Meeting #5

General Plan Advisory Committee

February 6, 2020 | Oak and Park Rooms, Civic Arts Plaza
Welcome! Tonight we’ll...

- Prioritize issues and values
- Review and discuss the economic and market conditions in Thousand Oaks
- Review potential areas of change and stability in Thousand Oaks
Name
We are here (ish)

**Existing Conditions**
Review existing policies and reports, identify issues and opportunities

Summer - Fall 2019

**Listening + Visioning**
Develop long term vision and guiding principles for the Plan

Winter 2019

**Plan Alternatives**
Create and refine land use and transportation alternatives

Winter 2019 - Spring 2020

**Policy + Plan Development**
Develop policy solutions to address a range of topics

Spring 2020 - Spring 2021

**Review + Adopt**
Public and decision makers to review and adopt the General Plan Update

Summer - Fall 2021

**COMMUNITY ENGAGEMENT ACTIVITIES THROUGHOUT THE PROCESS**

TO 2045
RECENT COMMUNITY ENGAGEMENT

• Community Forum #2 (January 29th)
  - Joe Minicozzi, Urban3
• Economic Development Stakeholder Meetings (January 29th & 30th)
COMMUNITY PRIORITIES EXERCISE
COMMUNITY STRENGTHS + VALUES

Arts and culture
A commitment to arts and culture, especially the Civic Arts Plaza

Education
High quality public and private schools and the presence of California Lutheran University (CLU)

Engaged community
A civically minded community and a responsive local government committed to serving the needs of residents and businesses

High quality of life
A stable community with small-town character, a high quality of life, and family-friendly activities

Parks, public facilities and services
A diversity of well-maintained parks, usable open spaces, great public facilities, and diverse social services

Protected natural areas
A commitment to protecting natural open spaces, views, and oak trees that enhance the character of Thousand Oaks

Safe and welcoming community
A tight-knit community that is safe and welcoming

Suburban character
A suburban community that is easy to get around with attractive single-family neighborhoods
Few gathering places and entertainment options
A lack of entertainment options and social gathering places especially for teenagers and young professionals

Fear of becoming “the Valley”
Concern that development will change the character or identity of Thousand Oaks and that it will look like the San Fernando Valley

Housing challenges
High cost of housing and lack of different housing options that lead to homelessness, the inability for employees to live in the City and for young adults to afford living in Thousand Oaks

Lack of mobility options
Lack of transit connectivity within Thousand Oaks and to other parts of the region; lack of wide sidewalks, crosswalks, and a connected bike network

Lack of economic and demographic diversity
Concern that the City lacks a diverse residential population and a diversity of jobs and industries that could result in declining revenue sources leading to a reduction in public services.

Public safety
Safety concerns including crime, wildfires, and natural disasters

Traffic congestion
Traffic congestion on major roadways during peak periods

Vacant and underutilized retail
Vacant and underutilized retail areas, particularly along Thousand Oaks Boulevard, Moorpark Road, and at the malls.
ECONOMIC AND MARKET OVERVIEW
• Population and Economic Growth
  • *What are Thousand Oaks’ strengths and what are potential population and economic trends?*

• Real Estate Market Health
  • *What land uses are performing most strongly?*

• Fiscal Health
  • *What are Thousand Oaks’ dominant revenue sources and are they sustainable?*

• Economic Opportunities and Land Use Considerations
  • *What are Thousand Oaks’ key economic opportunities and assets?*
  • *What land use and economic policy decisions are important to realize sustainable economic growth?*
NEXUS WITH QUALITY OF LIFE

- Residential Population (housing units)
- Jobs (Non-residential building sq. ft.)
- Visitors

- Retail and Sales Tax
- Property Tax
- Transient Occupancy Tax (TOT)

Revenues

Public Facilities and Services

Quality of Life
DEMOGRAPHICS & THE ECONOMY
MARKET CONTEXT

Thousand Oaks is surrounded by distinct submarkets in the vicinity of the Conejo Valley.
Population growth in Thousand Oaks has slowed significantly, with a growth rate below most neighboring communities since 2000.

**source:** ACS
**ECONOMIC BASE**

Thousand Oaks has a diverse employment mix driven by Biotech and life sciences, healthcare, and education.

### Top Employers in Thousand Oaks

<table>
<thead>
<tr>
<th>Top Employers</th>
<th># of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amgen</td>
<td>5,000 (Approximate)</td>
</tr>
<tr>
<td>Conejo Valley School District</td>
<td>3,200</td>
</tr>
<tr>
<td>Los Robles Hospital/Medical Center</td>
<td>1,543</td>
</tr>
<tr>
<td>Anthem Blue Cross</td>
<td>1,002</td>
</tr>
<tr>
<td>Cal Lutheran University</td>
<td>1,117</td>
</tr>
<tr>
<td>Takeda</td>
<td>700</td>
</tr>
<tr>
<td>Skyworks Solutions, Inc.</td>
<td>670</td>
</tr>
</tbody>
</table>

*Source: City of Thousand Oaks*

### Distribution of Jobs in Thousand Oaks

- Manufacturing: 15.9%
- Healthcare: 12.9%
- Professional Services: 8.4%
- Retail: 12.2%
- Accommodation/Food: 9.7%
- Education: 8.3%
- Finance/Insurance: 7.3%
- Other: 25.3%

*Source: LEHD*
While Thousand Oaks has a significant amount of high-paying jobs, industry sector growth has mainly been in low-paying industries.
If projected job growth continues, Thousand Oaks would need significantly more housing units to maintain its current jobs to housing balance.

**SCAG Projections (2017 – 2040)**

- Jobs: 63,980 in 2017, 81,900 in 2040 (74% more jobs)
- Households: 46,136 in 2017, 47,200 in 2040 (39% more jobs)

**Housing Needs**

- 1,100 SCAG Projected Need
- 7,800 Units Needed to Maintain Jobs: Housing Ratio

*Source: SCAG, LEHD, ACS*
FISCAL HEALTH
Sales tax is the largest source of revenue for the City of Thousand Oaks.
Auto sales, which account for nearly a third of taxable sales, are disproportionately affected by economic shocks.

**THOUSAND OAKS SALES**

- Apparel Stores: 4%
- General Merchandise: 5%
- Food Stores: 4%
- Eating and Drinking Establishments: 11%
- Building Materials: 4%
- Auto Dealers and Supplies: 29%
- Service Stations: 6%
- Other Retail Stores: 14%
- All Other Outlets: 23%

**9 years**

For Thousand Oaks Auto Sales to Return to 2005 Levels

**-12%**

Expected Decline in U.S. Auto Sales (2020 – 2021)*

*Based on YE 2019 U.S. Auto Sales with AlixPartners future sales estimates

Source: CNBC, AlixPartners
DRIVERS OF KEY REVENUE SOURCES

Each revenue category is affected by both policy and land use decisions.

- **Property Tax**
  - Assessed value
  - City tax share
  - Turnover
  - Proposition 13

- **Sales Tax**
  - Taxable sales
  - City tax rate

- **Transient Occupancy Tax**
  - Number of hotels and guests
  - Average room rate
  - City tax rate
Thousand Oaks multifamily market shows strong fundamentals but is constrained through lack of zoned capacity.
There is an abundance of aging retail centers leading to difficulty curating tenant mix.

New retail, entertainment, and dining clusters are emerging elsewhere in higher growth communities nearby.

A centralized node of activity could be a place for entertainment, adding amenities younger generations desire, and could thus strengthen retail with higher customer volume.

**Notes from Focus Group**

**Thousand Oaks Retail Deliveries and Absorption**

- **Source**: CoStar

**Thousand Oaks Retail Inventory:**

5,773,684 Square Feet
Thousand Oaks has added substantially to its inventory, but still represents only 5 percent of the total submarket.

**Industrial Observations**
- Thousand Oaks Industrial Inventory: **1,282,754 square feet**
- There is **high demand**, but it’s mostly for warehouse distribution
- Development is **land intensive** and requires large floorplates
- Maintains **low employment density** due to increase automation
- Has **low fiscal impact and wages**
- Has a **high impact on infrastructure**, particularly roadways
FLEX MARKET TRENDS

Thousand Oaks has the second largest flex inventory among the clusters but is extremely constrained due to zoned capacity.

Thousand Oaks Flex Inventory and Vacancy

Source CoStar

Flex Observations

- Thousand Oaks Flex Inventory: **970,803 square feet**
- Flex space is typically defined as a building where 50% or more of the space is used as conventional office with the remaining for light industrial
- Provides **higher employment density, wages, and fiscal impact**
- Complements existing biotech and **biopharmaceutical clusters** that are largely composed of flex space
- Development is **land intensive**

Source CoStar
Office rents have nearly reached pre-recession levels and vacancy has steadily declined since 2011.

Office Performance Metrics

- Thousand Oaks Office Inventory: 3,926,325 square feet
- The office market has had no major deliveries since 2009
- There is interest in office space from biotech firms
- The existing office inventory in Thousand Oaks is aging

Source: CoStar
While the hotel market in Thousand Oaks has higher ADR and occupancy rates than the County, there is a lack of upscale hotels for business travelers.

**Hotel Breakdown by Class**
- Upscale, 10%
- Economy, 30%
- Upper Midscale, 40%
- Midscale, 20%

**Hotel Observations**
- Thousand Oaks Hotel Inventory: 956 rooms
- Thousand Oaks’ hotel market has higher occupancy rates and ADRs than Ventura County
- The City’s rooms to jobs ratio is low, at 3.4, compared to the Ventura County’s 7.4

*Source: STR*
ECONOMIC OPPORTUNITIES
ECONOMIC DEVELOPMENT CONSIDERATIONS

The General Plan should enable household and employment growth to support long-term fiscal health.

Attract more Thousand Oaks employees to live/work/play in the City
- Diversity of housing types for all life stages
- Retail, entertainment, and recreation amenities
- A downtown and sense of place
- Expand job base to retain dual income households

Sustain and expand the strong biotech cluster
- Availability of space for all stages of business life cycle
- Diversity of housing
- Promote “incubators”
- Brand and identity grounded in a place-based approach
- Co-locate amenities in employment districts (e.g., cafes, gyms, services)

Encourage redevelopment of underperforming commercial properties
- Calibrate land use and zoning to incentivize redevelopment
- Explore opportunities of mixed-use residential and retail
- Consider financial feasibility in defining land use policies
DISCUSSION QUESTIONS

• How can the City diversify its fiscal base?
• What strategies should be used to ensure high quality public services for the next generation of Thousand Oaks residents?
• Should the City consider repurposing underperforming commercial sites into other uses, such as high density residential, office or mixed use?
• How and where can the biotech ecosystem expand in Thousand Oak?
• Are new or expanded services or amenities needed to attract new businesses?
• Should the City attract more hotels to Thousand Oaks?
AREAS OF STABILITY AND POTENTIAL CHANGE
KEY TAKEAWAYS FROM GPAC #4 MAPPING EXERCISE

• All groups added housing to the Oaks Mall and surrounding area
• 5 of the 6 groups added mixed-use or multifamily housing on Thousand Oaks Boulevard
• 3 of the 6 groups added more housing near CLU
• 2 of the 6 groups added more single-family housing
• 2 of the 6 groups added more retail
• 1 of the 6 groups added more public parks
• Create flexible office space
• Keep measure E – plan for no more than 7,934 units in 25 years
• Leave T.O. Boulevard alone, already has traffic
• Incorporate subterranean parking into mixed-use and multifamily projects
• Repurpose commercial center parking lots
MARKET CONSIDERATIONS FOR DEVELOPMENT

- Size of property
- Location (specific for each use)
- Existing use on the property
- Property owner willing to invest/redevelop
- Costs of construction
- Density/FAR
- Costs of project approval (fees and time)
- Regional market
NEXT STEPS
FUTURE ENGAGEMENT

• GPAC
  • March 5<sup>th</sup> – Create alternatives
  • April 8<sup>th</sup> – Transportation; review alternatives (to be reschedule because of Passover)
  • June 4<sup>th</sup> – Select preferred direction; growth projections; land use designation map
  • September 10<sup>th</sup> – Health, equity, parks, open space

• Pop-Up Workshops and Online Survey – Feb – March
  • Prioritization of issues and values
  • Areas of change and stability

• Community Workshop (Alternatives) – April 30<sup>th</sup> (tentative)
Meeting #5

GENERAL PLAN ADVISORY COMMITTEE

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