

Economic Development

July 2021



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Introduction

Purpose of the Report

The Economic Development Existing Conditions Report presents information on economic conditions and trends in Ventura that are pertinent to the General Plan Update. The main purpose of the report is to identify issues and anticipated future conditions that should be addressed in the General Plan to help the City achieve its economic development goals. The largest chapter of the report is devoted to the business mix and employment opportunities in Ventura. A thriving business environment helps create income for the City's residents and tax revenues to support the quality of life. The report discusses market conditions for key business sectors and describes supporting factors such as the availability and affordability of housing, the suitability of sites for business expansion and the capacity of infrastructure and municipal services. More detail on housing conditions is also provided in the Housing Element Existing Conditions Report.

In addition to job growth opportunities, the report highlights the retail sector and discusses the many changes occurring in the retail market. The availability of attractive shopping locales and product selection is an important element of the City's quality of life and also has a major impact on local tax revenues that fund services to the residential neighborhoods. Yet the rapid increase in online shopping is bringing dramatic changes to the retail landscape and will likely trigger significant land use changes during the life of the new General Plan.

The impact of the City land use patterns on the City tax base and the demand for municipal services is also addressed in this report. As the City plans for land use changes, it is important to consider how the City will fund services in the future and whether the evolving development patterns will help support a strong fiscal foundation for the City.

Finally, this report provides an overview of existing population, housing and employment projections to provide a basis for future planning as the General Plan Update process moves forward. The new General Plan may change these projections to better meet the City's vision and goals, but the numbers in this report provide a starting point for considering what future conditions the City may face. In this regard, the report begins with an overview of high-level emerging trends in economic development that the City may wish to consider in its visioning process.

Relationship to General Plan

The General Plan will include an Economic Development Element that will provide goals and policies to support economic prosperity in Ventura. The Existing Conditions Report provides a baseline of data and analysis to help frame the issues and opportunities to be addressed in the General Plan Element.

Summary of Key Findings

Emerging Trends

Impacts of Covid-19. The Covid-19 pandemic and related recession is accelerating a number of economic trends, many of which were already emerging prior to the crisis.

As a share of total retail spending, e-commerce had been increasing about one half percent per year for the past 20 years. In 2020, it increased from 11.4 percent of total retail sales at the start of the year to 16.1 percent by the end of June. This represents about ten years of evolutionary change within three to four months. With the high numbers of retail and restaurant businesses failing, it is likely an increased level of e-commerce will remain after the pandemic.

Increasing levels of e-commerce. Online sales and changes in consumer preferences were already driving many traditional retailers, including department stores, to reduce brick and mortar footprints, and add a higher level of entertainment and services businesses to shopping centers. In addition, as older retail centers become obsolete, health care had begun to locate clinics and outpatient facilities in the vacant spaces. Now the increase in e-commerce is also rapidly expanding demand for distribution centers, particularly in urban areas to serve last mile delivery functions. This is blurring the distinction between retail and industrial land uses and some big box retail spaces have been converted to distribution centers.

Other trends. Other trends emerging from the pandemic that may have longer term consequences include potential reshoring of pharmaceutical manufacturing to the US, increased demand for cold storage facilities for in the food processing sector to accommodate increasing consumer demands for ready-made and frozen foods, increased automation in both manufacturing and services, and the impact of remote working.

Estimates suggest that more than 20 percent of the workforce could see increased remote working long term, dramatically affecting the market for office space. In addition, remote working and learning is just one more of several trends driving demand for enhanced broadband capacity, with build out not only of fiber optic lines but also a new generation of data centers close to population and business centers.

Ventura's most recent economic development strategic plans have emphasized fostering entrepreneurship and small business development in creative and high paying sectors. Based on emerging trends this is likely to continue to be an important strategy. The City can take advantage of successful models for business incubators and innovation centers to expand the ecosystem of economic opportunity.

The City's Economic Base

As of March 2020, Ventura had an estimated 63,752 jobs, an increase of 5,159 from 2010. Health care is the City's largest job sector, with more than 13,100 jobs, or 20.5 % of the total. The retail sector is the second highest job producer with almost 7,000 jobs, followed by the hospitality sector with 6,400 jobs. In addition to health care, company headquarters operations (management of companies) has been a major job growth sector for Ventura. As the County seat, Ventura also has a relatively high number of public administration jobs.

As of 2018, Ventura had a labor force of 55,971, so its supply of jobs in relation to workers is very good and its jobs/housing ratio is over 1.4, which exceeds the state average. The City's labor force is

concentrated in Management, Business, Science and Arts occupations, and also with a large segments of health care and food service workers. The City has a lower proportion of manufacturing production and distribution workers.

The City's economy features a number of industry clusters, some of which are concentrated in the high job sectors noted above and others that are emerging and still relatively small. Industry clusters are concentrations of businesses that provide similar products or services, use common technologies and labor force and help to sustain a network of supplier businesses. Large clusters in Ventura include Health Care, Business Services, and Tourism and Hospitality. Emerging clusters include Advertising and Marketing Technology, Additive Manufacturing (3-D Printing), and Offshore Mussel Aquaculture.

These clusters have potentially strong growth prospects, but common concerns include attracting and retaining talented workers due to housing costs, expansion constraints due to older office space and lack of industrial space, and competition from rapidly growing job centers in other areas of the region.

There are current and lingering weaknesses in the City economy. Despite the opportunities for growth in several business services clusters, overall jobs in professional, technical and scientific services and in information technology had still not recovered their prior levels from the Great Recession in 2012.

Retail, accommodations and food services jobs had done well in recent years, but these sectors have been among the hardest hit during the pandemic and may take several years to fully recover from the current recession.

Retail Market Analysis

Ventura stores capture a larger share of retail sales in the County than its share of population and Ventura has higher per capita taxable retail sales than any other City in the County.

The total annual retail demand from City households, businesses, visitors to the City, and commuters is about \$1.24 billion. Actual sales exceed \$2.0 billion, and retail stores capture more than \$800 million from shoppers and businesses outside the City. Still, a few retail sectors are underperforming in Ventura, including women's and men's apparel and home furnishings and appliances.

About 76 percent of the City taxable sales come from retail businesses, compared to a state average of 68 percent. The City may also have some growth potential in office and industrial businesses that generate sales through direct consumer or business to business sales.

As discussed in the two previous sections, while Ventura has a relatively strong retail sector, it has been very hard hit by the current recession and the retail industry generally is subject to extensive transformations in consumer buying patterns and competition from online retailers. The City should expect substantial changes in its retail base and proposals for new kinds of commercial and mixed use developments that combine retail, distribution, light manufacturing, entertainment and residential uses to an extent not previously seen.

Fiscal Health

One reason for major concern with the retail sector is the heavy dependence the City has on sales tax for its City budget. Sales taxes comprise 23 percent of the City's General Fund and Measure O¹ adds another

¹ Measure O is the City of Ventura's 25-year, 1/2 cent transaction and use tax that was passed by voters on November 8, 2016.

11 percent. The transient occupancy tax generated by the hotel industry adds about 5 percent. All of these revenues are currently affected by the recession.

Prior to the recession, the City had identified a structural deficit of \$4.1 million in its FY 2020-21 budget, with potentially increasing deficits for the following four years. The City has instituted a number of cost saving and revenue enhancing measures to close the long term gap as well as address the current recession.

This report presents an analysis of the fiscal impact of various land uses on City revenues and costs. The analysis concludes that given the current assessed values of properties in the City, residential uses overall do not generate enough City revenues to cover the costs of municipal services they need. This annual deficit is estimated at \$11.8 million per year. Under normal economic conditions, the non-residential land uses, led by retail and the hospitality sector, generate a surplus of funds to help the City balance its budget. Therefore, it is important for the City to maintain a fiscally sound balance of land uses as it adopts a new General Plan.

New residential development will likely have higher assessed values and will pay a higher share of service costs, at least in the short term and the lack of housing is a major concern expressed by employers as a constraint to job growth. But the property tax has a history of not keeping pace with the annual escalation in municipal service costs. Planning policies and economic development efforts that succeed in promoting job growth along with housing growth will help to maintain a strong tax base to provide the level of service the City's residents expect.

Economic Projections

The Southern California Association of Governments (SCAG) has published projections for Ventura and other jurisdictions throughout the region. These projections show Ventura maintaining a population growth rate over the next 20 years that is very similar to the rate experienced since the year 2000. This would have Ventura reaching a population of 125,000 by 2040. The loss of housing and population due to the Thomas fire has had a major impact on the growth trajectory of the City and it remains to be seen if growth level will resume as the housing is rebuilt.

However, SCAG is projecting substantially slower job growth in Ventura, and in Ventura County, than past trends would suggest. Between 2020 and 2040, SCAG forecasts 3,300 new jobs in Ventura. If these projections hold true, it would compromise the City's ability to maintain a favorable jobs/housing balance and a balanced tax base as discussed above. The General Plan Update provides an opportunity for the City to create a different future based on local priorities.

Emerging Trends

This Chapter describes a number of broader economic and industry trends that may affect key business sectors in Ventura. The pandemic and resulting recession has had enormous adverse economic impacts and it is not clear how long these may linger. It is becoming increasingly apparent, however, that the recession is accelerating a number of trends that were already in motion in terms of increasing online retail sales, increasing reliance on communications and information technologies, and changes in workplace environments and associated building forms. Since the retail sector is so vital to Ventura, the discussion begins there, but then moves on to discuss industrial and office related trends. The Chapter concludes with a discussion of best practices for entrepreneurial development.

Retail Industry Trends

Market Overview

Over the past decade, numerous trends have impacted and evolved the retail sector. These trends include increasing online sales, consumer demand for more entertainment focused shopping experiences, decreases in brick and mortar stores, multiple large retail format store types (especially general merchandise stores), and large-scale shifts in market capture among retail companies, leading to rapid turnover and decline of older retail centers.

The United States averages about 24.5 sq. ft. of retail space per capita, which equates to more than five times the per capita average in Europe of 4.5 sq. ft.² Through June of 2019, there were 7,000 store closures, compared to 5,900 for all of 2018. Countering this during the same period were about 3,000 store openings, but the net effect is reduction in the number of physical stores. CB Insights reports that there were 23 bankruptcies in 2019, compared to 17 in 2018.³ With the addition of the COVID-19 pandemic, Moody's Analytics reports that as of mid-August, 30 retail and restaurant chains filed for bankruptcy in 2020.⁴ All of these trends have fueled a push towards downsizing retail stores and repurposing those spaces for other potential uses.⁵

Based on the 2019 filings, the apparel industry appears to be struggling most of all. The concern here is that while many retail closures may occur in poorly performing malls, when retail chains go out of business it can affect well performing retail centers as well. The COVID-19 pandemic has also created a large market shift towards online shopping, as malls and many other retail centers shut down under mandatory shelter-in-place orders. The long-term effect on the retail sector after a post-pandemic economic recovery is unknown at this point.

² PwC and the Urban Land Institute; Emerging Trends in Real Estate® 2018.; 2017; p. 90.

³ <https://www.cnbc.com/2019/12/27/forever-21-among-bankruptcies-that-rocked-the-retail-industry-in-2019.html>

⁴ Moody's Analytics and REIS; COVID-19 and the Convergence of Retail and Industrial; August 27, 2020; p.3.

⁵ PwC and the Urban Land Institute; Emerging Trends in Real Estate® 2019; 2018; p. 73.

Department Stores

The traditional department store category is experiencing long term change. In 1975, they housed 50 to 75 departments, but are now down to three main ones - apparel, housewares and cosmetics.⁶ As noted in a recent economic forecast from PricewaterhouseCoopers (PwC) and the Urban Land Institute (ULI), “[a]nnual department store sales – once counted in the hundreds of billions of dollars – today total less than \$70 billion annually, about half the volume of the largest warehouse retailer alone.” The recent bankruptcies and store closures for long-time retail giants Sears and JCPenney have greatly contributed to the overall decline of the department store category.

According to data from the Economic Census from 1997 through 2017, the unadjusted sales in the department store category declined by about 30 percent (54 percent decline when adjusted for inflation). In addition, the categorical share of overall retail sales declined from 3.5 percent in 1997 to 1.3 percent in 2017.⁷

The “discovery” function of department stores has largely been replaced by online browsing. High end super regional centers will continue to have an advantage in this transition, but these will rely on fewer and smaller stores. “The desire to gain and hold market shares is yielding to a greater desire to establish greater market exclusivity and bolster profit margins.”⁸

Reviewing recent annual report filings for several department store chains, the move to smaller store sizes is apparent. For example, the average size of Neiman Marcus stores has declined over time. Stores built before 1990 averaged 140,000 square feet, while stores built during the 1990s averaged 136,900 square feet, and store locations built since 2000 have averaged 107,000 sq. ft.

The data for Macy’s, which has a location in Ventura at the Pacific View Mall, also shows a steady trend in this direction, with their overall average store size declining from 179,101 square feet in 2014 to 143,027 square feet in 2019. Total net sales also generally declined during this period, but sales per square foot increased. In part, this trend has been accentuated by Macy’s acquisition of Blue Mercury, a luxury beauty products and spa retailer that occupies relatively small inline store spaces.

Discount Department Stores and Supercenters

According to data from the Economic Census, the growth in the store category that includes discount department stores, supercenters, and warehouse clubs grew at a very high rate between 1997 and 2017.⁹ Unadjusted revenues in this store category increased by 164 percent during this time, and its share of overall retail revenues grew from 8.5 percent in 1997 to 11.1 percent in 2017. This growth helped fuel the expansion of the power center development format, but has slowed down in more recent years. When

⁶ PwC, 2017. Op cit.

⁷ Prior to 2017, the North American Industry Classification System (NAICS) classified the department store category as comprising two store categories, traditional department stores and discount department stores. The overall department store category declined between 1997 and 2012, with most of the decline occurring in non-discount department stores.

⁸ Ibid.

⁹ Because of changes to NAICS in 2017, the discount department store category is no longer reported as a separate retail store category. Comparing the Economic Census data prior to 2017 with the most recent data indicates that sales historically going to the discount department store category have likely been absorbed into the superstores and warehouse clubs category. Grocery sales distinguish a supercenter from a discount department store, and the general trend for discount department store chains over the past decade has been to expand the grocery sections within their existing stores. To make the data as comparable as possible, data from the discount department store category for the data prior to 2017 was combined into the warehouse clubs and superstores category.

adjusting for inflation, the revenues for this retail category have remained relatively flat between 2007 and 2017.

Walmart is the largest retailer in the country, and has led the retail sector every year since it first surpassed previous leading retailer Sears in 1990. The retailer has one location in Ventura. Walmart operates internationally and has diversified into operating its own warehouse club chain, Sam's Club, in addition to its primary portfolio of discount stores and supercenters. Looking at the U.S. Walmart store operations (excluding Sam's Club) between 2014 and 2019, the chain has seen a slight downsizing in its average store size, from 150,600 square feet in 2014 to 147,800 in 2019. Much of this is due to Walmart increasing the number of its smaller scale community market and small-format locations (which average about 36,400 square feet each) from 210 in 2012 to 809 in 2019. Concurrently, Walmart has expanded its grocery presence by converting most of its discount stores into supercenters.

Target is the other large discount department store chain in the U.S., and it operates two store locations in Ventura. Like Walmart, Target has seen a slight reduction in its average store size, from 134,100 square feet in 2014 to 128,800 square feet in 2019. During this time, the number of Target stores with less than 50,000 square feet of floor area went from one location in 2014 to 91 locations in 2019. The net additions to the store counts for both chains over the last five years have primarily been with small-format locations.

Grocery Stores

The grocery store segment is a highly competitive retail segment that encompasses stores of many different sizes and configurations with their perishable and nonperishable foods as their primary product lines. The largest grocery stores will often include pharmacies, prepared foods, and expanded selections of general merchandise that will often blur the lines between a grocery store and a supercenter. Ventura has 39 stores classified as supermarkets or other grocery stores, and an additional 78 specialty markets, convenience stores and beverage stores.

Focusing on the supermarket category, data from the Economic Census found that the total sales grew from \$351.4 billion in 1997 to \$623.4 billion in 2017. Over this period, the compounded annual growth rate (CAGR) averaged about 2.9 percent, which lagged behind the 3.6 percent CAGR for the entire retail sector. During this period, the supermarket segment share of overall retail sales declined from about 14.3 percent to 12.6 percent. However, the supermarket share of overall sales has stabilized since 2002 when the percentage share was 12.9 percent.

Conventional supermarkets carry broad selection of food items aimed at the mass market, and represent the majority of the category sales. One of the largest supermarket chains operating in the greater Los Angeles regional market is Albertson's, which in addition to its namesake stores also owns the Vons supermarket chain and several other regional supermarket brands across the country. Data from their annual 10k filings indicates that between 2016 and 2019, Albertson's has seen a slight decrease in its overall store count and minimal change to its average store size. Albertson's has an average store size of just under 50,000 square feet, with just over half of their stores occupying a floor area of over 50,000 square feet.

More specialized supermarket formats have emerged in recent years. These types of stores include the privately held Trader Joe's and publicly traded Sprout's grocery store chains. According information in the 2020 Annual Report for Sprouts, the specialty concept stores have increased their share from 27 percent to 37 percent of overall supermarket sales between 2005 and 2018. Moreover, the specialty concept supermarkets occupy a smaller store footprint and carry a narrower product selection than conventional supermarkets.

In the case of Sprouts, the specialty supermarket chain has aggressively expanded in recent years, as their net sales grew from \$3.6 billion to \$5.6 billion between 2015 and 2019. During this period, the number of stores grew from 217 to 340. With this expansion, their average store size slightly increased from 27,600 to 29,000 square feet. However, Sprouts' 2020 Annual Report indicates that they are looking into smaller store sizes and further streamlining of their store operations.

Automobile Dealerships

As with other retail sectors, automobile dealers face a multitude of challenges to the previous business models. These challenges come from not only normal cycles where consumer preferences shift, but also from potentially fundamental changes to the assumptions about car ownership and personal transportation.

The Economic Census indicates that the unadjusted revenue for automobile dealerships grew from \$553.6 billion in 1997 to just over \$1.0 trillion in 2017, with the share of overall retail sales declining from 22.5 percent to 20.3 percent. However, the sales levels in 2017 represented a significant rebound from the 17.5 percent share of overall retail sales in 2012. This indicates that while economic conditions and business cycles influence auto sales, the sector has remained a very large part of the overall retail economy. All of this has occurred as the number of dealerships shows a long-term decline, going from about 22,200 dealerships in 2001 to 16,800 dealerships in 2018.¹⁰ Concurrently, auto sales have increasingly concentrated with the largest dealership groups. Between 2012 and 2018, the number of dealerships controlled by the top 100 dealership groups increased from 2,226 to 3,158 dealerships.

Over the long-term, a number of looming disruptions will potentially create significant changes to how automobile dealerships operate. Multiple forecasts see growth in private car ownership slowing down, with significant gains occurring with the mobility-as-a-service (MaaS) and car-as-a-platform segments. Mobility-as-a-service includes a combination of fleet services, vehicle-on-demand (car sharing, car subscription, rental), and mobility-on-demand (ride sharing, and future robo-taxis and robo-shuttles). This segment of the market is projected for rapid growth, and has the potential for great displacement of demand for the private car operations that automobile dealerships depend on. Because these vehicles are used for shared rides, further adoption of these services will further limit future auto sales growth.

For private car ownership, the flattening of revenues from different sources will potentially reduce demand for auto dealerships and the revenues that they generate for municipalities. In a 2018 projection of automotive trends, Deloitte projected a 9 percent growth in US vehicle sales between 2018 and 2035, compared to a 15 percent population growth.^{11,12} KPMG projects declines in private vehicle sales, while also indicating that by 2035 MaaS could reduce private auto sales by up to 50 percent in some high density urban markets.¹³ A 2019 study by McKinsey projected that in Los Angeles, shared mobility could reduce private vehicle miles traveled by about 20 percent.¹⁴ The KPMG and Deloitte studies also anticipate that maintenance and services revenues will decrease by due to growing share of electric drivetrains, as well

¹⁰ KPMG. "Future of Automotive Retailing." 2019. p.13.

¹¹ Deloitte. "Future of Automotive Sales and Aftersales." 2018. p.57.

¹² The Deloitte projections were a simulation of how future trends would impact OEMs from a global perspective with multiple scenarios.

¹³ KPMG. "The End of Car Dealerships." 2018. p.9.

¹⁴ McKinsey. "Change vehicles: How robo-taxis and shuttles will reinvent mobility." 2019. p.42.

as decreases in revenues from collision repairs as autonomous safety systems gain wider adoption in newer vehicles.¹⁵

The current business model for most car dealerships consolidates the showroom, service, inventory, sales, financing, and parts functions onto a single lot. KPMG anticipates that with the ongoing trends in auto retailing, dealerships in the future could further offload the financing and sales information functions onto online portals, while using smaller showrooms for displaying vehicles and consolidating test drives into more dedicated “experience centers.” The service and parts functions would also be split off from the other dealership functions into lower cost locations.¹⁶

Apparel

Product development cycles and pricing are decreasing, fostering growth in specialty fast fashion concepts that are eating away at both department stores and many mid-priced apparel chain sales. Over a ten year period, apparel’s share of gross leasable area, along with general merchandise, has declined from 36 percent in 2007 to 29 percent in 2017.¹⁷

Demographic Changes

Baby Boomers (b. 1946-1964) are still the largest group but are consuming less and shedding assets while spending more on medical needs, dining out, entertainment, and travel. Millennials (b. 1980-1994) are also a large group but are spending less on apparel and housewares and more on entertainment and dining out. This is resulting in a proliferation of new dining options and personal services facilities – including health, fitness, and grooming facilities.¹⁸ “On the other hand, Gen X consumers [(b. 1965-1979), sometimes referred to as the “Baby Bust”, are a smaller cohort, but] have entered ‘full on family mode’, spending more like past generations on children and homes. While the increase in spending has been delayed compared to previous generations, they are one of the strongest cohorts right now.”¹⁹ While these demographic trends are mixed, the overall effect has been to heighten demand for services and entertainment at the expense of some durable goods. The higher retail spending trend for the Gen X group has not counteracted the trends from the larger Baby Boomer and Millennial groups away from retail.

E-commerce

According to the U.S. Department of Commerce, e-commerce accounted for about 11.4 percent of total retail transactions at the end of 2019. This represents a significant increase from less than one percent in 2000 when the agency began tracking transactions originating on the internet.

More broadly, the growth of e-commerce is a continuation of remote retailing activity that predates the widespread commercial usage of the internet. These previous activities include catalog sales, phone ordering, mail ordering, and other types of direct selling. According to the Economic Census, non-store

¹⁵ Deloitte. p.62-63.

¹⁶ KPMG. p.14.

¹⁷ PwC and the Urban Land Institute: Emerging Trends in Real Estate® 2020; 2019. p. 88.

¹⁸ Ibid. p. 91.

¹⁹ Ibid. p. 87.

retailing accounted for 3.8 percent of all retail sales in 1997. By 2017, this had grown to 10.8 percent of total retail sales, which is consistent with the e-commerce data.

While e-commerce has generally grown at a steady pace at just over twice the growth rate of the overall retail sector, the COVID-19 pandemic has dramatically accelerated the growth of e-commerce for retail sales. By the end of the 2nd quarter of 2020, the e-commerce share of overall retail sales increased from 11.4 percent at the start of the year to 16.1 percent. According to Moody's Analytics, this represents "approximately ten years of evolutionary change within three to four months."²⁰

Prior to the COVID-19 pandemic, the question was at what point e-commerce growth would begin to level out, with some anticipating that this would occur at around 15-20 percent of total retail spending. Given that the pandemic has shifted shopping habits into this range within a very short time, the extent to which shoppers return to brick and mortar stores once the pandemic subsides remains an open question.

The broader retail trends have seen omni-channel retailing increasingly become the norm, with the largest online retailers acquiring brick and mortar locations while brick and mortar retailers increase their online presence.

Retail Transformation

Traditional shopping centers are transforming into "consumer centers" with a new mixture of uses.²¹ "New experiential and entertainment uses, centered on one-of-a-kind activities, such as art, amusements, or food, are increasing in many shopping centers. CoStar Group reports that the share of space devoted to restaurants, fitness centers, and entertainment has doubled over the past decade while the share of apparel continues to decline."²² In addition, medical offices and clinics are also rapidly expanding their presence in shopping centers, consistent with consumer interest in health and wellness.

In addition, large big-box retail spaces could also become distribution centers, potentially with a consumer-facing presence. This would entail functionally transforming those spaces into more industrial functions, and potentially present municipalities with challenges involving land use regulations and zoning requirements. This type of use would also have to fit in with the needs of supply chain logistics. But, if the alternative is large empty spaces, then these types of uses would remain a potential reuse option.

Finally, the introduction of coworking and shared office space increasing gained attention in recent years. "Shopping centers have built-in amenities to support them, including unused space, parking, complementary food uses and perhaps even a gym or workout facility."²³

However, the COVID-19 pandemic has led to an increase in working remotely, and some companies looking into making these arrangements permanent with workers coming into offices on an occasional basis. According to Moody's Analytics, the office market is expected to show a 10.0 percent reduction in inventory when comparing pre-COVID and post-COVID scenarios in 2020. This reflects a decline in development, as projects are either delayed or cancelled. In addition, the retail market is expected to show a 15.7 percent reduction in inventory.

²⁰ Moody's Analytics; p.3.

²¹ Ibid. p. 86.

²² Ibid. p. 87.

²³ Ibid.

In addition, entertainment and recreational service uses such as fitness centers that had been seen as growing replacement tenants for vacated big box retail spaces. However, the pandemic has hit the recreation and entertainment sectors harder than any other part of the economy. Even with reopenings underway for other types of businesses, recreation and entertainment businesses have largely remained closed, or been forced to operate at significantly reduced capacity. As with the unknown long-term impacts that the pandemic will have on retail shopping habits, the future of venues that bring large numbers of people together is equally unknown at this juncture.

Other Accelerating Business Trends

The pandemic is accelerating a number of other business trends and creating new economic opportunities as industries strive to improve their resilience.

Health Care

The Federal government has announced a priority to reshore larger segments of pharmaceutical manufacturing to the US. The pandemic has highlighted the fact that upwards of 70-75 percent of medicines and their ingredients are currently produced overseas, much of it in China and India. Observers expect the federal government to increase requirements for domestic production and sourcing (Cushman Wakefield 9/20).

Major pharmaceutical companies are located in Ventura County and California is a major hub of pharmaceutical research, particularly in the San Francisco Bay Area and the San Diego Region. As early as 2017, pharmaceutical companies were showing increased interest in secondary real estate markets due to the shortage and high cost of lab space in the metro hubs. More recently, drug companies have begun to outsource production to many contract manufacturers in order to meet the extraordinary manufacturing demand of rolling out the Covid-19 vaccines rapidly. As increased reshoring of a wide variety of essential drugs occurs, there may be opportunities to attract portions of that supply chain and the outcome of this analysis will provide more specific guidance on manufacturing targets that may be attracted to Ventura.

Food Processing Market

The demand for cold storage facilities have increased as the food distribution system has had to adapt to less restaurant demand and more grocery home delivery (Wall Street Journal 10-20). Combined with increasing consumer demand for more natural foods with fewer preservatives, the increased online food purchase activity has dramatically increased the need for cold storage facilities. Some of this demand is looking for locations in or near urban centers to facilitate last mile delivery. In some cases this has led to the adaptive reuse of older retail centers that are no longer thriving, use of existing industrial warehouse space or increased allocation of grocery store space to cold storage. New building models have been developing with Oxygen Reduction Systems for fire protection that allow clear heights of up to 120 ft. This addresses the higher land costs in many urban areas. However, the cold storage industry remains very cost conscious and locations that offer low energy costs and access to major markets using less expensive building models will be in demand. Industry observers point out that much of the existing cold storage inventory was built 20-30 years ago and is reaching functional obsolescence. In the new market environment, this will stimulate increased construction of new product.

Industrial Market for E-Commerce

The industrial real estate market has remained active nationally despite business slowdowns and loss of jobs in many sectors (Colliers International 9/20). As discussed above for the retail industry, a major factor has been demand for warehouse space as e-commerce has accelerated dramatically during the crisis. Amazon alone has increased its fulfillment center space by more in the first six months of 2020 than all of 2018 and 2019 combined.

The Inland Empire continued to absorb new space despite the activity at the LA ports dropping 12.5 percent in the middle of 2020. Toward the end of 2020, port activity has increased dramatically as suppliers have shifted procurement from China to Vietnam and other Southeast Asia locations.

Much of the increasing demand for big box space is to serve last mile demand. Firms are considering repurposing retail boxes to distribution/last mile delivery services (Supply Chain Management Review). In addition, new warehouse development in urban areas is increasingly vertical to accommodate higher land prices and increased automation. The Wall Street Journal reports that modern automation technologies are facilitating development of “micro” fulfillment centers in urban areas. Some urban areas are creating master planned industrial areas in proximity to residential areas and integrating retail commercial spaces as well.

Reshoring/Increasing Resiliency

Beyond the national focus on the pharmaceutical industry, there is greater attention is focused on onshoring/reshoring supply chains generally. The pandemic exposed risk for supply chain interruptions as well as reduced flexibility to retool production to PPE and other products needed during the crisis when production inputs are not available in the US.

Over the longer term, it is expected that firms will seek to “future proof” production and warehousing facilities. Part of this involves setting facilities up to operate during a crises, through increased security and automation, but also to accommodate longer term trends such as the advent of e-delivery vehicles. As with the cold storage industry discussed above, growth in warehousing and manufacturing facilities will be driven in part by the need to replace functionally obsolete buildings in order to maintain competitiveness. That may also drive some companies to look for new locations such as Ventura.

A related consideration for the General Plan Update is to designate land uses and design development standards that permit businesses to vertically integrate a greater range of operations. Research and development, components manufacturing, assembly, distribution and retail channels may be co-located to a greater degree as companies seek greater control over production and sales processes.

The pandemic is accelerating not only efforts to make supply chains more resilient but also ongoing trends to transform manufacturing through automation and digitization (McKinsey 9/20). In a survey of 800 executive McKinsey reports that in addition to this trend, most businesses expect to increase staffing and resources for health and hygiene, cyber security and data analytics. Trends include:

- Moving operations closer to consumers
- Diversifying supply chains across countries
- Increasing digitization of manufacturing processes, with increased use of the Internet of Things, virtual reality and improved conversion of digital to physical with 3D printing.
Increased use of robots, particularly for cleaning functions.

The Impact of Remote Working

Observers expect that businesses and workers alike may start looking to relocate to smaller communities with less density, particularly now that remote working has become feasible for many positions (Moody Analytics 9/20). McKinsey has done an extensive study of work activities to determine the long term potential for remote work among different industries. They found that 22 percent of employees can work remotely between three and five days a week without affecting productivity, and an additional 17 percent could work remotely one to three days a week. It remains to be seen if this occurs over the long term but the longer workers are doing remote work the better they appear to be adapting. McKinsey reports that, “With nine months of experience under their belts, more employers are seeing somewhat better productivity from their remote workers.” However, the availability of broadband capacity that supports video calling is critical to this outcome. As noted above in the retail discussion, these trends could have a significant impact on the office market.

Some cities have recognized the positive impact that an influx of higher paid workers would have on their tax base and business revenues and are offering cash incentives to workers to relocate to their communities. Some incentives also include access to coworking spaces for occasional work or for use of printers or other shared office equipment.

In addition to the potential for increases in workers moving in from the metro areas, the huge volume of online activity is increasing the needs for internet and cloud computing resources. Data centers have become a huge industry in recent years with Amazon Web Services (AWS) emerging as one of the leading providers. Typically data centers, which use high volumes of electricity, have been sited in locations that offer low power costs, high broadband capacity, and lower personal property tax and sales tax rates or incentives. However, two technological trends offer the potential to diversify the site location criteria to include proximity to business and population centers throughout the country.

The first is virtualization, which allows IT teams now to operate multiple operating systems on a single physical server. This greatly increases the efficiency of the servers and has led to significant reductions in the required footprint of data centers. Smaller centers have lower power requirements and may also be less sensitive to other cost factors.

Secondly, the trend toward “Edge Computing” is leading to locating data centers closer to end users. This is to reduce the “latency,” or delay, in computer response for applications that require real time speed. This includes many applications for mobile phones, particularly as 5G rolls out, but eventually will also include autonomous vehicle controls and the like. Since electricity travels at the speed of light, there is a relatively wide geographic range within which these latency issues can be addressed. For example, data centers have been built in Las Vegas and Phoenix to serve Southern California markets, as opposed to building them in the Midwest. However, Amazon recently has been purchasing property immediately adjacent to metropolitan areas in California with the announced intent to build data centers along with fulfillment centers. It remains to be seen if such trends will affect Ventura directly, but it is likely there will be indirect effects in the industrial market as other firms in industrial areas adjust to shifts in commercial real estate demand.

Business and Job Development Models

Beyond the question of coping with rapidly changing business conditions and capitalizing on emerging market opportunities, the City is concerned with developing a long term approach to economic development. Medium size cities like Ventura often focus on stimulating innovation and entrepreneurial startups as a way of boosting business growth and higher incomes. The nearby Santa Barbara-Goleta-

Santa Maria MSA was recently listed among the top 25 innovation centers in the nation based on the number of patents issued per 100,000 population.²⁴ Thriving innovation centers have several things in common, including proximity to research universities, a highly educated population and quality of life factors that attract creative and talented workers and entrepreneurs. Ventura has all of these attributes and has been working to create a conducive environment for innovative businesses – an entrepreneurial ecosystem.

The Kaufman Foundation has identified several key elements of thriving ecosystems:²⁵

- Entrepreneurs who aspire to start and grow new businesses, and the people who support entrepreneurs.
- Talent that can help companies grow.
- People and institutions with knowledge and resources to help entrepreneurs.
- Individuals and institutions that serve as champion and conveners of entrepreneurs and the ecosystem.
- Onramps (or access points) to the ecosystem so that anyone and everyone can participate.
- Intersections that facilitate the interaction of people, ideas, and resources.
- Stories that people tell about themselves and their ecosystem.
- Culture that is rich in social capital – collaboration, cooperation, trust, reciprocity, and a focus on the common good – makes the ecosystem come alive by connecting all the elements together.

A number of models exist to support business development.

Business Incubators

Incubators create economical spaces and offer shared services as well as technical support for emerging businesses to get started. The Cal Lutheran University Center for Innovation and Entrepreneurship created Hub101 in Westlake Village as a coworking space with technical support and shared services (currently closed due to Covid restrictions).

Innovation Centers

Many major corporations and universities have created innovation centers to spur research in specific areas of interest. For example, UC Santa Cruz sponsors the Startup Sandbox, which is a bioscience incubator offering state of the art lab facilities and space, and a wide range of business services to biotech entrepreneurs. The Ventura BioCenter in Thousand Oaks is an example of this in the private sector.

Fab Labs/Maker Spaces

Fabrication Labs and Maker Spaces provide spaces for people and entrepreneurs to learn the use of advanced technology manufacturing and fabrication equipment and tools, such as 3D printers, laser cutters, CNC mills and electronics tools.

In Ventura County, several organizations provide business support services, including:

²⁴ John Harrington and Michael B. Sauter, "The 25 most innovative cities in US share affinity for technology." 24/7 Wall Street. Reported in USA Today, November 14, 2019.

²⁵ The Kaufman Foundation. Entrepreneurial Ecosystem Building Playbook 3.0. www.kaufman.org/ecosystems, downloaded September 17, 2020.

- Small Business Development Corporation – Economic Development Collaborative – Ventura County
- Women’s Economic Ventures
- Cal Lutheran Center for Innovation and Entrepreneurship

Economic Base

The City's economic base is comprised of business sectors whose markets are primarily outside the City and who generate income and wealth by attracting sales into the City. Economic base businesses are often recognized as traded industry clusters, because their products are traded on national or global markets and they use common technologies and skill sets within the clusters. These business sectors are important because they drive the local economy and because they are typically the main source of well-paying head of household jobs. Economic base business sectors may include agriculture and food processing, manufacturing, wholesale and distribution, information technology, design and creative industries, business services and leisure and hospitality, among others. Health care and education can also be economic base industries if they attract patrons or students from outside the community. This chapter begins with an overview of the types of jobs in Ventura and some recent job growth trends. The chapter then describes key opportunities and challenges facing the City regarding future job growth.

In 2019, Ventura commissioned an Economic Base Analysis (EBA) by Stanley R. Hoffman Associates. This chapter relies on key sections from that report, which is available on the City website²⁶, to describe the City's economy.

City Economy Overview

Jobs Growth Trends

As of March 2020, Ventura had an estimated 63,752 jobs, an increase of 5,159 from 2010 (Table 1). Health care is the City's largest job sector, with more than 13,100 jobs, or 20.5 % of the total. The retail sector is the second highest job producer with almost 7,000 jobs, followed by the hospitality sector with 6,400 jobs. As the County seat, Ventura also has a relatively high number of public administration jobs.

The job growth trends shown in the EBA indicate that Ventura reached its lowest job levels from the Great Recession in 2012. As shown in Table 1, a number of business sectors have not yet recovered the jobs levels they had in 2010. The biggest job losses have occurred in professional, technical and scientific services and in information technology. This is of concern as technology jobs represent some of the stronger business opportunities in the broader economy. Retail, accommodations and food services jobs had done well in recent years, but these sectors have been among the hardest hit during the pandemic and may take several years to fully recover from the current recession.

In addition to health care, company headquarters operations (management of companies) has been a major job growth sector for Ventura. As discussed further in the next section, the EBA identifies business services as a leading industry cluster in Ventura. Table 1 also shows location quotients (LQ) for each industry. The location quotient is a measure of concentration for industries and 1.0 means an industry is found in the same concentration in Ventura as it is in the state economy. Industries with LQs higher than 1.0 are more concentrated, and this is often the basis for identifying an industry as a local cluster. In

²⁶ <https://www.cityofventura.ca.gov/DocumentCenter/View/19764/Economic-Base-Study-20191011>

Ventura, health care, public administration, management of companies and oil and gas extraction all have exceptionally high LQ's. Other business sectors such as retail, accommodations, construction, other services and real estate are also relatively concentrated and likely serve more than just local markets.

Table 1: Jobs by Major Business Sector, 2010 to 2020 Trends, City of Ventura

NAICS	Industry	2020 Jobs	Current		10-Year History	
			Avg Ann Wages	Location Quotient	Job Change	Annual %
62	Health Care and Social Assistance	13,109	\$54,055	1.42	2,955	2.6%
44	Retail Trade	6,967	\$37,611	1.07	498	0.7%
72	Accommodation and Food Services	6,401	\$23,286	1.11	1,070	1.8%
92	Public Administration	6,301	\$85,734	2.10	-268	-0.4%
23	Construction	4,161	\$62,327	1.14	690	1.8%
54	Professional, Scientific, and Technical Services	3,810	\$82,671	0.88	-649	-1.6%
61	Educational Services	3,260	\$51,376	0.63	42	0.1%
56	Administrative and Support and Waste Management and Remediation Services	3,042	\$44,770	0.75	-246	-0.8%
81	Other Services (except Public Administration)	3,042	\$32,910	1.07	-155	-0.5%
55	Management of Companies and Enterprises	2,777	\$185,384	2.87	2,183	16.7%
31	Manufacturing	2,753	\$70,256	0.53	118	0.4%
42	Wholesale Trade	1,667	\$80,749	0.69	248	1.6%
48	Transportation and Warehousing	1,319	\$49,022	0.45	446	4.2%
53	Real Estate and Rental and Leasing	1,186	\$58,466	1.07	-74	-0.6%
71	Arts, Entertainment, and Recreation	1,158	\$32,220	0.90	-235	-1.8%
52	Finance and Insurance	910	\$99,311	0.36	-377	-3.4%
11	Agriculture, Forestry, Fishing and Hunting	578	\$46,816	0.69	-163	-2.5%
51	Information	576	\$61,920	0.46	-568	-6.6%
21	Mining, Quarrying, and Oil and Gas Extraction	533	\$105,632	1.95	-74	-1.3%
22	Utilities	200	\$92,368	0.61	-182	-6.3%
99	Unclassified	2	\$127,868	0.04	-100	-33.0%
	Total - All Industries	63,752	\$57,091	1.00	5,159	0.8%

Source: Chmura JobsEQ

Industry Dynamics

Table 2 provides another perspective on industry concentration and growth in Ventura. It classifies more detailed types of industries in terms of their concentration of jobs (location quotient) and the recent direction of job change since 2014, essentially portraying the recovery of these industries from the Great Recession. This model is illustrated in Figure 1, in which high job concentration industries are in the top of the table and faster growing industries are located in the right hand quadrants of the table (retail, local services, and government are excluded from this analysis).

Industries in the upper right provide significant jobs to the community and have been growing, so they are driving progress in the local economy. As discussed above, this group features company management and health care, along with some manufacturing and construction industries. It also includes food services, which represents the hospitality industry, although lodging and accommodations have not fared so well in job growth during the past five years and are in the lower left hand quadrant. Industries in the lower right hand side are small, but growing. These industries may represent the economy of the future and could be the source of new entrepreneurial activity if given a conducive environment in which to grow. A more detailed list of growth industries in both the City and the County may be found in Appendix A.

Industries in the top left hand side are large, but have been declining. Fortunately, there are few industries in this group in Ventura. Finally, businesses in the lower left hand quadrant are small and getting smaller. They are less likely to support economic growth unless market conditions change. Looking at the industries in this quadrant in Table 2, this is concerning for Ventura, as there are a number of manufacturing industries as well as data and information services sectors.

Figure 1: Economic Base Framework



Table 2: Concentration and Growth Among Business Sectors in Ventura, 2014-2019

NAICS Code	Declining Economic Base Industries (High Concentration-Negative Growth)	NAICS Code	Growing Economic Base Industries (High Concentration-Positive Growth)
211	Oil and Gas Extraction	212	Mining (except Oil and Gas)
213	Support Activities for Mining	237	Heavy and Civil Engineering Construction
332	Fabricated Metal Product Manufacturing	238	Specialty Trade Contractors
335	Electrical Equipment, Appliance, Mfg	333	Machinery Manufacturing
487	Scenic and Sightseeing Transportation	492	Couriers and Messengers
532	Rental and Leasing Services	551	Management of Companies and Enterprises
811	Repair and Maintenance	562	Waste Management and Remediation Services
		621	Ambulatory Health Care Services
		622	Hospitals
		623	Nursing and Residential Care Facilities
		722	Food Services and Drinking Places
		813	Religious, Grantmaking, Civic, Professional Organizations
NAICS Code	Declining Non-Base Industries (Low Concentration-Negative Growth)	NAICS Code	Emerging Industries (Low Concentration-Positive Growth)
111	Crop Production	221	Utilities
112	Animal Production and Aquaculture	236	Construction of Buildings
114	Fishing, Hunting and Trapping	311	Food Manufacturing
115	Support Activities for Agriculture and Forestry	313	Textile Mills
312	Beverage and Tobacco Product Manufacturing	321	Wood Product Manufacturing
314	Textile Product Mills	324	Petroleum and Coal Products Manufacturing
NAICS Code	Declining Non-Base Industries (Low Concentration-Negative Growth)	NAICS Code	Emerging Industries (Low Concentration-Positive Growth)
315	Apparel Manufacturing	326	Plastics and Rubber Products Manufacturing

Economic Base

322	Paper Manufacturing	339	Miscellaneous Manufacturing
323	Printing and Related Support Activities	423	Merchant Wholesalers, Durable Goods
325	Chemical Manufacturing	424	Merchant Wholesalers, Nondurable Goods
327	Nonmetallic Mineral Product Manufacturing	481	Air Transportation
331	Primary Metal Manufacturing	483	Water Transportation
334	Computer and Electronic Product Manufacturing	484	Truck Transportation
336	Transportation Equipment Manufacturing	485	Transit and Ground Passenger Transportation
337	Furniture and Related Product Manufacturing	486	Pipeline Transportation
425	Wholesale Electronic Markets and Agents and Brokers	517	Telecommunications
488	Support Activities for Transportation	525	Funds, Trusts, and Other Financial Vehicles
493	Warehousing and Storage	531	Real Estate
511	Publishing Industries (except Internet)	533	Lessors of patents, franchises and trademarks, etc.
512	Motion Picture and Sound Recording Industries	541	Professional, Scientific, and Technical Services
515	Broadcasting (except Internet)	561	Administrative and Support Services
518	Data Processing, Hosting, and Related Services	611	Educational Services
519	Other Information Services	624	Social Assistance
522	Credit Intermediation and Related Activities	711	Performing Arts, Spectator Sports, and Related Industries
523	Securities, Commodity Contracts, and Other Financial Investments and Related Activities	712	Museums, Historical Sites, and Similar Institutions
524	Insurance Carriers and Related Activities		
713	Amusement, Gambling, and Recreation Industries		
721	Accommodations		

SWOT of Industry and Economic Demand Drivers

Industry Clusters²⁷

Ventura is positioning itself to be a unique, entrepreneurial economy based on a conscientious economic growth trajectory, which respects and balances the growth and no-growth factions of the community. As discussed above, Ventura's positive average annual employment growth rate of over the past decade 2010-2020 is primarily the result of growth of its two largest driving industry clusters, health services and business services, and, to a lesser extent, three small clusters—information technology & analytics, medical devices cluster, and food processing—although they are much smaller clusters and contributed only marginally to overall employment growth. Employment in Ventura's past legacy clusters—oil & gas, and agricultural inputs and services—although showing high employment concentration actually declined in the past decade. However, projected growth of Ventura's clusters in the next ten years indicates the Ventura has a positive portfolio of industry clusters. All key clusters are projected to experience positive employment growth, except for information technology & analytics and hospitality and tourism. Each of the clusters is discussed in more detail below.

Health Services Cluster

The health services cluster is Ventura's largest cluster. In 2019, it had 10,551 employees across a range of subsectors (which does not include the social services employment shown in Table 1 above) and accounted for 16.6% of total employment. Average annual employment growth of 2.6% far outpaces the all-industry growth rate of 0.8%. Although often considered a "local" cluster, Health Services cluster in Ventura has a location quotient of 1.38 suggesting that it is exporting health services to customers beyond the city into the region. Average wages in health services are \$63,368, higher than the average across all industries.

The cluster is built around two major hospitals—Ventura County Medical Center and Community Memorial Hospital, and other smaller hospitals, which account for nearly 5,600 jobs and have an extraordinarily high employment concentration in Ventura (LQ=2.32), indicating that the hospital jobs are more than twice as prevalent in Ventura than in the country. Offices of physicians also account for 1,026 jobs, with a more typical employment concentration around 1.0 (LQ=0.95), which reflects just under the national average. Home health care services have 843 jobs and have a higher than average employment concentration (LQ=1.28). Other relatively high employment concentrations are in assisted living facility for the elderly (LQ=1.86), offices of physical, occupational, and speech therapy (LQ=1.66), other outpatient care centers (1.81). We combine medical devices within the health cluster, which while only representing 220 jobs, also stands out and reflects a local comparative advantage because of its relatively high employment concentration (LQ=1.85).

Community Memorial Hospital has completed a major expansion and there is further market potential for this cluster as well as opportunities to connect with other economic development initiatives in the City (Table 3).

²⁷ The industry cluster discussion is drawn from the EBA. As a reminder on terminology, clusters are a collection of industries, typically defined at the finer NAICS three to six digit codes. The term 'industry sector' typically refers to the higher level NAICS two digit codes. Thus, defined clusters could potentially cut across industry sectors, for example across manufacturing and professional technical services sectors, as the case might be.

Table 3: Health Cluster, Strengths and Weaknesses City of Ventura

		Strengths	Weaknesses
Internal		<ol style="list-style-type: none"> 1. Largest employment cluster in Ventura 2. Two major hospitals, Ventura County Medical Center, Community Memorial Hospital 3. Presence of centers of specialized care (e.g., cancer treatment, elderly care) 4. Strong local talent to support health cluster 5. Community Memorial Health System earned \$444 million and has assets of \$891 million in 2018. Community Memorial Hospital finished construction on a \$275 million building. 	<ol style="list-style-type: none"> 1. Increased and high costs of IT adoption 2. Older building stock due to slower refurbishing activity 3. Moral challenges due to cuts in public funding for health care workers 4. Funding weaknesses for sustainable provision of palliative care
		Opportunities	Threats
External		<ol style="list-style-type: none"> 1. Health district zoning designation across the City under the General Plan update. 2. Connection with downtown amenities & tourism 3. Promotion of local health specialties 4. Development of options to meet growing demand for alternative health care 5. Branding/marketing opportunities for Ventura health care 	<ol style="list-style-type: none"> 1. High cost of living and labor force retention 2. Other emerging health care centers in the LA Region 3. Large Medicare patient population 4. Limited space for expansions and new activities 5. New payment models

Source: Economic Transformations Group, Inc., Stanley R. Hoffman Associates, Inc.

Business Services Cluster

Employment in the business services cluster has grown by an average annual rate of 2.2% over the past 10 years. Corporate, subsidiary/regional managing offices shows very high growth (in part due to a change in sector classifications). Engineering services declined substantially. Computer systems design services is a robust and highly paid sector in the city and is projected to grow rapidly in the next 10 years. Average annual wages per worker in this cluster are very high at \$132,000, in part reflecting the large increase in corporate management offices. While there is significant regional competition for this cluster across the region, there are opportunities to expand this cluster in Ventura (Table 4).

Table 4: Business Services Cluster SWOT City of Ventura

		Strengths	Weaknesses
Internal		<ol style="list-style-type: none"> 1. Ventura is important regional business hub 2. Large core of corporate management offices 3. High quality of life attributes for young 4. Diversity of business service sectors in Ventura 	<ol style="list-style-type: none"> 1. Housing affordability and diversity 2. Limited housing for corporate executives 3. Lengthy zoning and permitting process 4. High cost of living for young professionals
		<ol style="list-style-type: none"> 1. Increase business service linkages to emerging industries in Greater LA region 2. Diversify into increasingly advanced business services 3. Integration of emerging technologies (e.g., IoT, cyber security) into business services systems 4. Continue to grow corporate management hub 5. Optimizing the mix and form of outsourcing and captive relationships 	<ol style="list-style-type: none"> 1. Competitive leasing market within 10 miles of City 2. High cost of living 3. Aging population 4. Increasing traffic congestion and parking constraints 5. Outsourcing of advanced business services
External			

Source: Economic Transformations Group, Inc., Stanley R. Hoffman Associates, Inc.

Advertising & Marketing Technology Cluster

The emerging advertising & marketing technology cluster highlights three fast-growth companies in the City of Ventura: The Trade Desk, GiddyUp and Vonazon. The growth of this cluster through the expansion of the three companies, new start-ups, and the attraction of new firms related to the value chain is having a major impact on shaping the emergence of high tech professional job growth in the city. Challenges include ensuring that there is an increasing pipeline of workers for this cluster, including affordable and diverse housing opportunities as well as conducive office space (Table 5).

Table 5: Advertising and Marketing Technology Cluster SWOT City of Ventura

		Strengths	Weaknesses
Internal		<ol style="list-style-type: none"> 1. Cluster well-positioned to excel in advanced tech to manage advertising campaigns 2. High quality of life and ability to attract advertising tech talent 3. Digital advertising is fastest growing 4. Growing high tech workforce fueling local business development 	<ol style="list-style-type: none"> 1. Cluster is sparse and dependent on success of few high growth companies 2. Limited local education/training capacity to generate market research analysts and "growth hackers" 3. Housing affordability and diversity 4. Older office building stock due to slower construction
		<ol style="list-style-type: none"> 1. Grow and attract companies in the advertising technology value chain 2. Expand intelligent advertising with digital technology and AI 3. Integrate digital marketing technologies into local career planning 4. Anticipate work/live/play needs of growing high tech community 5. Gen Z'ers are expected to constitute 40% of all consumers by 2020, with different consumer behavior 	<ol style="list-style-type: none"> 1. More companies will continue to move their ad operations in-house 2. Challenge in meeting fast-changing needs of high growth tech companies 3. Less data available to fuel AI-powered campaign optimizations, due to trends toward greater privacy 4. Era of fake news, bots & offensive user generated content causing advertisers to rethink digital strategies 5. Outsourcing of advanced business services
External			

Source: Economic Transformations Group, Inc., Stanley R. Hoffman Associates, Inc.

Additive Manufacturing (3-D printing) and Industry 4.0 Cluster

The additive manufacturing (3-D printing), which is part of Industry 4.0 high tech manufacturing cluster, is emerging in the City of Ventura with a half dozen fast-growth start-up companies supported by XponentialWorks, a venture investment, corporate advisory and product development company, specializing in Artificial Intelligence, 3D printing, robotics, and the digital transformation of traditional businesses. Similar to the Marketing Technology Cluster above, the challenges include workforce development and availability of suitable industrial space (Table 6).

Table 6: Additive Manufacturing (3D Printing) and Industry 4.0 Cluster SWOT City of Ventura

		Strengths	Weaknesses
Internal		<ol style="list-style-type: none"> 1. Emerging new advanced manufacturing start-ups provided venture capital, corporate advisory and product development services 2. Key mentorship and financing Role of XponentialWorks; 3. Influx of world-class talent; Growing high tech workforce fueling local business development 4. Cluster is close to triple-helix networks in Greater LA and Silicon Valley regions 	<ol style="list-style-type: none"> 1. Insufficient industrial land and space to support industrial expansion 2. Shortage of college and career education pathways aligned to high impact manufacturing clusters 3. Older Building stock due to slower refurbishing activity 4. Challenge in meeting fast-changing needs of high growth tech companies
		<ol style="list-style-type: none"> 1. Industry 4.0 integration of production systems is key step for future industrial development in Ventura 2. Maturation of additive manufacturing is impacting industrial production transformations (e.g., healthcare, automotive, aerospace & defense) 3. Integrate industry 4.0 career development in local and regional education & training systems 4. Development of advanced manufacturing jobs and eco-system in Ventura 	<ol style="list-style-type: none"> 1. Cluster is sparse and dependent on success of few high growth companies 2. Challenges of adopting additive manufacturing requires a highly skilled workforce, with a substantially different skill set 3. Lack of regulation in 3-D printing industry
External			

Source: *Economic Transformations Group, Inc., Stanley R. Hoffman Associates, Inc.*

Offshore Mussel Aquaculture

Offshore mussel aquaculture is another activity with potential to emerge as an emerging seafood cluster combining with squid fishing activities in Ventura Harbor and create a platform for diversifying dynamic growth in the City. The Ventura Harbor is investigating the feasibility of developing an offshore aquaculture “tech park” for forty 100-acre plots for companies to cultivate mussels 3.5 miles offshore from Ventura. They have received a NOAA Sea Grant to conduct the feasibility assessment.

The offshore mussel tech park represents a “seed” cluster, with an estimated 20 million pounds of mussels per year and potential for many spin-off R&D and commercial activities (Table 7).

Table 7: Offshore Mussel Aquaculture Cluster SWOT City of Ventura

		Strengths	Weaknesses
Internal		<ol style="list-style-type: none"> 1. Expansion of seafood production in the city & region 2. First detailed off-shore mussel aquaculture farm feasibility study in California 3. Received \$265,000 grant to support feasibility study and project development 	<ol style="list-style-type: none"> 1. Development of the cluster is only in feasibility study stage 2. Lengthy Approval and Permitting Process 3. High cost of labor
		<ol style="list-style-type: none"> 1. Development of a sustainable aquaculture industry, expanding seafood production and jobs in the region 2. Create 2,000 acre aquaculture farm park for commercial cultivation of mussels in the Santa Barbara Channel 3. Stimulate the development of "blue economy" cluster in Ventura and Greater LA region 	<ol style="list-style-type: none"> 1. Environmental Impact Study won't be approved 2. Marginal profitability: unpredictable production/sales volume 3. Global climate change: rising coastal water temperatures
External			

Source: Economic Transformations Group, Inc., Stanley R. Hoffman Associates, Inc.

Tourism Industry

Tourism Sector Development, viewed as an important export of the City, includes the direct impact expansion of the hospitality sector, and support services comprising its value chain indirect effects, and similarly, the induced worker/household impacts. According to a series of studies commissioned by the Ventura Visitors and Convention Bureau, while the tourism sector continues to be a major contributor to the City’s revenue and employment base, it faces some unique challenges due to the type of its tourism draw. An overwhelming share of visitors to the City come from Southern California, who are typically day-time visitors and spend at relatively lower rates compared to overnight visitors. These issues are outlined below in Table 8.

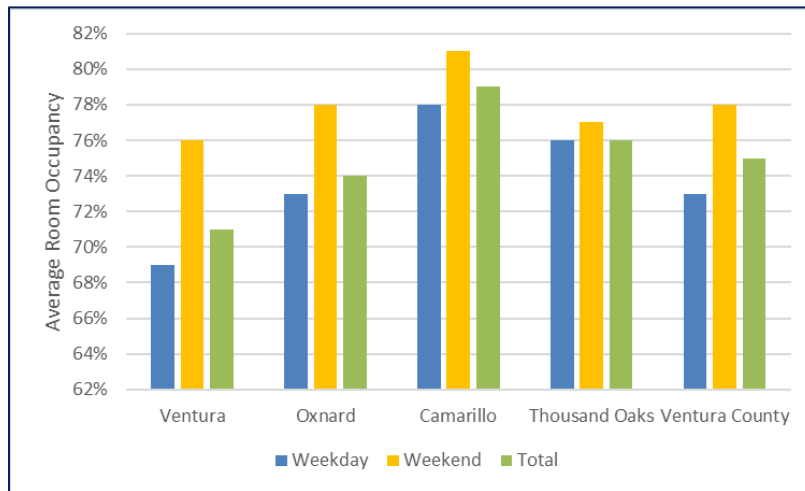
Table 8: Tourism Cluster SWOT City of Ventura

		Strengths	Weaknesses
Internal		<ol style="list-style-type: none"> 1. Ventura City tourism has experienced steady gains – number of visitors reached 2.7 million annually by 2017, up from 2.2 million in 2006 2. Ventura has attracted more visitors with higher spending power, contributing to a total of \$289 million in local spending by 2017, up from \$216 million in 2006 3. Visitors most frequently associate with the City's natural assets and related facilities, including the beach, the pier and the harbor, as well as the Downtown area 4. Visitor spending resulted in \$8.4 million in taxes to the City, including \$5.8 million in transient occupancy tax, and \$2.6 million in retail and restaurant sales tax, an increase of 63.5 percent since 2006 5. Tourism sector is estimated to contribute around 4 percent of the overall workforce in the City 	<ol style="list-style-type: none"> 1. Ventura's visitor market is regionally oriented, drawing mainly from California, including half from just Southern California - 74 percent are day visitors 2. While visitors have higher spending power overall over the last decade, per capita spending is lower -- \$66 per day in 2017 versus \$72 in 2006 3. Low per capita visitor spending is due to the lower volume of overnight stays 4. In 2017, while hotel guest share of total spending rose compared to 2005, they are staying one fewer night. Visitors in hotels contributed to 54 percent share of total visitor spending 5. A major share of visitor spending is on food and beverage services, as regional visitors tend to do fewer activities
		<ol style="list-style-type: none"> 1. Urgent need to increase the number of visitors who would stay overnight, meaning drawing visitors beyond the Southern California region 2. Marketing resources could be focused on attracting visitors from Central and Northern California, given the likely continuing draw from Southern California. Arizona and Nevada form 6 percent share of visitors' origin 3. Since currently a major share of visitor spending is on food services, this also represents a growth opportunity for Ventura City being marketed as a destination for restaurants, microbreweries and food/entertainment festivals, building on its regional draw 	<ol style="list-style-type: none"> 1. Lodging inventory currently skewed toward budget hotels and not a strong draw for destination-oriented leisure vacations 2. Other destinations along the Southern/Central Coast represent a competing draw away from Ventura City. This could potentially be leveraged into sister cities relationships with marketing of unique festival and events within a driving shed 3. Airport connectivity continues to be a major obstacle to increased visitations to the City, and improved regional connectivity through wider marketing on the Pacific Surfliner
External			

Source: Stanley R. Hoffman Associates, Inc. Ventura Visitors and Convention Bureau, Reports prepared by Lauren Schlan Consulting, July 2018.

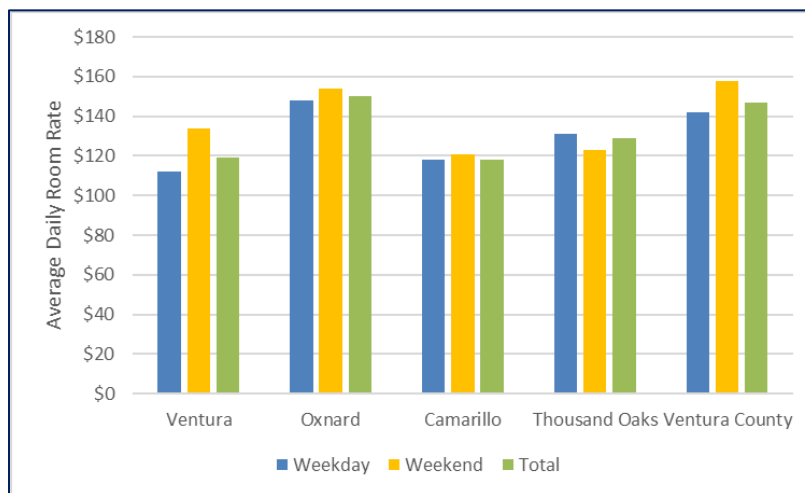
Additionally, underscoring the current challenges outlined in the SWOT analysis, shown below are key performance measures for Ventura city’s hotel industry in the comparative regional context. The local weekend visitor orientation of the tourism industry is apparent in the occupancy rates that jump up by 7 percentage points between weekdays and weekends, more than the neighboring cities, as shown in Figure 2. Similarly, the comparatively higher spike in average daily rates (\$22 increase) between weekdays and weekends in Ventura City further highlights the local tourism orientation, as shown in Figure 3. In contrast, Thousand Oaks hotels cater more to business visitors, as weekday rates are slightly higher compared to the weekend. This is another area for Ventura City to examine by promoting business related events, with potentially tie-ups between local businesses and the local hotel industry for room rates and event management needs.

Figure 2: Ventura County Hotel Occupancy by Submarket Area: 2019



Source: Stanley R. Hoffman Associates, Inc., Based on STR Inc. Report, Obtained from the Ventura Visitor and Convention Bureau.

Figure 3: Ventura County Hotel Average Daily Rate by Submarket Area: 2019



Source: Stanley R. Hoffman Associates, Inc., Based on STR Inc. Report, Obtained from the Ventura Visitor and Convention Bureau.

Workforce

The City's resident workforce is a primary asset for economic development. Employers consider the availability of specific skill sets in the labor force when making location decisions. In addition, an important role for the City in encouraging business development is to partner with local education and training institutions and agencies to anticipate the evolving occupational needs of businesses and local workers. An important goal is to ensure that local workers have access to well-paying jobs and that businesses view Ventura as a good location to site those jobs.

As shown in Table 9, in 2018 Ventura had an employed labor force of 55,971. The City has exactly the same proportion of workers in Management, Business, Science and Arts occupations as the State, and slightly higher than the County. However, within that broad category, Ventura's workforce is slightly more concentrated in business and finance operations rather than management occupations. The City also has a relatively high proportion of health care practitioners, as expected given the prominence of health care jobs in the City.

Ventura has a higher share of workers in service occupations, again mainly due to the health care industry. This category also includes a high proportion of food service workers. Ventura has a high number of sales workers and construction workers but fewer production, transportation or material moving workers. The larger scale manufacturing and distribution businesses that employ these occupations are more concentrated in other cities in the County.

Table 9: Occupational Distribution for City of Ventura, Ventura County and California, 2018

Occupations	Ventura City		Ventura County	California
	Workers	Percent	Percent	Percent
Total Civilian employed population 16 years and over	55,971	100.0%	100.0%	100.0%
Management, business, science, and arts	21,915	39.2%	37.6%	39.2%
Management, business, and financial occupations	8,692	15.5%	15.9%	16.0%
Management	4,799	8.6%	10.2%	10.4%
Business and financial operations	3,893	7.0%	5.6%	5.6%
Computer, engineering, and science	4,411	7.9%	7.0%	7.0%
Computer and mathematical	1,370	2.4%	3.2%	3.7%
Architecture and engineering	2,580	4.6%	2.9%	2.3%
Life, physical, and social science	461	0.8%	0.9%	1.1%
Education, legal, community service, arts, and media	5,830	10.4%	9.8%	10.9%
Community and social service	1,232	2.2%	2.0%	1.6%
Legal	408	0.7%	0.8%	1.2%

Occupations	Ventura City		Ventura County	California
	Workers	Percent	Percent	Percent
Educational instruction, and library	2,615	4.7%	4.5%	5.3%
Arts, design, entertainment, sports, and media	1,575	2.8%	2.6%	2.9%
Healthcare practitioners and technical	2,982	5.3%	5.0%	5.2%
Health diagnosing and treating practitioners and other techs	2,050	3.7%	3.4%	3.5%
Health technologists and technicians	932	1.7%	1.6%	1.7%
Service occupations	11,567	20.7%	18.1%	18.6%
Healthcare support	3,182	5.7%	3.3%	3.6%
Protective service	1,095	2.0%	1.4%	2.0%
Firefighting and prevention, and other protective service workers	579	1.0%	0.9%	1.2%
Law enforcement workers	516	0.9%	0.5%	0.7%
Food preparation and serving related	3,531	6.3%	5.7%	5.7%
Building and grounds cleaning and maintenance	1,873	3.3%	4.4%	4.2%
Personal care and service	1,886	3.4%	3.3%	3.1%
Sales and office	12,457	22.3%	21.4%	20.9%
Sales and related	6,321	11.3%	10.0%	10.1%
Office and administrative support	6,136	11.0%	11.4%	10.9%
Natural resources, construction, and maintenance	5,215	9.3%	11.7%	9.0%
Farming, fishing, and forestry	654	1.2%	4.7%	1.5%
Construction and extraction	3,735	6.7%	4.6%	5.0%
Installation, maintenance, and repair	826	1.5%	2.4%	2.5%
Production, transportation, and material moving	4,817	8.6%	11.2%	12.3%
Production	2,281	4.1%	4.9%	4.7%
Transportation	1,584	2.8%	2.8%	3.8%
Material moving	952	1.7%	3.4%	3.8%

Source: American Community Survey, 1 year sample, 2018.

As the City considers its opportunities for future business growth, it can anticipate the skills that will be important to the labor force. For example, in reviewing the detailed target industry data in Appendix Table A-1, one possible cluster of growing industries is in the field of design services. The following industries (NAICS) have all shown recent positive growth trends in either the City of Ventura or the County:

1. Interior Design Services (541410)
2. Industrial Design Services (541420)
3. Graphic Design Services (541430)
4. Computer Systems Design Services (541512)
5. Commercial Photography (541922)

The occupational profile of these industries as a group in Ventura County is shown in Table A-2. Using this profile, the City can review available course offerings at regional universities and colleges to identify strengths or gaps in the skills needed to expand this cluster.

Retail Market Analysis

The retail commercial sector in Ventura serves several vital roles. Retail establishments contribute to the quality of life in the community by providing goods and services to local residents, businesses, visitors, and commuters. The retail sector also provides a major source of tax revenues that support local municipal services. This retail market analysis includes an estimate of retail spending in Ventura, including household, business-to-business, and visitor spending, and a comparison of overall spending potential with sales by local retail establishments.

Market Background

The population of the City of Ventura makes up about 12.6 percent of the total population in Ventura County, while comprising about 16.0 percent of the total retail taxable sales and 17.6 percent of the total taxable retail sales in the county. This indicates that Ventura supports a higher level of retail activity than what its population base would nominally support, and likely further supports its retail base by attracting spending from residents living outside of Ventura. Additional spending at Ventura's retail stores comes from other constituent groups, including shoppers from surrounding cities, out-of-town visitors, business-to-business activity, and out-of-town commuters who work in Ventura.

Taxable Sales

In 2019, Ventura businesses generated about \$2.3 billion in taxable sales, of which about 76 percent came from retail stores. Compared to the rest of California, where about 68 percent of taxable sales come from retail stores, Ventura's sales tax base is more concentrated in consumer-focused retail stores than with other business-to-business transactions.

Regional Context

Among the cities in Ventura County, the City of Ventura generated the highest per capita taxable sales both overall (\$22,400) and for only retail businesses (\$17,700) in 2019 (Table 10). This is also substantially higher than the countywide per capita taxable sales of \$17,500 for all taxable sales and \$12,700 for retail transactions.

Household Income Distribution

The distribution of income in the City of Ventura shows that the community has significant concentrations of households across all income groupings. The overall (mean) household income averaged about \$93,350 in 2018 for the City of Ventura, while the median household income was about \$76,200 (Table 11).

About 37.2 percent of households in Ventura earn \$100,000 or more, while 33.4 percent of households had an average annual income of less than \$50,000. The estimated household spending for Ventura is based on the estimated count of 41,283 households from the California Department of Finance for January 2020.

Table 10: Per Capita Taxable Sales for Ventura County and Cities, 2019

Community	Taxable Retail Sales Per Capita	Total Taxable Sales per Capita
Ventura	\$17,698	\$22,374
Camarillo	\$15,462	\$18,915
Fillmore	\$5,566	\$20,332
Moorpark	\$8,246	\$10,276
Ojai	\$13,089	\$19,817
Oxnard	\$11,134	\$14,243
Port Hueneme	\$5,797	\$6,305
Santa Paula	\$5,276	\$7,517
Simi Valley	\$11,296	\$13,429
Thousand Oaks	\$17,189	\$22,151
Ventura County	\$12,696	\$17,535

Sources: CDTFA, 2020; California Department of Finance, 2020.

Table 11: Household Income Distribution for the City of Ventura, 2018

Income Range	Percent of Total
Less than \$10,000	3.0%
\$10,000 to \$14,999	4.2%
\$15,000 to \$19,999	3.5%
\$20,000 to \$24,999	3.1%
\$25,000 to \$29,999	4.3%
\$30,000 to \$34,999	3.0%
\$35,000 to \$39,999	3.4%
\$40,000 to \$44,999	5.2%
\$45,000 to \$49,999	3.7%
\$50,000 to \$59,999	6.9%
\$60,000 to \$74,999	7.8%
\$75,000 to \$99,999	14.6%
\$100,000 to \$124,999	12.3%

Income Range	Percent of Total
\$125,000 to \$149,999	7.2%
\$150,000 to \$199,999	9.3%
\$200,000 or more	8.5%
Total Households	100.0%
Mean Household Income	\$93,353
Median Household Income	\$76,235
<p>1. Note: The data is based on a one-year sample, with the numbers shown as 2018 dollars. Total households shown in the table differ from the California Department of Finance demographic estimates.</p> <p>Source: ADE, Inc.; American Community Survey (ACS) One-Year Sample, 2018.</p>	

Retail Demand and Supply

Local household spending represents the single largest component that supports any community's retail commercial sectors. The primary factors that affect the demand for retail goods and services include the number of households, and the average income and its distribution across different income groups.

As described later in this section, retail leakage represents the gap between local market demand and retail sales by local retail establishments. This leakage represents an existing shortfall, as well as an opportunity for both retail expansion and possible attraction.

The taxable sales data is an annual total listed by retail category. The retail sales data comes from the sales tax reports provided to the City of Ventura by an outside audit firm. Because certain retail items such as food and prescription drugs are not taxable, the retail sales totals used in the retail analysis include a conversion that estimates nontaxable sales.

The local retail spending for Ventura totals approximately \$1.2 billion, as shown in Table 12. This local market consists of Ventura households, visitors, commuters, and business-to-business spending.

Household Spending

The household retail spending totals are calculated from an analytical model developed by ADE, Inc. The retail demand model estimates that the annual retail spending from Ventura households totals about \$933.4 million, as shown in Table 12. It should be noted that not all of this spending occurs in Ventura because neighboring communities might provide certain retail offerings not available locally and some spending occurs when people travel.

Household spending among local residents is distributed across all retail categories. The largest retail spending categories include food service (\$167.9 million), general merchandise stores (\$159.6 million), motor vehicle dealers (\$153.6 million), and grocery stores (\$147.6 million). Each of these retail categories accounts for more than \$140 million in household spending.

Table 12: Retail Spending Demand for Ventura by Constituent Group, 2019

Retail Group	Ventura Household Spending	Commuter Spending	Visitor Spending	Business to Business Spending	Total Local Demand
Total	\$933,377,720	\$19,798,929	\$248,545,739	\$38,723,980	\$1,240,446,368
Apparel Store Group	\$48,150,015	\$957,548	\$17,841,774	\$106,493	\$67,055,830
Women's Apparel	\$9,611,855	\$80,060	\$1,283,777	\$7,663	\$10,983,354
Men's Apparel	\$1,598,093	\$8,008	\$151,113	\$902	\$1,758,116
Family Clothing	\$27,044,386	\$795,054	\$15,002,488	\$89,546	\$42,931,474
Shoe Stores	\$9,895,682	\$74,426	\$1,404,397	\$8,382	\$11,382,886
General Merchandise Group	\$159,560,506	\$4,364,379	\$33,641,020	\$2,042,562	\$199,608,468
Specialty Retail Group	\$44,983,886	\$2,645,439	\$15,429,064	\$1,037,670	\$64,096,060
Gifts & Novelties	\$2,164,608	\$46,162	\$1,279,048	\$57,548	\$3,547,366
Sporting Goods	\$7,055,665	\$284,669	\$2,405,482	\$220,363	\$9,966,179
Florists	\$425,994	\$6,963	\$192,938	\$8,681	\$634,577
Records & Music	\$377,078	\$7,022	\$194,557	\$17,823	\$596,480
Books & Stationery	\$4,051,180	\$36,260	\$1,004,688	\$92,038	\$5,184,166
Office Supplies/Computer Equipment	\$1,760,165	\$226,628	\$0	\$175,434	\$2,162,228
Jewelry	\$2,452,468	\$63,117	\$1,748,847	\$78,686	\$4,343,117
Misc. Specialty Retail	\$26,696,728	\$1,974,619	\$8,603,504	\$387,096	\$37,661,947
Food, Eating and Drinking Group	\$327,830,965	\$7,977,372	\$125,437,964	\$12,474,584	\$473,720,885
Grocery Stores	\$147,643,297	\$2,134,601	\$11,128,456	\$273,660	\$161,180,014
Specialty Food Stores	\$4,763,071	\$219,195	\$1,142,743	\$28,101	\$6,153,109
Liquor Stores	\$7,513,494	\$195,228	\$1,017,797	\$25,029	\$8,751,548
Food Service (Eating/Drinking Places)	\$167,911,103	\$5,428,348	\$112,148,968	\$12,147,795	\$297,636,213
Building Materials and Home Furnishings	\$62,680,037	\$1,154,246	\$1,217,313	\$16,452,774	\$81,504,370
Home Furnishings/Appliances	\$32,538,134	\$291,380	\$0	\$760,497	\$33,590,012
Used Merchandise	\$646,236	\$78,412	\$1,217,313	\$54,770	\$1,996,731
Nurseries & Garden Supply Stores	\$5,067,797	\$80,435	\$0	\$1,603,401	\$6,751,633
Home Improvement	\$24,427,869	\$704,021	\$0	\$14,034,105	\$39,165,995
Automotive Group	\$290,172,312	\$2,699,944	\$54,978,603	\$6,609,897	\$354,460,756
New Cars & RVs	\$153,609,176	\$0	\$0	\$3,285,318	\$156,894,495
Used Car Dealers	\$16,640,241	\$0	\$0	\$142,894	\$16,783,135
Gasoline Service Stations	\$110,516,791	\$2,699,944	\$54,978,603	\$2,635,715	\$170,831,054
Mobile Homes & Trailers	\$69,970	\$0	\$0	\$83,988	\$153,958

Source: ADE, Inc.; based on data from ACS, 2018, BLS, 2016; U.S. Economic Census, 2012; LEHD, 2018; California DOF, 2020; CDTFA, 2019; Dean Runyan Associates, 2019; and the IMPLAN Group, 2019.

Visitor Spending

Using visitor spending and transient occupancy tax (TOT) data from Dean Runyan Associates, the estimated spending by out-of-town visitors to Ventura totals about \$248.5 million in retail demand. The largest single spending category for visitors is food service (\$112.1 million), with significant visitor spending also occurring in gasoline stations (\$55.0 million) and general merchandise (\$33.6 million).

Business-to-Business Spending

According to data from the IMPLAN input-output model, the business-to-business spending by establishments in Ventura totaled about \$38.7 million. This represents the amount of spending that non-retail businesses in Ventura make at local retail stores.²⁸ Home improvement and food service represents the largest business-to-business spending categories, with each store type capturing over \$12 million.

Commuter Spending

Using data from Longitudinal Employer-Household Dynamics (LEHD), the City of Ventura attracts a net in-commute of nearly 5,100 workers daily. This represents the difference between the number of Ventura residents that work outside of the city, and the number of residents from outside of Ventura that work in the city. About 30 percent of the labor force that lives in Ventura also works in Ventura. The net in-commute that Ventura attracts adds another \$19.8 million to the overall retail market demand for Ventura retailers.²⁹ The largest spending category for commuters is food service with about \$5.4 million in sales capture.

Retail Sales and Retail Leakage

Through 2020Q1, Ventura retailers generated annual retail sales totaling \$2.0 billion, which is well above the combined Ventura retail spending of \$1.2 billion, as shown in Table 13. This means retail stores in Ventura have an overall net capture of regional sales totaling \$803.0 million, or 40 percent of total sales. The net capture occurs across a broad range of retail store types, which means that Ventura serves as a primary retail provider for households well beyond the city boundaries.

Findings for retail sales and sales leakage/net capture by major store groups are summarized below. The annual sales cover the period from 2019Q2 to 2020Q1. Because the data includes sales through March 2020, it only partially accounts for store closures and operational changes that occurred due to the COVID-19 pandemic.

Apparel Stores

Apparel stores consist of stores specializing in men's and women's clothing, family clothing, accessories, and shoes. In Ventura, apparel stores generated annual sales of \$152.1 million. Family clothing stores made up 84 percent of the sales in this category. Compared to the overall local retail demand of \$67.1 million, the apparel store category generates significant net capture of regional sales.

However, the women's apparel and men's apparel store categories by themselves generated a total leakage of \$511,300. This means that those specific stores are slightly underrepresented in Ventura. However, because of the large net capture in the family clothing category, a lot of the demand that would

²⁸ The IMPLAN model uses ZIP code boundaries. Therefore, the business-to-business transactions include some activity from unincorporated areas that share ZIP code boundaries with the City of Ventura, such as Saticoy.

²⁹ Commuter spending data comes from the International Council of Shopping Centers/UW Extension.

otherwise go to men's and women's clothing stores could also end up fulfilled through the family clothing category as well as other retail store types (such as department stores).

Table 13: Retail Spending, Retail Sales, and Leakage for Ventura Local Market

Retail Group	Total Local Demand	Total Retail Sales	Sales Leakages	Net Capture of Regional Sales	Supportable Square Footage
Total	\$1,240,446,368	\$2,044,059,305	\$5,392,281	\$809,005,218	15,200
Apparel Store Group	\$67,055,830	\$152,073,400	\$511,270	\$85,528,840	1,597
Women's Apparel	\$10,983,354	\$10,942,200	\$41,154	\$0	157
Men's Apparel	\$1,758,116	\$1,288,000	\$470,116	\$0	1,440
Family Clothing	\$42,931,474	\$127,872,900	\$0	\$84,941,426	0
Shoe Stores	\$11,382,886	\$11,970,300	\$0	\$587,414	0
General Merchandise Group	\$199,608,468	\$286,737,427	\$0	\$87,128,959	0
Specialty Retail Group	\$64,096,060	\$147,831,500	\$0	\$83,735,440	0
Gifts & Novelties	\$3,547,366	\$10,901,900	\$0	\$7,354,534	0
Sporting Goods	\$9,966,179	\$20,503,000	\$0	\$10,536,821	0
Florists	\$634,577	\$1,644,500	\$0	\$1,009,923	0
Records & Music	\$596,480	\$1,658,300	\$0	\$1,061,820	0
Books & Stationery	\$5,184,166	\$8,563,400	\$0	\$3,379,234	0
Office Supplies/Computer Equipment	\$2,162,228	\$16,322,700	\$0	\$14,160,472	0
Jewelry	\$4,343,117	\$14,906,200	\$0	\$10,563,083	0
Misc. Specialty Retail	\$37,661,947	\$73,331,500	\$0	\$35,669,553	0
Food, Eating and Drinking Group	\$473,720,885	\$631,930,274	\$0	\$158,209,389	0
Grocery Stores	\$161,180,014	\$258,413,636	\$0	\$97,233,622	0
Specialty Food Stores	\$6,153,109	\$26,535,600	\$0	\$20,382,491	0
Liquor Stores	\$8,751,548	\$23,634,238	\$0	\$14,882,690	0
Food Service (Eating/Drinking Places)	\$297,636,213	\$323,346,800	\$0	\$25,710,587	0
Building Materials and Home Furnishings	\$81,504,370	\$142,886,700	\$4,881,012	\$66,263,342	13,602
Home Furnishings/Appliances	\$33,590,012	\$28,709,000	\$4,881,012	\$0	13,602
Used Merchandise	\$1,996,731	\$10,375,700	\$0	\$8,378,969	0
Nurseries & Garden Supply Stores	\$6,751,633	\$10,643,400	\$0	\$3,891,767	0
Home Improvement	\$39,165,995	\$93,158,600	\$0	\$53,992,605	0
Automotive Group	\$354,460,756	\$682,600,003	\$0	\$328,139,248	0
New Cars & RVs	\$156,894,495	\$402,689,900	\$0	\$245,795,405	0
Used Car Dealers	\$16,783,135	\$17,514,900	\$0	\$731,765	0
Gasoline Service Stations	\$170,831,054	\$195,474,403	\$0	\$24,643,349	0
Mobile Homes & Trailers	\$153,958	\$10,294,600	\$0	\$10,140,642	0
Auto Parts & Accessories	\$5,826,833	\$31,014,500	\$0	\$25,187,667	0
Other Vehicles	\$3,971,280	\$25,611,700	\$0	\$21,640,420	0

Source: ADE, Inc.; based on data from the ACS, 2018; BLS, 2016; U.S. Economic Census, 2012; California DOF, 2020; ULI, 2012; CDTFA, 2019; Dean Runyan Associates, 2019; and the IMPLAN Group, 2019.

General Merchandise Stores

The general merchandise category includes a cross-section of stores that carry broad merchandise lines in multiple product categories. Stores in the general merchandise category include traditional department stores, discount department stores, warehouse clubs, variety stores, and drug stores. As a category, they generated annual sales of about \$286.7 million. With a total local demand of \$205.1 million, general merchandise stores created a net capture of regional sales totaling about \$81.6 million. This solidifies Ventura's status as a regional retail attraction, as the city has multiple shopping centers anchored by large-scale general merchandise stores.

Specialty Retail

Specialty retail stores focus on particular product groups, and as a group they encompass wide variety of different product offerings and store types. Stores in this category generated annual sales of \$147.8 million, with gift stores, sporting goods stores, office supply stores, jewelry stores, and miscellaneous specialty retail stores each generating at least \$10 million in sales. Compared to the local demand total of \$64.1 million, the specialty retail category has a net capture of about \$83.7 million.

Food, Eating, and Drinking Group

The food, eating and drinking group combines food-related businesses such as grocery stores, convenience stores, specialty food stores, liquor stores, and food service establishments. Ventura retailers in this category generated an estimated \$631.9 million in total retail sales. Compared to \$473.7 million in retail spending, this means that the category showed a net capture of regional sales of about \$158.2 million. This indicates that Ventura's food-related businesses attract significant spending from beyond the local market area. This trend is especially pronounced with grocery stores, which attracted a net capture of \$97.2 million.

Building Materials and Home Furnishings

The building material and home furnishings group includes furniture, home furnishings, appliances/electronics, lumber/building materials, garden supply, hardware, and paint/wallpaper electronics stores. Altogether, these stores generated about \$142.9 million in retail sales in Ventura. The aggregated home furnishings/appliance stores category generated \$28.7 million in sales, with a sales leakage of \$4.9 million.³⁰ Other stores in this category generated a net capture of \$66.3 million. It should be noted that home improvement stores in particular capture considerable sales from contractors and other business-to-business activity. So, the net capture of regional sales would potentially also include other business-to-business activity located outside of Ventura.

Automotive Group

The automotive retail group includes gasoline service stations, new and used automobile dealerships, auto parts stores, as well as dealers for other vehicles such as boats, motorcycles, and trailers. Businesses in this category generated \$682.6 million in sales, which results in a net capture of about \$328.1 million. About \$245.8 million of the net retail capture comes from new car dealerships, which generated sales of \$402.7 million.

Supportable Square Footage from Leakage Recapture

Because nearly all store categories in Ventura currently have a net capture of regional sales, the existing potential for new business attraction and expansions from retail leakage is limited. Generally, store categories with existing leakage create potential support for new business square footage if the leakage results in new business attraction. In addition, existing businesses could also absorb at least some of any

³⁰ Due to public disclosure restrictions with sales tax records, the furniture/home furnishings and appliance/electronics store categories were combined.

retail leakage through expansion or other improvements to their operations. The potential for recapturing retail leakage can also be accommodated through absorbing existing vacancies. The existing retail leakage in Ventura totals about \$5.4 million, with most of it in the home furnishings/appliance store category. Recapturing this leakage would potentially support up to 15,200 SF of retail building space.

Projected 2035 Household and Retail Spending Growth

The Southern California Association of Governments' (SCAG) regional growth forecast (last updated in 2016) projected that Ventura's household count would increase at an annual rate of 0.6 percent between 2020 and 2035, resulting in about 45,300 households in 2035.

Assuming no changes to the other supply and demand factors that drive Ventura's high level of retail spending capture from outside of the city, household growth alone will potentially increase annual retail demand by about \$91.8 million, which would create demand for about 188,800 SF of retail space. As noted, existing businesses could absorb much of the expanded retail demand and that would reduce the amount of space needed to accommodate the increased spending.

Regional Retail

As the retail sales capture and per capita taxable sales data indicates, Ventura serves as a primary regional hub for retail activity. With a unique seaside downtown district and numerous shopping centers that serve a variety of market levels and shopper demographics, the city supports a range of retail store types that attract spending from multiple constituent groups. In addition to numerous neighborhood and community level shopping centers, the 272,000 SF Ventura Gateway center that opened in 2002, serves as the city's primary power center development for big box retail stores.

Also, one primary differentiation in Ventura's regional retail inventory is the presence of a traditional enclosed mall. While malls have seen a long-term decline across the country, with anchor stores and other tenant retail chains seeing varying levels of financial hardship, they remain a draw for shoppers. The 1.0 million SF Pacific View center in Ventura is one of only two enclosed malls in the county, with the closest direct competitor located 22 miles away in Thousand Oaks. As malls have adjusted to a changing market by repositioning their tenant mix and services, Pacific View will also need to evolve in order to remain an important asset in supporting Ventura's role as a regional retail provider.

Neighborhood Retail

On a citywide basis, Ventura has a total of just under 1,300 businesses that list their primary activity as retail trade, according to the business database listings from InfoUSA/Salesgenie.³¹ The largest concentration of businesses is in food service and drinking places with 377 listed establishments citywide, as shown in Table 14. Other store categories with at least 100 businesses include motor vehicle and parts dealers, food and beverage stores, clothing stores, and miscellaneous retail stores.

Downtown Ventura

The downtown district of Ventura has a strong visitor appeal with its location adjacent to the ocean and historic character. As shown in Table 14, downtown Ventura has a total of 167 businesses listed as retail stores or food service establishments, which equates to 13.2 percent of the total businesses in the city.

³¹ The InfoUSA/Salesgenie data lists 1,749 total businesses that also include retail trade as a secondary activity. Those businesses were not included in the analysis.

Food service has the highest concentration of activity in downtown Ventura with 40.4 percent of the total downtown businesses, and 18.0 percent of the total food service businesses in Ventura. Other businesses with high concentrations in downtown Ventura include clothing stores and sporting goods/ hobby/ music/ book stores. According to the InfoUSA/Salesgenie data, downtown Ventura businesses also make up about 6.2 percent of the sales activity in Ventura, which indicates that higher volume and larger scaled retail stores are focused elsewhere in Ventura.

Table 14: Distribution of Primary Retail Businesses by Store Category and Neighborhood, 2020

NAICS Code	Description	Ventura Total	Eastside (ZIP Code 93004)	Percent of Citywide Total	Downtown	Percent of Citywide Total
441	Motor Vehicle and Parts Dealers	117	6	5.1%	5	4.3%
442	Furniture and Home Furnishings Stores	53	2	3.8%	2	3.8%
443	Electronics and Appliance Stores	35	2	5.7%	2	5.7%
444	Building Material and Garden Eq. Dealers	73	10	13.7%	3	4.1%
445	Food and Beverage Stores	117	15	12.8%	12	10.3%
446	Health and Personal Care Stores	74	4	5.4%	4	5.4%
447	Gasoline Stations	45	7	15.6%	5	11.1%
448	Clothing and Clothing Accessories Stores	103	1	1.0%	23	22.3%
451	Sporting Goods, Hobby, Music, Book Stores	80	1	1.3%	14	17.5%
452	General Merchandise Stores	41	3	7.3%	6	14.6%
453	Miscellaneous Store Retailers	143	5	3.5%	23	16.1%
454	Nonstore Retailers	11	2	18.2%	0	0.0%
722	Food Service and Drinking Places	377	30	8.0%	68	18.0%
	Primary Retail Total	1,269	88	6.9%	167	13.2%

Note 1. Because the data is listed by ZIP code, it includes some businesses located outside of the Ventura city limits.

Note 2. The Downtown businesses include the geographic area defined as the Downtown Ventura Improvement District in 2018.

Source: ADE, Inc.; data from InfoUSA/Salesgenie

Eastside

The vast majority of the major retail activity in Ventura is concentrated in the westside of the city. In order to identify the trends for the eastside of Ventura, the analysis examined the store concentrations in the 93004 ZIP code.³² The geographic demarcation for this area is primarily Kimball Road. According to the InfoUSA/Salesgenie data, the eastside of Ventura has a total of 88 retail businesses, which

³² The boundary for ZIP code 93004 also includes Saticoy and other unincorporated areas adjacent to the City of Ventura.

represents 6.9 percent of the total listed retail businesses in Ventura. The largest category is food service, which has a total of 30 listed establishments, or 8.0 percent of the citywide total. Other retail categories with a high concentration on Ventura's eastside include building material/garden equipment dealers, food and beverage stores, gasoline stations, and nonstore retailers. The InfoUSA/Salesgenie data also indicates that retail store on the eastside generate about 6.7 percent of the total sales activity in Ventura, which is comparable to the area's proportion of total businesses.

An issue of particular importance for the Eastside concerns the perceived need for a larger or higher end grocery store. The data from InfoUSA/Salesgenie indicates that of the 15 grocery stores currently operating in ZIP code 93004, six of them are classified as supermarkets. These include three independent grocery stores, and locations for the Smart & Final, Grocery Outlet, and Ralphs supermarket chains. According to the data, the combined sales for these supermarkets total about \$49.1 million, with over \$31 million coming from Smart & Final.³³ The household grocery store spending for the Eastside totals about \$40.9 million, which would seemingly indicate a net capture of retail sales. However, the Eastside does not have any of the more specialized grocery store formats, such as Sprouts and Trader Joe's, that are growing in their market share of the overall supermarket segment.

³³ It should be noted that the sales data for InfoUSA/Salesgenie comes from a combination of credit applications and broad sales ranges if recent credit information is not available. This is not nearly as accurate as sales tax data, and does not have a precise time period associated with the sales figures. In addition, the 10k Report for Smart & Final indicates that their average store sales in FY 2019 was \$14.5 million.

Fiscal Health

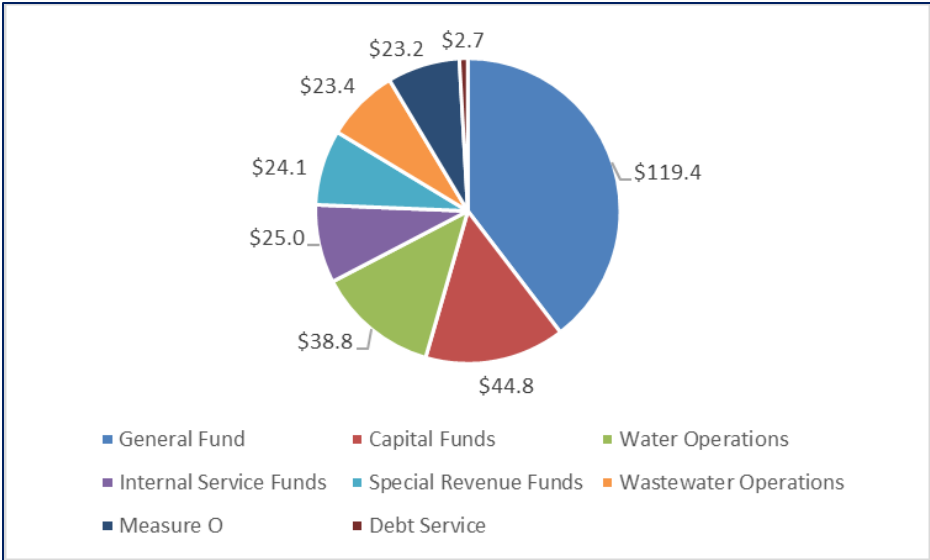
Future development in Ventura will affect the City’s tax base and the need for municipal services. Part of the analysis to update the General Plan will be to evaluate the potential effects of alternate land use plans and levels of growth on the City’s fiscal health. In this chapter, we present a setting discussion on how existing land uses affect City costs and revenues.

City Budget

As of September 2020, the Covid-19 pandemic and resulting recession has not only had a major impact on residents and the business community but also on City revenues. The fiscal year (FY) 2020-21 budget adopted by the City Council in the summer of 2020 is \$10.6 million or 3.5 percent lower than the FY 2019-2020 budget. In January 2020, before the pandemic, the City had already projected a structural deficit of \$4.1 million in FY 2020-21, with potentially increasing deficits for the following four years. The City has instituted a number of cost saving and revenue enhancing measures to close the long term gap between revenues and costs and also to address the immediate effect that closing businesses have had on sales tax and transient occupancy taxes among other declining revenues during the pandemic.

The General Plan is a long term document and our perspective on the relationship between land use and City finances is predicated on expected long term economic conditions rather than short term economic disruptions. For this reason, this fiscal setting analysis is based mainly on the City budget for FY 2019-20, with discussion of how the City has made changes in the FY 2020-21 budget to address the current downturn. The City of Ventura budget for FY 2019-20 included \$119.4 million in the General Fund and \$301.5 million for all funds combined (Figure 4).

Figure 4: FY 2019-20 Citywide Adopted Budget by Fund



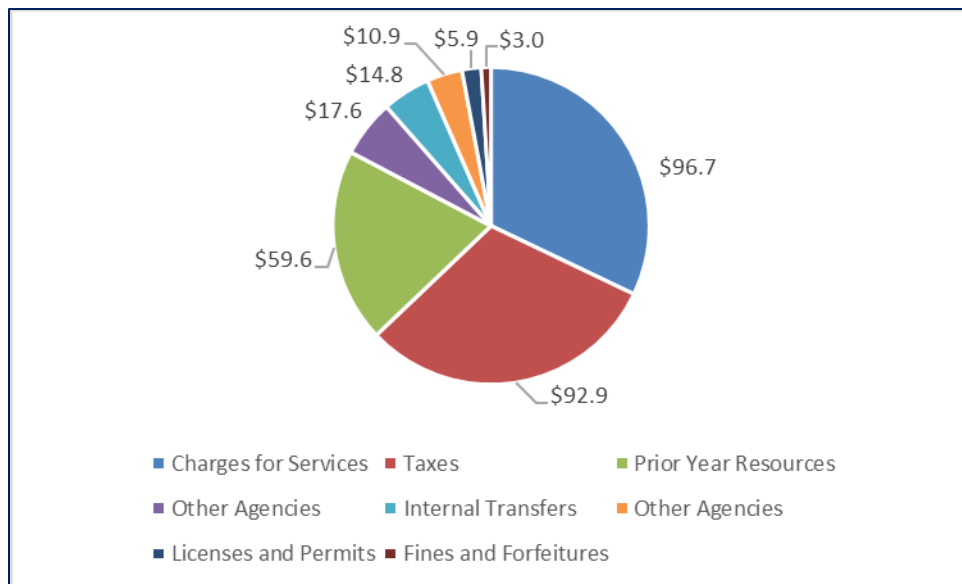
Source: City of Ventura Adopted Budget, FY 2019-20.

Charges for Service constitute the largest source of revenue for the City (Figure 5). The enterprise funds such as the Water and Wastewater Capital and Operations Funds are mainly supported by Charges for Service as are the Internal Service Funds and Special Assessment Districts. Charges for Service make up \$96.7 million, or 32 percent of the City budget. In 2020 to 2021, the City conducted a water and wastewater cost of service study, in part to address upcoming \$400 million in improvement projects, and is proposing an increase of about 7 percent in water and 6 percent in wastewater user rates per year for the next five years.

Taxes are second largest source at \$92.9 million, or 31 percent of the budget. Property taxes and sales taxes are about equal at \$27 million, followed by Measure O’s transaction and use tax at \$13.5 million, the utility users’ tax at \$7.9 million and the transient occupancy tax at \$6.2 million.

Figure 5 also indicates that the FY 2019-20 budget used \$59.6 million from prior year resources. As noted above, at the beginning of the FY 2020-21 budget process, the City had determined that it may be facing several years in which current year revenues would not be sufficient to cover annual expenditures. The Covid-19 pandemic has exacerbated this adverse projection.

Figure 5: Citywide Revenue by Category

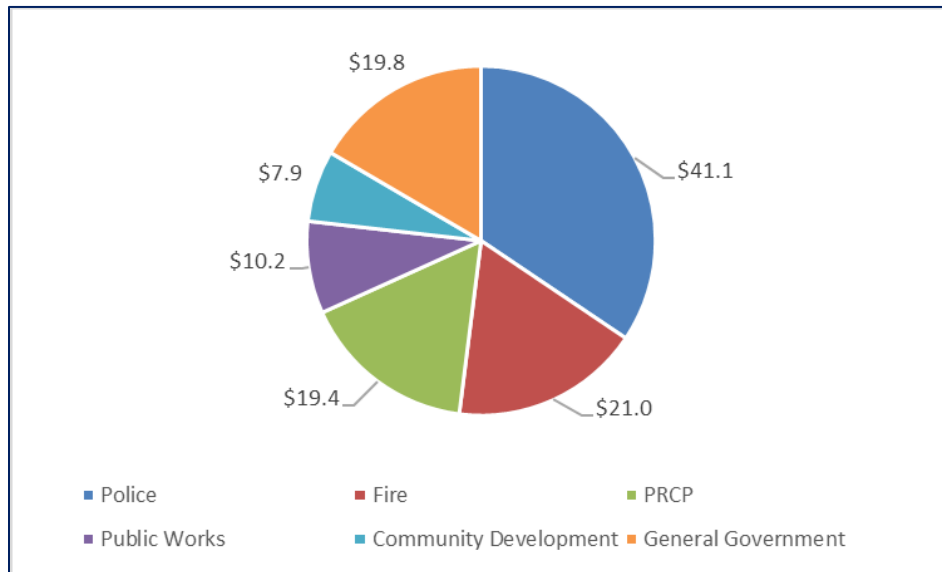


Source: City of Ventura Adopted Budget, FY 2019-20.

The General Fund is an important element of the budget because it receives most of the general tax revenues of the City and it supports many of the direct services provided to residents and businesses, including police and fire protection, and parks and recreation. General Fund tax revenues total \$77.7 million, or 65 percent of the General Fund budget, compared to \$14.5 million and 12.1 percent for Charges for Services.

Police comprises 34 percent of General Fund departmental expenditures, at \$41.1 million. Fire comprises 18 percent of General Fund expenditures, at \$21.0 million (Figure 6). Parks, Recreation and Community Partnerships (PRCP) is the third largest department with \$19.4 million in General Fund expenditures. The general government category, at \$19.8 million, includes the City Council, City Manager, Human Resources, Finance and Technology and the City Attorney, as well as non-departmental expenditures.

Figure 6: General Fund Expenditures



Source: City of Ventura Adopted Budget, FY 2019-20.

Fiscal Effects of Land Use on the General Fund

Different land uses have different needs for municipal services and also generate different levels of taxes and other City revenues. Generally, the residential population requires a higher level of service than do businesses and other non-residential land uses. In Ventura, similar to most California cities, the City revenues directly attributable to existing residential uses do not cover municipal expenses, and the City balances its budget using sales taxes and other net revenues generated by non-residential land uses. As discussed further below, not all residential uses create a negative fiscal impact, and higher value and higher density dwellings can generate enough property taxes to pay the full cost of services. This is important as the City seeks to address its housing shortage through the General Plan update process.

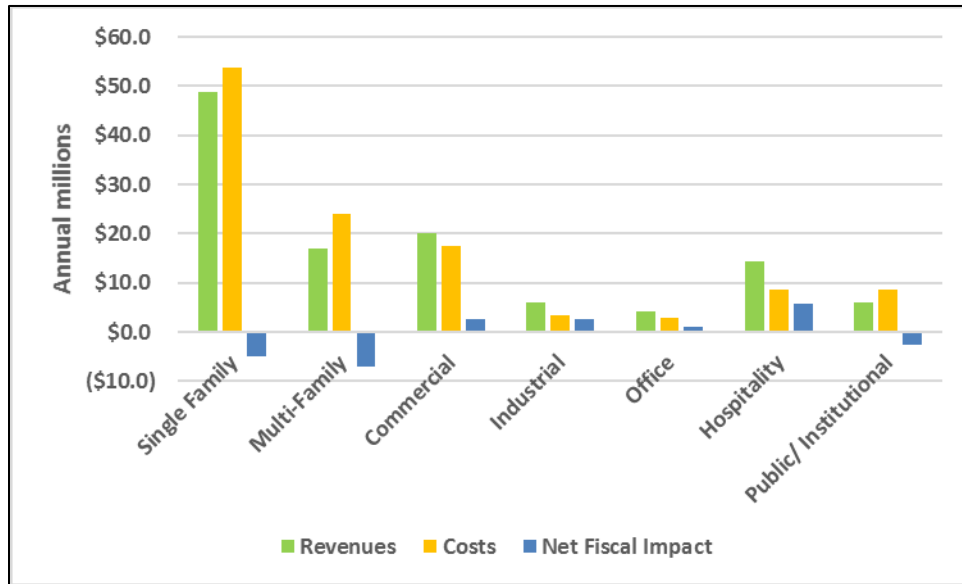
As shown in Figure 7 and Table 15, the existing single-family and multi-family residential uses combined create an annual net deficit for the City General Fund estimated at \$11.8 million and public and institutional uses add another \$2.6 million to this deficit. The other non-residential uses shown in the figure make up about \$12.1 million of this deficit, led by the hospitality sector with \$5.8 million in estimated annual net revenues and commercial and industrial uses with \$2.6 million each. For FY 2019-20, the General Fund budget is \$2.5 million out of balance, which is part of the structural deficit the City is trying to correct in addition to addressing effects of the pandemic related recession. The major revenue and cost estimates by land use are discussed below.

Revenues

Property Tax. The City of Ventura receives about 17 percent of the ad valorem property taxes paid by property owners. The remainder goes to education, the County and various other taxing agencies. The figures in Table 15 reflect the assessed value of properties by land use in Ventura, as reflected in the City land use data base. The average assessed value for existing single family units in Ventura is \$342,850,

compared to the average market value of \$729,950.³⁴ This is due to the fact that Proposition 13 limits the annual increases in assessed value unless a property is sold, at which point it is reassessed to market value. Similarly, the average assessed value for multi-family units is \$234,600. These low assessed values create the negative fiscal impact shown in Figure 7.

Figure 7: Fiscal Effect of Land Use on the General Fund, City of Ventura FY 2019-20



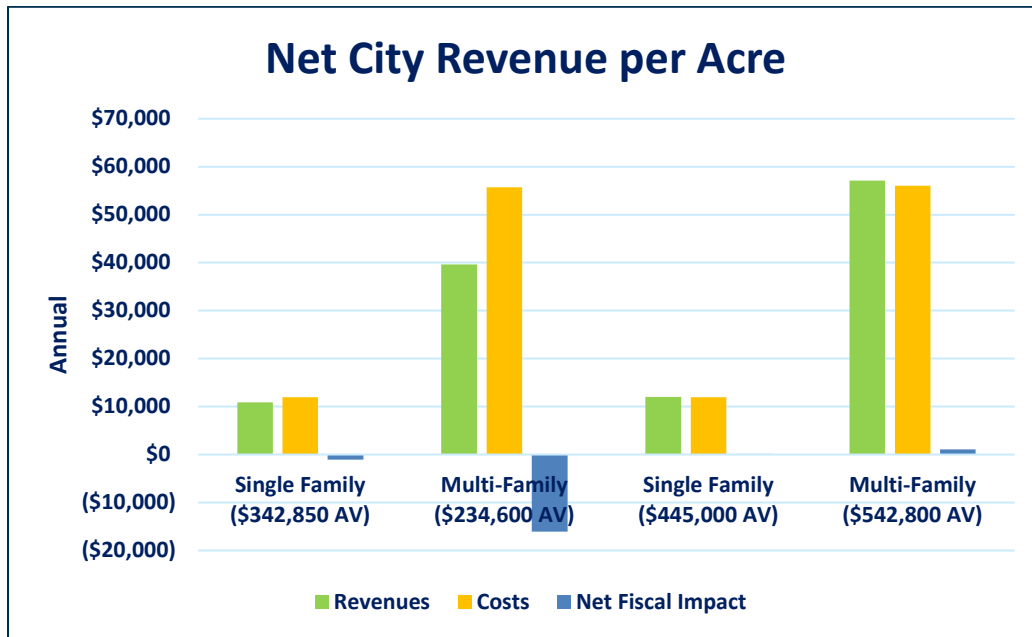
Source: ADE Inc.

However, new residential units and those that have resold more recently have higher assessed values and do generate the property taxes needed to fully fund municipal services. This is demonstrated in Figure 8, which shows the fiscal impact of single family and multi-family residential on a per acre basis. The first two examples are at the average existing assessed values mentioned above. The single family units are at about seven units per acre and the multi-family are at 30 units per acre. The third example shows the “breakeven” point for single family units, which is an assessed value of \$445,000 per unit. This is the value at which single family units generate enough taxes to fully pay for municipal services they consume. This is well below current average market value, so most existing homes that sell in today’s market, as well as new homes, will meet or exceed this threshold.

In the multi-family example, an average assessed value of \$542,800 per unit creates a fiscal surplus of about \$1,000 per acre. The 30 unit per acre density creates the opportunity to design projects with a range of housing values suitable for both higher income and lower income households, averaging at the \$542,800 level. This type of housing will likely provide the best opportunity for the City to meet its housing needs and will help sustain the fiscal health of City government.

³⁴ Ventura County Coastal Association of Realtors.

Figure 8: Fiscal Impact of Existing and New Housing in Ventura



Source: ADE Inc.

Sales Tax. The City receives sales tax equivalent to less than one percent of taxable sales that occur within its jurisdiction under its Bradley Burns allocation from the state.³⁵ The sales tax figures for residential uses in Table 15 reflect estimates by ADE of household spending that occurs within the City. see discussion in the retail section (above)). The hospitality sector includes restaurant sales as well as other taxable spending by visitors to the City. The figures for the non-residential uses are derived from sales tax records maintained by the City.

Transient Occupancy Tax. The City charges a 10 percent tax on room revenues for all visitors lodging.

Service Charges. More than a third of this category is generated by the City’s two golf courses. Other charges for service include internal transfers from non-General Fund services to pay for City administrative overhead and as well as direct charges to citizens and businesses such as recreation fees and planning fees.

Service Expenditures

Police comprises 34% of General Fund departmental expenditures, with \$41.1 million, while Fire comprises 18 percent of General Fund departmental expenditures, with \$21.00 million (Figure 6). Parks, Recreation and Community Partnerships (PRCP) is the third largest department with \$19.4 million in General Fund expenditures. The general government category, at \$19.8 million, includes the City Council, City Manager, Human Resources, Finance and Technology and the City Attorney, as well as non-departmental expenditures.

³⁵ Measure O, which is not included in the General Fund in Table 1, generates another 0.5 percent of taxable sales, or \$13.5 million in sales and use tax.

Table 15: Estimated Annual General Fund Revenue and Cost Impacts by Land Use, FY 2019-20 (\$'000's)

Budget Category	Total [a]	Single Family	Multi-Family	Commercial	Industrial	Office	Hospitality	Public/ Institutional
REVENUES								
Property Tax	\$27,300	\$16,600	\$4,600	\$2,600	\$1,300	\$600	\$200	\$1,100
Sales Tax	\$27,000	\$3,400	\$1,700	\$15,100	\$2,400	\$1,000	\$3,300	\$100
Transient Occupancy Tax	\$6,200	\$0	\$0	\$0	\$0	\$0	\$6,200	\$0
Utility Users Tax	\$7,900	\$3,900	\$2,100	\$300	\$200	\$300	\$400	\$700
Franchise Fees	\$4,300	\$2,200	\$1,100	\$100	\$100	\$200	\$200	\$400
Cardroom Taxes	\$2,100	\$0	\$0	\$0	\$0	\$0	\$2,100	\$0
Business License Tax	\$1,900	\$0	\$0	\$300	\$200	\$300	\$200	\$700
Miscellaneous Taxes	\$1,000	\$500	\$300	\$0	\$0	\$0	\$0	\$100
Licenses and Permits	\$5,300	\$2,600	\$1,400	\$200	\$100	\$200	\$200	\$400
Intergovernmental	\$10,500	\$5,200	\$2,800	\$300	\$300	\$400	\$500	\$900
Service Charges	\$14,500	\$7,200	\$3,800	\$500	\$400	\$600	\$600	\$1,200
Other Revenue						\$0	\$0	\$0
Fines and Forfeitures	\$3,000	\$1,500	\$800	\$100	\$100	\$100	\$100	\$200
Interest Earnings and Rents	\$1,800	\$700	\$300	\$300	\$100	\$100	\$200	\$100
Miscellaneous Revenues	\$2,100	\$1,000	\$600	\$100	\$100	\$100	\$100	\$200
Internal Transfers	\$2,000	\$1,000	\$500	\$100	\$0	\$100	\$100	\$200
TOTAL REVENUES	\$116,900	\$45,900	\$20,000	\$19,900	\$5,200	\$4,000	\$14,500	\$6,200
EXPENDITURES						\$0	\$0	\$0
General Government	\$19,800	\$8,900	\$4,000	\$2,900	\$600	\$500	\$1,400	\$1,400
Public Works	\$10,200	\$5,500	\$2,200	\$400	\$400	\$400	\$500	\$800
Police	\$41,100	\$10,500	\$6,300	\$12,600	\$1,200	\$800	\$5,600	\$4,000
Parks, Rec, Community Partnerships	\$19,400	\$13,900	\$5,500	\$0	\$0	\$0	\$0	\$0
Fire	\$21,000	\$10,700	\$4,200	\$1,300	\$1,000	\$900	\$900	\$1,700
Community Development	\$7,900	\$4,300	\$1,700	\$300	\$300	\$300	\$400	\$600
TOTAL EXPENDITURES	\$119,400	\$53,800	\$23,900	\$17,400	\$3,400	\$3,000	\$8,700	\$8,600
NET BUDGET (DEFICIT)/SURPLUS	(\$2,500)	(\$4,900)	(\$6,900)	\$2,600	\$2,600	\$1,100	\$5,800	(\$2,600)

Source: ADE Inc. Notes: [a] Totals include Agriculture/Vacant land, with \$438,000 in revenues and \$554,000 in costs.

In order to allocate public safety costs by land use, the City provided data on calls for service (CFS) for both the police and fire departments. The sections below describe the analysis for these services as well as the approach to analyzing other City services.

Police Protection. Ventura Police Department provided data on more than 20,000 CFS in 2019, of which more than 17,000 could be coded to a land use (Table 16). Nearly 40 percent of the CFS were made to residential properties and about 35 percent to commercial centers.³⁶ Leisure/Hospitality and Institutional uses also attracted significant shares of police activity.

Fire Protection. The Fire Department provided data on more than 42,000 CFS that occurred over several years from FY 2017-18 through third quarter FY 2019-20. About 13 percent of Fire CFS are for fire protection or hazardous materials situations. While incident locations are not available, some of these CFS can be coded to land uses based on the type of call. From this analysis, it appears that 35 percent of fire/hazards related calls occur at residential properties and 54 percent at non-residential properties, with 11 percent at vacant sites or open space.

The majority of Fire Department costs, which are for medical and rescue emergencies, are allocated to land uses based on a per capita methodology.³⁷ As shown in Table 15, it is estimated that \$14.9 million, more than two-thirds of the total Fire Department budget is devoted to services for the residential population, of which \$10.2 million is for single family units and \$4.7 million is for multi-family.

Public Works. Public Works builds and maintains key infrastructure for the City and also provides functions to protect the local environment. The \$10.2 million in General Fund expenditures for this department represents just over 20 percent of its entire budget. Other major funds supporting public works functions include Measure O, the Gas Tax fund for street maintenance, and the Fleet and Facilities Maintenance funds. For purposes of this analysis, the General Fund portion of the Public Works budget is allocated to land uses using the per capita methodology.

Parks, Recreation and Community Partnerships (PRCP). PRCP operates the City's recreation programs and library as well as maintaining parks and other cultural facilities and amenities. All of these programs are assumed to operate for the benefit of the residential population.

Community Development. The Community Development Department processes development entitlements and building permits, as well as undertaking code enforcement and long range planning such as the General Plan Update. About 70 percent of the Department's budget is funded through the General Fund. Other funds include the Housing and Community Development Act of 1974 Fund and the Successor Agency Funds related to the former redevelopment agency. The General Fund portion of the department budget is allocated on a per capita basis in Table 15.

³⁶ It is likely a number of the commercial CFS occurred at eating and drinking places and night clubs, which would otherwise be classified as leisure/hospitality land uses.

³⁷ In standard fiscal analysis, non-residential land uses are represented by their workforce and employees are assumed to have half the service demand of the residential population. The City's service population is the sum of its resident population, half its job base and a full time equivalent (FTE) estimate of visitors that stay in the City. For Ventura, the total service population is estimated at 142,851, which includes 108,415 resident population, half of the 63,752 jobs in the City, and 2,560 FTE lodging visitors.

Table 16: Ventura Police Calls for Service by Land Use, 2019

Land Use	Incidents	Percent
Residential	7,110	40.9%
Multifamily	2,676	15.4%
Single-Family Attached	319	1.8%
Single-Family Detached	4,115	23.7%
Commercial	6,223	35.8%
Commercial Centers	6,093	35.1%
Commercial Other	3	0.0%
Mixed-Use Commercial	127	0.7%
Industrial	487	2.8%
Light Industrial	368	2.1%
Wholesale / Warehousing	103	0.6%
Utilities / Communications	16	0.1%
Office	354	2.0%
Leisure/Hospitality	1,469	8.5%
Accommodation	659	3.8%
Commercial Recreation	88	0.5%
Water	73	0.4%
Golf Courses	55	0.3%
Open Spaces	15	0.1%
Parks / Recreation	579	3.3%
Institutional	1,701	9.8%
Cemeteries	7	0.0%
Civic Facilities	360	2.1%
Hospitals	357	2.1%
Religious Facilities	179	1.0%
School	584	3.4%
Transportation	214	1.2%
Agriculture	21	0.1%
Vacant	17	0.1%
Total	17,382	100.0%
<i>Source: ADE Inc., based on data provided by Ventura Police Department.</i>		

General Government. This category includes a number of City departments that provide management and administrative support to City government, including the City Council, City Manager, City Clerk, City Attorney, Finance and Technology, Human Resources and Non-Departmental expenses. These functions represent slightly less than 20 percent of the General Fund budget. In Table 15, these costs are allocated to each land use as an overhead charge on the costs for the line departments discussed above.

Local Conditions for Economic Development

There are a number of supporting foundations for economic development besides market support for businesses and workforce education. The housing market supports the workforce and the lack of affordable housing is cited by many business stakeholders as a constraint to business growth. In addition, the land supply and infrastructure capacity also support the ability of businesses to grow and prosper. This section provides a brief overview of these topics, based on analysis prepared for the EBA. More detailed discussion of these issues is provided in other Existing Conditions Reports prepared for the General Plan Update.

Housing

The City is an important market for housing in the County, providing over 17% of all housing units within incorporated areas. Most homes in Ventura are valued between \$500,000 and \$999,999, followed by homes in the range of \$300,000 to \$499,999 (Figure 3.13, Economic Base Study, 2019 Databook³⁸, Note: value refers to market value, not assessed value). Simi Valley, Moorpark, and Camarillo have similar home value distributions, while Thousand Oaks has more higher-valued homes and Oxnard has more lower valued homes.

The City also offers a mix of housing values across Economic Areas, with the Southwest Economic Area having the highest median single-family home value (\$1,063,276) and the Northwest Economic Area having the lowest (\$425,322). Nevertheless, these two Areas saw the highest growth in home values from 2000 to 2017, increasing by 122% and 109% respectively (Figures 4.13 and 4.14, Economic Base Study, 2019 Databook). This upward trend continues to threaten affordability.

Household income is another major factor in housing affordability. As such, the impact of rising home values has been compounded by a relatively slow growth in incomes. The growth in median single-family home value has exceeded growth in median household income across Economic Areas between 2000 and 2017 (Figures 4.14 and 4.18, Economic Base Study, 2019 Databook). For example, the Northwest Economic Area, which has the lowest median income, saw a 58% percent increase in median household incomes, but a 109% increase in home values. The Midtown-Downtown, Central, and East Economic Areas, which together supply most of the City's housing, all saw home value increases of between 70% and 85%, with increases in median income of between 30% and 45% from 2000 to 2017.

About 46% of the City's occupied housing units are rented. Renting is more common in Ventura than in all other County jurisdictions except for Oxnard (47%) and Port Hueneme (54%) (Figure 3.6, Economic Base Study, 2019 Databook). In general, renting decreases from west to east, and median income increases from west to east (Figures 3.7 and 4.17, Economic Base Study, 2019 Databook).

The US Census estimates that in 2017 gross rent and renter-occupied monthly costs across all units was \$1,503. According to Zillow, median rent for units in building with 5+ units increased to \$2,000 in 2019

³⁸ <https://www.cityofventura.ca.gov/DocumentCenter/View/19764/Economic-Base-Study-20191011>

but have fluctuated seasonally by as much as \$500, with summer rents generally higher than winter rents (Figure 3.14, Economic Base Study, 2019 Databook). Rents in Ventura are generally lower compared to other jurisdictions in the County (Figure 3.15, Economic Base Study, 2019 Databook).

Land Use Capacity/Redevelopment Potential

Residential Development Potential

The potential for development of units in Ventura is limited to a few Economic Areas based on the assessment of underutilized parcels. In this Study, underutilized parcels have been defined as parcels where the improvements on the land are less than twenty percent of the land value. Of all Economic Areas, the Central and Midtown-Downtown Areas have the most underutilized parcels and the greatest potential to develop new housing. The East, Southwest, and Northwest Areas have fewer underutilized parcels, and therefore less potential to develop as significant sources of housing in the future. The underutilized parcel analysis methodology has been mainstreamed in urban land economics based on established research over the last couple of decades.

Regulatory constraints, such as land use controls, fees and exactions, and permit processing procedures, will also affect development or redevelopment potential. While the City has form based codes in various areas that provide flexibility for building types and support place making, other City standards restrict building height, lot area, and building coverage. Additionally, minimum parking requirements are imposed, and Planning Commission approval can be required to reduce the number of parking spaces. These types of development standards are common, but should be reevaluated considering changing demographics, trends, and technologies as the City embarks on a General Plan update for Ventura through 2050.

Streamlining the development review process is a major factor in attracting developers. Developers need predictable and timely decisions to secure financing and proceed with construction. Despite some progress, City staff turnover and other factors (e.g., no- or slow growth mindset of decision-makers, Coastal Zone obstacles, Save Our Agricultural Resources (SOAR), etc.) have created challenges to successfully streamlining development review and permitting processes.

Pipeline Residential Projects: According to City Staff, as of 2018, a total of 4,756 units are under construction, planned or approved. The East ESA with 1,642 units has the largest share followed by Midtown-Downtown at 1,258 units and the Central ESA with 878 units. The Northwest and Southwest areas have the smallest shares of the pipeline units with 540 and 438 units, respectively.

Non-residential Development Potential

On the non-residential side, an examination of underutilized parcels indicates a large amount of zoned for commercial activities in the Northwest ESA. Underutilized parcels are defined as those with improvement to total value ratio of less than 0.2 with greatest likelihood for redevelopment (infill and refill potential). The Northwest ESA shows nearly 264 acres of land zoned for light industrial/ industrial uses and 136 acres of land for retail and other commercial uses. These together comprise about 71 percent of all growth capacity in the City, and therefore, is an important planning asset looking ahead. However, City staff indicate there are no sites available that would support major new office buildings of 100,000 SF or more. The two largest employment areas in the City – the Central ESA and the Midtown-Downtown ESA – together show another 20 percent share of the City's redevelopment capacity.

Infrastructure and Public Services

The City is responsible for providing adequate infrastructure for streets, parks, storm drains, water, wastewater, and other public facilities. As described in the City's 2020-2026 Capital Improvement Plan (CIP), well-maintained infrastructure is necessary for Ventura's economic prosperity because it supports and sustains economic growth. The CIP includes funded projects that are near-term (will be worked on no later than 2026) and unfunded projects that are beyond 2026. CIP projects are typically funded through enterprise funds (water and wastewater), gas taxes, grants, bonds, mitigation fees, developer fees, and special taxes (park tax, Measure O). With limited funds, the City systematically prioritizes CIP projects, and the CIP is reviewed and updated annually. Following the General Plan Update process, it is anticipated the City will review its development impact fees to align them with updated infrastructure and facilities needs projected for future growth. In particular, the Fire Department has expressed the need to review fees associated with senior care facilities, medical offices, and multi-family occupancies.

The City also prepares a Comprehensive Water Resources Report (CWRR) annually, which is intended to be a tool in the development review process. The CWRR tracks proposed development projects, consistently calculates the anticipated increase in water demand associated with each proposed development project, and then evaluates the impact on the current water supply.³⁹ The 2020 CWRR found that the spread between current water demand and supply is very tight, and if the continued drought condition persists, supply could be less than demand.

The City has two proposed water supply projects in the planning stages: VenturaWaterPure and the State Water Interconnection Project, to ensure the City has adequate supplies for future demand under various climatic conditions. The City's Water Resource Net Zero Ordinance, adopted in 2016, requires all new and intensified development to offset the demand associated with its impact on the water system through one or more compliance options, including dedication of water rights, extraordinary conservation, and/or payment of a fee. The FY 2020-21 Water Resources Net Zero Ordinance fee is \$28,853 per acre foot. Funds collected through the Net Zero Ordinance will be utilized to fund future water supply projects.

³⁹ 2020 CWRR, Final Report

Economic Projections

This Chapter present projections of future growth for the City of Ventura. The projections are prepared by the Southern California Association of Governments (SCAG) based on a regional economic model and current planning policies not only in Ventura but across the region. The projections provide a perspective on growth that the City may need to plan for in its General Plan Update. However, policies that the City adopts in the new General Plan will affect its growth opportunities and may change the rate of growth that actually occurs. Therefore, the projections should be viewed as a guide of currently anticipated growth patterns but subject to change and revision as City planning activities proceed.

Population

As shown in Table 17, SCAG projects Ventura to add 12,500 persons between 2020 and 2040, a growth rate of about 0.5% per year. This is similar to the growth rate the City experienced between 2000 and 2016 (Table 18). Starting in 2017, the City population declined slightly and then was affected dramatically by the catastrophic Thomas Fire in 2018. By 2020, the City is more than 6,000 persons below the population SCAG estimated in its projections. As the City rebuilds the housing lost in the fire, the population level will be restored but then faster growth rates would be needed to reach the SCAG projections by 2035 and 2040.

Table 17: Projections of Population, Households and Employment for the City of Ventura (2020-2040)

	2020	2035	2040	2020-2040 Change	Annual Growth Rate
Population	112,500	122,000	125,000	12,500	0.5%
Households	42,700	46,900	48,400	5,700	0.6%
Employment	62,700	65,200	66,000	3,300	0.3%

Source: SCAG, 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction. 2019.

Households

The household projections shown in Table 17 imply that average household size is anticipated to decline from 2.63 persons per household (PPH) to 2.60 in 2035 and 2.58 in 2040. The State Department of Finance (DOF) estimates household size for the City annually and does show a declining trend beginning in 2016 (Table 19). DOF does county level household projections out to 2030 and also shows Ventura County declining in household size between 2020 and 2030, so the SCAG projection for the City is consistent with the demographic trends predicted by the state agency. The implication of declining

household size is that slightly more housing units will need to be produced to support the projected population growth.

Table 18: Historical Population Growth in Ventura, 2000-2020

Year ¹	Population	Change	Annual Growth Rate
2000	100,916		
2010	106,433	5,517	0.5%
2016	109,513	3,080	0.5%
2017	109,473	-22	0.0%
2018	109,288	-225	-0.1%
2019	107,021	-2,267	-1.0%
2020	106,276	-1,145	-0.1%

Notes:
 1. Population as of January 1 of each year.
Source: California Department of Finance, E-5 Reports, 2006 and 2020.

Table 19: Persons Per Household, City of Ventura (2010-2020)

Year	Persons per Household
2010	2.57
2011	2.59
2012	2.60
2013	2.61
2014	2.61
2015	2.61
2016	2.60
2017	2.59
2018	2.59
2019	2.56
2020	2.53

Source: California Department of Finance, E-5 Reports, 2020.

Employment

SCAG projects the City to add 3,300 new jobs between 2020 and 2040, a growth rate of 0.3% per year. As discussed above in the Chapter on the City's Economy, Ventura experienced job growth of 0.8% per year between 2010 and 2020. This is also about half the growth rate for households, and would produce less than 0.6 jobs per new household between 2020 and 2040.

The City's actual jobs/housing ratio is well above this level and has been growing since 2010 (Table 20), although the current estimated rate of 1.46 jobs per household is likely inflated by the loss of housing in the Thomas Fire. Another measure of employment needs is the number of workers per household. The most recent data available indicates that Ventura has about 1.35 employed residents per household (2018). By this measure, the projected growth in households would indicate the need for 7,700 new jobs between 2020 and 2040 in order for job opportunities to keep pace with the growth in labor force.

Table 20: Jobs/Housing Ratio, City of Ventura (2010-2020)

	2010	2015	2020
Jobs	58,593	61,173	63,752
Dwelling Units	42,827	43,659	43,784
Jobs/Housing Ratio	1.37	1.40	1.46
<i>Source: ADE, Inc., based on JobsEQ employment estimates and DOF E-5 Report, 2020</i>			

However, just as the Thomas Fire has altered the growth trajectory of the City's population, the Covid-19 pandemic and recession has changed the economy. Most economic forecasters expect the national economy will not fully regain the jobs lost in 2020 until at least 2022. Caltrans has published recent county level employment projections that recognize the recent job losses. As shown in Table 21, the long term projections for Ventura County reflect a much slower growth rate than was experienced up to 2019. The table also shows the SCAG County projections, which were published prior to the pandemic. They also show a slower long term job growth rate than occurred between 2012 and 2020, although some of that early growth was recovery from the Great Recession of 2009. Thus, SCAG's job forecast for the City is generally consistent with its view of long term job growth trends for the County as a whole.

Chmura Jobs EQ has provided a ten year projection for the City that reflects its analysis of the Covid-19 impacts (Table 22). It shows only a 0.1% annual growth rate during this time, although significant growth is projected for health care, accommodation and food service, construction and professional, scientific and technical services. Most other sectors show job declines. The Table also shows average annual wages for each industry. Housing affordability in Ventura is a significant issue for many of these workers.

In the future, an increasing number of workers will work remotely and be less tied to the location of their workplace. However, from the standpoint of tax base, it is important for the City to maintain a vibrant non-residential sector in order to support a healthy fiscal foundation, as discussed above in the Fiscal Chapter. Based on these projections, this will be a challenge for the City over the life of the new General Plan.

Table 21: Job Trends and Projections for Ventura County by Caltrans and SCAG (2012-2040)

Year	Caltrans	Annual Growth Rate	SCAG	Annual Growth Rate
2012			332,200	
2015	322,800			
2019	336,500	1.0%		
2020	311,700	-7.4%	374,300	1.5%
2023	337,300	2.7%		
2035	350,600	0.3%	409,600	0.6%
2040	353,100	0.1%	419,800	0.5%

Source: SCAG, 2016-2040 RTP/SCS Final Growth Forecast by Jurisdiction. 2019. The California Economic Forecast, 2020 County Level Economic Forecast. October 2020.

Table 22: Job Projections for City of Ventura (2020-2030)

NAICS	Industry	2020 Jobs	2020-2030 Job Growth	Ann % Growth	2020 Average Annual Wages
62	Health Care and Social Assistance	13,109	1,297	0.9%	\$54,055
44	Retail Trade	6,967	-497	-0.7%	\$37,611
72	Accommodation and Food Services	6,401	302	0.5%	\$23,286
92	Public Administration	6,301	-188	-0.3%	\$85,734
23	Construction	4,161	206	0.5%	\$62,327
54	Professional, Scientific, and Technical Serv.	3,810	156	0.4%	\$82,671
61	Educational Services	3,260	-133	-0.4%	\$51,376
56	Administrative and Support and Waste Management and Remediation Services	3,042	59	0.2%	\$44,770
81	Other Services (except Public Administration)	3,042	-102	-0.3%	\$32,910
55	Management of Companies and Enterprises	2,777	-28	-0.1%	\$185,384
31	Manufacturing	2,753	-264	-1.0%	\$70,256
42	Wholesale Trade	1,667	-115	-0.7%	\$80,749
48	Transportation and Warehousing	1,319	-29	-0.2%	\$49,022
53	Real Estate and Rental and Leasing	1,186	-8	-0.1%	\$58,466
71	Arts, Entertainment, and Recreation	1,158	-4	0.0%	\$32,220
52	Finance and Insurance	910	-6	-0.1%	\$99,311
11	Agriculture, Forestry, Fishing and Hunting	578	6	0.1%	\$46,816
51	Information	576	-45	-0.8%	\$61,920
21	Mining, Quarrying, and Oil and Gas	533	-30	-0.6%	\$105,632
22	Utilities	200	-6	-0.3%	\$92,368
99	Unclassified	2	0	0.1%	\$127,868
	Total - All Industries	63,752	573	0.1%	\$57,091
<i>Source: Chmura Jobs EQ, Forecast 2020 1st Quarter.</i>					

Conclusion/Issues + Opportunities

This Chapter summarizes the key issues identified in the analysis and some opportunities the City may wish to consider as it updates the General Plan.

Economic Issues

- The City has been able to maintain a good balance of jobs and labor force, but employers are concerned that the lack of housing affordability negatively impacts their ability to recruit and retain talented workers. This constrains business expansion and jeopardizes the City's ability to retain strong businesses. Current regional projections suggest that housing growth may proceed more rapidly than job growth over the next 20 years, which would help address this concern.
- Despite the focus on housing development, there is also a lack of large sites to support major business growth.
- Ventura serves as a major retail hub but its retail sector has been badly damaged by the recession and longer term trends may affect the viability of some of its major retail centers such as the Pacific View Center.
- Similarly, the Tourism and Hospitality Cluster is an important economic engine for Ventura that has been severely compromised in the recession. However, even before the current downturn, this cluster generated relatively low per capita spending due to a low volume of overnight stays. When the market returns, development of more lodging would create a better attraction for the City.
- The City has experienced some fiscal weakness even before the recession. It is critical to address the structural deficits in order to create capacity to maintain and enhance vital infrastructure systems and services. Policies that support increased private sector investment in the City will help to enhance the City's fiscal foundation.

Opportunities

- Key industry clusters such as Health Care, Business Services and Advanced Manufacturing are poised to grow if sufficient development sites are available.
- Rapidly changing consumer behavior and preferences are continuing to transform the retail sector and dramatically changing the built environment requirements for commercial centers.
- In addition, increasing reliance on technology for security, sanitation, automation as well as communication and information services are rendering the existing office and industrial building stock obsolete. The City should expect to see significant proposals for redevelopment of older buildings and replacement with new forms of mixed use development.

Appendix A: Potential Target Industries and Occupations

Table A-1: Growing Industries

NAICS	Industry Description	2019 Jobs	2014 to 2019 Job Growth
City of Ventura - Industry Targets			
<i>Growing Economic Base Industries (High Concentration-Positive Growth)</i>			
<u>Manufacturing</u>			
321920	Wood Container and Pallet Manufacturing	30	29
321999	All Other Miscellaneous Wood Product Manufacturing	25	24
325211	Plastics Material and Resin Manufacturing	12	5
325620	Toilet Preparation Manufacturing	82	44
325992	Photographic Film, Paper, Plate, and Chemical Manufacturing	5	3
326199	All Other Plastics Product Manufacturing	57	13
327120	Clay Building Material and Refractories Manufacturing	6	6
327332	Concrete Pipe Manufacturing	2	1
327910	Abrasive Product Manufacturing	5	3
327991	Cut Stone and Stone Product Manufacturing	24	5
332114	Custom Roll Forming	11	11
332311	Prefabricated Metal Building and Component Manufacturing	11	4
332322	Sheet Metal Work Manufacturing	48	26
332813	Electroplating, Plating, Polishing, Anodizing, and Coloring	53	10
332991	Ball and Roller Bearing Manufacturing	17	10
333242	Semiconductor Machinery Manufacturing	266	41
333314	Optical Instrument and Lens Manufacturing	20	8
333413	Industrial and Commercial Fan and Blower and Air Purification Equipment Manufacturing	11	7
334413	Semiconductor and Related Device Manufacturing	181	25
334416	Capacitor, Resistor, Coil, Transformer, and Other Inductor Manufacturing	57	1
334517	Irradiation Apparatus Manufacturing	18	18

NAICS	Industry Description	2019 Jobs	2014 to 2019 Job Growth
335314	Relay and Industrial Control Manufacturing	97	13
335911	Storage Battery Manufacturing	19	17
337110	Wood Kitchen Cabinet and Countertop Manufacturing	59	25
339113	Surgical Appliance and Supplies Manufacturing	108	51
339114	Dental Equipment and Supplies Manufacturing	43	32
339920	Sporting and Athletic Goods Manufacturing	39	2
Transportation Services			
488330	Navigational Services to Shipping	19	9
492110	Couriers and Express Delivery Services	375	100
Information Services			
515112	Radio Stations	65	11
Professional and Business Services			
541110	Offices of Lawyers	555	30
541214	Payroll Services	125	95
541320	Landscape Architectural Services	34	20
541330	Engineering Services	445	91
541430	Graphic Design Services	36	2
541512	Computer Systems Design Services	433	307
541513	Computer Facilities Management Services	94	11
541620	Environmental Consulting Services	222	28
541860	Direct Mail Advertising	20	9
541921	Photography Studios, Portrait	51	35
541940	Veterinary Services	265	79
551112	Offices of Other Holding Companies	96	56
551114	Corporate, Subsidiary, and Regional Managing Offices	2,608	2,224
561312	Executive Search Services	32	6
561520	Tour Operators	42	13
561591	Convention and Visitors Bureaus	11	2
561599	All Other Travel Arrangement and Reservation Services	33	7
561621	Security Systems Services (except Locksmiths)	72	34
561710	Exterminating and Pest Control Services	134	28
561730	Landscaping Services	554	121

NAICS	Industry Description	2019 Jobs	2014 to 2019 Job Growth
561740	Carpet and Upholstery Cleaning Services	27	4
561790	Other Services to Buildings and Dwellings	112	46
561990	All Other Support Services	113	67
562910	Remediation Services	100	65
Education			
611511	Cosmetology and Barber Schools	22	2
611513	Apprenticeship Training	25	11
611610	Fine Arts Schools	72	25
611691	Exam Preparation and Tutoring	81	34
Health Services			
621111	Offices of Physicians (except Mental Health Specialists)	1,026	49
621210	Offices of Dentists	473	73
621310	Offices of Chiropractors	82	28
621320	Offices of Optometrists	92	9
621340	Offices of Physical, Occupational and Speech Therapists, and Audiologists	298	82
621391	Offices of Podiatrists	10	6
621399	Offices of All Other Miscellaneous Health Practitioners	49	40
621493	Freestanding Ambulatory Surgical and Emergency Centers	96	41
621498	All Other Outpatient Care Centers	157	68
621991	Blood and Organ Banks	83	15
622110	General Medical and Surgical Hospitals	5,838	400
622210	Psychiatric and Substance Abuse Hospitals	129	56
623110	Nursing Care Facilities (Skilled Nursing Facilities)	494	69
623312	Assisted Living Facilities for the Elderly	367	206
Entertainment			
711110	Theater Companies and Dinner Theaters	38	11
711219	Other Spectator Sports	31	22
713120	Amusement Arcades	47	21
713290	Other Gambling Industries	129	129
713990	All Other Amusement and Recreation Industries	178	31
722320	Caterers	177	26
Other Services			

NAICS	Industry Description	2019 Jobs	2014 to 2019 Job Growth
811212	Computer and Office Machine Repair and Maintenance	34	8
813319	Other Social Advocacy Organizations	40	11
813410	Civic and Social Organizations	334	206
<i>Emerging Industries (Low Concentration-Positive Growth)</i>			
<u>Manufacturing</u>			
311412	Frozen Specialty Food Manufacturing	4	4
311812	Commercial Bakeries	7	7
311824	Dry Pasta, Dough, and Flour Mixes Manufacturing from Purchased Flour	1	1
311920	Coffee and Tea Manufacturing	3	3
311991	Perishable Prepared Food Manufacturing	15	4
312120	Breweries	23	15
312130	Wineries	56	7
315210	Cut and Sew Apparel Contractors	23	0
322212	Folding Paperboard Box Manufacturing	16	4
325413	In-Vitro Diagnostic Substance Manufacturing	16	4
332710	Machine Shops	76	3
333517	Machine Tool Manufacturing	5	2
334417	Electronic Connector Manufacturing	61	15
334515	Instrument Manufacturing for Measuring and Testing Electricity and Electrical Signals	10	10
334516	Analytical Laboratory Instrument Manufacturing	11	6
334519	Other Measuring and Controlling Device Manufacturing	7	3
335921	Fiber Optic Cable Manufacturing	7	3
339112	Surgical and Medical Instrument Manufacturing	37	7
339115	Ophthalmic Goods Manufacturing	22	1
339116	Dental Laboratories	17	5
339950	Sign Manufacturing	22	3
339992	Musical Instrument Manufacturing	10	7
<u>Transportation Services</u>			
484122	General Freight Trucking, Long-Distance, Less Than Truckload	37	7
485991	Special Needs Transportation	30	3
488510	Freight Transportation Arrangement	33	12

NAICS	Industry Description	2019 Jobs	2014 to 2019 Job Growth
Information Services			
511110	Newspaper Publishers	91	9
511120	Periodical Publishers	11	2
511210	Software Publishers	15	11
517311	Wired Telecommunications Carriers	111	16
519130	Internet Publishing and Broadcasting and Web Search Portals	16	4
Professional and Business Services			
532490	Other Commercial and Industrial Machinery and Equipment Rental and Leasing	39	22
541199	All Other Legal Services	9	2
541310	Architectural Services	61	15
541410	Interior Design Services	7	3
541519	Other Computer Related Services	7	3
541611	Administrative Management and General Management Consulting Services	88	40
541613	Marketing Consulting Services	65	32
541810	Advertising Agencies	22	1
541820	Public Relations Agencies	5	1
541870	Advertising Material Distribution Services	3	2
541922	Commercial Photography	3	2
541990	All Other Professional, Scientific, and Technical Services	21	12
561110	Office Administrative Services	203	74
561320	Temporary Help Services	444	25
561422	Telemarketing Bureaus and Other Contact Centers	50	16
561611	Investigation Services	8	3
561612	Security Guards and Patrol Services	248	161
Education			
611620	Sports and Recreation Instruction	44	18
611630	Language Schools	5	4
611710	Educational Support Services	33	6
Health Services			
621112	Offices of Physicians, Mental Health Specialists	28	5
621330	Offices of Mental Health Practitioners (except Physicians)	47	43
621420	Outpatient Mental Health and Substance Abuse Centers	40	19

NAICS	Industry Description	2019 Jobs	2014 to 2019 Job Growth
621491	HMO Medical Centers	32	25
621511	Medical Laboratories	35	27
623210	Residential Intellectual and Developmental Disability Facilities	67	33
623220	Residential Mental Health and Substance Abuse Facilities	34	17
623311	Continuing Care Retirement Communities	86	31
623990	Other Residential Care Facilities	12	2
624110	Child and Youth Services	30	4
624120	Services for the Elderly and Persons with Disabilities	1,658	425
624229	Other Community Housing Services	19	12
624310	Vocational Rehabilitation Services	81	4
624410	Child Day Care Services	239	36
Entertainment			
711130	Musical Groups and Artists	4	0
711320	Promoters of Performing Arts, Sports, and Similar Events without Facilities	8	1
711410	Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures	2	1
711510	Independent Artists, Writers, and Performers	14	2
Other Services			
813110	Religious Organizations	91	9
813211	Grantmaking Foundations	27	6
813219	Other Grantmaking and Giving Services	11	2
813312	Environment, Conservation and Wildlife Organizations	30	7
813920	Professional Organizations	10	3
Additional Targets from Ventura County			
<i>Growing Economic Base Industries (High Concentration-Positive Growth)</i>			
Manufacturing			
311225	Fats and Oils Refining and Blending	26	5
311514	Dry, Condensed, and Evaporated Dairy Product Manufacturing	117	45
311942	Spice and Extract Manufacturing	130	122
311999	All Other Miscellaneous Food Manufacturing	71	6
313110	Fiber, Yarn, and Thread Mills	10	10
321214	Truss Manufacturing	63	23
321219	Reconstituted Wood Product Manufacturing	11	10

NAICS	Industry Description	2019 Jobs	2014 to 2019 Job Growth
322121	Paper (except Newsprint) Mills	92	61
322212	Folding Paperboard Box Manufacturing	150	18
322299	All Other Converted Paper Product Manufacturing	24	1
323111	Commercial Printing (except Screen and Books)	583	15
325311	Nitrogenous Fertilizer Manufacturing	25	2
326150	Urethane and Other Foam Product (except Polystyrene) Manufacturing	58	14
326191	Plastics Plumbing Fixture Manufacturing	42	31
327993	Mineral Wool Manufacturing	564	12
331513	Steel Foundries (except Investment)	29	7
332215	Metal Kitchen Cookware, Utensil, Cutlery, and Flatware (except Precious) Manufacturing	50	50
332313	Plate Work Manufacturing	38	6
332321	Metal Window and Door Manufacturing	603	269
332510	Hardware Manufacturing	92	24
333120	Construction Machinery Manufacturing	20	9
333249	Other Industrial Machinery Manufacturing	113	69
333414	Heating Equipment (except Warm Air Furnaces) Manufacturing	344	20
333924	Industrial Truck, Tractor, Trailer, and Stacker Machinery Manufacturing	106	30
333992	Welding and Soldering Equipment Manufacturing	29	7
333999	All Other Miscellaneous General Purpose Machinery Manufacturing	280	66
334310	Audio and Video Equipment Manufacturing	183	110
334519	Other Measuring and Controlling Device Manufacturing	644	248
335210	Small Electrical Appliance Manufacturing	64	64
335312	Motor and Generator Manufacturing	190	19
335932	Noncurrent-Carrying Wiring Device Manufacturing	51	51
336212	Truck Trailer Manufacturing	32	32
336612	Boat Building	45	38
337211	Wood Office Furniture Manufacturing	40	9
337212	Custom Architectural Woodwork and Millwork Manufacturing	125	57
339910	Jewelry and Silverware Manufacturing	66	17
339999	All Other Miscellaneous Manufacturing	242	102
Information Services			

NAICS	Industry Description	2019 Jobs	2014 to 2019 Job Growth
512290	Other Sound Recording Industries	11	11
519190	All Other Information Services	135	95
Professional and Business Services			
532283	Home Health Equipment Rental	27	5
532284	Recreational Goods Rental	134	47
532289	All Other Consumer Goods Rental	286	54
541213	Tax Preparation Services	330	59
541219	Other Accounting Services	665	58
541370	Surveying and Mapping (except Geophysical) Services	96	18
541380	Testing Laboratories	416	117
541420	Industrial Design Services	138	5
541612	Human Resources Consulting Services	221	143
541922	Commercial Photography	33	26
541940	Veterinary Services	1,520	522
561320	Temporary Help Services	7,610	1,472
561421	Telephone Answering Services	134	45
561910	Packaging and Labeling Services	231	29
811219	Other Electronic and Precision Equipment Repair and Maintenance	76	9
Emerging Industries (Low Concentration-Positive Growth)			
Manufacturing			
311340	Nonchocolate Confectionery Manufacturing	13	13
311412	Frozen Specialty Food Manufacturing	34	34
311824	Dry Pasta, Dough, and Flour Mixes Manufacturing from Purchased Flour	21	21
311911	Roasted Nuts and Peanut Butter Manufacturing	13	7
311930	Flavoring Syrup and Concentrate Manufacturing	18	18
314910	Textile Bag and Canvas Mills	16	7
321918	Other Millwork (including Flooring)	24	5
325180	Other Basic Inorganic Chemical Manufacturing	27	12
325414	Biological Product (except Diagnostic) Manufacturing	28	7
325510	Paint and Coating Manufacturing	51	17
325612	Polish and Other Sanitation Good Manufacturing	24	6
326112	Plastics Packaging Film and Sheet (including Laminated) Manufacturing	14	3

NAICS	Industry Description	2019 Jobs	2014 to 2019 Job Growth
326122	Plastics Pipe and Pipe Fitting Manufacturing	47	21
327120	Clay Building Material and Refractories Manufacturing	11	9
327320	Ready-Mix Concrete Manufacturing	180	34
327420	Gypsum Product Manufacturing	17	4
331110	Iron and Steel Mills and Ferroalloy Manufacturing	14	8
331491	Nonferrous Metal (except Copper and Aluminum) Rolling, Drawing, and Extruding	12	12
332119	Metal Crown, Closure, and Other Metal Stamping (except Automotive)	84	1
332323	Ornamental and Architectural Metal Work Manufacturing	38	16
332912	Fluid Power Valve and Hose Fitting Manufacturing	20	20
332996	Fabricated Pipe and Pipe Fitting Manufacturing	63	6
333111	Farm Machinery and Equipment Manufacturing	5	5
334112	Computer Storage Device Manufacturing	120	61
334290	Other Communications Equipment Manufacturing	71	5
334412	Bare Printed Circuit Board Manufacturing	88	45
334511	Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing	171	19
336350	Motor Vehicle Transmission and Power Train Parts Manufacturing	12	10
336419	Other Guided Missile and Space Vehicle Parts and Auxiliary Equipment Manufacturing	59	1
337920	Blind and Shade Manufacturing	40	25
339930	Doll, Toy, and Game Manufacturing	29	15
Transportation Services			
484110	General Freight Trucking, Local	518	112
488510	Freight Transportation Arrangement	74	4
488991	Packing and Crating	33	29
Information Services and Technology			
511210	Software Publishers	352	66
512230	Music Publishers	8	6
517911	Telecommunications Resellers	226	21
517919	All Other Telecommunications	65	8
518210	Data Processing, Hosting, and Related Services	305	7

NAICS	Industry Description	2019 Jobs	2014 to 2019 Job Growth
519110	News Syndicates	8	8
522130	Credit Unions	318	32
Financial Services			
522220	Sales Financing	82	0
522291	Consumer Lending	97	8
522293	International Trade Financing	6	6
522310	Mortgage and Nonmortgage Loan Brokers	110	43
522390	Other Activities Related to Credit Intermediation	102	20
523110	Investment Banking and Securities Dealing	254	27
523130	Commodity Contracts Dealing	3	1
523920	Portfolio Management	169	54
523930	Investment Advice	325	113
523991	Trust, Fiduciary, and Custody Activities	38	13
524128	Other Direct Insurance (except Life, Health, and Medical) Carriers	22	2
524291	Claims Adjusting	47	14
524292	Third Party Administration of Insurance and Pension Funds	132	33
525990	Other Financial Vehicles	13	3
Professional and Business Services			
541211	Offices of Certified Public Accountants	620	91
541490	Other Specialized Design Services	13	3
541519	Other Computer Related Services	90	29
541614	Process, Physical Distribution, and Logistics Consulting Services	280	105
541618	Other Management Consulting Services	128	13
541714	Research and Development in Biotechnology (except Nanobiotechnology)	644	324
541720	Research and Development in the Social Sciences and Humanities	27	1
541990	All Other Professional, Scientific, and Technical Services	132	1
561210	Facilities Support Services	35	13
Education			
611519	Other Technical and Trade Schools	116	44
611610	Fine Arts Schools	233	55
611691	Exam Preparation and Tutoring	207	5
Health Care			

NAICS	Industry Description	2019 Jobs	2014 to 2019 Job Growth
813212	Voluntary Health Organizations	30	14

Table A-2: Occupational Profile for Design Services Firms in Ventura County, 2019

SOC	Occupation	2019 Jobs	Avg. Annual Wages
Management, business, science, and arts			
11-2021	Marketing Managers	16	\$156,900
11-2022	Sales Managers	24	\$146,400
11-3013	Facilities Managers	5	\$123,700
11-3021	Computer and Information Systems Managers	81	\$161,200
11-3031	Financial Managers	13	\$147,600
11-3121	Human Resources Managers	5	\$176,600
11-9041	Architectural and Engineering Managers	5	\$173,300
11-9198	Personal Service Managers, All Other; Entertainment and Recreation Managers, Except Gambling; and Managers, All Other	14	\$152,000
11-1011	Chief Executives	8	\$229,400
11-1021	General and Operations Managers	49	\$163,700
13-1023	Purchasing Agents, Except Wholesale, Retail, and Farm Products	6	\$78,500
13-1071	Human Resources Specialists	16	\$86,200

SOC	Occupation	2019 Jobs	Avg. Annual Wages
13-1081	Logisticians	5	\$91,200
13-1111	Management Analysts	38	\$101,500
13-1151	Training and Development Specialists	8	\$81,300
13-1161	Market Research Analysts and Marketing Specialists	30	\$76,000
13-1198	Project Management Specialists and Business Operations Specialists, All Other	59	\$88,900
13-2011	Accountants and Auditors	18	\$86,200
13-2098	Financial and Investment Analysts, Financial Risk Specialists, and Financial Specialists, All Other	8	\$83,900
15-1211	Computer Systems Analysts	102	\$108,600
15-1212	Information Security Analysts	13	\$101,800
15-1221	Computer and Information Research Scientists	6	\$110,000
15-1231	Computer Network Support Specialists	19	\$69,100
15-1232	Computer User Support Specialists	96	\$58,000
15-1241	Computer Network Architects	26	\$112,600
15-1244	Network and Computer Systems Administrators	35	\$92,400
15-1245	Database Administrators and Architects	12	\$80,700
15-1251	Computer Programmers	50	\$91,000
15-1256	Software Developers and Software Quality Assurance Analysts and Testers	331	\$117,600
15-1257	Web Developers and Digital Interface Designers	22	\$65,500

SOC	Occupation	2019 Jobs	Avg. Annual Wages
15-1299	Computer Occupations, All Other	96	\$100,100
15-2031	Operations Research Analysts	6	\$91,500
17-2061	Computer Hardware Engineers	14	\$109,800
17-2071	Electrical Engineers	5	\$112,600
17-2072	Electronics Engineers, Except Computer	5	\$111,300
17-2199	Engineers, All Other	5	\$116,000
17-3023	Electrical and Electronic Engineering Technologists and Technicians	5	\$84,200
27-1011	Art Directors	8	\$125,200
27-1014	Special Effects Artists and Animators	7	\$83,700
27-1021	Commercial and Industrial Designers	7	\$63,500
27-1024	Graphic Designers	61	\$58,800
27-1025	Interior Designers	44	\$54,700
27-3042	Technical Writers	6	\$98,300
27-4021	Photographers	17	\$34,400
Sales and Office			
41-2031	Retail Salespersons	6	\$35,600
41-3091	Sales Representatives of Services, Except Advertising, Insurance, Financial Services, and Travel	58	\$76,900
41-4011	Sales Representatives, Wholesale and Manufacturing, Technical and Scientific Products	16	\$92,900
41-4012	Sales Representatives, Wholesale and Manufacturing, Except Technical and Scientific Products	8	\$79,100

SOC	Occupation	2019 Jobs	Avg. Annual Wages
41-9031	Sales Engineers	9	\$99,500
43-1011	First-Line Supervisors of Office and Administrative Support Workers	11	\$69,700
43-3031	Bookkeeping, Accounting, and Auditing Clerks	16	\$51,400
43-4051	Customer Service Representatives	23	\$47,200
43-5061	Production, Planning, and Expediting Clerks	5	\$57,400
43-6011	Executive Secretaries and Executive Administrative Assistants	9	\$80,000
43-6014	Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	20	\$46,200
43-9061	Office Clerks, General	31	\$41,600
Material Moving			
53-7062	Laborers and Freight, Stock, and Material Movers, Hand	6	\$36,200
Other Occupations (< 5 employees each)		139	
Total		1,761	