands)



Source: MDA Data Quick, 2014

Source: Nielsen Co., Construction Industry Research Board, and Data Quick



## EMPLOYMENT BASE

There are economic challenges, with Ventura County job creation still below 2007 pre-recession levels, as the County has grown much slower than most other areas of State. Most all job growth has been limited to health care, social services, and personal service sectors. New home construction remains depressed, and, as a result, the County has seen negative domestic migration for 12 years consecutively. Thousand Oaks has a diversified employment base, although bioscience is a major industry sector. The largest employers are shown below:

1. Amgen – 5,000 employees
2. The Oaks Mall – 2,100 employees
3. Conejo Valley School District – 2,000 employees
4. Los Robles Hospital / Medical Center – 1,700 employees
5. Shire (former Baxter Bioscience) – 1,200 employees
6. Cal Lutheran University – 900 employees
7. Anthem Inc. – 900 employees

EMPLOYEES	City of Thousand Oaks		Ventura County	
	#	%	#	%
Retail Trade	13,608	16.9%	59,568	15.7%
Manufacturing	11,691	14.5%	37,114	9.8%
Health Care & Social Assistance	7,992	9.9%	35,655	9.4%
Finance & Insurance	6,696	8.3%	13,624	3.6%
Accommodation & Food Services	6,334	7.9%	30,069	7.9%
Professional, Scientific & Tech Services	5,388	6.7%	21,778	5.8%
Construction	5,149	6.4%	19,582	5.2%
Information	4,290	5.3%	10,351	2.7%
Other Services (except Public Administration)	3,886	4.8%	24,772	6.5%
Educational Services	3,754	4.7%	24,919	6.6%
Real Estate, Rental & Leasing	2,596	3.2%	10,786	2.9%
Admin. & Support & Waste Mngt & Remediation Serv.	2,495	3.1%	12,652	3.3%
Arts, Entertainment & Recreation	2,197	2.7%	8,093	2.1%
Wholesale Trade	1,951	2.4%	18,529	4.9%
Public Administration	1,419	1.8%	38,942	10.3%
Transportation & Warehousing	763	0.9%	5,395	1.4%
Unclassified Establishments	189	0.2%	854	0.2%
Utilities	87	0.1%	624	0.2%
Agriculture, Forestry, Fishing & Hunting	23	0.0%	4,446	1.2%
Management of Companies & Enterprises	22	0.0%	139	0.0%
Mining	10	0.0%	485	0.1%
<b>TOTAL</b>	<b>80,540</b>	<b>100%</b>	<b>378,377</b>	<b>100%</b>

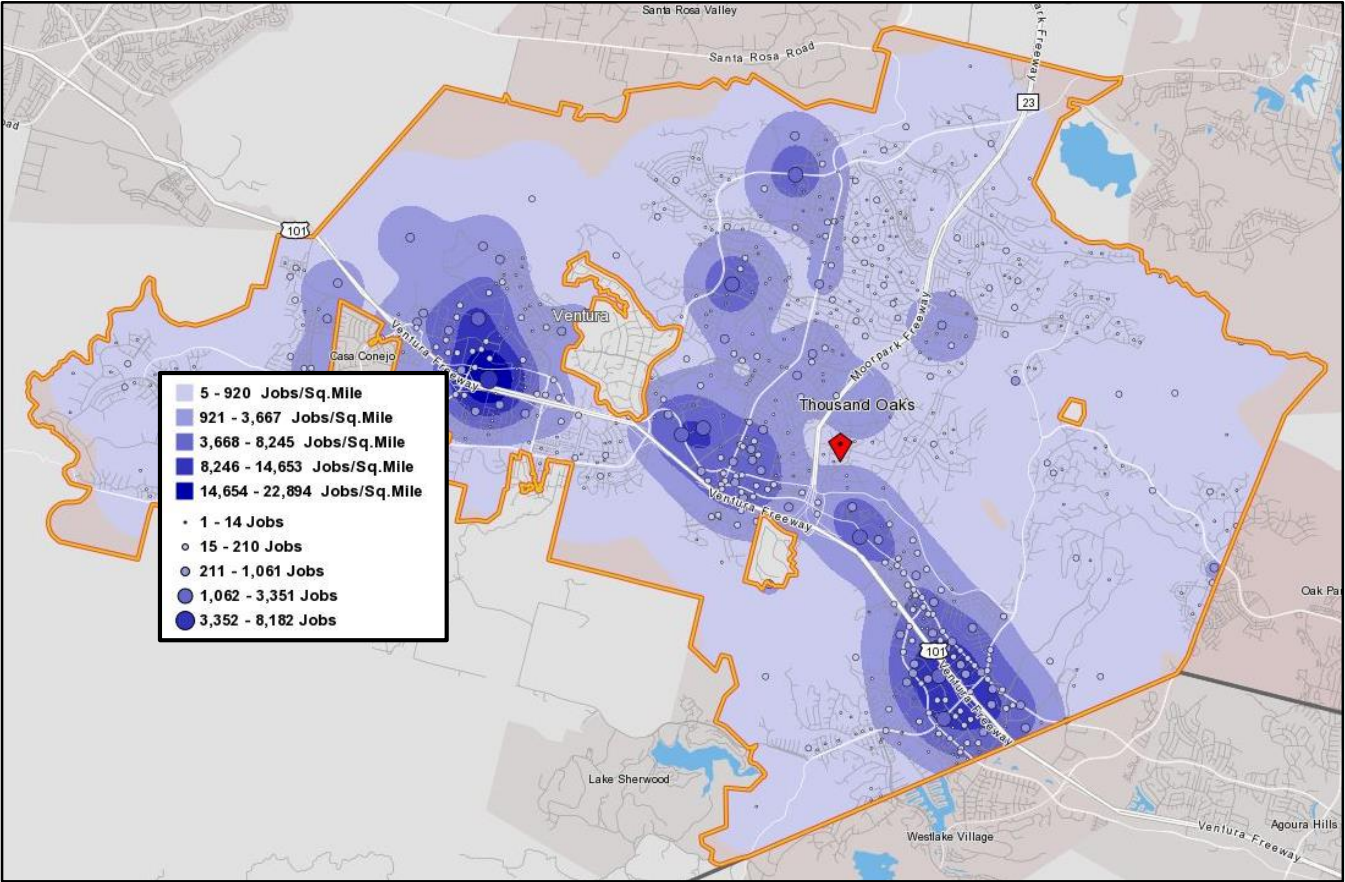
**Source:** ESRI Business Analyst

# EMPLOYMENT CONCENTRATION

The City of Thousand Oaks provides an estimated 64,000 jobs. The areas with the highest job concentrations in the City are within and proximate to the Rancho Conejo Industrial Park, Newbury Square Shopping Center and Conejo Valley High School, The Oaks Shopping Center, and the area around The Thousand Oaks Auto Mall, The North Ranch Mall, Westlake Plaza, The Promenade Mall, and Westlake High School.

Other areas with high job concentrations in the City include The Civic Arts Plaza, California Lutheran University, The Los Robles Hospital, and Thousand Oaks High School.

Of the 64,000 jobs in the City, about 47% are high paying, dispensing more than \$3,333 per month. About 28% receive between \$1,251 and \$3,333 per month, while the remaining 25% receive \$1,250 per month or less. The primary job-types in the City are related to manufacturing (14.9%), health care and social assistance (13.2%), and retail (11.6%)

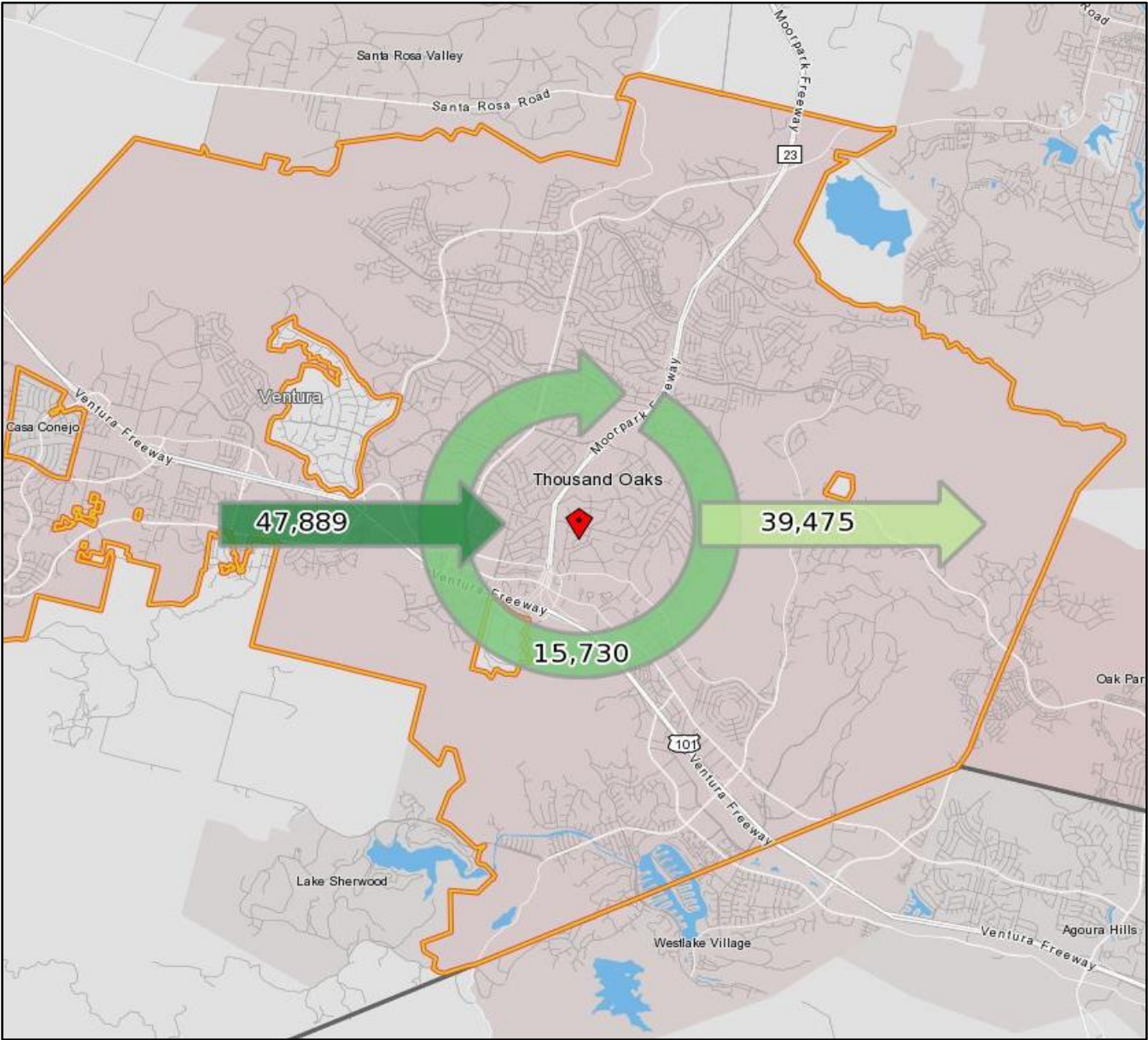


**Source:** U.S. Census Bureau, Center for Economic Studies

# WORKER INFLOW OUTFLOW

The City of Thousand Oaks is a net importer of workers; daily, about 39,500 workers commute out of the City and about 48,000 workers commute into the City. Thus the City gains about 8,500 workers per day, during regular business hours.

Out of the 63,619 jobs in Thousand Oaks, about 15,700 (~25%) are filled by Thousand Oaks residents.

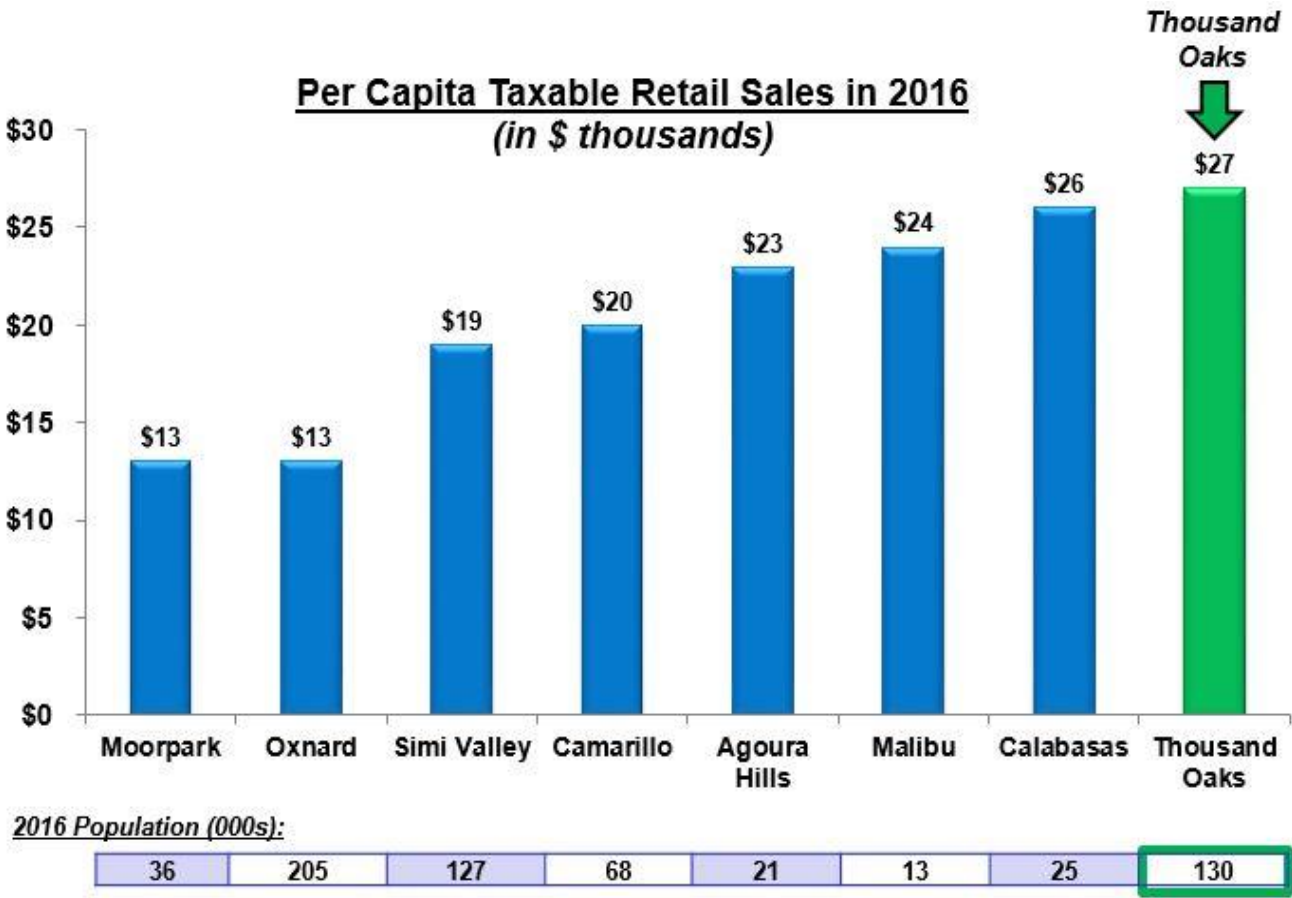


Source: U.S. Census Bureau, Center for Economic Studies



# PER CAPITA TAXABLE RETAIL SALES

Thousand Oaks is the largest retail sales market in Ventura County, generating over \$3.5 billion in annual sales. The graph below shows that even on a per capital basis, Thousand Oaks has the highest retail sales of \$27,00 per person per year.

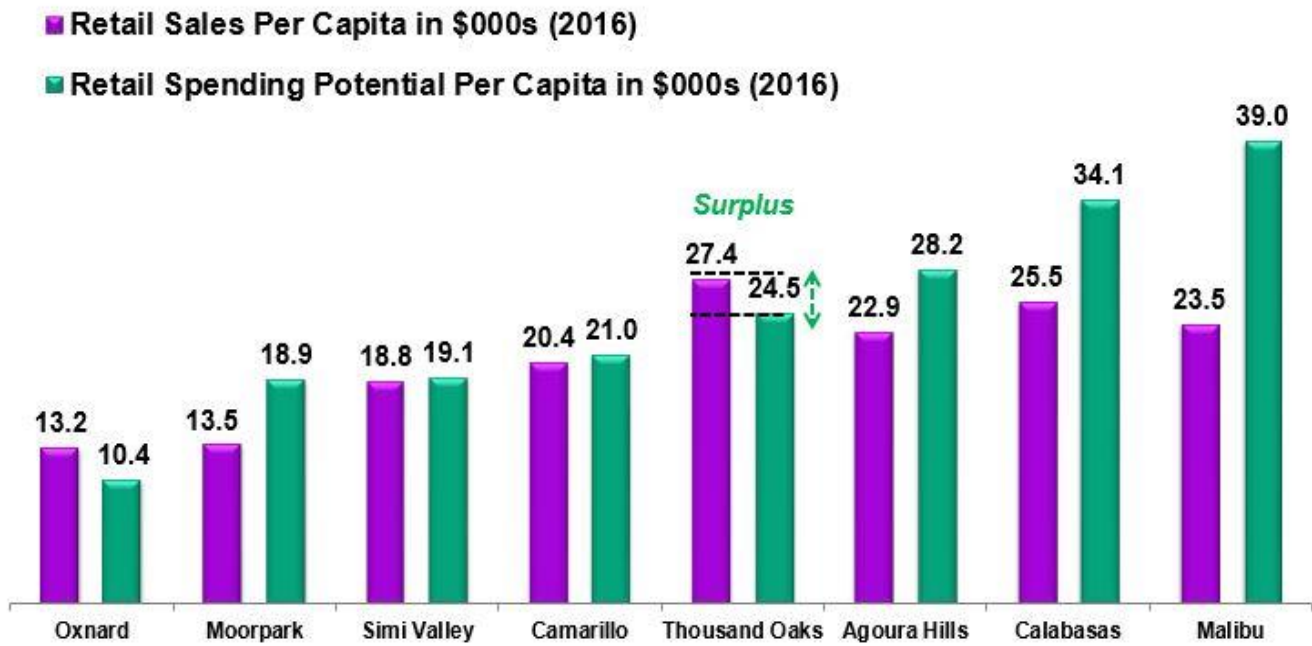


Source: ESRI Business Analyst



# CASH REGISTERS VS. WALLETS

The chart below demonstrates the per capita retail sales, as compared to the actual buying power of the local residents in each community. Thousand Oaks and Oxnard are the only communities that have a retail sales surplus indicating the residents of neighboring cities are traveling to Thousand Oaks to shop and are spending close to \$400 million at local businesses.



Sales Surplus / Leakage Per Capita in \$000s:

\$2.84	(\$5.44)	(\$0.26)	(\$0.55)	\$2.96	(\$5.36)	(\$8.51)	(\$15.48)
27%	(29%)	(1%)	(3%)	12%	(19%)	(25%)	(40%)

**Note:** Spending potential based on number of households, average household income, and estimated percentage of income spent on retail goods and services

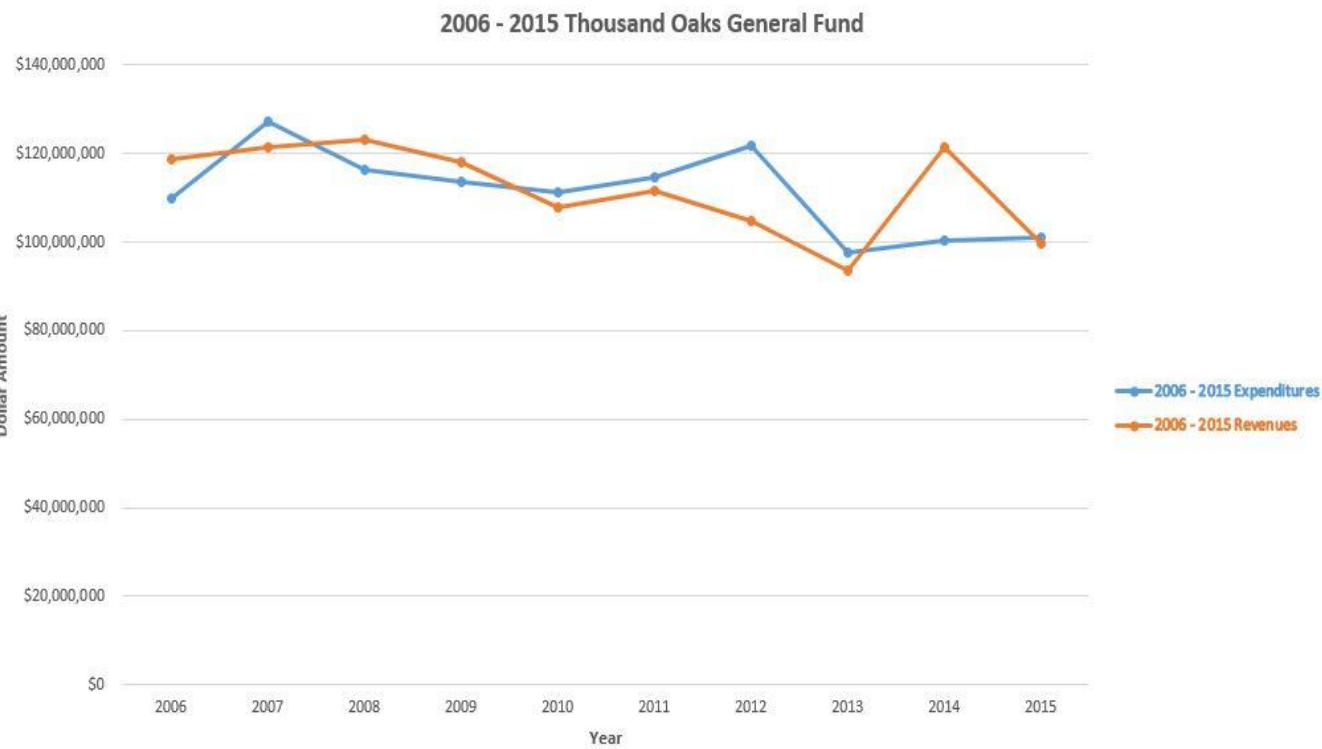
**Source:** ESRI Business Analyst

# THOUSAND OAKS GENERAL FUND

Over the past 10 years, Thousand Oaks has observed a decrease in total revenues and expenditures, as growth has stopped and the recession resulted in significant staff reductions. In 2006, Thousand Oaks’ total revenues were \$118,783,000; in 2015, they dropped to \$99,646,000. The chart below details total revenues and expenditure trends for the City of Thousand Oaks from 2006 to 2015

The majority of Thousand Oaks’ general fund revenues come from sales tax, with property taxes, VLF in Lieu fees, franchise fees and transient occupancy tax accounting for most of the balance. Thousand Oaks also receives some revenues from licensing and permitting, fines and forfeitures.

Thousand Oaks’ expenditures are comprised primarily of funds spent on general government, public safety, transportation, and culture and leisure. Over the past 10 years, public safety and transportation have consistently been the largest expenditures.

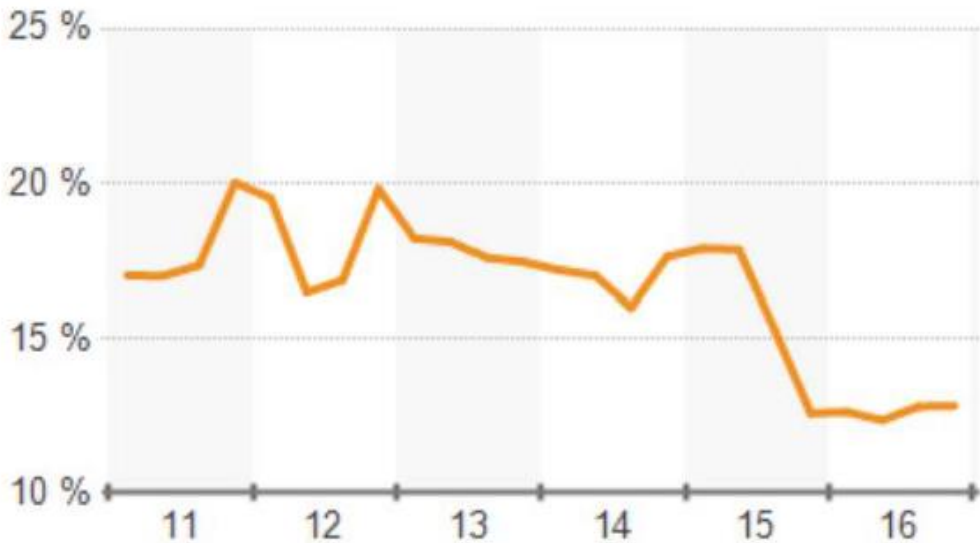


Source: City of Thousand Oaks

## OFFICE MARKET OVERVIEW

Thousand Oaks office market is underperforming. Excluding owner-occupied buildings (i.e. Amgen) the office space inventory of 3.7 million square feet has had vacancy rates fluctuate between 15% and 20% over the past five years, with asking rents holding steady at \$23 per square foot gross.

### Vacancy Rate



### Gross Asking Rent Per SF

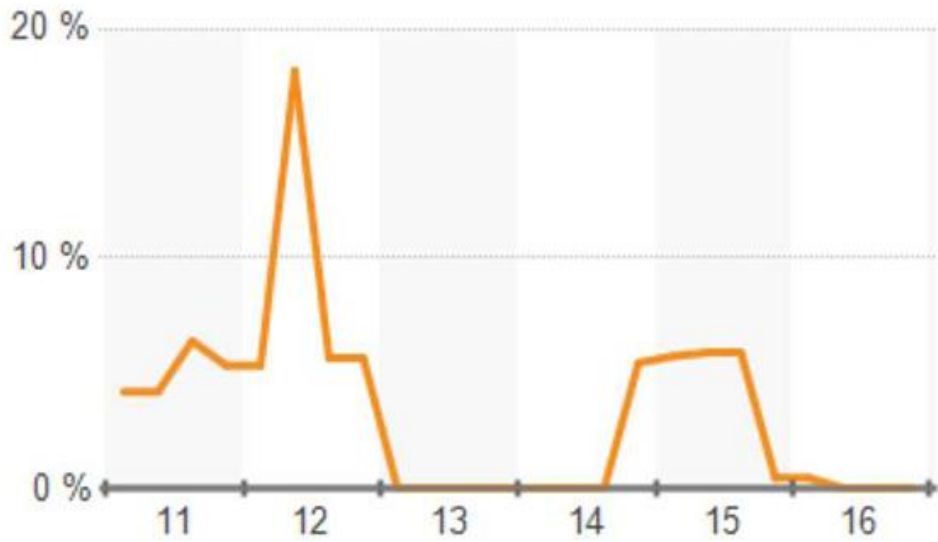


Source: CoStar

# INDUSTRIAL MARKET OVERVIEW

Thousand Oaks industrial market is strong with low vacancy rates and increasing rents. Excluding owner-users) has approximately 700,000 square feet of inventory, and only represents about 1% of total Ventura County industrial space.

Vacancy Rate



Asking Rent Per SF



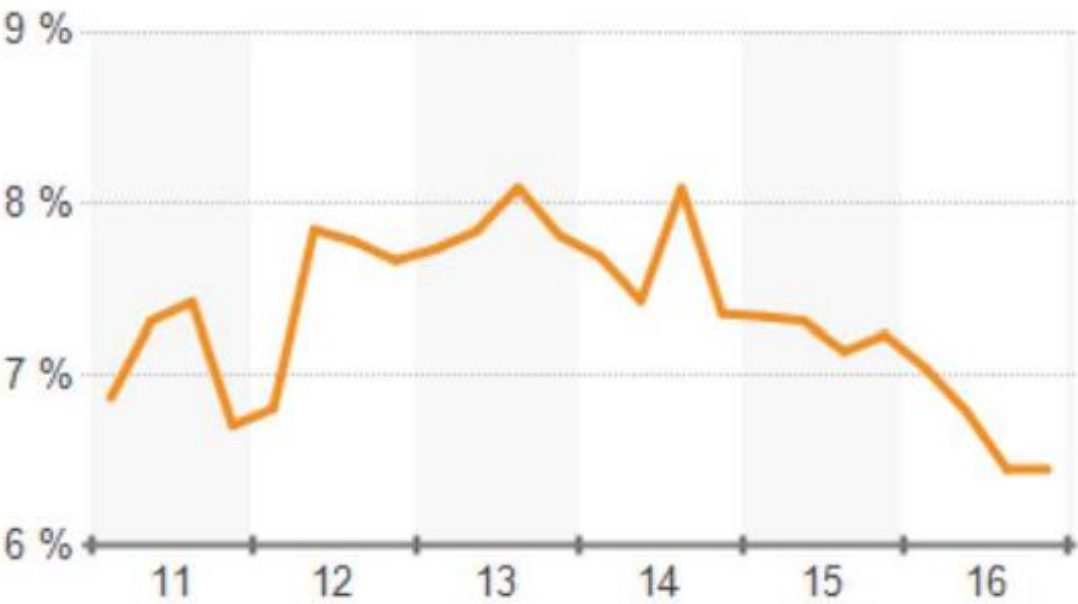
Source: CoStar



## RETAIL MARKET OVERVIEW

The retail market in Thousand Oaks has had mixed performance in recent years, with vacancy rates increasing from 6% to 8% on the 5.6 million square feet of inventory, but with asking rents increased by 25% since 2011 to over \$30 per square foot triple net.

### Vacancy Rate



### NNN Asking Rent Per SF

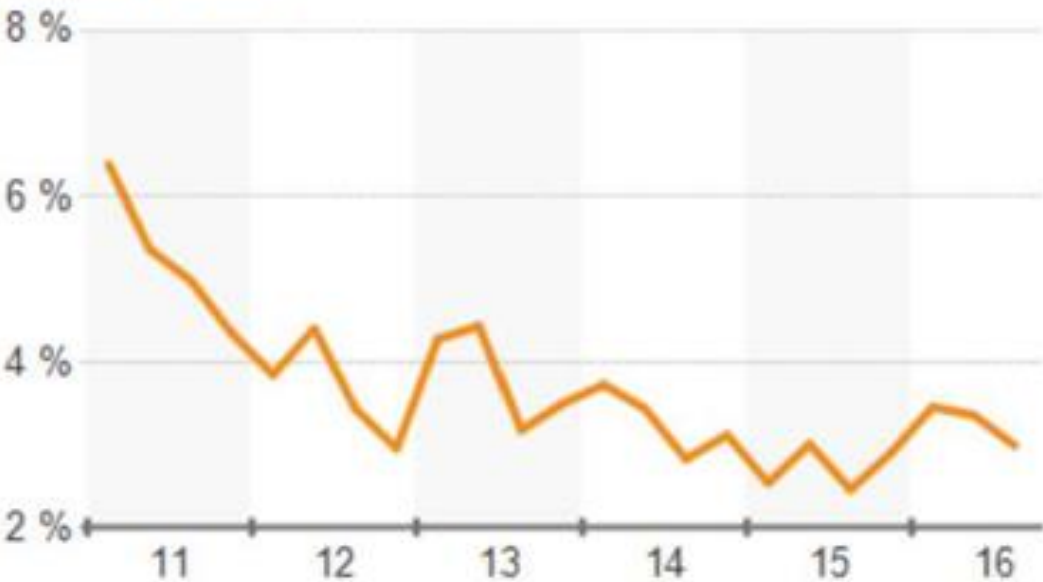


Source: CoStar

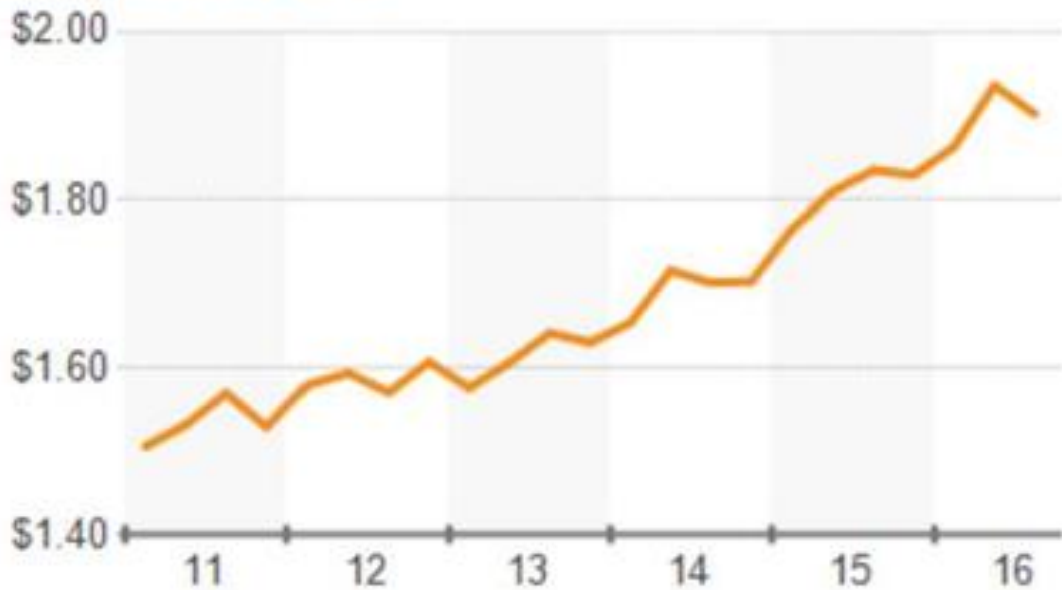
# APARTMENT MARKET OVERVIEW

The Thousand Oaks apartment market is strong with low vacancy and sharply increasing rents. There are 4,500 rental units, representing 10% of County total

Vacancy Rate



Asking Rent Per SF



Source: CoStar

# REAL ESTATE MARKET COMPARISON

As compared to neighboring communities in Ventura County, Thousand Oaks real estate market is very healthy with premium rent levels and comparable vacancy rates for most land uses.

	Thousand Oaks	Calabasas/ Westlake	Camarillo/ Point Mugu	Moorpark/ Simi Valley	Oxnard/Port Hueneme
Retail Rent	\$2.37	\$2.34	\$2.06	\$1.63	\$1.52
Retail Vacancy	4.7%	4.1%	2.1%	8.6%	8.8%
Office Rent	\$2.14	\$2.40	\$1.76	\$2.03	\$2.02
Office Vacancy	18.6%	11.9%	15.3%	20.0%	10.0%
Industrial Rent	\$0.85	\$1.22	\$0.66	\$0.64	\$0.58
Industrial Vacancy	1.5%	3.9%	7.2%	5.1%	3.2%

Source: CBRE, CoStar