

APPENDIX A
ECONOMIC ANALYSIS

APPENDIX A
Santa Paula
Downtown Improvement Plan
Economic Analysis
And Economic Development
Strategy

June 2004

Prepared for
City of Santa Paula

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1. INTRODUCTION

Known as the “Citrus Capital of the World,” Santa Paula, California is a city of 28,800 people that is undergoing considerable change. To guide this change, local volunteers and leaders have embarked on a citywide visioning project, which, among other things, brings all members of the diverse community together to talk about the future of the city and to determine how Santa Paula should move forward in the coming years.

Downtown vibrancy is one key area that city officials and resident are seeking to improve. City officials and residents have commissioned a Downtown Improvement Plan Update document, which includes recommendations for design, thematic, physical, organizational and operational improvements. This appendix supports the update document.

This appendix contains economic data and analysis relevant to the downtown revitalization effort. The data supplements information gathered during interviews, field analysis, and workshops, which together form the basis for an economic development strategy to help the city of Santa Paula and its citizens strengthen its current downtown revitalization program.

Chapters 2 through 4 include relevant data and analyses. Chapter 2 of this report is a retail leakage analysis, which identifies the retail strengths and weaknesses of downtown Santa Paula and estimates retail growth potential. Chapter 3 estimates the potential demand for downtown offices, lodging and a cinema complex Chapter 4 discusses housing supply and demand and its potential downtown.

Chapter 5 includes a set of compatible downtown revitalization strategies that have been suggested by the data, interviews, workshops and field work. These strategies have proven successful in other communities. Chapter 6 then recommends relevant implementation activities.

The Downtown Improvement Plan Update document incorporates the findings and recommendations in this volume, but in less detail.

2. RETAIL LEAKAGE ANALYSIS – LOCAL DEMAND

This chapter describes broad demographic trends, discusses retail trends within the local market trade area, and then compares household spending by Santa Paula residents against actual sales by local retailers, to see in which retail store groups “sales leakages” occurs. In so doing, this report identifies possible retail store types that local decision makers may want to consider when attracting new or expanding existing stores. The second part compares household spending at the regional level against actual sales by local retailers, again to see in which retail store groups “sales leakages” occurs. The third section identifies possible retail opportunities resulting from the development of a 17,000 unit residential development in the foothills just outside of Santa Paula.

2.1 HOUSEHOLD DEMAND

2.1.1 DEMOGRAPHIC TRENDS

According to the Department of Finance, there were 8,286 households in Santa Paula in the year 2002. These households contain 28,822 people. Between 1990 and 2000, the number of Santa Paula households grew at a relatively modest pace of 0.8 percent per year between 1990 and 2000, slowing to 0.3 percent per year between 2000 and 2002. Tables 1 and 2 provide comparison data on population and household growth over the 1990s and from 2000 to 2002. Population grew at a slightly faster pace than households between 1990 and 2000.

TABLE 1
Population Change
1990 - 2002

	Population			Annual Growth	
	1990	2000	2002	1990 - 2000	2000 - 2002
Ventura County	669,016	753,197	778,423	1.26%	1.67%
Santa Paula	25,062	28,631	28,822	1.42%	0.33%
Fillmore	12,001	13,479	14,445	1.23%	3.58%
Piru	1,148	1,164	1,164	0.14%	0.00%
Santa Clarita (LA County)	110,642	151,381	158,151	3.68%	2.24%
Ventura	92,575	101,155	102,658	0.93%	0.74%
LA County	8,863,164	9,519,338	9,817,419	0.74%	1.57%
California	29,760,021	33,871,648	34,999,827	1.38%	1.67%

**TABLE 2
Household Change**

	Households			Annual Growth	
	1990	2000	2002	1990 - 2000	2000 - 2002
Ventura County	217,723	243,503	250,126	1.18%	1.36%
Santa Paula	7,656	8,231	8,286	0.75%	0.33%
Fillmore	3,469	3,694	3,967	0.65%	3.70%
Piru	302	325	325	0.76%	0.00%
Santa Clarita (LA County)	38,362	50,697	51,906	3.22%	1.19%
Ventura	35,546	38,675	39,010	0.88%	0.43%
LA County	2,994,343	3,136,279	3,155,328	0.47%	0.30%
California	10,399,700	11,512,020	11,729,526	1.07%	0.94%

2.1.2 ACTUAL SALES TRENDS

Table 3 compares aggregate household spending, aggregate retail sales, and sales leakages for various cities along Highway 126 corridor, including the City of Santa Paula. This table shows that actual sales exceeds household spending for each city, meaning that all of these cities succeed in capturing spending from commuters or visitors traveling

**TABLE 3
Sales Leakages in Santa Clara Valley
2002**

	Aggregate Household Demand	Aggregate Actual Retail Sales	Retail Sales Leakage \ (Retail Sales Surplus)
Ventura	\$796,339,689	\$1,674,303,543	(\$877,963,854)
Santa Paula	\$143,516,614	\$186,464,980	(\$42,948,365)
Fillmore	\$71,380,773	\$114,712,130	(\$43,331,357)
Piru	\$5,286,714	\$5,293,980	(\$7,266)
Santa Clarita	\$1,622,446,769	\$1,674,303,543	(\$51,856,774)

2.1.3 METHODOLOGY

When examining retail demand and sales trends, the analysis typically includes data for specific types of stores within broad categories, such as household demand for and retail sales by auto supply stores, which is within the automotive group category. The City of Santa Paula provided the consultants with the necessary data with which to perform the retail sales leakage analysis. Local officials made sure to combine data where necessary in order to prevent the release of confidential information for store categories dominated by only one to three stores.

2.2 RETAIL MARKET AREA

Figure 1 below is a map of Santa Paula and its Ventura County neighbors, such as Fillmore and Piru to the northeast and San Buena Ventura (“Ventura”) to the southwest. Santa Paula is located along

Highway 126, a major thoroughfare connecting cities of Santa Clarita (Los Angeles County) and Ventura.

FIGURE 1
Santa Paula and Ventura County Neighbors

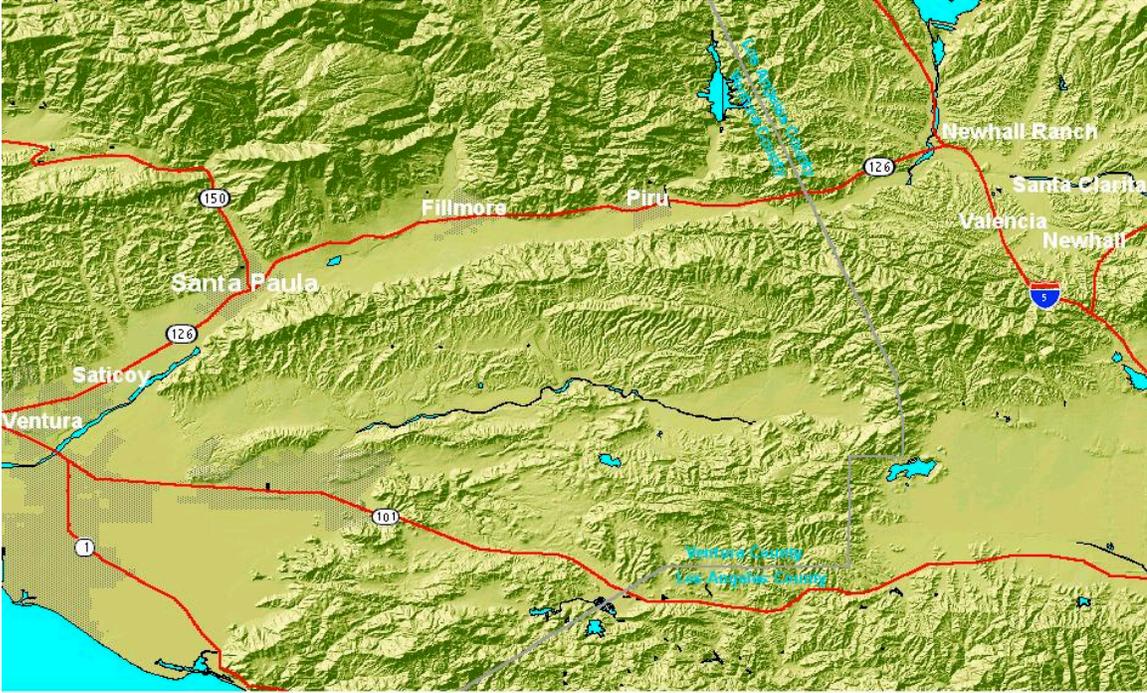
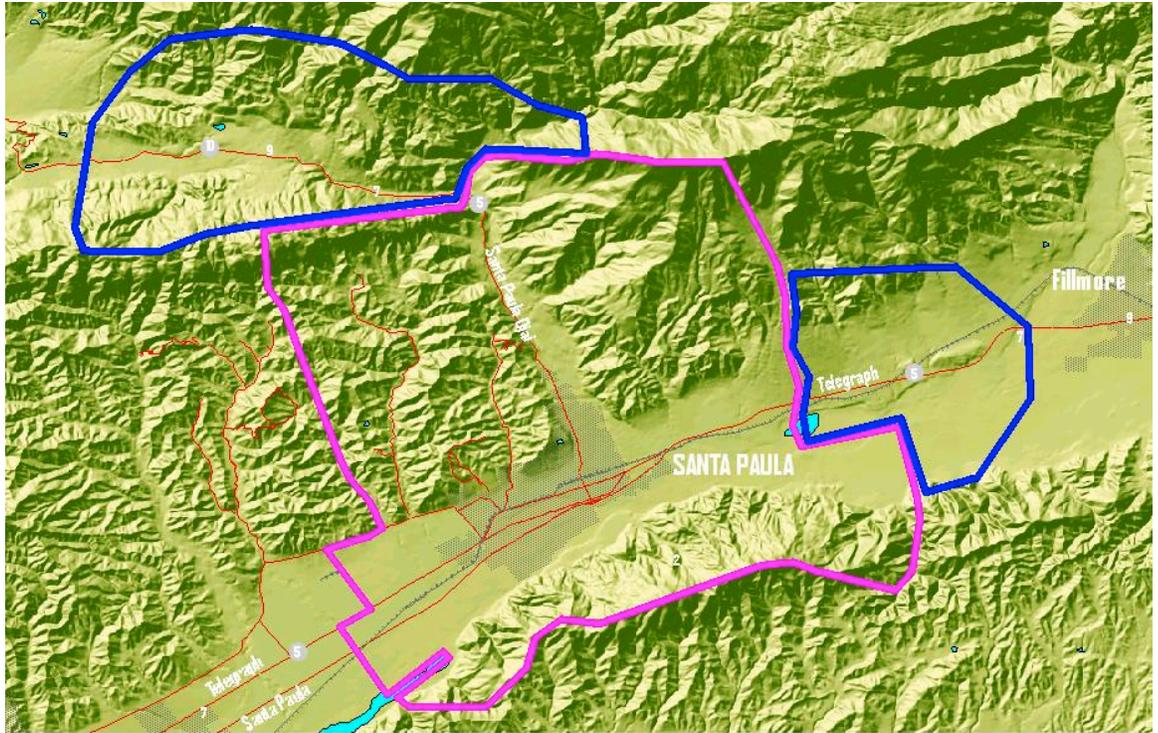


Figure 2 shows the market area for the leakage analysis conducted below, which includes the census block groups of those residents most likely to shop in Santa Paula. The violet area is the area analyzed. The blue areas have been included in the regional retail analysis reported in the next chapter.

FIGURE 2
Geographic Boundaries
Santa Paula Local Retail Trade Area



2.2.1 LOCAL HOUSEHOLD DEMAND AND SPENDING

In aggregate, the 8,286 households in Santa Paula spent up to \$143.5 million in a variety of retail store types and categories in the year 2002. Among households in Santa Paula, the two largest retail spending categories are food stores and automotive group. Together, these two retail categories account for 59 percent of the total retail spending among Santa Paula residents, with each of them accounting for \$39.2 million and \$46.5 million of annual household spending.

2.2.2 RETAIL SALES LEAKAGE ANALYSIS

Based on the above methodology, the City of Santa Paula is experiencing limited retail sales leakage. Retail sales leakages occur in the apparel, specialty retail, and building materials-home furnishing categories. Below is a summary of retail store categories experiencing retail sales leakages. Table 4 below indicates that Santa Paula retailers within the food-eating-drinking and automotive groups succeed in attracting \$55 million and \$7.6 million respectively from outside of the city.

TABLE 4
Santa Paula Citywide Retail Sales
2002

Retail Group	Total Household Demand: Santa Paula	Citywide Taxable Sales	Citywide Actual Sales	Sales Surplus	Sales Leakages
Total	\$143,516,614	\$117,261,600	\$186,464,980	-\$42,948,365	
Apparel Store Group	\$8,526,821	\$3,266,700	\$3,266,700		\$5,260,121
Women's Apparel	\$1,924,794	\$589,700	\$589,700		\$1,335,094
Men's Apparel	\$699,303	\$30,400	\$30,400		\$668,903
Family Clothing	\$4,259,246	\$2,190,100	\$2,190,100		\$2,069,146
Shoe Stores	\$1,643,479	\$456,500	\$456,500		\$1,186,979
General Merchandise Group	\$25,067,721	\$17,073,800	\$24,380,833		\$686,888
Department & Dry Goods	\$13,950,911	\$13,221,400	\$14,080,298	-\$129,387	
Discount Stores (Big Lots, 99 cent)	\$8,302,045	\$2,829,000	\$3,012,780		\$5,289,266
Department Stores	\$5,648,783	\$10,392,400	\$11,067,519	-\$5,418,735	
Other General Merchandise	\$6,986,544	\$0	\$0		\$6,986,544
Warehouse Clubs and Superstores	\$5,267,795	\$0			\$5,267,795
Misc. General Merchandise	\$1,718,749	\$0			\$1,718,749
Drug & Proprietary Stores	\$4,130,266	\$3,852,400	\$10,300,535	-\$6,170,269	
Specialty Retail Group	\$9,945,578	\$5,070,700	\$5,111,750		\$4,833,829
Gifts & Novelties	\$781,701	\$329,000	\$333,333		\$448,368
Sporting Goods	\$1,080,139	\$186,300	\$186,486		\$893,653
Florists	\$253,340	\$137,800	\$138,492		\$114,848
Photographic Equipment	\$129,154	\$0	\$0		\$129,154
Records & Music	\$580,044	\$676,800	\$676,800	-\$96,756	
Books & Stationery	\$691,758	\$347,800	\$347,800		\$343,958
Office Supplies/Computer Equipment	\$1,697,388	\$58,100	\$58,100		\$1,639,288
Office Supplies	\$748,171	- confidential -	- confidential -		- confidential -
Computer Equipment	\$949,217	- confidential -	- confidential -		- confidential -
Jewelry	\$997,317	\$418,800	\$419,219		\$578,098
Misc. Specialty Retail	\$3,734,735	\$2,916,100	\$2,951,518		\$783,217
Cosmetics/Beauty Supply	\$177,700	- confidential -	- confidential -		- confidential -
Optical Goods	\$542,116	- confidential -	- confidential -		- confidential -
Other Health/Personal Care Stores	\$340,891	- confidential -	- confidential -		- confidential -
Toys & Hobbies	\$1,150,135	- confidential -	- confidential -		- confidential -
Pet Stores	\$534,834	- confidential -	- confidential -		- confidential -
Other Misc. Specialty Stores	\$989,059	- confidential -	- confidential -		- confidential -
Food, Eating and Drinking Group	\$39,242,084	\$33,840,000	\$84,719,555	-\$45,477,471	
Grocery Stores	\$25,746,521	\$13,459,000	\$41,300,000	-\$25,234,540	
Supermarkets	\$24,641,210	\$8,775,100	\$33,239,015	-\$8,597,805	
Convenience Stores	\$1,105,291	\$4,683,900	\$8,089,637	-\$6,984,346	
Specialty Food Stores	\$796,678	\$1,248,000	\$22,285,714	-\$21,489,037	
Meat & Fish Markets	\$398,386	\$936,000	\$16,714,281	-\$16,315,900	
Fruit & Vegetable Markets	\$154,362	\$0	\$0		\$154,362
Misc. Specialty Food	\$243,929	\$312,000	\$5,571,429	-\$5,327,500	
Liquor Stores	\$1,124,400	\$1,638,300	\$1,666,633	-\$542,233	
Eating Places	\$11,574,486	\$17,494,700	\$19,438,556	-\$7,864,070	
Full-Service Restaurants	\$5,522,775	\$5,925,600	\$6,584,000	-\$1,061,225	
Other Eating Places	\$5,600,073	\$11,204,500	\$12,449,445	-\$6,849,372	
Drinking Places	\$451,638	\$364,600	\$405,111		\$46,527

TABLE 4
Santa Paula Citywide Retail Sales
2002

Retail Group	Total Household Demand: Santa Paula	Citywide Taxable Sales	Citywide Actual Sales	Sales Surplus	Sales Leakages
Building Materials And Home Furnishings Group	\$14,263,795	\$5,281,600	\$5,286,030		\$8,977,765
Furniture & Home Furnishings	\$6,287,585	\$1,022,300	\$1,024,349		\$5,263,236
Furniture Stores	\$3,715,744	\$1,022,300	\$1,024,349		\$2,691,395
Other Home Furnishings Stores	\$2,571,840	\$0	\$0		\$2,571,840
Household Appliances & Electronics	\$2,540,861	\$644,000	\$644,000		\$1,896,861
Used Merchandise	\$391,012	\$24,500	\$24,500		\$366,512
Nurseries & Garden Supply Stores	\$1,205,742	\$335,400	\$336,072		\$869,670
Lumber & Other Building Materials	\$2,199,321	- confidential -	- confidential -		- confidential -
Home Centers and Hardware Stores	\$1,526,498	\$1,707,000	\$1,708,709	-\$182,211	
Paint & Wallpaper	\$112,776	\$1,548,100	\$1,548,100	-\$1,435,324	
Automotive Group	\$46,470,616	\$52,728,800	\$54,047,704	-\$7,577,089	
New Cars & RVs	\$30,074,893	\$30,983,700	\$30,983,700	-\$908,807	
Used Car Dealers	\$2,185,034	\$1,914,500	\$1,914,500		\$270,534
Gasoline Service Stations	\$12,213,839	\$16,035,100	\$17,354,004	-\$5,140,165	
Mobile Homes & Trailers	\$8,076	\$86,500	\$86,500	-\$78,424	
Auto Parts & Accessories	\$1,078,773	\$3,683,400	\$3,683,400	-\$2,604,627	
Boats & Motorcycles	\$910,000	\$25,600	\$25,600		\$884,400

Apparel store group

Households in Santa Paula spent approximately \$8.5 million on apparel in the year 2002, as Table 4 shows. Retail spending exceeds aggregate actual sales by apparel stores, which in 2002 was approximately \$3.3 million. Thus, the City of Santa Paula experienced approximately \$5.2 million in sales leakage in apparel store spending. Of the \$5.2 million in overall apparel sales leakage, \$2.2 million is retail sales leakage for family apparel stores. National family apparel stores such as the GAP or Abercrombie and Fitch, on average, record \$3.4 and \$2.7 million in store sales respectively. Moreover, national apparel stores tend to locate in areas such as regional or super-regional shopping malls or downtown shopping districts with an abundance of new stores. In other words, there is not enough to support a new national family apparel store.

General merchandise stores

Santa Paula households spent approximately \$25 million in 2002 on retailers within the general merchandise group, such as department and discount stores, and warehouse clubs and superstores. The amount Santa Paula retailers earned within the general merchandise group only slightly exceeded the \$25 million: these retailers recorded actual sales in the amount of \$24.4 million, as Table 4 shows. To be sure, Santa Paula experienced sales leakages within the “Other general merchandise” category, to the tune of \$6.9 million.

Specialty retail group

Table 4 shows that the amount of actual sales at Santa Paula -based specialty retailers lagged behind estimated household spending at these kinds of stores by \$4.9 million, meaning that, within this category, Santa Paula residents for the most part went outside of the city to purchase specialty retail. Overall, actual sales by specialty retail stores amounted to \$5.1 million in 2002, versus household spending of \$9.9 million, for a “sales leakage” of \$4.9 million.

Food, eating, and drinking group

There are 8,286 households in Santa Paula and these households spent approximately \$39.2 million on retailers within the food, eating and drinking group. Of the \$39.2 million, \$24.6 million was spent at grocery stores. Santa Paula grocery stores in aggregate sold \$33.2 million in taxable and non-taxable items, meaning that these stores managed to attract \$8.6 million in spending from customers outside of the city.

Building materials and home furnishings group

At first glance, it appears that this retail group experienced significant retail sales leakage. At \$14.2 million in the year 2002, households in Santa Paula spent an amount on building materials and home furnishing stores that exceeded combined sales for these store, of \$5.3 million. Of the \$8.9 million in “sales leakage”, \$5.2 million occurred within furniture and home furnishings stores. Lumber and building materials retailers experienced \$2.2 million in leakage, while household appliance and electronics stores recorded \$1.9 million in leakages.

Keep in mind that furniture stores such as Levitz or Ethan Allen, on average, record \$8.9 and \$10 million in sales per store. Home furnishing stores such as Bed and bath, Linen N Things, Cost Plus, and Pier 1 Imports, on average, record \$7.5 million, \$5.6 million, \$4.0 million, and \$1.8 million in store sales respectively. National brand lumber and building materials stores such as Home Depot and Lowes record average store sales in excess of \$50 million, while average store sales for appliance and electronic stores start at \$10 million, except for Radio Shack, which averages \$800,000 in store sales.

Thus, the \$8.9 million in leakage within the building materials and home furnishing group is not enough to support a furniture store, although it could support home furnishings. A small electronic and appliance store such as Radio Shack could be supported by available leakage, although there is not enough to support home centers such as Home Depot or Lowes.

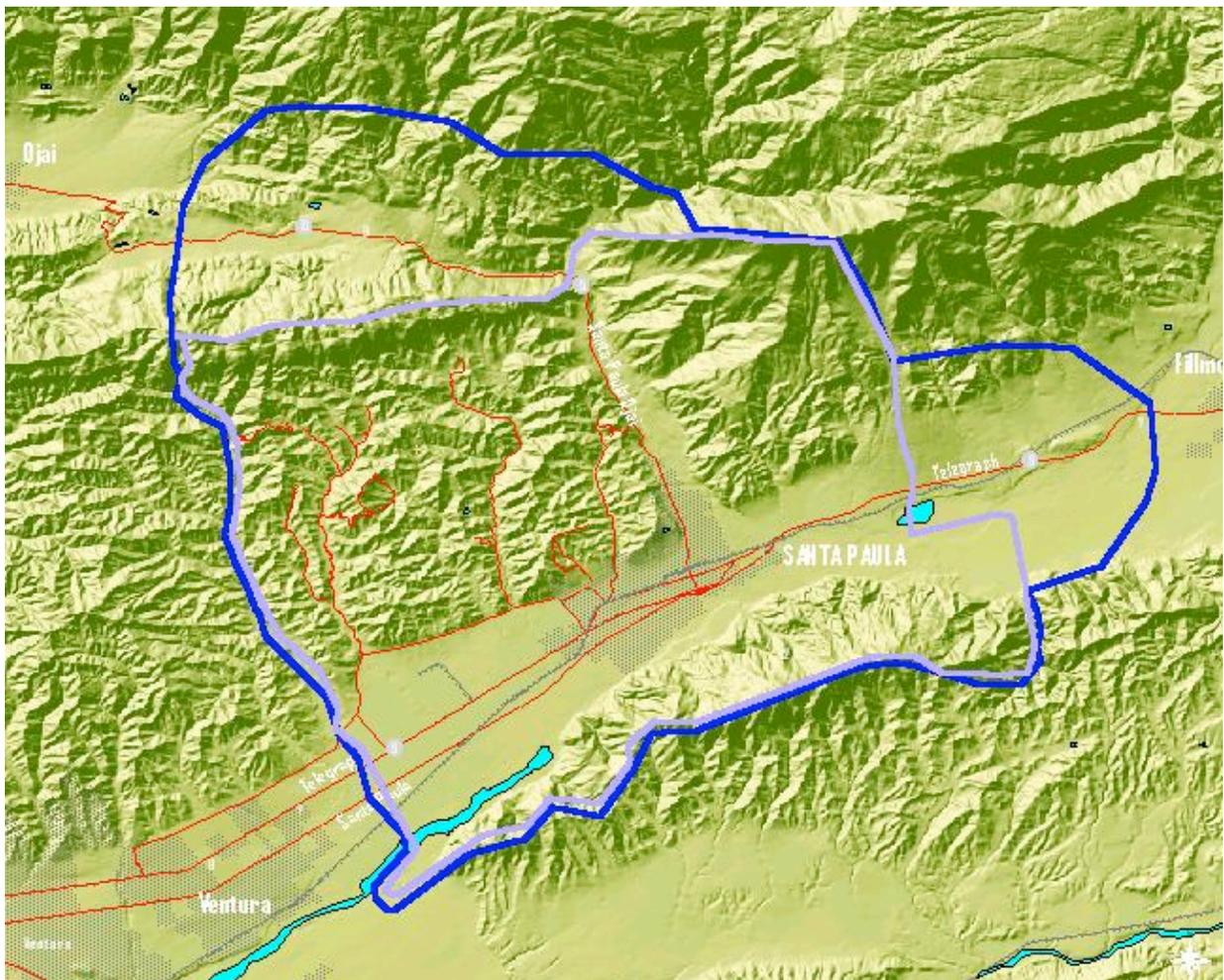
Auto dealers and auto supplies

The City of Santa Paula succeeded in attracting approximately \$7.6 million in spending on retailers within the automotive group from households from outside of the city. As Table 4 shows, gasoline service stations account for the bulk of regional capture in the automotive group.

3. REGIONAL HOUSEHOLD DEMAND, SALES AND SALES LEAKAGES

In addition to local demand, this report analyzes demand by households in the Santa Paula trade area, which encompasses census area (census tracts and block groups) beyond the borders of the City of Santa Paula. Figure 3 below identifies the geographic boundaries of the regional market trade area for Santa Paula. The regional market trade area stretches to northeast to a point that is equidistant between Fillmore and Santa Paula, and, in the southwest direction, to a point that is equidistant between Santa Paula and the City of Ventura. To the north, the regional market trade area includes census areas in the hills whose roads take residents and commuters there in the direction of Santa Paula.

Figure 3
Regional Retail Market Area



In aggregate, there are 8,797 households in the regional market trade area, meaning that the bulk of households in the trade area reside in the City of Santa Paula. These households in region are estimated to have spent up to \$152.9 million in a variety of retail store types and categories in the year 2002.

3.1. RETAIL SALES LEAKAGE ANALYSIS

The City of Santa Paula is experiencing limited retail sales leakage by store categories. Retail sales leakages occur in the apparel, specialty retail, and building materials-home furnishing categories. Below is a summary of retail store categories experiencing retail sales leakages. Table 5 below indicates that Santa Paula retailers within the food-eating-drinking and automotive groups succeed in attracting spending from shoppers from outside of the city, to the tune of \$53 million and \$6.9 million respectively. Below is a summary of trends within each major retail group.

TABLE 5
Santa Paula's Capture of Regional Demand

Regional Market	Total Household Spending: Region	Taxable Sales	Actual Sales	Regional Capture	Sales Leakages
Total	\$152,901,676	\$117,261,600	\$186,464,980	-\$33,563,304	
Apparel Store Group	\$9,081,685	\$3,266,700	\$3,266,700		\$5,814,985
Women's Apparel	\$2,049,861	\$589,700	\$589,700		\$1,460,161
Men's Apparel	\$745,218	\$30,400	\$30,400		\$714,818
Family Clothing	\$4,536,058	\$2,190,100	\$2,190,100		\$2,345,958
Shoe Stores	\$1,750,548	\$456,500	\$456,500		\$1,294,048
General Merchandise Group	\$26,692,591	\$17,073,800	\$24,380,833		\$2,311,758
Department & Dry Goods	\$14,856,679	\$13,221,400	\$14,080,298		\$776,381
Discount Stores	\$8,841,332	\$2,829,000	\$3,012,780		\$5,828,552
Department Stores	\$6,015,259	\$10,392,400	\$11,067,519	-\$5,052,260	
Other General Merchandise	\$7,441,332	\$0	\$0		\$7,441,332
Warehouse Clubs and Superstores	\$5,610,632	\$0	\$0		\$5,610,632
Misc. General Merchandise	\$1,830,700	\$0	\$0		\$1,830,700
Drug & Proprietary Stores	\$4,394,580	\$3,852,400	\$10,300,535	-\$5,905,955	
Specialty Retail Group	\$10,592,731	\$5,070,700	\$5,111,750		\$5,540,443
Gifts & Novelties	\$832,679	\$329,000	\$333,333		\$499,346
Sporting Goods	\$1,151,157	\$186,300	\$186,486		\$964,670
Florists	\$269,949	\$137,800	\$138,492		\$131,456
Photographic Equipment	\$137,542	\$0	\$0		\$137,542
Records & Music	\$617,338	\$676,800	\$676,800	-\$59,462	
Books & Stationery	\$735,575	\$347,800	\$347,800		\$387,775
Office Supplies/Computer Equipment	\$1,809,379	\$58,100	\$58,100		\$1,751,279
Office Supplies	\$796,778	- confidential -	- confidential -		- confidential -
Computer Equipment	\$1,012,601	- confidential -	- confidential -		- confidential -

TABLE 5
Santa Paula's Capture of Regional Demand

Regional Market	Total Household Spending: Region	Taxable Sales	Actual Sales	Regional Capture	Sales Leakages
Total	\$152,901,676	\$117,261,600	\$186,464,980	-\$33,563,304	
Jewelry	\$1,060,954	\$418,800	\$419,219		\$641,735
Misc. Specialty Retail	\$3,978,159	\$2,916,100	\$2,951,518		\$1,026,641
Cosmetics/Beauty Supply	\$189,036	- confidential -	- confidential -		- confidential -
Optical Goods	\$577,278	- confidential -	- confidential -		- confidential -
Other Health/Personal Care Stores	\$362,670	- confidential -	- confidential -		- confidential -
Toys & Hobbies	\$1,225,616	- confidential -	- confidential -		- confidential -
Pet Stores	\$570,535	- confidential -	- confidential -		- confidential -
Other Misc. Specialty Stores	\$1,053,024	- confidential -	- confidential -		- confidential -
Food, Eating and Drinking Group	\$41,795,964	\$33,840,000	\$84,719,555	-\$42,923,590	
Grocery Stores	\$27,421,662	\$13,459,000	\$50,981,061	-\$23,559,398	
Supermarkets	\$26,244,555	\$8,775,100	\$33,239,015	-\$6,994,461	
Convenience Stores	\$1,177,086	\$4,683,900	\$8,089,637	-\$6,912,551	
Specialty Food Stores	\$848,483	\$1,248,000	\$22,285,714	-\$21,437,231	
Meat & Fish Markets	\$424,291	\$936,000	\$16,714,281	-\$16,289,990	
Fruit & Vegetable Markets	\$164,400	\$0	\$0		\$164,000
Misc. Specialty Food	\$259,791	\$312,000	\$5,571,429	-\$5,311,638	
Liquor Stores	\$1,197,195	\$1,638,300	\$1,666,633	-\$469,438	
Eating Places	\$12,328,624	\$17,494,700	\$19,438,556	-\$7,109,931	
Full-Service Restaurants	\$5,882,571	\$5,925,600	\$6,584,000	-\$701,429	
Other Eating Places	\$5,965,123	\$11,204,500	\$12,449,445	-\$6,484,322	
Drinking Places	\$480,930	\$364,600	\$405,111		\$75,819
Building Materials And Home Furnishings Group	\$15,183,127	\$5,281,600	\$5,286,030		\$9,897,098
Furniture & Home Furnishings	\$6,683,687	\$1,022,300	\$1,024,349		\$5,659,339
Furniture Stores	\$3,950,826	\$1,022,300	\$1,024,349		\$2,926,447
Other Home Furnishings Stores	\$2,732,862	\$0	\$0		\$2,732,862
Household Appliances & Electronics	\$2,706,035	\$644,000	\$644,000		\$2,062,035
Used Merchandise	\$416,280	\$24,500	\$24,500		\$391,780
Nurseries & Garden Supply Stores	\$1,284,828	\$335,400	\$336,072		\$948,756
Lumber & Other Building Materials	\$2,345,783	- confidential -	- confidential -		- confidential -
Home Centers and Hardware Stores	\$1,626,465	\$1,707,000	\$1,708,709	-\$82,243	
Paint & Wallpaper	\$120,048	\$1,548,100	\$1,548,100	-\$1,428,052	
Automotive Group	\$49,555,578	\$52,728,800	\$54,047,704	-\$4,492,126	
New Cars & RVs	\$32,080,601	\$30,983,700	\$30,983,700		\$1,096,901
Used Car Dealers	\$2,330,618	\$1,914,500	\$1,914,500		\$416,118
Gasoline Service Stations	\$13,014,969	\$16,035,100	\$17,354,004	-\$4,339,035	
Mobile Homes & Trailers	\$8,609	\$86,500	\$86,500	-\$77,891	
Auto Parts & Accessories	\$1,150,506	\$3,683,400	\$3,683,400	-\$2,532,894	
Boats & Motorcycles	\$970,276	\$25,600	\$25,600		\$944,676

3.1.1 Apparel store group

Households in regional trade area are estimated to have spent approximately \$9.1 million at apparel stores in the year 2002, as Table 5 shows. Retail spending exceeds aggregate actual sales by apparel stores, which in 2002 was approximately \$3.3 million. Thus, the regional trade area experienced approximately \$5.8 million in sales leakage in apparel store spending. Of the \$5.8 million in overall apparel sales leakage, \$2.2 million is retail sales leakage for family apparel stores. Given typical stores sales of national family apparel store retailers, such as the GAP (\$3.4 million), Abercrombie and Fitch (\$2.4 million), TJ Maxx (\$6.4 million) and Urban Outfitters (\$5.7 million), there are not enough leakages to support a new national family apparel store.

3.1.2 General merchandise stores

Trade area households spent approximately \$26.7 million in 2002 on retailers within the general merchandise group, such as department and discount stores, warehouse clubs and superstores. Actual sales by Santa Paula general merchandise retailers amounted to \$24.4 million, as Table 5 shows. Thus, the regional trade area experienced an overall leakage in the amount of \$2.3 million. The bulk of leakages occurred within the “other general merchandise” category, whose \$7.4 million in leakages was off-set by \$5.9 million in regional capture recorded by drug stores, as Table 5 shows. The \$7.4 million in leakages in the “other general merchandise” is not enough to support “other general merchandisers” such as COSTCO or Sam’s, warehouse clubs whose annual store sales are \$97 million and \$60 million respectively.

3.1.3 Specialty retail group

Table 5 shows that the amount of actual sales at Santa Paula -based specialty retailers lagged behind estimated regional household spending by \$5.5 million, meaning that, within this category, trade area households for the most part went outside of the city to purchase specialty retail. Overall, actual sales by specialty retail stores amounted to \$5.1 million in 2002, versus household spending of \$10.6 million, for a “sales leakage” of \$5.5 million. When leakages for specific specialty retailers are compared against national store sales averages, there are not enough sales leakages to attract national specialty retailers into Santa Paula. For example, the bookstore sales leakage of \$388,000 cannot support large and small national brand bookstores such as Barnes and Noble (average store sales: \$5.7 million), Walden Books (\$1.1 million), and B. Dalton (\$1 million).

3.1.4 Food, eating, and drinking group

There are 8,797 households in regional trade area market and these households spent approximately \$41.8 million on retailers within the food, eating and drinking group. Of the \$41.8 million, \$26.2 million was spent at grocery stores. Santa Paula grocery stores in aggregate sold \$33.2 million in taxable and non-taxable items, meaning that these stores managed to attract \$6.9 million in spending from customers outside of the regional trade area market. Restaurants in Santa Paula also succeed in capturing spending from households outside of the regional trade area. These retailers earned actual sales of \$19 million in 2002, versus estimated regional household spending of \$12.3 million. In other words, Santa Paula restaurants, fast foods establishments, and taverns captured \$7.1 million from outside of the trade area, as Table 5 shows.

3.1.5 Building materials and home furnishings group

At first glance, it appears that this retail group experienced significant retail sales leakage. At \$15.2 million in the year 2002, households in the regional trade area spent an amount on building materials and home furnishing stores that exceeded combined sales for these store, of \$5.3 million. Of the \$9.8 million in “sales leakage”, \$5.6 million occurred within furniture and home furnishings stores. Lumber and building materials retailers experienced \$2.3 million in leakage, while household appliance and electronics stores recorded \$1.9 million in leakages.

However, the leakage amounts do not support many national retailers within the on building materials and home furnishing category. Furniture stores such as Levitz or Ethan Allen, on average, earn \$8.9 and \$10 million in sales per store. These amounts exceed regional household demand for furniture and home furnishing, which, as Table 5 shows, is \$6.7 million. There is sufficient demand to support a small-sized home furnishing store such as Pier 1 Imports, which, on average, earns \$1.8 million in store sales. National brand lumber and building materials stores such as Home Depot and Lowes record average store sales in excess of \$50 million, while average store sales for appliance and electronic stores start at \$10 million, except for Radio Shack, which averages \$800,000 in store sales.

Thus, the \$9.8 million in leakage within the building materials and home furnishing group is not enough to support a furniture store, although it could support home furnishings. A small electronic and appliance store such as Radio Shack could be supported by available leakage, although there is not enough to support home centers such as Home Depot or Lowes.

3.1.6 Auto dealers and auto supplies

The City of Santa Paula succeeded in attracting approximately \$4.5 million in spending on retailers within the automotive group from households from outside of the regional trade area. As Table 5 shows, gasoline service stations account for the bulk of regional capture (\$4.3 million).

4. HOUSEHOLD DEMAND, SALES AND LEAKAGES ASSUMING FAGAN CANYON'S 1,700 UNITS

This section of the report includes potential demand resulting from households living in the proposed 1,700 residential units development, which will be built over a period of 10 years. Based on current value of housing units, we estimate that, on average, the 1,700 units will cost \$650,000. Based on 20 percent down payment, 6.5 % interest, and thirty-year mortgage, we calculate that the minimum qualifying income to be \$122,400. The anticipated retail spending of those households can then be calculated.

With the addition of the 1,700 units, in aggregate, there are 10,497 households in the regional market trade area. If all the households were present in the year 2002, these households would have spent up to \$199.9 million in a variety of retail store types and categories in the year 2002.

4.1. RETAIL SALES LEAKAGE ANALYSIS

The regional trade area (including the 1,700 units) is experiencing limited retail sales leakage by store categories. Retail sales leakages occur in the apparel, general merchandise, specialty retail, building materials-home furnishing and automotive group categories. Below is a summary of

TABLE 6
Retail Leakage Assuming Fagan Canyon is Built

Retail Group	Total Household Spending: Region	Total Household Spending: 1,700 Households	New Total Household Spending	Taxable Sales	Actual Sales	Regional Capture	Sales Leakages
Total	\$152,901,676	\$48,099,366	\$201,001,041	\$117,261,600	\$186,464,980		\$14,536,061
Apparel Store Group	\$9,081,685	\$2,952,834	\$12,034,518	\$3,266,700	\$3,266,700		\$8,767,818
Women's Apparel	\$2,049,861	\$681,704	\$2,731,565	\$589,700	\$589,700		\$2,141,865
Men's Apparel	\$745,218	\$272,131	\$1,017,349	\$30,400	\$30,400		\$986,949
Family Clothing	\$4,536,058	\$1,515,831	\$6,051,889	\$2,190,100	\$2,190,100		\$3,861,789
Shoe Stores	\$1,750,548	\$483,167	\$2,233,715	\$456,500	\$456,500		\$1,777,215
General Merchandise Group	\$26,692,591	\$8,232,149	\$34,924,740	\$17,073,800	\$24,380,833		\$10,543,907
Department & Dry Goods	\$14,856,679	\$4,884,402	\$19,741,080	\$13,221,400	\$14,080,298		\$5,660,782
Discount Stores	\$8,841,332	\$2,868,669	\$11,710,001	\$2,829,000	\$3,012,780		\$8,697,221
Department Stores	\$6,015,259	\$2,015,702	\$8,030,961	\$10,392,400	\$11,067,519	-\$3,036,558	
Other General Merchandise	\$7,441,332	\$2,193,674	\$9,635,006	\$0	\$0		\$9,635,006
Warehouse Clubs	\$5,610,632	\$1,597,238	\$7,207,871	\$0	\$0		\$7,207,871
Superstores							
Misc. General Merchandise	\$1,830,700	\$596,435	\$2,427,135	\$0	\$0		\$2,427,135
Drug & Proprietary Stores	\$4,394,580	\$1,154,074	\$5,548,653	\$3,852,400	\$10,300,535	-\$4,751,881	
Specialty Retail Group	\$10,592,731	\$3,619,094	\$14,211,825	\$5,070,700	\$5,111,750		\$9,100,075

TABLE 6
Retail Leakage Assuming Fagan Canyon is Built

Retail Group	Total Household Spending: Region	Total Household Spending: 1,700 Households	New Total Household Spending	Taxable Sales	Actual Sales	Regional Capture	Sales Leakages
Gifts & Novelties	\$832,679	\$269,566	\$1,102,246	\$329,000	\$333,333		\$768,912
Sporting Goods	\$1,151,157	\$441,020	\$1,592,177	\$186,300	\$186,486		\$1,405,690
Florists	\$269,949	\$95,805	\$365,754	\$137,800	\$138,492		\$227,261
Photographic Equipment	\$137,542	\$53,551	\$191,093	\$0	\$0		\$191,093
Records & Music	\$617,338	\$238,529	\$855,867	\$676,800	\$676,800		\$179,067
Books & Stationery	\$735,575	\$242,285	\$977,860	\$347,800	\$347,800		\$630,060
Office Supplies/Computer Equipment	\$1,809,379	\$625,493	\$2,434,872	\$58,100	\$58,100		\$2,376,772
Office Supplies	\$796,778	\$265,324	\$1,062,102	- confidential -	- confidential -		confidential
Computer Equipment	\$1,012,601	\$360,169	\$1,372,770	- confidential -	- confidential -		confidential
Jewelry	\$1,060,954	\$419,952	\$1,480,907	\$418,800	\$419,219		\$1,061,688
Misc. Specialty Retail	\$3,978,159	\$1,232,891	\$5,211,050	\$2,916,100	\$2,951,518		\$2,259,532
Cosmetics/Beauty Supply	\$189,036	\$49,601	\$238,637	- confidential -	- confidential -		confidential
Optical Goods	\$577,278	\$196,733	\$774,011	- confidential -	- confidential -		confidential
Other Health/Personal Care	\$362,670	\$92,921	\$455,591	- confidential -	- confidential -		confidential
Toys & Hobbies	\$1,225,616	\$415,654	\$1,641,270	- confidential -	- confidential -		confidential
Pet Stores	\$570,535	\$159,194	\$729,729	- confidential -	- confidential -		confidential
Other Misc. Specialty Stores	\$1,053,024	\$318,789	\$1,371,813	- confidential -	- confidential -		confidential
Food, Eating, Drinking Group	\$41,795,964	\$11,540,599	\$53,336,563	\$33,840,000	\$84,719,555	-\$31,382,992	
Grocery Stores	\$27,421,662	\$7,265,280	\$34,686,942	\$13,459,000	\$50,981,061	-\$16,294,119	
Supermarkets	\$26,244,555	\$6,964,119	\$33,208,674	\$8,775,100	\$33,239,015		
Convenience Stores	\$1,177,086	\$301,153	\$1,478,239	\$4,683,900	\$8,089,637		
Specialty Food Stores	\$848,483	\$225,491	\$1,073,974	\$1,248,000	\$22,285,714	-\$21,211,740	
Meat & Fish Markets	\$424,291	\$112,471	\$536,761	\$936,000	\$16,714,281	-\$16,177,520	
Fruit & Vegetable Markets	\$164,400	\$43,796	\$208,196	\$0	\$0		\$208,196
Misc. Specialty Food	\$259,791	\$69,225	\$329,016	\$312,000	\$5,571,429	-\$5,242,413	
Liquor Stores	\$1,197,195	\$355,122	\$1,552,316	\$1,638,300	\$1,666,633	-\$114,316	
Eating Places	\$12,328,624	\$3,694,707	\$16,023,331	\$17,494,700	\$19,438,556	-\$3,415,225	
Full-Service Restaurants	\$5,882,571	\$1,773,597	\$7,656,168	\$5,925,600	\$6,584,000		\$1,072,168
Other Eating Places	\$5,965,123	\$1,750,875	\$7,715,999	\$11,204,500	\$12,449,445	-\$4,733,466	
Drinking Places	\$480,930	\$170,234	\$651,164	\$364,600	\$405,111		\$246,053
Building Materials and Home Furnishings Group	\$15,183,127	\$6,873,492	\$22,056,619	\$5,281,600	\$5,286,030		\$16,770,590
Furniture & Home Furnishings	\$6,683,687	\$3,317,433	\$10,001,121	\$1,022,300	\$1,024,349		\$8,976,772
Furniture Stores	\$3,950,826	\$1,918,390	\$5,869,216	\$1,022,300	\$1,024,349		\$4,844,867
Other Home Furnishings	\$2,732,862	\$1,399,043	\$4,131,904	\$0	\$0		\$4,131,904
Household Appliances & Electronics	\$2,706,035	\$1,040,802	\$3,746,837	\$644,000	\$644,000		\$3,102,837
Used Merchandise	\$416,280	\$171,478	\$587,758	\$24,500	\$24,500		\$563,258
Nurseries & Garden Supply Stores	\$1,284,828	\$543,733	\$1,828,561	\$335,400	\$336,072		\$1,492,489
Lumber & Other Building Materials	\$2,345,783	\$1,034,131	\$3,379,914	- confidential -	- confidential -		confidential
Home Centers and Hardware Stores	\$1,626,465	\$716,442	\$2,342,907	\$1,707,000	\$1,708,709		\$634,198
Paint & Wallpaper	\$120,048	\$49,473	\$169,522	\$1,548,100	\$1,548,100	-\$1,378,578	

TABLE 6
Retail Leakage Assuming Fagan Canyon is Built

Retail Group	Total Household Spending: Region	Total Household Spending: 1,700 Households	New Total Household Spending	Taxable Sales	Actual Sales	Regional Capture	Sales Leakages
Automotive Group	\$49,555,578	\$14,881,198	\$64,436,776	\$52,728,800	\$54,047,704		\$10,389,071
New Cars & RVs	\$32,080,601	\$10,030,355	\$42,110,956	\$30,983,700	\$30,983,700		\$11,127,256
Used Car Dealers	\$2,330,618	\$735,236	\$3,065,854	\$1,914,500	\$1,914,500		\$1,151,354
Gasoline Service Stations	\$13,014,969	\$3,455,442	\$16,470,412	\$16,035,100	\$17,354,004	-\$883,593	
Mobile Homes & Trailers	\$8,609	\$2,518	\$11,127	\$86,500	\$86,500	-\$75,373	
Auto Parts & Accessories	\$1,150,506	\$299,232	\$1,449,737	\$3,683,400	\$3,683,400	-\$2,233,663	
Boats & Motorcycles	\$970,276	\$358,414	\$1,328,690	\$25,600	\$25,600		\$1,303,090

4.1.1 Apparel store group

If the modified regional trade area included the 1,700 units, households would have spent an estimated approximately \$12.0 million at apparel stores in the year 2002, as Table 6 shows. Retail spending exceeds aggregate actual sales by apparel stores, which in 2002 was approximately \$3.3 million. Thus, the modified regional trade area would experience approximately \$8.7 million in sales leakage in apparel store spending. Of the \$8.7 million in overall apparel sales leakage, \$3.9 million is retail sales leakage for family apparel stores. Given typical stores sales of national family apparel store retailers, such as the GAP (\$3.4 million) or Abercrombie and Fitch (\$2.4 million), there is enough leakages to support at least one national family apparel store.

4.1.2 General merchandise stores

Modified trade area households would have spent approximately \$34.9 million in 2002 on retailers within the general merchandise group. Actual sales by Santa Paula general merchandise retailers amounted to \$24.4 million, as Table 6 shows. Thus, the regional trade area experienced an overall leakage in the amount of \$10.5 million. The bulk of leakages occurred within the “other general merchandise” category, whose sales leakage is an estimated \$9.6 million. The \$9.6 million in leakages in the “other general merchandise” is not enough to support “other general merchandisers” such as COSTCO or Sam’s, warehouse clubs whose annual store sales are \$97 million and \$60 million respectively.

4.1.3 Specialty retail group

Table 6 shows that the amount of actual sales at Santa Paula -based specialty retailers lagged behind estimated regional household spending by \$9.1 million, meaning that, within this category, modified trade area households for the most part went outside of the city to purchase specialty retail. Overall, actual sales by specialty retail stores amounted to \$5.1 million in 2002, versus household spending of \$14.2 million, for the

“sales leakage” of \$9.1 million. However, there are not enough sales leakages to attract national specialty retailers into Santa Paula. For example, the bookstore sales leakage of \$630,060 is not enough to support large and small national brand bookstores such as Barnes and Noble (average store sales: \$5.7 million), Walden Books (\$1.1 million), and B. Dalton (\$1 million).

4.1.4 Food, eating, and drinking group

There are 10,497 households in the modified regional trade area market and these households spent approximately \$53.3 million on retailers within the food, eating and drinking group. Of the \$53.3 million, \$33.2 million was spent at grocery stores. Santa Paula grocery stores in aggregate sold \$33.2 million in taxable and non-taxable items, resulting in a slight regional capture of \$30,300. Restaurants in Santa Paula also succeed in capturing spending from households outside of the regional trade area. These retailers would have earned actual sales of \$19.4 million in 2002, versus estimated regional household spending of \$16 million. In other words, Santa Paula restaurants, fast foods establishments, and taverns captured \$3.4 million from outside of the trade area, as Table 5 shows.

4.1.5 Building materials and home furnishings group

At first glance, it appears that this retail group experienced significant retail sales leakage. At \$20.9 million in the year 2002, households in the modified regional trade area would have spent an amount on building materials and home furnishing stores that exceeded combined sales for these store, of \$5.3 million. Of the \$15.6 million in “sales leakage”, \$8.4 million occurred within furniture and home furnishings stores. Lumber and building materials retailers experienced \$3.2 million in leakage, while household appliance and electronics stores recorded \$2.9 million in leakages.

The leakage amounts could support a few national retailers within the on building materials and home furnishing category. The Levitz furniture, on average, earns \$8.9 million in sales per store. There is sufficient demand to support a wide range of home furnishing stores, such as Bed N Bath, Linen N Things, Williams Sonoma, Cost Plus, Strouds, and Pier One Imports, which, on average, earn \$7.5 million, \$5.6 million, \$4.9 million, \$4.0 million, \$3.3 million, and \$1.8 million respectively in store sales. There is enough leakage to support two small home furnishings stores, such as Pier 1 Imports and Linen N Things.

At \$3.2 million, there is not enough leakage to support a national brand home center, lumber and building materials stores. Stores such as the

Home Depot and Lowes record average store sales in excess of \$50 million, while average store sales for appliance and electronic stores start at \$10 million, except for Radio Shack, which averages \$800,000 in store sales.

4.1.6 Auto dealers and auto supplies

The City of Santa Paula succeeded in attracting approximately \$10.3 million in spending on retailers within the automotive group from households from outside of the regional trade area. As Table 6 shows, gasoline service stations account for the bulk of regional capture (\$880,000) in the automotive group (assuming that Fagan Canyon is built).

5. DOWNTOWN RETAIL DEMAND

Table 7 below compares actual sales by downtown retailers versus citywide retail sales. As the table shows, overall, downtown retailers account for 9 percent of total retail sales, or \$16.4 million in aggregate.

TABLE 7
Downtown Santa Paula's Retail Capture

Retail Group	Downtown Actual Sales	Citywide Actual Sales	Downtown versus Citywide Actual Sales
Total	\$16,431,516	\$186,464,980	9%
Apparel Store Group	\$327,400	\$3,266,700	10%
Women's Apparel	-confidential-	-confidential-	8%
Men's Apparel	-confidential-	-confidential-	100%
Family Clothing	-confidential-	-confidential-	9%
Shoe Stores	-confidential-	-confidential-	14%
General Merchandise Group	\$838,658	\$24,380,833	3%
Department & Dry Goods	-confidential-	-confidential-	6%
Discount Stores (Big Lots, 99 cent)	-confidential-	-confidential-	27%
Department Stores	-confidential-	-confidential-	0%
Other General Merchandise	\$0	\$0	
Warehouse Clubs and Superstores	\$0	\$0	
Misc. General Merchandise	\$0	\$0	
Drug & Proprietary Stores	\$0	-confidential-	0%
Specialty Retail Group	\$1,886,100	\$5,111,750	37%
Gifts & Novelties	-confidential-	-confidential-	84%
Sporting Goods	\$0	-confidential-	0%
Florists	-confidential-	-confidential-	76%
Photographic Equipment	\$0	\$0	
Records & Music	-confidential-0	-confidential-	96%
Books & Stationery	\$0	-confidential-	0%
Office Supplies/Computer Equipment	\$0	-confidential-	0%
Office Supplies	\$0	\$0	
Computer Equipment	\$0	\$0	
Jewelry	-confidential-	-confidential-	8%
Misc. Specialty Retail	-confidential-	-confidential-	28%
Cosmetics/Beauty Supply	\$0	\$0	
Optical Goods	\$0	\$0	
Other Health/Personal Care Stores	\$0	\$0	
Toys & Hobbies	\$0	\$0	
Pet Stores	\$0	\$0	
Other Misc. Specialty Stores	\$0	\$0	
Food, Eating and Drinking Group	\$8,334,701	\$94,371,963	9%
Grocery Stores	-confidential-	-confidential-	3%
Supermarkets	-confidential-	-confidential-	1%
Convenience Stores	-confidential-	-confidential-	8%
Specialty Food Stores	-confidential-	-confidential-	25%
Meat & Fish Markets	\$0	\$0	
Fruit & Vegetable Markets	\$0	\$0	

TABLE 7
Downtown Santa Paula's Retail Capture

Retail Group	Downtown Actual Sales	Citywide Actual Sales	Downtown versus Citywide Actual Sales
Misc. Specialty Food	\$0	\$0	
Liquor Stores	\$0	-confidential-	0%
Eating Places	-confidential-	-confidential-	5%
Full-Service Restaurants	-confidential-	\$0	
Other Eating Places	-confidential-	\$0	
Drinking Places	-confidential-	\$0	
Building Materials And		\$0	
Building Materials and Home Furnishings Group	\$3,209,545	\$5,286,030	61%
Furniture & Home Furnishings	-confidential-	-confidential-	84%
Furniture Stores	\$0	\$0	
Other Home Furnishings Stores	\$0	\$0	
Household Appliances & Electronics	-confidential-	-confidential-	10%
Used Merchandise	-confidential-	-confidential-	90%
Nurseries & Garden Supply Stores	\$0	-confidential-	0%
Lumber & Other Building Materials	\$0	-confidential-	0%
Home Centers and Hardware Stores	-confidential-	-confidential-	77%
Paint & Wallpaper	-confidential-	-confidential-	61%
Automotive Group	\$1,835,112	\$54,047,704	3%
New Cars & RVs	\$0	-confidential-	0%
Used Car Dealers	-confidential-	-confidential-	5%
Gasoline Service Stations	-confidential-	-confidential-	8%
Mobile Homes & Trailers	\$0	-confidential-	0%
Auto Parts & Accessories	-confidential-	-confidential-	8%
Boats & Motorcycles	-confidential-	-confidential-	85%

Table 8 is the same data sorted by the percentage of citywide sales that are downtown. Downtown retail strength lies in gift and novelties, records and music, furniture and home furnishings, and florist shops, whose sales represent 84 percent, 96 percent, 84 percent, and 76 percent of citywide sales in these respective categories.

While it could be assumed these store types are not well represented elsewhere in the city, the strongest categories are the categories for which downtown Santa Paula has the most affinity, and which are therefore candidates for expansion or attraction. They are also the categories to which local shoppers in particular are attracted.

TABLE 8
Downtown Santa Paula's Retail Capture
Sorted by Percent of Citywide Sales

Retail Group	Downtown versus Citywide Actual Sales
Total	9%
Apparel Store Group: Men's Apparel Retailers	100%
Specialty Retail Group: Records & Music	96%
Building Materials And Home Furnishings Group: Used Merchandise	90%
Automotive Group: Boats & Motorcycles	85%
Specialty Retail Group: Gifts & Novelties	84%
Building Materials And Home Furnishings Group: Home Centers and Hardware Stores	77%
Specialty Retail Group: Florists	76%
Building Materials And Home Furnishings Group: Paint & Wallpaper	61%
Specialty Retail Group: Misc. Specialty Retail	28%
Food, Eating and Drinking Group: Specialty Food Stores	25%
Apparel Store Group: Shoe Stores Retailers	14%
Building Materials And Home furnishings Group: Household Appliances & Electronics	10%
Apparel Store Group: Family Clothing Retailers	9%
Automotive Group: Auto Parts & Accessories	8%
Food, Eating and Drinking Group: Grocery Stores: Convenience Stores	8%
Automotive Group: Gasoline Service Stations	8%
Specialty Retail Group: Jewelry	8%
Apparel Store Group: Women's Apparel Retailers	8%
Food, Eating and Drinking Group: Eating Places	5%
Automotive Group: Used Car Dealers	5%
Food, Eating and Drinking Group: Grocery Stores: Supermarkets	1%
General Merchandise Group: Department & Dry Good: Department Stores	0%
Drug & Proprietary Stores	0%
Specialty Retail Group: Sporting Goods	0%
Specialty Retail Group: Books & Stationery	0%
Specialty Retail Group: Office Supplies/Computer Equipment	0%
Food, Eating and Drinking Group: Liquor Stores	0%
Building Materials And Home furnishings Group:	0%

TABLE 8
Downtown Santa Paula's Retail Capture
Sorted by Percent of Citywide Sales

Retail Group	Downtown versus Citywide Actual Sales
Nurseries & Garden Supply Stores	
Lumber & Other Building Materials	0%
Automotive Group:	
New Cars & RVs	0%
Mobile Homes & Trailers	0%
General Merchandise Group:	
Other General Merchandise: Warehouse Clubs and Superstores	0%
Other General Merchandise: Misc. General Merchandise	0%
Specialty Retail Group:	
Photographic Equipment	0%
Food, Eating and Drinking Group:	
Specialty Food Stores: Meat & Fish Markets	0%
Fruit & Vegetable Markets	0%
Specialty Food Stores: Misc. Specialty Food	0%
Eating Places: Full-Service Restaurants	0%
Eating Places: Other Eating Places	0%
Eating Places: Drinking Places	0%

There appears not be enough sales potential from either the regional trade area market or the modified regional trade area market to support attracting new national retailers into the downtown area. However, the sales leakages in Tables 7 & 8 above can be used by downtown retailers to improve their respective market positions. For example, downtown apparel retailers earned \$327,400 in aggregate in the year 2002, or 10 percent of all apparel retail sales in the city. **With technical assistance, storefront assistance, and other downtown improvement strategies, perhaps these downtown retailers could over time capture a portion of the market-wide apparel store leakage** of \$5.8 million.

Also for example, downtown merchants can more effectively access some of the \$5.5 million in sales leakages within the specialty retail category. Since Santa Paula attracts some visitor spending from daily commuters and other travelers on Highway 126, downtown specialty retail stores can cater to these potential customers, as well as attracting more residents from the regional trade area.

5.1 HISPANIC DEMOGRAPHICS

The 2000 US Census shows a high percentage of Santa Paula's population is of Hispanic origin. This means the city and local

merchants should consider any differences in demographics, shopping patterns, brand preferences and other marketing considerations:

- 20,360 Hispanics live in Santa Paula, 71% of the city's 28,598 population in 2000;
- The concentration of Hispanic households within 1 mile of downtown is 75%;
- Of Hispanic residents, 18,069 or 89% are of Mexican heritage;
- Of Hispanic residents, about 8,100 were born in Latin America (primarily Mexico), leaving almost 10,000 born in the US. Of the 8,100 born out of country, only 3,381 have entered the US in the last 10 years.

5.1.1 PURCHASING TENDENCIES OF HISPANICS

The above demographics indicate a majority Hispanic population that is well established, stable and affluent. In general, Hispanics born in the US tend to have purchasing habits very similar to Anglo Americans, having been raised in the same environment and been exposed to the same products, brands, and advertising. Hispanics born in other countries, on the other hand, tend to be comfortable with the products, brands, and merchandising tactics in those countries.

Therefore, understanding the Latino consumer can help sales. Openly acknowledging the strength of the Hispanic market can aid in the expansion of existing retailers and the recruitment of new ones. Bilingual store owners and clerks obviously have a definite advantage. Santa Paula's Hispanic population will generally have similar buying habits to Anglos, but will tend to have a higher than average household consumption of the following categories of goods and services¹:

- Food eaten at home
- Fresh produce
- Meats, poultry, fish and eggs
- Dairy products
- Baked goods
- Ethnic restaurants
- Mexican
- Chinese
- Pizza

¹ Based upon data collected from Hispanic Market Connections, The Hispanic Market Handbook, Hispanic & Asian Marketing Research, Inc., and the U.S. Bureau of Labor Statistics.

- Fast food
- Family clothing
 - Children's clothing
 - Quinceanera dresses
 - Shoes
 - Cosmetics and beauty products
 - Wedding related items including:
 - Bridal Gowns And Bride's Maids Gowns
 - Tuxedos
 - Photographers
 - Florists
 - Caterers
 - Travel Agents
 - Home Location Services
 - Infant Wear
 - Sporting Goods
 - Home repair items
 - Auto repair items
 - Jewelry
 - Music records, disks, tapes
 - Spanish language books, especially novellas
 - Arts, crafts, nurseries and garden supplies
 - Hometown newspapers
 - Immigration services
 - Tax, legal and secretarial services
 - Medical and dental clinics
 - Herbal and homeopathic medicines
 - Child care/day care services

5.2 RETAIL SPACE ESTIMATES

Table 9 outlines the estimated square footage currently devoted to retail in Santa Paula.

TABLE 9
Estimated Square Footage Dedicated to Retail²

	Total Sales	Avg. Sales per SF Factor	Retail Square Footage	Percent of City
City-Wide – Current Estimated (Table 4)	\$186,500,000	\$200/s.f.	932,000	100%
Current Demand In Under-Represented Store Categories City-Wide (Table 10)	\$20,000,000	\$200/s.f.	100,000	
Downtown – Current Estimated Occupied Space.(Table 7)	\$16,450,000	\$200/s.f.	82,000	9%
Additional Future City-Wide Potential With Fagan Canyon’s Added Demand (Table 6)	\$47, 000,000	\$200/s.f.	235,000	25%

Source: ADE, ULI. Numbers are rounded

Table 10 highlights the potential demand for space in selected store types that can be expanded. It should not be assumed that these store types should build new space. Instead, these store types are prime targets for expansion into existing vacant retail space, particularly in the downtown.

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² This methodology calculates square footage using retail sales and applying Ventura County averages for sales/square foot. Other estimates using employment and other factors generated a range of square footage estimates devoted to retail for the downtown of 45,000 square feet to 150,000 square feet. Only a store-by-store survey would be totally accurate.

TABLE 10
Selected Retail Categories – Estimated Square Footage of Additional Retail Demand in Santa Paula
2002

Retail Group	Sales Leakages	Typical Sales per Sq. Ft.	Sq Ft of Additional Retail	2005 Leakage	2005 Sq Ft of Additional Retail*	2010 Leakage	2010 Sq Ft of Additional Retail
Total Selected leakage	\$19,758,603	\$198	99,967		101,410		103,078
Apparel Store Group	\$5,260,121		25,074		25,218		25,190
Women's Apparel	\$1,335,094	\$178	7,501	\$1,359,478	7,638	\$1,392,178	7,821
Men's Apparel	\$668,903	\$200	3,345	\$698,992	3,495	\$751,843	3,759
Family Clothing	\$2,069,146	\$205	10,093	\$2,020,884	9,858	\$1,895,979	9,249
Shoe Stores	\$1,186,979	\$287	4,136	\$1,213,228	4,227	\$1,251,626	4,361
General Merchandise Group	\$686,888		0		0		0
Specialty Retail Group	\$4,833,829		21,710		21,101		19,581
Gifts & Novelties	\$448,368	\$139	3,226	\$447,434	3,219	\$439,802	3,164
Sporting Goods	\$893,653	\$205	4,359	\$924,016	4,507	\$974,554	4,754
Florists	\$114,848	\$164	700	\$111,027	677	\$101,765	621
Photographic Equipment	\$129,154	\$596	217	\$135,360	227	\$146,372	246
Books & Stationery	\$343,958	\$177	1,943	\$337,032	1,904	\$318,507	1,799
Office Supplies/Computer Equipment	\$1,639,288	\$340	4,821	\$1,714,134	5,042	\$1,845,913	5,429
Jewelry	\$578,098	\$290	1,993	\$577,606	1,992	\$569,218	1,963
Misc. Specialty Retail	\$783,217	\$176	4,450	\$621,826	3,533	\$282,518	1,605
Food, Eating and Drinking Group	-\$55,129,879		0		0		0
Building Materials And Home Furnishings Group	\$8,977,765		53,183		55,091		58,307
Furniture & Home Furnishings	\$5,263,236	\$225	23,392	\$24,209	24,209	\$5,754,877	25,577
Household Appliances & Electronics	\$1,896,861	\$235	8,072	\$8,275	8,275	\$2,017,704	8,586
Used Merchandise	\$366,512	\$179	2,048	\$2,137	2,137	\$410,349	2,292
Nurseries & Garden Supply Stores	\$869,670	\$156	5,575	\$5,697	5,697	\$916,707	5,876
Lumber & Other Building Materials	\$2,199,021	\$156	14,096	\$14,773	14,773	\$2,492,114	15,975
Automotive Group	-\$7,577,089		0		0		0

*Cumulative Demand. Not new demand

5.3 DOWNTOWN RETAIL CONCLUSION

Retail expansion in Santa Paula will be minimal beyond natural 3% growth, which existing stores can absorb for the near future. The city should therefore not try to develop too much new retail space downtown, but should **concentrate on improving the existing space, on filling existing space with underrepresented store types, and on helping existing retailers expand. New retail opportunities brought by developers and neighborhood multi-use projects should be encouraged.** As much as possible, all new retail not dependent on Highway 128 should be encouraged to first seek space downtown before establishing on Harvard.

Existing stores should consider adding new lines of merchandise to diversify and improve their sales potential (Pamela's is a good example of filling space with multiple store types). Expansion opportunities

include products sold in home improvement stores (i.e. try to bring back a hardware store to downtown), grocery stores, specialty retail, apparel, and convenience stores. Maintaining a strong set of restaurant choices is important, as is keeping banks and other stores that attract daily visitors. The City should concentrate all government services in the downtown area as much as possible (i.e. Post Office, City Hall, Library, Police, High School, parks, Hospital).

Because about three-quarters of the local population is of Mexican descent, downtown's core retail should emphasize products and services oriented to the Hispanic market. Most of Santa Paula's Hispanic population was born and raised in the US, so brand preferences and shopping habits are generally identical to those of Anglos. There are an additional 8,500 Mexico-born residents who have the brand loyalties and shopping preferences of the home country. Downtown should fulfill the daily and weekly shopping needs of these local residents. The above retail expansion categories are equally applicable to Hispanics and Anglos. High-end furnishings, boutiques and restaurants appeal to all. While stores oriented solely to Anglos should be included in the downtown retail mix, they currently cater to a smaller market (25% of the city population and to tourists) and therefore would never successfully dominate downtown. Adding merchandise and employing marketing tactics that appeal to Hispanics would improve sales potential. The suggested Mercado section of downtown is a good way to acknowledge the shopping needs of Hispanics and to also attract tourists.

6. ADDITIONAL DEMAND – OFFICE, LODGING, CINEMA, TOURISM

6.1 OFFICE ABSORPTION

The acreage dedicated to office users in Santa Paula is shown in Table 11. Table 11 also shows the projected office demand in square footage and in acreage between now and 2015. **Office demand in the downtown is expected to be stronger than retail, requiring 100,000 square feet of new office space by the year 2010, and another 185,000 of service retail space that can be located along downtown’s side streets, and on Main north of 10th.**

TABLE 11
Land Demand for Office Users, Santa Paula Zip Codes 93060 & 96061

	Total Acres of Land			
	2003	2005	2010	2015
Pure Office Users	71	75	82	88
Misc. Commercial	5	6	6	7
R & D/Flex Space	7	7	8	8
Government Offices	7	7	8	8
Other Retail/Services	129	136	147	158
Total	220	231	251	269
Additional Acres Needed		11.8	19.3	18.4
SQ FT -- cumulative	3,616,122	3,810,048	4,127,336	4,430,218
SQ FT -- additive		193,926	317,288	302,882

Source: ADE using Dun & Bradstreet, Natelson, Woods & Poole. Factors: FAR=0.56; Net/Gross=0.75; Building Efficiency = 0.9.

6.2 LODGING GROWTH

Table 12 shows that Santa Paula has about 5% of Ventura County’s total lodging industry, represented by five establishments.

TABLE 12
Lodging in Ventura County 2001
(All lodging including campgrounds)

Current Share of Lodging In Ventura County (by zip code)	No of Est	% of Supply	Estimated Employment 2005
Unincorporated/Ventura	41	37%	1,140
Camarillo	13	12%	362
Fillmore	3	3%	83
Ojai	13	12%	362
Oxnard	13	12%	362
Port Hueneme	7	6%	195
San Buenaventura	9	8%	250
Santa Paula	5	5%	139
Simi Valley	4	4%	111
Thousand Oaks	2	2%	56
Total	110	100%	3,059

Table 13 shows that new lodging demand has been slow throughout the county, and is likely to stay slow.

TABLE 13
Growth in Lodging in Ventura County
1992-2010

	1992	2001	2005	2010
Ventura County				
Spending on Lodging	\$112,061,533	\$143,400,000		
Number of Establishments		110		3,186
Number of employees	2,752	2,937	3,059	
New employees		+185	+122	+249
Acres of Hotel/Motels in Ventura County		215	225	270
Avg. Acres Per Establishment		2.41		
New Establishments			+4	+9
New acreage			+10.1	+20.7
Santa Paula (estimated @ 5%)				
Sales	\$5,600,000	\$7,170,000		
Employment		139	+6	+12
New Establishments			0	0
New acreage			+0.5	+1

Source: ADE, Woods & Poole, Dun and Bradstreet. Data available countywide only except number of establishments. Dates of available data vary.

It appears there may be some potential in downtown Santa Paula for smaller specialty lodging such as bed & breakfasts, and or renovating the Glen Tavern Inn. Conditions of success would include creating adjunct meeting space for symposia and other smaller meetings, and improving the attractiveness of the downtown for tourists.

6.3 CINEMA

Movie patrons will drive 15 – 30 minutes to a theater, which in this case would include Ventura, Ojai and Fillmore (15 minutes) and as far away as Camarillo and Valencia (30 minutes). Table 15 shows that based on population, there is demand for up to 44 movie screens within the movie market area. Table 14 shows that there are 8 cinema complexes with 77 screens within 30 miles, including seven screens in Santa Paula. This is a surplus of 33 screens. Santa Paula would not likely be able to attract a new cinema to downtown.

TABLE 14
Cinema Complexes Within 30 Miles of Santa Paula

TYPE	ADDRESS	PLACE	ZIP	PHONE	CAPACITY
Movie Theater	550 W Main St	Santa Paula	93060-3222	805-933-6707	7 Screens
Movie Theater	2875 Elba St	Ventura	93003-7232	805-644-5666	16 Screens
Movie Theater	555 E. Main St.	Ventura		805-641-6500	10 Screens
Movie Theater	1440 Eastman Ave	Ventura	93003-7784	805-658-6544	06 Screens
Movie Theater	24201 Valencia Blvd	Valencia	91355-1861	661-287-1740	10 Screens
Movie Theater	23415 Cinema Dr	Valencia	91355-1722	661-255-3966	14 Screens
Movie Theater	390 Lantana St. 383-2267	Camarillo		805-383-2267	02 Screens
Movie Theater	680 Ventura Blvd.	Camarillo		805-383-8866	12 Screens

TABLE 15
Market Demand for Movie Screens Based on Population

Total Households Spending on Movie Theaters	Santa Paula	\$937,494
	Regional Trade Area	\$999,797
	Regional Movie Trade Area	\$19,361,667
Sales Per Square Feet: ULI: 1998 Regional	Top Ten percent performers	\$130
	Median performers	\$67
Average Theater Size Per Screen (sq ft.)		\$6,500
Sales per screen	Top Ten percent performers	\$843,765
	Median performers	\$438,165
Supportable Screens: Top 10% Performing Cinema	Santa Paula	1
	Regional Trade Area	1
	Regional Movie Trade Area	23
Supportable Screens: Median Sales Performing Cinema	Santa Paula	2
	Regional Trade Area	2
	Regional Movie Trade Area	44
	Existing Movie Theaters In Region	8
Aggregate Number of Screens In Existing Movie Theaters In Region		77
	FINDINGS (positive = surplus)	33

6.4 TOURISM AND VISITOR SPENDING

The retail analysis in Chapter 2 of this appendix indicates excess retail capture beyond what Santa Paula’s residents typically spend on retail goods. The extra capture can be from at least two sources:

1. Undocumented residents that were not counted in the 2000 Census. There is no way to quantify that excess capture;
2. Tourism and visitor spending. Visitors can include commercial traffic and people on business – primarily during the week -- and it can also include tourists who travel on Highways 150 and 126 primarily during weekends. While business and commercial travel cannot easily be separated from tourist spending, visitor spending as a whole can be estimated.

Table 16 shows that the ratio of tourist spending on select retail items that tourists typically purchase is approximately the same for Santa Paula as it is for Ventura County as a whole.

TABLE 16
Retail and Visitor spending

	2001 Ventura County Actual Sales (millions)	County Visitor Spending (millions)	Visitor Spending as a Percent of County Sales	Santa Paula Sales Actual (millions)	Santa Paula Estimated Visitor Sales (based on County-level Visitor Spending Ratios) (millions)	Santa Paula Visitor Spending as Percent of Retail Sales (millions)	Ventura County Visitor Spending as Percent of Retail Sales (millions)
Accommodations	\$143.4	\$143.4	100%	\$0.6	\$0.6		
Eating and Drinking Places	\$842.9	\$273.8	32%	\$19.4	\$6.3		
Food Stores	\$1,299.2	\$40.5	3%	\$14.7	\$0.5		
Other Retail	\$3,321.9	\$289.5	9%	\$51.1	\$4.5		
	\$5,607.4	\$747.2	13.3%	\$85.9	\$11.8	13.8%	13.3%

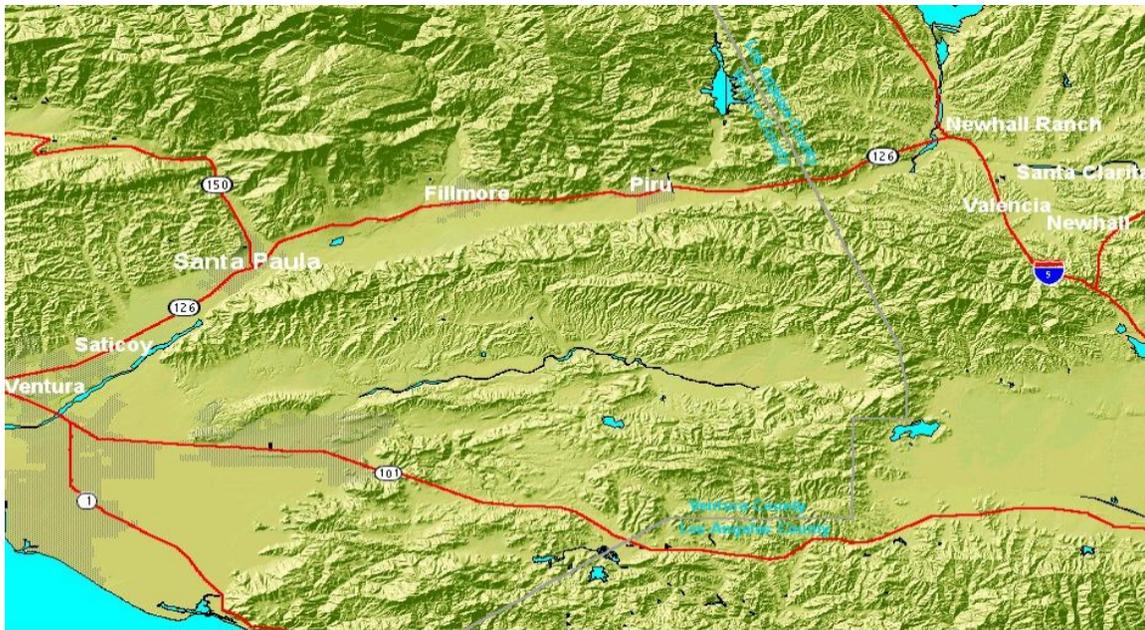
Sources: Applied Development Economics, based on data from the Board of Equalization, City of Santa Paula, and Dean Runyan Associates

To check whether Santa Paula’s excess visitor capture was an anomaly or if it occurs throughout the region, ADE also compared household (resident) demand against sales in several communities along Highway 126. Table 17 shows that the amount of actual sales in 2002 exceeds household retail spending in all communities. They all show a surplus in retail sales of about double the household demand. Fillmore is notable in that it captures as much excess as Santa Paula (\$43 million in 2002), but has only half the household retail demand. Fillmore has many of its main retail businesses along Highway 126, which has not been converted to freeway, and would logically be expected to capture sales at highly visible establishments.

TABLE 17
Retail Sales Leakages in Communities Along Highway 126

	Aggregate Household Demand	Aggregate Actual Retail Sales	Retail Sales Leakage \ (Retail Sales Surplus)
Ventura	\$796,339,689	\$1,674,303,543	-\$877,963,854
Santa Paula	\$143,516,614	\$186,464,980	-\$42,948,365
Fillmore	\$71,380,773	\$114,712,130	-\$43,331,357
Piru	\$5,286,714	\$5,293,980	-\$7,266
Santa Clarita	\$1,622,446,769	\$1,674,303,543	-\$51,856,774

FIGURE 4
Communities Along Highway 126



6.5 TOURISM CONCLUSION

There is clear evidence that visitor capture is strong in Santa Paula and the region. It is logical to assume most of the visitor capture is along Highway 126 away from downtown, with a lesser amount along Highway 150 toward Ojai. Downtown Santa Paula has the potential to capture additional visitor trade by improving signage, attractiveness, and strengthening its capacity in accommodations, eating and drinking places, food stores and retail goods and services purchased by families on travel (e.g. souvenirs, film, books, clothing, specialty household goods, etc.). Santa Paula would do well to create a downtown using the entertainment principles and themes discussed in several other places in this appendix and in the full report.

7. HOUSING SUPPLY AND DEMAND – PAST, PRESENT AND FUTURE

This report analyses current and projected housing supply and housing demand in Santa Paula, using readily available information produced by sources such as the California Department of Finance, local sources, US Census and the Construction Industry Research Board. The first part of the report analyzes housing supply trends in Santa Paula. The second part analyzes housing demand trends. Given current trends, the demand for rental housing will exceed rental housing supply as early as the year 2005.

7.1 HOUSING SUPPLY

According to the US Census, there were 8,231 households in the City of Santa Paula in the year 2000. Of these households, 8,157 live in traditional housing units of varying sizes, from single-room housing units, to 2 to 3 room units, to units with 4 and more rooms. Table 18 below provides a breakdown of the 8,157 households by size of units in terms of rooms and by tenure.

TABLE 18
Distribution of Housing Units by Tenure
City of Santa Paula, 2000

	Number	Percentage
Owner-Occupied Housing Units	4,691	58%
Single-Room	36	1%
2 – 3 Rooms	902	19%
4 Or More Rooms	3,753	80%
Rental Housing Units	3,466	42%
Single-Room	289	8%
2 – 3 Rooms	1,325	38%
4 Or More Rooms	1,852	53%
TOTAL UNITS	8,157	

As Table 18 shows, the homeownership rate in Santa Paula is 58 percent, or 4,691 owner-occupied homes divided by 8,157 total housing units. The bulk of housing in the city have more than 4 rooms. Eighty percent of all owner-occupied units (or 3,753 owner-occupied units) have 4 or more rooms, while 53 percent (1,852) of all renter-occupied units 4 rooms or more, as Table 18 shows.

Since 2000, Santa Paula has grown at a relatively slow pace in terms of housing units. Table 19 shows the number of housing building permits issued since 2000. On average, single-family units had increased by 10 units per year between 2000 and 2003, a rate that is considerably less than other cities in Ventura County as Table 19 shows. Multi-family units had increased annually by an average of three units per year between 2000 and 2003. To be sure, lack of financing, weather, or problems at the site may preclude a builder from actually building homes for which she or he obtained building permits.

TABLE 19
Annual Building Permits Issued by Dwelling Type
City of Santa Paula, Comparison Areas, and Ventura County, 1995 – 2003

	1995	1996	1997	1998	1999	2000	2001	2002	2003	'95 – '03 Total	'95 – '03 Annual Average	'00 – '03 Annual Average
Single-Family Units												
Santa Paula	4	21	15	23	7	3	9	4	13	99	12	10
Fillmore	38	15	18	4	30	130	155	4	51	445	56	113
Unincorporated Area	140	157	238	227	216	224	212	181	171	1,766	221	263
San Buena Ventura	370	52	159	113	350	174	405	145	20	1,788	224	248
County	1,954	2,130	2,071	2,811	3,662	2,995	3,157	2,228	2,067	23,075	2,884	3,482
Multi-Family Units												
Santa Paula	0	0	0	0	14	0	0	10	0	24	3	3
Fillmore	6	43	4	0	0	0	8	0	0	61	8	3
Unincorporated Area	9	4	16	0	40	8	6	12	0	95	12	9
San Buena Ventura	2		14	4	12	45	142	71	94	384	48	117
County	212	223	245	371	780	976	289	279	1,061	4,436	555	868

Source:

Table 20 shows the change in those same categories of housing units throughout Ventura county.

TABLE 20
Housing Price Trends
(Average price per Unit)

	1995	1996	1997	1998	1999	2000	2001	2002	2003
Single-Family Units									
Santa Paula	\$228,875	\$133,614	\$143,253	\$206,587	\$201,200	\$232,400	\$217,133	\$396,225	\$249,738
Fillmore	\$116,413	\$103,767	\$694,183	\$112,200	\$200,897	\$222,907	\$217,559	\$128,825	\$240,400
Unincorporated Area	\$248,239	\$270,917	\$281,976	\$319,702	\$350,214	\$323,235	\$312,073	\$325,892	\$364,671
San Buena Ventura	\$154,240	\$156,138	\$175,313	\$197,147	\$179,590	\$200,101	\$220,605	\$257,383	\$271,150
County	\$189,880	\$194,401	\$219,141	\$229,176	\$226,568	\$240,598	\$249,817	\$277,802	\$275,206
Multi-Family Units									
Santa Paula					\$77,221				
Fillmore	\$81,517	\$70,326	\$161,475				\$121,138		
Unincorporated Area	\$161,800	\$128,300	\$146,494		\$98,995	\$52,600	\$32,433	\$221,742	
San Buena Ventura	\$96,800		\$61,429	\$76,525	\$89,167	\$164,611	\$91,096	\$138,803	\$83,957
County	\$118,825	\$92,973	\$124,132	\$70,528	\$69,242	\$98,028	\$100,108	\$109,634	\$84,684

Source:

Over the next eight to ten years, Santa Paula envisions the development of a 1,700 to 2,100 unit development called the Fagan Canyon development. This project will significantly increase Santa Paula's total housing stock. Table 21 below shows projected phasing of the development project.

TABLE 21
Preliminary Fagan Canyon Housing Development Phasing

	TOTAL		02003	2004	2005	2006	2007	2008	2009	2010
Single Family Units	1,189	57%	0	396		396	0	396	0	0
Cluster Homes	402	19%	0	77	171	63	57	34	0	0
Townhomes	241	11%	0	49	68	79	45	0	0	0
Apartments	268	13%	0	75	113	80	0	0	0	0
TOTALS	2,100			597	352	618	102	430		

When developed, the bulk of housing units will be constructed single-family homes (57 percent), although 13 percent will be developed as part of apartment complexes. The project will also contain other higher density housing units arranged in cluster and townhouse formats.

Since anticipated construction between 2004 and 2010 due to the Fagan Canyon project far exceeds previous years pace of housing construction, we assume that the project will constitute all housing construction in Santa Paula between the years 2003 and 2010. Table 20 presents the projected housing supply between the years 2000 and 2010. This table disaggregates current and projected housing stock estimates by tenure and number of rooms.

TABLE 22
Housing units: 2000 – 2010

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Owner-Occupied Housing Units	4,691	4,700	4,704	4,717	5,232	5,461	5,987	6,083	6,513	6,513	6,513
Single-Room	36	36	36	36	36	36	36	36	36	36	36
2 – 3 Rooms	902	902	902	902	1,021	1,249	1,380	1,475	1,509	1,509	1,509
4 Or More Rooms	3,753	3,762	3,766	3,779	4,175	4,175	4,572	4,572	4,968	4,968	4,968
Rental Housing Units	3,466	3,466	3,476	3,476	3,564	3,697	3,795	3,802	3,802	3,802	3,802
Single-Room	289	289	289	289	295	304	310	310	310	310	310
2 – 3 Rooms	1,325	1,325	1,335	1,335	1,417	1,541	1,632	1,639	1,639	1,639	1,639
4 Or More Rooms	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852	1,852
TOTAL UNITS	8,157	8,166	8,180	8,193	8,796	9,157	9,782	9,884	10,314	10,314	10,314
Other Units	74	139	200	262							
					Historic		Future				

Source: Applied Development Economics, based on California Department of Finance, construction Industry Board. Includes anticipated Fagan Canyon development.

In the year 2005, there will be an estimated 9,157 housing units in Santa Paula, or approximately 1,000 more housing units than the amount in 2000. The number of owner-occupied units will increase by 770 units (17 percent), from 4,691 to 5,461. The number of rental units will increase by 231 units (7 percent), from 3,466 to 3,697 units. Between 2000 and 2010, the number of owner-occupied housing will increase by 39 percent, while rental housing stock will increase by approximately 10 percent.

7.2 HOUSING DEMAND

The California Department of Finance projects future population growth for counties for a variety of planning-related purposes. Table 23 presents population growth rates for Ventura County for different time periods. In general, the Department of Finance anticipates moderate growth in Ventura County between 2000 and 2010, as demonstrated by the annual 2 percent growth for these years. Growth estimates by the Department of Finance exceeds what occurred between 1990 and 2000, when Ventura County grew by 10 percent or 1 percent annually. In addition, growth estimates for Ventura County exceeds future growth estimates for other southern California counties, as Table 23 shows.

TABLE 23
California Department of Finance Population Projections

		2000	2000-2005	2000-2010	2000-2015	2000-2020
Ventura County Population Growth	Cumulative	0	8%	16%	23%	33%
	Annual	0	2%	2%	2%	2%
Los Angeles County	Cumulative	0	5%	9%	13%	19%
	Annual	0	0.9%	0.9%	0.9%	1.0%
Orange County	Cumulative	0	7%	13%	17%	22%
	Annual	0	1.4%	1.3%	1.1%	1.1%
California	Cumulative	0	9%	17%	24%	33%
	Annual	0	2%	2%	2%	2%

Based on the growth rates, Table 24 projects household growth in Santa Paula. The Ventura County growth rates are applied to the Santa Paula census data on households. Census 2000 provides data on the number of households in Santa Paula by number people and by housing tenure status.

TABLE 24
Department Of Finance Population Projections
Persons per Household

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Households (by housing units)	8,157	8,230	8,304	8,379	8,454	8,530	8,653	8,777	8,903	9,031	9,161
Owner-occupied	4,691	4,696	4,704	4,712	5,059	5,266	5,626	5,684	5,932	5,932	5,932
1-person households	864	865	866	868	932	970	1,036	1,047	1,093	1,093	1,093
2- to 3- person households	2,094	2,096	2,100	2,103	2,258	2,351	2,511	2,537	2,648	2,648	2,648
4- or more person households	1,733	1,735	1,738	1,741	1,869	1,946	2,078	2,100	2,191	2,191	2,191
Renter-occupied	3,466	3,470	3,476	3,481	3,738	3,891	4,157	4,200	4,383	4,383	4,383
1-person households	575	576	577	578	620	646	690	697	727	727	727
2- to 3- person households	1,087	1,088	1,090	1,092	1,172	1,220	1,304	1,317	1,374	1,374	1,374
4- or more person households	1,804	1,806	1,809	1,812	1,945	2,025	2,163	2,186	2,281	2,281	2,281
TOTALS	8,157	8,166	8,180	8,193	8,796	9,157	9,782	9,884	10,314	10,314	10,314
					Historic	Future					

Source: California Department of Finance

If the number of households that rented their respective housing in the year 2000 increased in accordance to the county growth rates, by the year 2005, there will be 3,891 rental households. Thus, as early as 2005, there will be almost 200 more rental households than the amount of anticipated rental housing units for the year 2005, or 3,697 rental units (see Table 24). As Table 25 shows, there will be an estimated 2,025 rental households comprising of four or more people in the year 2005. In contrast, in that year, there will be an estimated 1,852 rental housing units for four or more people. **Therefore, early indications are that there will be a shortage in supply for family-sized rental housing as early as 2005.** The discrepancy between potential rental housing demand and potential rental housing supply will continue to widen even with the development of the 2,100 unit Fagan Canyon project, as Table 25 shows.

TABLE 25
Projected Rental Housing Stock Vs Project Number of Households That Rent, 2000
(negative = housing deficit)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Rental housing surplus (positive) versus rental housing deficit (negative)	Balance	Deficit	Balance	Deficit							
	0	-4	0	-5	-173	-194	-362	-398	-581	-581	-581
	Historic				Future						

Source: Applied Development Economics. The proposed Fagan Canyon development is included in the anticipated supply.

7.3 HOUSING CONCLUSIONS

There were 8,231 housing units in 2000. The breakdown is as follows:

- 4,691 owner occupied 58%
- 3,466 rentals 42%
- 289 single room 8% of the 42%
- 1,325 @ 2-3 rooms 38% of the 42%
- 1,852 @ 4 or more rooms 53% of the 42%.
 - Slow growth lately, average of 10 new housing building permits per year between 2000 and 2003, at a considerably slower rate than other cities in Ventura County.
 - Fagan Canyon will include 1,700 or more homes, mostly single family units, but there will be some apartment complexes. The Fagan Canyon project may add 231 rental units in its first phase -

- some will be apartments, some townhouses, and some cluster homes.

- Most renting households in Santa Paula are comprised of 4 or more persons.

Most current and future demand for rental units is therefore expected to be for units of 4 or more persons (i.e. 2 or more bedrooms). There is therefore clearly some demand for family rental housing downtown, in the form of multi-family, upstairs apartments, mixed use developments, cluster housing, etc

- There may be a shortage of family-sized rental housing by about 2005. The gap between demand and supply should widen by 2005 and after, even with the Fagan Canyon project.

There is also demand for owner-occupied housing of the same size. Programs for affordable owner-occupied housing should therefore be a good alternative.

8. RECOMMENDED DOWNTOWN STRATEGIES

The following downtown revitalization strategies arise from the economic analysis, field analysis, interviews and workshops.

While there are a number of strategies in this chapter, the reader should not be overwhelmed with their volume and complexity. In truth, the strategies are compatible, and can be realized over the span of many years and even decades through the dedicated and cooperative efforts of each civic official, each merchant, and each involved organization. These revitalization strategies should be undertaken one by one, in order of priority. Santa Paula's leaders need to start small, but need to start immediately. They need not start from scratch, but should build on the steps already taken. As momentum builds, so will available resources and so will successes.

This Chapter describes 4 compatible strategies, including the all-important organizing for success, helping existing downtown businesses expand, creating a Santa Paula entertainment district including a local Mercado or farmers market, and a PBID for downtown revitalization funding. Each strategy has a number of associated goals and implementation steps, which can be found in the main report.

The City, including the Redevelopment Agency, should continue to participate heavily, including:

- Continue to support the community as it organizes itself for downtown revitalization. It is recognized that this assistance will primarily occur through the Redevelopment Agency, but assistance will be needed, in particular, from individual staff and elected officials.
- Continue to renovate existing buildings through assistance to private owners and through outright ownership, and continue to fund beautification and other projects that help revitalize downtown Santa Paula.
- Encourage CalTrans to work with the community to incorporate appropriate recommendations regarding changes to Highway 150.

GOAL #1: ORGANIZING FOR ACTION AND RESULTS

Santa Paula in the process of developing the required cohesiveness, an agreed-upon direction, a focused approach to community development, and a joint vision for its future. Without such focus

citizens are frustrated and tend to remain uninvolved. Without broad participation debate occurs but consensus is not reached, comprehensive planning does not occur, local resources are not used or are used ineffectively, and outside grant agencies cannot help. **This cohesiveness needs to start with the local citizenry. It cannot come primarily from the City or the RDA, though these entities can help.**

The consultants working on this project have met many in the community who are involved and have witnessed tremendous local enthusiasm and participation. Santa Paula's potential is clearly great. All the necessary elements are present. Santa Paula is ready to cement its strong community spirit. There are currently a number of local entities that are pursuing pieces of the total vision and that have a significant stake in success, including the Downtown Merchant's Association, the Chamber of Commerce, the Latino Town Hall, the School District, the Library District, the Historical Society, Cabrillo EDC and others. They only need more chances to compare their goals, coordinate their work, and leverage their resources.

The above entities should consider cooperating to form a Main-Street-type non-profit corporation which generally follows the Main Street Principles. While the new corporation need not be an official Main Street City registered as such, it should seek to follow the successful Main Street model. Described below, the Main Street approach with its eight guiding principles and four-committee structure has proven successful throughout the United States in hundreds of communities. The Downtown Merchants' Association could become the entity, or a new entity could be formed.

The Redevelopment Agency (RDA) should actively participate in creation and support of this entity. About half of the registered Main Street cities in California receive significant financial support from their city, usually through the RDA.

While following the Main Street model, the corporation should cooperate closely with existing organizations for the mutual benefit of all. Its projects and policies should be formed that:

- All stakeholders can support and to which all can contribute.
- Ensures continued support of the efforts of its stakeholder groups.
- Includes a **joint prioritized action plan**, taking advantage of the strengths and capabilities of each stakeholder group.

- Coordinate and **monitor all projects** undertaken by each development group, removing roadblocks, encouraging collaboration, avoiding duplication, and helping find funding to ensure each project is successfully completed.
- **Promote business retention and expansion** by working with individual businesses, by encouraging business expansions to optimal sites, by steering resources where they are most needed, and by arranging appropriate training opportunities.
- Get written notice of all meetings at the local, county, regional and state level that affect downtown Santa Paula and its future. **Ensure a local representative attends.** Make presentations and testify as appropriate.
- **Publicize all successes** as they occur.

THE MAIN STREET APPROACH AND ITS EIGHT GUIDING PRINCIPLES

The Main Street Program is a national program operated by the National Trust for Historic Preservation. Communities active in the program have memberships, attend conferences and workshops, purchase and borrow the many available videos, books and other materials, and trade strategies and best practices with each other.

The Main Street Program established a Four Point Program and eight guiding principles, which are summarized below. There is a plethora of information and assistance available, starting with <http://www.mainstreet.org/>

The Four Committees:

1. **Organization.** Get everyone working toward the same goal. Revitalize. Recruit volunteers, including the high school, community service organizations, and local businesses. Become a dynamic events organizer.

Typical Organization committee projects:

- Nonprofit incorporation
- Bylaws
- Budget
- Personnel management
- Workplan development
- Volunteer recruitment
- Board elections
- Fundraising
- Insurance
- Accounting
- Membership
- Annual report

2. **Promotion.** Identify and market your unique characteristics. Target market. Take classes in merchandising. Advertise. Hold special events and retail promotions. Conduct marketing campaigns.

Typical Promotion committee projects:

- Cooperative advertising
- Business directory
- Calendar of events
- Retail events
- Image campaigns
- Marketing plan
- Sponsorships
- Walking tour

3. **Design.** Capitalize on your best assets, including historic buildings. Concentrate on window displays, parking, signage, sidewalks, street lighting, and landscaping. Create facade grants, paint grants, low-interest loan pool, and a local architect volunteer pool.

Typical design committee projects:

- Art in public places
- Banners
- Building survey
- Cleaning and maintenance
- Design guidelines
- Façade improvement program
- Historic district designation
- Streetscape improvements
- Signage
- Seismic retrofit
- Window displays
- Compatible infill development

4. **Commit to economic restructuring.** This is a seemingly endless, painful process. Define your own niche. Evaluate opportunities. Help merchants expand, recruit new business, fix it up.

Typical economic restructuring projects:

- Business retention and recruitment
- Small business education
- Business and property inventories
- Parking
- Market analysis
- Upper story uses
- Transportation

The Main Street Program also has eight guiding principles:

1. **Comprehensive.** Expect the program to be long term, with no quick fixes. Use a variety of strategies. Put big and small projects and activities together;
2. **Incremental.** Take baby steps first. Develop local skills and momentum. Pound the pavement -- recruit. Use local and regional advertising
3. **Self-Help.** Mobilize local resources. Find a key energy personality -- a spark plug. Get local donations. Keep a clean program.
4. **Partnerships, public and private.** Each must contribute time, monies and expertise
5. **Capitalize on Assets,** including your history. Concentrate on creating a human scale not found in shopping centers. Capitalize on distinctive buildings and friendly, neighborly service.
6. **Quality.** Build to last, don't skimp. Build less, well. Do top quality work, including promotion and marketing
7. **Change.** Believe in the turnaround
8. **Implementation.** Create visible change now while future planning is going on.

Typical Development Considerations of Main Street Organizations

- **Consider creating a new private or non-profit capital fund that would invest in Promenade projects.** This fund could be capitalized through the participation of local investors, who could include property owners, business leaders, and others. The fund would act like a venture capital fund, expecting to generate income.
- **Analyze second story spaces.** Encourage office users to occupy upper floors or side-street locations. Office users are not a required component of a successful entertainment district, but they are a necessary component of any downtown. Encourage store owners to live above their establishments. As the core area fills with targeted users, so will the side streets.
- **Test rental assumptions** with key tenants. **Prelease** buildings being constructed or renovated whenever possible.
- Like indoor malls, **coordinate business hours among merchants,** and capitalize on local events.
- **Continue a major events calendar.** Coordinate among the various organizations that conduct these events. Maximize attendance, leverage marketing and other expenses.

- **Recruit smaller conventions and meetings.** Church conferences and other events can be recruited, especially day-long events. Overnight events will require more lodging choices in town.
- **Advertise heavily.** Announcing Santa Paula's location and its key attractions will bring visitors. Collateral materials should combine with print, radio and television advertising.

STARTING THE DOWNTOWN ORGANIZATION

Among the requirements of becoming a Certified Main Street community³ are an annual budget with realistic sources of income identified, full- or part-time staff, and a BID or PBID. These features show local commitment to the program, and are considered essential for a program's long term viability, which is so necessary for success over time. These features are important even if not formally participating in the Main Street program.

About half of new downtown associations in California get startup and ongoing operating funds from the City's Redevelopment Agency. In the case of Santa Paula, such funds could be reserved by the Redevelopment Agency, and spent over the next year to sponsor initial meetings, help the new association incorporate, to establish and support the four committees and their agendas, to fund part-time staff, and to make another attempt to establish a PBID. Establishing a first-year budget and finding meeting space should be among the first actions of the organizing committee. The recommended action plan is in the main report.

GOAL # 2:

EXPAND RETAIL POTENTIAL, PLUS BUSINESS ASSISTANCE, EXPANSION AND ATTRACTION

From a purely retailing point of view it will be difficult to attract major new retailers to the downtown. Nevertheless, the Retail chapter of this appendix lists several retail categories that appear to be missing or in short supply within the trade area. These may become the focus of a retail recruiting strategy. A higher priority strategy would be to help existing retailers either expand physically and/or expand their market reach. Strategies to encourage the

³ The California Main Street Program conducted a program whereby cities could become certified, and thus avail themselves of significant assistance from the state for design, promotion and other assistance. Unfortunately that program is no longer staffed or budgeted.

recruitment and expansion of retailers include physical improvements to the downtown, possible relocation or expansion of specific retailers, an active recruitment effort, and the creation of area-related theme retailing that may attract shoppers from a larger trade area.

RETAIL EXPANSION AND BEAUTIFICATION

Several key development tasks should be undertaken to make both commercial areas more attractive places for businesses, retailers and shoppers of all ethnicities.

1. **Site Inventory Preparation:** The economic development strategies outlined herein presuppose the existence of available sites of sufficient size, zoning and location to be attractive to developers, retailers and businesses. Sites may include vacant land, dilapidated buildings, and underutilized properties. Thus, the Site Inventory currently posted on Santa Paula's web site can be expanded to document sites' availability, description, locations, prices, area rent rates, owners/brokers names, zoning, surrounding uses, and the entitlement procedure to be followed. The site inventory should be distributed to developers, retailers, businesses, brokers, the Chamber of Commerce, the Redevelopment Agency and the Cabrillo Economic Development Corporation. The inventory should be updated monthly and used to promote the community not only to retailers but also to all businesses and developers.
2. **Facade Improvements:** The community, perhaps through the Redevelopment Agency, should implement a facade improvement program for the downtown. Facade improvement funds from the federal or state governments are available to businesses as low interest loans or grants. Property owners must be brought on-board to support such a program and to encourage non-participants to also upgrade. Adherence to the relevant downtown design theme is normally a condition of assistance. The Façade program can be funded by a small investment of \$50,000.
3. **Revolving Loan Fund:** Santa Paula's should create or find an existing Revolving Loan Fund. Such programs can help businesses (and landlords) with their physical plant needs and their financing needs. Once these programs are set up, property owners can apply for low-cost loans to increase the sales potential of their property or business. The interest rate of these low-interest loans typically varies with the need of the business and the jobs and tax benefits it brings.

RETAIL RECRUITMENT

An on-going retailer recruiting effort should be implemented in order to attract quality retailers to the area to serve the local population and to attract shoppers from the larger region. This effort can be led by city economic development staff, but at some point could be taken

over by downtown program staff, or by a local volunteer with the appropriate knowledge and commitment to the task.

4. **Recruitment of Retailers Serving the Local Community:**

Armed with a Site Inventory, the retail leakage analysis and Latino population consumption preferences provided in Chapter 2, a recruiter should focus on several tasks:

- a. **Prepare promotional materials** on Santa Paula, regularly updated to include changes, public space improvements, etc.
- b. **Meet with area real estate brokers** to inform them of opportunities, provide them with promotional materials, and discuss possible successful retailers from the surrounding area as well as national and regional chains that may fit the Santa Paula market.
- c. **Meet with area developers** and repeat step "b" above.
- d. **Canvass other communities** in the region to identify successful retailers in the target categories, and discuss with those owners the possibilities of opening a store in Santa Paula.
- e. **Attend regional meetings** of businesses, retailers, developers and brokers to promote Santa Paula, including chambers of commerce. In addition, the International Council of Shopping Centers (www.icsc.org) is an industry association devoted to improving retail opportunities in shopping centers and downtowns, including actively helping retailers link with communities seeking retailers. The ICSC has a large membership, and conducts many conferences and meetings throughout the nation every year.
- f. **Use mailing lists to find and contact local retailers.**
The Dun and Bradstreet Marketplace® is one of hundreds of comprehensive source of company names and contact information. If the previous methods of locating interested retailers are unsuccessful, such lists sorted by retail type, location, annual sales, and other factors can be purchased for nominal sums. City and county business license lists are also useful.

5. **Specialty Retailer Recruitment:** Specialty retailers may attract shoppers from a larger trade area. Such retailers must be sufficient in numbers and clustered near each other so that they create a kind of retailing district whose reputation becomes larger than each individual retailer. If the retailers had some logical connection

to the area this could provide them with a competitive advantage that can be used in marketing.

Financial And Technical Assistance For Downtown Businesses

There are a number of available and suggested programs to assist local merchants, including downtown merchants. Some of the more established and successful programs are described below.

Small Business Development Center

The California Small Business Development Center Program is a free service to small businesses in California. Assistance is tailored to helping business owners better manage their operations through one-stop access to business counseling, planning, marketing and training programs. The SBDC emphasizes the delivery of in-depth, high quality small business services. The small business services include but are not limited to: management, marketing, financing, accounting, strategic planning, regulation, taxation, capital formation, procurement, human resource management, production, operations, economic development, production analysis, plant layout and design, agribusiness, computer applications, limited business law assistance, exporting, office automation, site selection, or any other areas of assistance. The SBDC does not loan money directly to businesses, but helps find and arrange financing for its clients.

The Gold Coast Small Business Development Center, which serves Santa Paula, is based in Ventura:

Gold Coast Small Business Development Center,
Jose Vega, Satellite Manager
5700 Ralston St., Ste. 310 Ventura, CA 93003
(805) 658-2688 5700
FAX: (805) 658-2252
E-mail: gcsbdc@vedc.org

The SBDC services are free to businesses. However, the SBDC is funded through the state SBDC program, plus each SBDC is free to pursue grant funds and other funds from the communities they serve. Therefore, if requested by the city, and especially if financial support is provided to cover staff time and expenses, the SBDC could take an active role in providing services to the downtown businesses in Santa Paula. The city may provide temporary office space for the SBDC staff to conduct workshops, other training, and meetings with businesses.

City of Santa Paula Recommended Programs for Business

Commercial Building and Façade Improvement Program – described above. Typically for improving the appearance of buildings by painting, adding or replacing awnings, making repairs, putting in new windows, etc. One version of this program could be a matching grant up to \$15,000 for such purposes.

Revolving Loan Fund. The City does not offer a small business loan program, but there should be an entity that does. Loan programs funded by CDBG typically require a minimum of one new job for every \$35,000 borrowed. The Small Business Administration also can guarantee loans to businesses.

Redevelopment Agency Assistance. Assistance to businesses in the form of grants or loans for infrastructure and other business purposes is available on a case-by-case basis. Amounts of assistance are determined by the amount and type of jobs, increased taxes, and blight elimination that would occur.

Information Resources and Referral. Santa Paula's Economic Development Department has or has access to free demographic information, retail analysis and reports, handbooks for small businesses, and other information relevant to doing business in Santa Paula, Ventura County, and California.

Fundraising. The Downtown association, the Chamber, the Latino Town Hall and other cooperating entities can use fundraisers to supplement funds obtained from the PBID, from the City, from grants and from other sources. Most nonprofit organizations are familiar with and use fundraising with varying degrees of success, including fairs and festivals, car washes, soliciting donations, bake sales, raffles, bazaars, silent auctions, Monte Carlo nights, etc. Two potential ideas specific to downtown Santa Paula include:

- ❑ Expanding the First Sunday fly-in with shuttles to downtown and bundled promotions;
- ❑ A monthly farmers market, or bazaar in the downtown.

GOAL #3:

BUILD DOWNTOWN AS AN ENTERTAINMENT DISTRICT

PRINCIPLES OF ENTERTAINMENT CENTERS AND GREAT STREETS

Successful entertainment centers are not just places to be entertained. They are no longer just a place to go and do one thing, such as watch a movie. To succeed in today's market entertainment centers must offer a multiplicity of activities. Conversely, successful malls must be more than shopping places -- they must also offer experiences through entertainment. In fact, entertainment, retailing and dining places are now learning they must co-exist for each to succeed.

The 21st century will be the era of paradox. Americans will continue to stuff themselves with junk food while at the same time exercising to the point of obsession. They will eat no-fat cookies and enjoy their scoop of Häagen-Dazs at the same time. They will increasingly stay at home to shop, meditate, and pamper their bodies, but they'll also expect more from the outside world in terms of entertainment. "... the 21st Century will see the continuation of the trend toward the 'entertainmentization' of retailing," says Ira Mayer, president of EPM Communications in New York City. More than ever before, he says, stores will stage events, show videos on large screens, and use CDs as premiums in an attempt to add an entertainment overlay to the everyday shopping experience".⁴

Individual stores are learning to "nest" entertainment, dining and retail together. Examples abound (Table 26)

⁴ Article in American Demographics, January 1999, Page 64

TABLE 26
Examples Of Multi-Use Stores

Primary Store Type	Store	Nesting		
		Entertainment	Dining	Retail
Dining	Planet Hollywood	Movie memorabilia, video screens, theming	Full-service restaurant	Boutique with logo clothing and items
Book retailer	Borders Books and Music	Live jazz, reading chairs	Coffee bar	Books, recorded music
Outdoor Retail Sports	R.E.I.	Hiking trail, rain gear test shower, rock climbing wall	Samples of dehydrated foods	Outdoor and camping gear
Entertainment	GameWorks	Video games, internet access, theming	Brewpub, cafe, coffee bar	Boutique with logo clothing
Entertainment	Any brand of Multi-plex theater	Movies, video game room	Snack bar, pizza, desserts and coffee bar.	Advance ticket sales, gift certificates

Source: ULI⁵

Successful entertainment centers also offer a place for people to gather. Throughout the world successful gathering places, whether a great street, a successful town square or a successful entertainment center, all have certain qualities that can be defined. Santa Paula already has a good start on many of these features through its ongoing streetscape improvement programs. ***To enhance chances of success for its entertainment center, Santa Paula should incorporate as many of the features described in this chapter as possible, consistent with the recommendations in the main report.***

URBAN ENTERTAINMENT PRINCIPLES

Entertainment is often stereotyped as loud and animated. It can also be quiet and serene. The best entertainment centers always offer a variety of entertainment types. Disneyland, for instance, has areas of noise and areas of pleasant quietude -areas of history and areas of science fiction -- areas for all ages -- different types of dining, and plentiful shopping. According to ULI, successful entertainment centers have a mix of the following entertainment types.⁶

Ambient Entertainment

Ambient entertainment sets the mood, establishes the location as a leisure destination in which merely visiting is enjoyable. Ambient entertainment extends the duration of the guest's visit, inviting them to browse and linger, thus taking advantage of other types of entertainment. Free things to look at that are part of ambiance include:

⁵ *Developing Urban Entertainment Centers* © 1998, Urban Land Institute, Washington DC

⁶ *Developing Urban Entertainment Centers* © 1998, Urban Land Institute, Washington DC

- Environmental design themes -- must exude excitement, energy, creativity, unconventionality. Can include:
 - Theme architecture or historic architecture
 - Dynamic signage
 - Bold landscaping
 - Unique lighting
 - Interesting street fixtures like fountains, kiosks, banners, clocks.
- **Public performances** in common areas such as plazas, and street performances that are dynamic and often interactive.

Impulse Entertainment

The guest can pay on a whim for spontaneous experiences. Typically located in common areas, with some type of action for non-participants to watch (ambient). These are typically of short duration and repeatable, and can be changed frequently for variety. Things to do on the spur of the moment include:

- Carousels, rock climbing walls, bungee trampolines, gyroscopes, portrait artists;
- Video games and high-tech game centers;
- Walk-up food, craft, souvenir kiosks.

Destination Entertainment

Places people will intentionally drive some distance to visit directly. These entertainment types are often designed to attract large crowds and appeal to a broad demographic range. Examples include:

- Cinema complexes -- the best way to draw repeat customers on a regular basis
- Dinner theaters-- eat and watch, including display kitchens and performances at specified times, Chuck E Cheese audiotronic figures, live stunts, flying fajitas.
- Educational facilities - e.g. aquariums, traveling exhibits, gardens, museums
- Family Entertainment centers
- Comedy clubs
- High-tech game centers, including virtual reality
- Indoor theme parks

- Live performance theaters
- Nightclubs, Casinos
- Specialty format film theaters (e.g. Imax, sensation-linked)
- Sports venues, such as skating, batting cages, miniature golf
- Brand name or destination restaurants

THE "TRINITY OF SYNERGY"⁷

Three critical components comprise successful entertainment centers. Santa Paula's district must also be designed to include these components. The Downtown entertainment district would have to begin in phases, first concentrating on the local market and expanding its regional and tourist market over time. ***Providing a multiplicity of options in a small area is the key to success. Creating the Mercado district first, then other themed districts are a good way to concentrate resources.***

Entertainment

Also called "experiential consumption". The consumer pays for pleasure that is short-lived;

- Examples of active or physical entertainment
 - Bowling, darts
 - Skating
 - Dancing
 - Fitness center
 - Basketball, Volleyball
 - Equestrian or horseback riding
 - Miniature golf
 - Batting cages
 - mini auto racing
 - Video arcade
- Examples of Passive Entertainment
 - Murals
 - Movies
 - Live theater and music
 - Museum
 - Street performances

⁷ Ibid

Dining

Often termed 'literal consumption.' The body interacts with the experience via food and beverage

- Sit-down Dining Choices - as many as possible in one place

Styles (Mexican, Chinese, San Francisco, steak, pizza, etc.). Can be accomplished by a combination of:

- Local restaurants – family dining
 - Destination restaurants (unique regional draws) with full bar such as microbreweries, steak houses, etc.
 - Brand name recognizable (Olive Garden, Sizzler, etc)
- Walk-in or walk-up choices, including:
 - Ice cream
 - Coffee houses
 - Walk-up stalls, push carts and kiosks with common outdoor seating areas (e.g. pizza, churros, hot dogs, pretzels, taquitos, skewers, drinks, etc.)
 - Mini Fast food -- avoid drive-ins in the downtown.

Retail

Often termed "acquisition consumption." The consumer can buy objects to take home for later or long-term enjoyment. Brand shopping is important. Clustering stores makes the downtown as much like a shopping mall as possible. The product mix can include traditional shopping, brand name shopping and souvenir shopping. The entertainment district retail mix typically includes:

- Clothing, jewelry
- Souvenirs, film, cameras, etc.
- Crafts, antiques, toys, flowers, etc.
- Groceries for picnics and for local residents.
- Household goods, including furniture, exercise equipment, etc.

Downtown Santa Paula serves local shopping needs, and must also include its traditional mix of bridal, craft, books, hardware, banks, variety, etc. While this traditional shopping mix serves a different clientele than the entertainment shopper, the traditional retail types can adapt as needed, comfortably coexisting with entertainment retail.

STRATEGIC POSITIONING FOR EFFECTIVE ENTERTAINMENT - - THE FIVE D'S AND WHAT TO DO ABOUT THEM⁸

Effective entertainment centers all design their projects for maximum customer visits. The following five strategic positioning principles, all beginning with "D", can help Santa Paula penetrate its market. The recommended Main Street Program described above incorporates these elements programmatically.

Distinctiveness of the product - Santa Paula can develop an entertainment center for the existing local market, and can include some unique elements for the regional market. Distinctiveness includes having a product unlike any other nearby. Consider:

- Local-serving – dance venue, skate bowl, video game center, town square, family restaurants, brand name restaurants.
- Regional serving -- develop regionally exclusive events that draw Fillmore and Ventura residents. Attract a great destination restaurant or dining cluster, create a town square with unique events not found elsewhere or not done as well elsewhere (e.g. Cinco de Mayo, classic car or motorcycle shows, Farmers Market).
- Distinctive physical feature (e.g. water tower) that attracts visitors and becomes a conversation piece such as a distinctive fountain, sky-light, and/or planetarium.

Drawing Power -- the product should serve the local population by providing a closer alternative than venues available in Fillmore and Ventura. Regional attractions can draw from outside the market area. Even at the best theme parks 56% of visitors will live or work within 15 minutes, 87% within 30 minutes, and only 5% are out-of-area tourists.

- Santa Paula must create a clustered, street-oriented retail/dining/entertainment environment better than Fillmore, Ventura, Oxnard, Camarillo, Port Hueneme, and even Valencia. This includes creating a popular theme, and providing a rich mix of opportunities. This could require aggressive City subsidies for a kick-start in developing major attractions.

Depth of penetration -- (i.e. High capture and repeat visitation). The center should expect frequent visits from locals -- within 5 miles. -- Women, men and families alike -- cater to a variety of customer types and a mix of preferences.

⁸ Ibid

Duration of visit -- The more linked choices, the longer the stay. Daytime and extended evening hours will encourage extended browsing. For instance, spatial and operational features can combine to encourage visitors:

- Arrive, go to a local matinee play, dine after, shop after.
- Arrive, dine, shop, walk the promenade
- Arrive, bike or skate the bike trail, eat at a walk-up food kiosk or picnic, sip coffee at an outdoor cafe, watch dancers, go to a play.
- Arrive, go to fitness center, batting cages or bowl, climb a wall, eat a bag lunch, go to a movie.
- Leave work in Ventura headed for home in Santa Paula, pick up cleaning, visit Post Office, meet family in the town square, eat a picnic dinner while kids skate and run around, movie in the park after dark.
- Arrive by train, dine, walk the murals and shop.

Demand periods There are heavy-use times and slack times. Demand periods can, however, be extended through:

- Stadium seating at a local theater or community center for school classes, business and civic meetings, and other gathering events such as conventions requiring 100 - 150 seats.
- Hold a farmers market along part of Main Street at noon or evenings on weekdays, and/or on weekends.
- Gatherings of all types at a new plaza/town center – close off traffic for short periods at the clock tower²
- Expanded lunch trade from the high school and local churches (e.g. specials on a certain day).
- Expanded lunch trade from local employers, perhaps via shuttle service from the industrial park.
- Dinner trade from locals.

TO DRAW VISITORS, SEEK A BALANCE OF FEATURES

A successful center, whether an entertainment center or the downtown, incorporates the following features in its own unique combination

1. ***Unique architectural identity*** for a strong sense of place.
2. ***Landmarking*** -- visible from a distance -- Perhaps a large, bright Movie Marquee, Decorations and/or lighting schemes, a giant lighted flagpole, or archways.

An Entertainment anchor -- This could be one establishment, but in Santa Paula this must probably be a cluster of establishments with a single theme linked to family fun. Entertainment anchors cause spillover spending, which is desperately needed downtown. (An urban entertainment center designed as such seeks to develop 50% of its space for entertainment, which may be unrealistic for a rural downtown).

A Cluster of restaurant choices -- This is the successful food court concept expanded over 3-4 blocks. The gross income per square foot of every eating place rises when more choices are available in a small area (Urban entertainment Goal: 20-30% of space).

A cluster of Icon or brand retailers mixed with unique local shops. (Goal: 30-40% of space for customer friendly shopping).

By business count, Santa Paula's mix at ground level in 1999, 104 establishments. A downtown has to have a mix of offices and personal services, which are external to entertainment centers. However, more entertainment and dining establishments are indicated:

- 53% retail:
- 30% personal or business services:
- 6% office
- 9% dining
- 2% entertainment

SUCCESSFUL CENTRAL GATHERING PLACES THROUGHOUT THE WORLD

High Quality outdoor spaces are places where people gather fast social activities (e.g. to play, people watch, dance, etc.). They meet all three levels of the hierarchy of why people gather:

- Social
- Optional
- Necessary
- Medium quality outdoor spaces are places where people go for optional activities, such as walking, skating, picnicking. Poor quality outdoor spaces are where people go only as need for work, school, shopping or business.⁹

⁹ *Life Between Buildings: Using Public Space*, 1987 by Jan Gehl.

Volumes of studies exist on what makes a successful street, promenade, gathering place, and people- and pedestrian-friendly places. Several of these references have been reviewed, with the best summarized below. A successful downtown promenade and entertainment district must be people-friendly, family-friendly and pedestrian-friendly. It has places to sit, places to stroll, places to gather, places to be entertained, places to shop, places to eat. The original Downtown Improvement Plan already had a good start on many of the necessary physical features, including providing a pleasant streetscape, selectively slowing traffic, providing adequate parking, etc. However, the transformation is incomplete. The ambiance must be improved, making the promenade the place in town to gather.

A Community Plaza or Town Square??

Santa Paula has Veteran's Park, which is one block off Main, but which can be more fully incorporated into the Downtown Improvement Plan. A town square should incorporate:

- Ample public seating in a variety of configurations
- A clear sense of enclosure (e.g. 2-story buildings, berming, dense landscaping)
- Varied levels of natural and artificial lighting
- Animation, with moving water to provide a focal point and soothing background noise
- Enliven the edges of the space with visible activity on more than one level if possible
- Soft geometric forms -- asymmetrical, irregular, curving forms
- Walking surfaces varied in level and finish
- Bright and primary colors and bold graphics
- **Facilities for organized, scheduled entertainment, and also for spontaneous interaction by the visitors.**
- Liberal use of:
 - Planter boxes
 - Bollards
 - Trees
 - ATM's
 - Open access to places

GREAT STREETS (PROMENADES)

Similar to a town square, successful downtowns have streets that are inviting and attractive. Santa Paula should emulate the world's great streets in its promenade. Some of these features are physical, and have been dealt with in the main report. Some are operational. All will promote vibrancy, which translates directly into increased sales.

Essential Qualities

Places for people to walk with some leisure:

- Leisurely, safe walking, with walkways
- Room to walk at varying paces -- width
- Curbs and sidewalks, or other separation from cars, or if no car-people separation there must be slow driving

Physical comfort:

- Warmth and sunlight when it's cool (protection from wind and rain)
- Shade and coolness when it's hot (trees, awnings)

Definition, which can vary:

- Boundaries using vertical and horizontal spacing (e.g. buildings, proportionality)
- Boundaries at both ends
- Building spacing

Qualities that engage the eyes:

- Variety to prompt eye movement
- Visual complexity without being chaotic or disorienting
- Perceived easy access to promote people movement
- Window treatments, cornices, signage, flags, brightness at eye level, trees, barriers, color.

Transparency

- Windows and doors that give a sense of what's beyond
 - Walled and muraled passageways that are inviting
- Complementarity
- Variations in building heights and design not too dramatic

Maintenance

- Clean, smooth, no potholes
- Care of trees, materials, buildings, trash
- Fill vacant stores with displays, posters, etc. -- not boarded up

Quality of construction and design

- Workmanship and materials and how they are used
- Appropriateness of materials
- No shabbiness

Contributing Qualities to Great Streets (not essential, but helpful)

- Trees
- Beginnings and endings; where a street starts and ends somewhere
- Many buildings rather than few; diversity
- Special design features (details) such as streetlights, benches and bulbouts
- Places; open spaces for gathering and sitting and watching
- Accessibility
- Density helps
- Diversity
- Length can vary, but visual interest must be kept
- Slope; noticeable if not steep changes in elevation
- Parking; on-street parking is ok. Effective off-street parking must empty people to the front of shops, not the rear.
- Contrast; different than any other street in the market area
- Time needed to develop a great street

Other People-Friendly Features For Promenade And Plaza

The following miscellaneous list of features were collected from various references. Many of these features have been implemented.

- Make it your city's marketplace
- Make it your city's natural gathering place; the place to go
- Go to other street fairs and expositions to get ideas

- Make it changeable, flexible for multiple uses.
- Have high school band and orchestra recitals
- Have a focus group to design specific street and plaza components
- ATM's
- Piped in music
- Temporary street closings for selected events
- Bus stops in central city
- Bike trail along tracks or streets to reach Main
- Convenient parking on the periphery of shopping districts
- Reduce traffic speed and volume
- Slow through traffic
- Selective sidewalk widening
- Mid block crossings
- Plantings/landscape elements/trees
- Encourage rest and breaks with benches, outdoor restaurants, seating
- Litter baskets
- Canopies and rain shelters
- Plazas in human scale
- Light, movement and patterns
- Child play areas
- Seating clustered
- Outdoor dining
- Permanent stage with electricity
- Playing clock, a writing wall, fairs
- Extend hours open to bring pedestrians/traffic
- Separate autos and pedestrians areas
- Interesting and unique paving
- Fountains (size matters less than it fits the space)
- Unique art
- Children's flea market
- Supervised child-day care

- Clustered seating is better than seating evenly spaced throughout. "The theory is that transients shy away from crowds"¹⁰
- Community market that has street vendors selling all types of products, including hand crafts, clothing, jewelry, art works, etc. Many community markets include produce such as flowers, food and fresh fruits and vegetables.
- "Farmers market", which is a legal term referring to efforts by farmers to sell produce directly to consumers, bypassing wholesale and retail middleman. To be a certified farmer you must demonstrate that you have raised all produce sold on your own property, and apply to be "certified" as such by a County agricultural agent.

GOAL # 4

MERCADO AND/OR FARMERS MARKET

A Mercado or farmers market is an approach that can be created in conjunction with a craft and antique cluster, or by itself. In Santa Paula it can occur as part of the overall Mercado District development. Local produce adds color and excitement to any location, and helps meet the shopping needs of locals and visitors. A market can start small with a few vendors and expand as interest grows.

Make a specific location the community's marketplace. Mobile structures and portable restrooms can be used to start on vacant land, with permanent locations and structures being created later, hopefully at the location of the future civic center. Everyone, and Latinos especially, respond to a central plaza or marketplace in their communities. Several locations are possible as interim locations or as permanent locations:

- Main street between 10th and Mill;
- Main Street between 10th and Ojai;
- The parking lot between Veterans Park and the Post Office;
- Veterans Park;
- The Rail depot;
- Other locations, especially if a land owner volunteers their land.

¹⁰ New Design for Chavez Plaza Targets Lunch Crowds, Concerts". Sacramento Business Journal, June 18, 1999.

COMMON CHARACTERISTICS OF SUCCESSFUL COMMUNITY MARKETS.

There are several common features that make community markets successful.

- **Prepublished Schedule.** Successful community markets need to have a well-established understanding of the schedule, i.e., every Thursdays evening, every first and third Saturday of the month, etc.
- **Signage for the Day of the Event.** Each community with a successful market has established permanent posts with rope and pulley systems that could be utilized to fly banners advertising that TODAY or TONIGHT the community market was being held. Signs are located both at the market site and along nearby traffic routes.
- **Good Administration of Event.** A community market needs to be governed by a set of regulations and administrative rules. Successful community markets have an administrative procedure that obligates vendors to set up their stands/booths by a fixed time, and not remove them until after the scheduled ending time. Security also must be offered for the event.
- **Mix of products, prepared foods, and entertainment.** All successful community markets offer several types of prepared foods. Alcohol is only provided in existing establishments surrounding the sites. Equally important -- a wide selection of crafts and products need to be made available to consumers.
- **Attracting Vendors.** Virtually all the vendors attending craft shows in California subscribe to *Craftmaster News*, the leading publication of California Craft Shows. There are eleven monthly issues of a "Vendors Guide" to all shows, community markets etc. available at \$28 per year. This publication is a valuable source of outreach to vendors that could be attracted to a community market in Santa Paula. In addition, the organization sponsors Craft Network meetings where the community could participate
- **Direct mail** is another method used by successful community markets to attract vendors. There are private firms that specialize in organizing and managing community markets for cities. For example, Long Beach, and San Juan Capistrano contract with a private vendor to manage the process of organizing and managing a community market. These companies have their own vendor mailing list, which organizers can access for a fee.¹¹

¹¹ Contact Paul Amarillas at Conte Productions, 212 Yacht Club Way, Suite 1A, Redondo Beach, CA 90277, (310) 798-2488, Fax (310) 798-2577

GOAL #5 FORMING A PROPERTY BASED IMPROVEMENT DISTRICT¹²

Effective ongoing downtown promotion and development will need to be coordinated between business and property owners. Main Street is a nationwide program that promotes downtown revitalization through a successful formula, called the Main Street Principles. Santa Paula has the potential to become a Main Street participant, but would need to take some preliminary steps before applying or becoming part of the program. Creating a business improvement district (BID) or a property-based business improvement district (PBID) should be considered as an important step to forming a Main-Street-type organization, or for downtown revitalization. A BID is a voluntary self-assessment mechanism that would provide ongoing funds that could help Santa Paula develop a more attractive and vibrant downtown. A BID or PBID typically funds or augments downtown enhancements such as security, maintenance, and marketing. Allowed under California law since 1994, BIDs and PBIDs have become a popular private sector tool to revitalize cities and towns, making them more economically viable.

Business Improvement Districts are an innovative approach to the delivery of public services. (P)BIDs have traditionally been established by groups of local businesses and property owners. Funds to support (P)BIDs are raised in the form of additional taxes and/or fees for services in a particular geographic area. These funds are used to improve specific business areas, including beautification efforts, increased maintenance, additional security, local promotion, special events, and other activities selected by the local (P)BID board to benefit the business district. The goal of the (P)BID activities is to attract customers, clients, and shoppers, as well as businesses, to their business district.

While there are no set rules on what constitutes either a BID or PBID, there are some general guidelines that are used, and some basic differences between the two.

¹² Santa Paula attempted to create a PBID in 2002, which was narrowly defeated. There are indications that a PBID election might succeed if it were again attempted., especially if the plan can be adjusted to accommodate the needs of non-profit property owners who would be assessed, but who would not have an opportunity to recoup the extra cost with increased revenues.

BID (BUSINESS IMPROVEMENT DISTRICT)

A BID is a self-help, self-taxing, merchant-based entity organized with the cooperation of local government. BIDs are renewed on an annual basis and merchants typically see their money go to work for them quickly. Typically, BID funds are used for smaller, more retail-oriented revitalization and economic development programs in downtowns and commercial corridors, including farmers' markets.

PBID (PROPERTY BASED IMPROVEMENT DISTRICT)

A PBID is property-based and is an assessment district within a geographically defined area. Proceeds from assessments are used to provide services supplemental to those normally provided by municipal government. PBIDs have certain advantages over traditional BIDs, in that they can raise funds by directly assessing property owners who have a long-term stake in the area's vitality. A PBID is usually established for up to five years and is often used for larger districts with higher budget requirements.

ADE recommends that downtown Santa Paula follow the PBID approach as opposed to a BID, partly because assessing the merchants alone will not raise sufficient funds, and partly because upgrading and maintaining the town's commercial buildings are key to successful revitalization.

PBIDs are fairly easy to set up, especially when compared to the process of creating a new redevelopment area. In most cities, organizers just need to prove they have contacted every property owner within the proposed district. If a majority agrees, then each owner pays a special assessment on their property tax.

PBIDs are based upon the "benefit assessment district" concept, which provides for an assessment on commercial property to be raised within a specific geographic area. Proceeds from the assessment are used to provide services that benefit the district.

Some of the advantages of a PBID are:

1. A PBID allows a wide range of service options, including security, maintenance, marketing, economic development, and special events among others.
2. It is designed and created by those who will pay the assessment.
3. It is governed by those who pay through a property and business owner advisory board that supervises operations and submits a yearly service plan.

4. It is implemented by those who pay through a nonprofit, private sector, management organization.
5. It is established through petition support from property owners who will pay the proposed property assessments.
6. PBIDs are established for a set term determined by those who pay the assessment and must be reestablished by those who pay through a new petition process.

PROCESS OF FORMING A PBID

The process to form a PBID takes from 9-12 months and consists of the following steps:

1. Creating The Pbid Formation Infrastructure
 - Property Owners Support Committee
 - City Resource Team
 - Database Development
 - Local Staff Support Team
2. Consensus Building/Education
 - Property and Business Owner Focus Groups
 - Informational Meetings
 - Communications and Outreach
3. Management Plan Development
 - Improvements and activities-what will you do?
 - Budget-what will it cost?
 - Assessment Methodology-cost to individual properties.
 - Engineering Review of Assessment/Benefit Analysis-is it equitable?
 - Governance-who's in charge?
4. Plan Review/Consensus
 - Plan Review Workshops
 - Leadership Consensus
 - Legal Review-compliance with City and State law
 - Final Plan and Assessment Methodology
5. Petition Campaign (requirements vary by state)
 - Property Owner Sales Committee Assignments
 - Communications Materials
 - Petition Preparation and Distribution
 - Collecting Signed Petitions
6. City Council Hearings/Ratification
 - Public Hearings
 - 218 Ballot Process (California only)
7. Contract for implementation of plan between City and Non-Profit Management Organization.

8. Submit Assessments to County Assessor

PBID PLAN

One of the most important elements of the pbid formation process is the development of the management district plan. Those who pay the assessment develop the plan. The plan must be approved by the city council based on recommendations provided by the advisory committee. The plan will generally include the following elements:

1. **Location.** This section specifies the exact boundaries of the proposed district and any benefit zones within the district.
2. **Improvements and Activities.** This section describes the actual service programs (maintenance, security, marketing, etc.) the District will provide.
3. **Budget.** This section specifies the total District budget for the first year of operation, and may include budgets for the life of the District.
4. **Method of Financing.** For property based improvement districts, the method of financing would be a levy of assessments on real property that benefits from improvements and activities provided by the District.
 - ❑ **Assessment methodology:**
This section describes the assessment variables (multiplier on assessed value, square footage, street front footage, ground floor or upper floor footage, etc.) That will be used to determine the assessment rates.
 - ❑ **Cap:**
Specifies the limits that assessments may change each year and how that change will be determined (based on cpi rates, etc.).
5. **Governance.** Describes the manner and form by which the district will be governed.
6. **City Services.** Establishes the city contribution to the district, including the maintenance of the existing level of city services upon establishment of the new District.
7. **District Formation.** Specifies the percentage of positive petitions (and ballots in California) that must be received from property owners and the process to collect the petitions.
8. **Duration.** Specifies the term of the District (three-year, five-year, etc.)
9. **District Rules.** Defines the operating rules as they relate to:
 - ❑ Residential property
 - ❑ Non-profit organizations

- ❑ District Purchases
- ❑ Other District specific regulations

ELEMENTS TO CONSIDER IN DETERMINING COST OF IMPLEMENTING A DISTRICT

1. Size Of The Proposed District
 - A. Number of blocks.
 - B. Number of property owners.
2. Difficulty in Achieving Consensus
 - a. Number of focus group and one-on-one meetings needed.
 - b. Political climate.
 - c. Key property owner support.
 - d. Business owner/tenant support and political climate.
3. Database Development
 - a. Computer capabilities of local staff.
 - b. Quality of local city/county databases and willingness to cooperate (share information).
4. Local Staff Support
 - a. Administrative
 - b. Communication/Marketing
 - c. Petition Drive
 - d. Database
 - e. Private sector management organization

SANTA PAULA PBID BUDGET

The average annual budget for a PBID is estimated to be \$200,000¹³. This average annual budget includes large cities that can typically have PBID budgets of over \$700,000. In the case of Santa Paula, a budget of \$100,000 or less could be funded. While assessments for funding a PBID vary, many are based on Lot Square Footage area. In addition to the square footage, it is also common to breakout the assessment by creating zones within the PBID, for example assessing more for more commercially valuable Street Front Footage. Many PBIDs do not assess residential property, while others require a token amount (say, \$1 per year). It is also common to increase the annual budget per year based on a specific measure (e.g. CPI).

The previous PBID attempt developed a basis for collecting about \$70,000 per year, which had varying levels of assessment for three zones.

¹³ *Business Improvement Districts and Innovative Service Delivery*, Jerry Mitchell, November 1999.