

ECONOMIC ISSUES AND OPPORTUNITIES PAPER

Introduction

The purpose of this paper is to identify important economic issues that need to be addressed in order to create policy options for the City of Simi Valley General Plan. These issues will facilitate discussion of existing and future economic development efforts and provide the framework for preparing economic goals and policies. This will help the City maintain a strong economic base by identifying key industries that can be attracted to the City and support its vision for a diversified economy and an improved jobs-household relationship.

Historically, the City of Simi Valley developed as an affordable housing location for households commuting primarily into the job market in the Los Angeles area. Over time, this has been changing as the flow of commuters has increased both out of and into Simi Valley. An overarching issue is the improvement of the jobs-household relationship in the City so that more of the local labor force has the opportunity to live and work in Simi Valley. The goal is to develop a strong economic base that will provide a mix of jobs that more closely match the City's labor force skills.

This paper first provides background discussion of the City's socio-economic trends, and projections based on Southern California Association of Governments' (SCAG) data. The City's economic issues are, then, discussed, along with potential opportunities. Finally, some policy areas for future direction and indicators for evaluating the City's economic position are presented.

Background and Economic Trends

This section presents population and household growth, employment and labor force trends, as well as the 2007 preliminary growth forecasts from the Southern California Association of Governments (SCAG).

Population and Household Growth Trends

- Population annual average growth rates declined from 2.6 percent between 1970 and 1990, to 1.1 percent between 1990 and 2000. In contrast, estimates from the California Department of Finance (DOF) indicate a slight increase in the population growth rate of 1.6 percent from 2000 to 2006 for the City.
- Household growth rates were higher compared to population growth between 1970 and 2000, but these again showed a declining trend during this time period. Household growth rates declined from 4.3 percent in the 70s to 3.8 percent in the 80s and

1.3 percent in the 90s. Household growth rate, per data from DOF, indicates a slight increase to 1.5 percent between 2000 and 2006.

Persons per Household Trends

- The trend in average population per household figures in Simi Valley from 1970 to 2006 documented a continuous decline from 4.15 in 1970 to 3.04 in 2000.
- In contrast, estimates from the DOF show an increase in population per household to 3.06 for Simi Valley in 2006.
- SCAG's persons per household forecast declines from 3.07 in 2005 to 2.95 in 2020 and 2.85 in 2035. However, this forecast may be too rapid considering that the City's persons per household ratio in 2000 was 3.04, rising slightly to 3.06 by 2006.

Aging Population and Labor Force

- The City has a declining work force (age group 18 years to 64 years) as a percent of total population, dropping from 66.6 percent in 1990 to 63.9 percent in 2000, due to an increasing senior population.
- Data from the Census shows that while the percentage of seniors (65 years and older) increased from 5.3 percent in 1990 to 7.6 percent in 2000, that the age group 35 years to 64 years increased from about 37 percent to about 42 percent.
- Also, the proportion of population in the age group 18 years to 34 years declined from almost 30 percent in 1990 to 22 percent in 2000.

Employment Base Growth Trends

- Based on employment data from the California Employment Development Department (EDD), the City's employment base grew at an annual average rate of 2.4 percent from 2001 to 2005.
- However, when compared to the immediate surroundings in Southeast Ventura County, the City's economic base is less specialized in manufacturing, and other intellectual service activities including professional, scientific and technical, and information-related activities
- The City had a significantly lower average payroll wage of \$38,969 in 2005 (in constant 2006 dollars) compared to both the South East Ventura sub-region (\$55,478) and the County (\$46,504). This was due to the higher proportion of jobs in low paying jobs (almost 25 percent in retail, accommodation, and food services).

Retail Sales Comparison

- Based on information from the California State Board of Equalization, per capita taxable retail sales estimate in the City was \$10,513 in 2005 (in constant 2006 dollars) compared to \$11,293 for the County as a whole.
- Though per capita taxable retail sales in the City increased by almost 43 percent from 1995 to 2005 (in constant 2006 dollars), the estimates for the City in 2005 were lower compared to the other Ventura County cities of Thousand Oaks, San Buenaventura, and Camarillo at \$17,760, \$16,795 and \$12,657, respectively.

- The less-than-average per capita taxable retail sales performance in retail categories—such as Apparel Stores, Home Furnishings & Appliances, Auto Dealers & Auto Supplies—is an indication of potential opportunity for additional retail sales in those categories. However, the recent opening of the Simi Valley Town Center is not reflected in this data and Simi Valley’s increased retail sales capture needs to be monitored to see how current performance may offset these less-than-average retail categories.

Economic Issues and Opportunities

The City of Simi Valley has a number of attributes that make it an attractive and desirable location for businesses, residents, and tourists. The City’s residential environment and accessibility due to its location along the California 118 Highway are attractive to retail, commercial and industrial opportunities. There is also potential for attracting tourism opportunities centered on the Reagan Presidential Library and Museum, which attracts about 200,000 visitors annually. These resources can help to promote and maintain a strong economic base.

The City of Simi Valley and the County of Ventura are part of a larger Southern California economy that is shaped by local, national, and global forces. This in turn generates growth pressures northward on Ventura County as the Los Angeles basin continues to expand. These trends will effect what happens in the City and provide economic opportunities for growth. How the City’s business sectors may be influenced by these trends needs to be clearly understood.

The key economic issues in the City include the following:

Expanding the Employment Base

The City of Simi Valley is favorably located in the Southeast Ventura County region, which is growing in professional, technical, scientific and financial industries. The City would benefit by expanding its employment base in these sectors, which are rapidly growing and have relatively higher wages, in order to maintain a competitive economy.

Availability of Developable Non-Residential Land

One issue is increasing the availability of commercial and industrial acreage to provide for appropriate industries to locate or expand in the market area. Finding adequate sites for new or expanding firms is a major constraint since the City has a shortage of available vacant commercial and industrial zoned land. A shortage of available commercial and industrial land limits the number of and types of businesses that could locate in the City. The retention, expansion, and attraction of firms are highly dependent on their ability to afford the cost of land. In addition to the development of available, vacant lands, the City will need to look at underutilized parcels of land, such as older urban areas, and their possibilities for re-use.

Increasing Wages

In order to provide a diversified employment base with sufficient income, the City of Simi Valley will need to focus on increasing job growth in technology-related fields such as biotechnology, computer software, multimedia, and business, professional and financial services that have the ability to increase average wages. This will involve providing locations for such industries to locate in the City, as well as providing job training programs to train workers in the newer industries.

Jobs-Labor Force Skills Match

One of the issues in addressing the jobs-housing relationship is the match between job skill requirements and those of the local labor force. Even if there is a numerical balance of jobs to households as a ratio of more than 1.0 jobs per household, the jobs may not necessarily fit the skills of the resident labor force. The City has an educated workforce with about 87 percent with a high school degree or above. Economic development opportunities should be expanded with a focus on industries that provide a range of higher skilled professional and technical jobs.

Aging Population and Labor-force

According to data from Census 2000, the City's working population is expected to decline further as a percent of the total population with the continuing growth in retirement of the baby boomer generation. In the context of planning for future economic growth, the City will need to actively incorporate policies to attract a younger workforce. This includes taking into consideration that the lack of availability of different housing types and affordability currently serves as one of the main barriers to the entry for younger families to reside in the City. An aging population also means that the City needs to continue to provide housing for its seniors.

Maintaining Growth in Public Revenues

The projected population and employment growth will require additional services and impact the current level of City services and infrastructure. Attention to maintaining growth among public revenue sources will be important to providing a high quality of public services and facilities, and obtaining adequate financing resources will continue to be an important tool for implementation.

Developing Tourism

The Reagan Presidential Library and Museum is located in the City of Simi Valley's sphere-of-Influence, and averages about 200,000 visitors annually. It has been estimated that annual attendance will increase to about 400,000 since adding a permanent exhibit with the jet that served as Air Force One while Reagan was in office. The City also has opportunities for

attracting drive-through visitors between Ventura and Los Angeles counties as they travel along Highway 118. Enhancement of these opportunities could support restaurants, shopping, lodging, entertainment and visitor oriented activities. This will tend to increase General Fund revenues such as sales tax and hotel occupancy tax.

Expanding Retail Development

Retail trade is a significant economic activity because sales tax is a major municipal General Fund revenue source. Simi Valley generates relatively lower sales tax per capita compared with the County and other nearby communities. Notwithstanding the successful development of the regional Simi Valley Town Center, maintaining competitiveness through additional retail development that provides a wide range of retail goods and services will be needed to enhance taxable retail sales.

Infrastructure

Public infrastructure to meet the needs of an increasingly technology oriented economy will be essential for the City to remain competitive. This includes investment in infrastructure that supports emerging areas such as telecommunications and green technologies. This will also require reinvestment for refurbishment and upgrading of older public facilities, such as roads, water and sewer lines. Also, the density and location of land use patterns should be examined in terms of the efficient delivery of public services. An ongoing approach is to prioritize existing financial resources through the City's annual Capital Improvements Program.

Economic and Land Use Policy Options

The goal for economic development is to identify target economic opportunities that are both realistic and compatible with the City's General Plan vision. In this context, the growth of the City's economic base will depend on the identification of key non-residential growth sectors and providing the land necessary for location in the City of Simi Valley. The following land use policy options are for consideration in the General Plan:

- The City is expected to encounter greater demand for vacant land and land use intensification from a growing need to diversify the City's economic base. This will mean identifying available land for future commercial and industrial development.
- Vacant commercial and industrial land is limited, so recycling underutilized parcels and increasing land use intensity will be important land use policy choices.
- To create a strong economic base, the City will need to encourage activities in sectors with relatively better paying jobs, especially those in the manufacturing, finance and insurance, and professional, scientific and technical sectors.
- While improving the jobs-household relationship is an economic goal, a target-based approach to achieve a specific jobs-household ratio may be less appropriate than

creating proactive industry growth strategies that could affect a better match between the City's resident labor force and the job base.

- To encourage Workforce-housing opportunities.

Economic and Fiscal Indicators

Fiscal evaluation measures are critical to help ensure a strong economic base. A set of economic and fiscal indicators should be developed as part of the General Plan process. These indicators serve as criteria that can be used to evaluate the City's success in meeting its economic goals on a regular basis. A program that utilizes these indicators can become part of the process to gauge the effectiveness of the City's economic strategy and make adjustments as required. Important indicators of economic growth include job types, salary and skill levels, income, land availability and location, and housing affordability.

These indicators may include the following:

- Employment and demographic trends
- Diversity of the employment base/wages
- Jobs/Housing balance measures
- Taxable retail and non-retail sales
- Retail sales per capita
- Residential and non-residential building activity
- Home prices and rental ranges
- Office and industrial vacancy and rental rates

Scenarios of Employment Growth and Land Use Demand

In the City's August 30, 2006, memorandum, *Industrial and Commercial Land Inventory*, developed non-residential lands had low vacancy rates and a gross number of approximately 475 acres of vacant land were identified within the industrial and commercial zoning designations in Simi Valley. But more importantly, although these 475 acres may be developable sometime in the future, infrastructure cost and access obstacles make them less likely to be developed in the near future. The memorandum further estimates that only about 172 acres are developable in the near future based on infrastructure, grading, access limitations, and other development constraints.

In order to explore the implications of this limited quantity of available land, several scenarios were developed as illustrative of potential economic and land use policy actions. For example, these scenarios compare the existing estimated average floor area ratio for office use to a higher ratio, a different mix of industrial versus office and research and development job types, and a persons per household ratio alternative to the SCAG forecast. The scenarios developed range from continuation of historic trends (Scenario 1) to alternative mixes of job types (Scenarios 2 and 3) and increased land use development intensities (Scenario 3).

The following three scenarios of employment growth in the City of Simi Valley over a 30 year projection period from 2005 to 2035 were developed to estimate the range of demand for business-park and office land use designations resulting from this growth, as summarized in Table 1:

- **Scenario 1**—Projected SCAG employment and households, and holding the existing economic structure constant
- **Scenario 2**—Projected SCAG employment with office-oriented economic structure versus business park employment, and using an alternative household size projection than SCAG.
- **Scenario 3**—Same employment and household size assumptions as Scenario 2, but with an increased floor area ratio for office-oriented development

Table 1 Major Assumptions for Projection Scenarios

Employment Alternatives	Key Assumptions
Scenario 1	<ol style="list-style-type: none"> 1. Uses 2035 SCAG employment forecasts for Simi Valley. 2. Persons per households ratio of 2.85 in 2035 from SCAG forecasts. 3. Uses standard FAR factors of 0.4 for business park and 0.3 for office uses.
Scenario 2	<ol style="list-style-type: none"> 1. Uses Ventura County historic employment growth rates to project Simi Valley employment structure in 2035 with more office orientation, controlled to the 2035 SCAG City forecasts. 2. Persons per household of 3.00 in 2035 based on Ventura County trends. 3. Uses FAR factors as used in Scenario 1.
Scenario 3	<ol style="list-style-type: none"> 1. Uses Ventura County historic employment growth rates to project Simi Valley employment structure in 2035 with more office orientation, controlled to the 2035 SCAG City forecasts. 2. Persons per household of 3.00 in 2035 based on Ventura County trends. 3. FAR factors different from Scenarios 1 and 2, by using higher intensity of 0.5 for office.

Source: Stanley R.Hoffman Associates.

The estimated land use demand is then compared to available vacant land inventory in the City. This comparison helps identify alternative policy options that may include business attraction strategies, creation of vacant land opportunities, infill/reuse of older, developed lands and potential increase in densities (floor are ratios [FARs]) of non-residential development.

The results of the scenario analysis are shown in Figure 1 with the details of the projections and related calculations shown in Appendix A. As shown in Figure 1, Scenario 1 generates a demand for business-park and office land of approximately 323 acres under the assumption

of maintaining the current economic structure as identified through an analysis of Employment Development Department data. This projected demand is almost about 90 percent greater than the estimated amount of available land at 172 acres as shown in Figure 1. The ratio of jobs per household increases from 1.09 in 2005 to 1.17 in 2035.

Scenario 2 illustrates the reduced land demand as the employment structure shifts to a more office-oriented type of employment. This is largely due to the more intensive use of space by office activities at an estimated 250 square feet per employee versus an estimated 1,000 square feet per employee for business park activities. Also, based on recent household size trends, the 2035 household size of 3.0 persons per household is used instead of the SCAG forecasted household size of 2.85. The projected non-residential land demand of approximately 315 acres is about 80 percent greater than the estimated 172 vacant acres. Also, the jobs-per-household ratio increases to 1.23 due to relatively lower projected households.

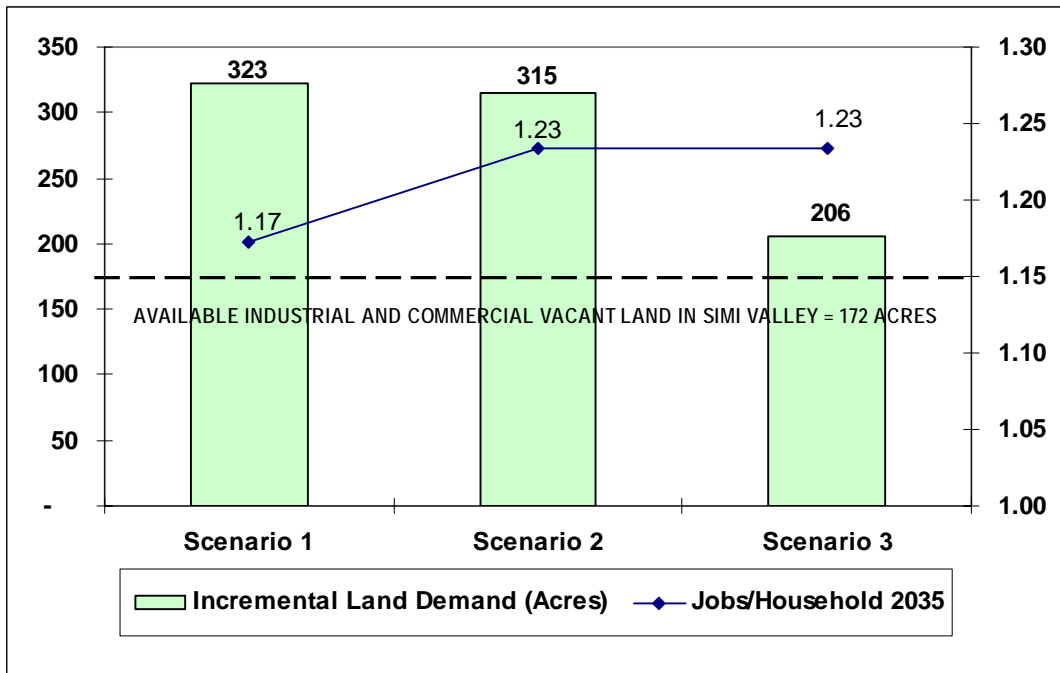


Figure 1 Summary of Employment and Land Use Projection Scenarios
 SOURCE: Stanley R. Hoffman Associates, Inc.

And finally, Scenario 3 assumes the same employment and household projections as Scenario 2, but increases the FAR for office development from an average of 0.30 to 0.50. This means that 67 percent more square footage (21,780 sq. ft. versus 13,068 sq. ft.) can be developed per acre. As shown in Figure 1, this results in approximately 206 acres of land demand, only about 20 percent higher than the 172 available acres. The jobs-per-household ratio is projected at 1.23, similar to Scenario 2.

Potential Employment Expansion Areas

According to City Staff, the waste management/landfill site is in the City's Sphere of Influence and has the potential to generate an estimated 3,750 jobs at existing General Plan floor area ratios (FAR). While the development of this property is not included in the projection scenarios and is very uncertain at this time, it illustrates the importance of finding new land opportunities as another means of expanding the City's job base.

Implications for Land Use Development Policies

Following from the above analysis, the City's future economic growth prospect depends, among other things, on the use of land. The growth in employment, in turn, has implications for the City's jobs-housing policy objectives.

The analysis from the preceding section implies that the City's ability to capitalize on regionwide economic growth trends both in terms of total employment growth and change to a more office-oriented job composition will be constrained by the availability of developable land.

The availability of developable land, in turn, will depend on two important factors: 1) the intensity of land use; and 2) total land supply, including both vacant land for new development and recyclable land for infill or refill development.

The land use demand projected under Scenarios 1 and 2 far exceed the available and the developable non-residential zoned vacant land in the City, which is currently estimated by City Staff at 172 acres. These scenarios assume status quo regarding the City's current lower intensity land use development policies. As a demonstration of the potential impact of development policies on land use demand, Scenario 3 projected a demand for only 206 acres of developable land assuming a higher intensity for office-related uses.

Following from the above, there is a need for the City to reexamine its non-residential development policies. Possible policy options might include a transition towards higher intensity of office-oriented land use, the promotion of mixed-use development on vacant and recyclable land, and the creative use of existing commercial corridors for redevelopment and transit nodes as housing and jobs centers.

Appendix A Scenarios of Economic Projections

The following presents the assumptions and calculations used for establishing the three scenarios of economic projection—Scenario 1, Scenario 2, and Scenario 3. This appendix includes the following:

- **Table A-1:** Presents the demographic, employment and land use assumptions used for the three scenarios.
- **Table A-2:** Summarizes the results of the three scenarios, including the projected employment growth by sectors, jobs per household ratios and land use demand by 2035.
- **Table A-3 through Table A-5:** Present the technical details of the employment projection model for Scenario 1 through Scenario 3, respectively.

Table A-1 Technical Assumptions for Projection Scenarios

	2005	Scenario 1	Scenario 2	Scenario 3
DEMOGRAPHIC ASSUMPTIONS				
Household Population ¹	121,102	161,218	161,218	161,218
Persons per Household ²	3.07	2.85	3.00	3.00
Households	39,476	56,534	53,739	53,739
EMPLOYMENT ASSUMPTIONS				
<i>Growth Rates '05-'35</i>³				
Business Park	n/a	1.4%	0.4%	0.4%
Office	n/a	1.4%	2.6%	2.6%
<i>Per Capita Jobs 2035</i>⁴				
Retail	0.09	0.09	0.09	0.09
Public	0.03	0.03	0.03	0.03
Other	0.08	0.08	0.08	0.08
LAND USE ASSUMPTIONS				
<i>Floor Area Ratios</i>⁵				
Business Park	0.40	0.40	0.40	0.40
Office	0.30	0.30	0.30	0.50
Retail	0.25	0.25	0.25	0.25
Public	0.25	0.25	0.25	0.25
Other	0.25	0.25	0.25	0.25
<i>Square Feet per Employee</i>				
Business Park	1000	1000	1000	1000
Office	250	250	250	250
Retail	500	500	500	500
Public	200	200	200	200
Other	100	100	100	100

1. Calculated from total population in SCAG RTP 2007 preliminary draft at TAZ level, after holding
2. Scenario 1 uses persons per household ratio from SCAG RTP 2007. Scenarios 2 and 3 use ratios derived from historic growth trends.
3. Scenario 1 uses overall the SCAG employment growth rate forecast of 1.4 percent for Simi Valley over the 2005 to 2035 time period. Scenarios 2 and 3 use historic employment growth trends by employment categories for Ventura County over the 2001 to 2005 time period.
4. Per capita jobs in 2005 for Simi Valley are derived from historic EDD employment data and population data from California Department of Finance.
5. FARs shown for Scenarios 1 through 3 are applied to employment increment from 2005 to 2035 to calculate the incremental land use demand in 2035.

Source: Stanley R.Hoffman Associates, Inc.

Table A-2 Summary of Employment and Land Use Projection Scenarios

	2005	Scenario 1	Scenario 2	Scenario 3
Employment (Jobs)				
Export Base				
Business Park ¹	6,514	9,954	7,273	7,273
Office ²	12,385	18,928	26,550	26,550
Local Serving Base				
Retail ³	10,311	15,757	13,658	13,658
Public ⁴	3,965	6,060	5,253	5,253
Other	9,988	15,264	13,231	13,231
Total Jobs	43,163	65,964	65,964	65,964
Household	39,476	56,253	53,473	53,473
Jobs per Household	1.09	1.17	1.23	1.23
Land Use Demand (Acres)				
Aggregate 2035				
Business Park ¹	374	571	417	417
Office ²	<u>237</u>	<u>362</u>	<u>508</u>	<u>400</u>
	611	933	925	817
Incremental 2005-2035⁵				
Business Park ¹		197	44	44
Office ²		<u>125</u>	<u>271</u>	<u>163</u>
Total Demand (Acres)		323	315	206

1. Includes manufacturing, wholesale trade, transportation and warehousing, and 20 percent of construction-related jobs.

2. Includes Information, Finance and Insurance, Real Estate and Leasing, Professional and Scientific activities, Management of Companies, Educational Services, and 50 percent of Administrative and Support and Waste Management.

3. Retail includes Retail Trade, and Accommodation and Food Services.

4. Public includes Federal, State and Local Government.

5. Sums have not been rounded.

Source: Stanley R. Hoffman Associates, Inc.

SCAG RTP 2007, Preliminary Draft March 2007.

Discussion of Projection Scenarios

Scenario 1

As shown in Appendix Table A-2, Scenario 1 holds the 2005 employment distribution by land use categories constant over the 30 year projection period from 2005 to 2035. This distribution is applied to SCAG's 2035 employment forecasts to calculate employment estimates by land use categories. The export-base and local-serving employment is estimated at 43.8 percent and 56.2 percent of the total employment, respectively. Land use demand at build-out for the various categories are calculated using square feet per employee factors and floor area ratios (FARs), as shown in Appendix Table A-1. As shown in Appendix Table A-3, the translation of employment to land use results in an incremental demand between 2005 and 2035 for 197 acres of business-park and 125 acres of office use, for a total of 323 acres (as shown earlier in Figure 1). The total demand for 323 acres is higher is about 90 percent higher compared to near future estimate of 172 acres of available vacant industrial and commercial land in Simi Valley.

Table A-3 Scenario 1: Employment Growth and Land Use Demand, City of Simi Valley: 2005 to 2035

	2005	2005 Distribution	2005 - 2035 AAGR	2035	2035 Distribution	2005-2035	Sq.Ft. per Employee	Floor Area Ratio 2005	Floor Area Ratio 2005-35	2005 Land Use Demand (Acres)	2005-2035 Incremental Demand (Acres)	2035 Land Use Demand (Acres)
Export Base												
Business Park ¹	6,514	15.1%	1.4%	9,954	15.1%	3,441	1000	0.4	0.4	374	197	571
Office ²	12,385	28.7%	1.4%	18,928	28.7%	6,543	250	0.3	0.3	237	125	362
Local Serving Base												
Retail ³	10,311	23.9%	1.4%	15,757	23.9%	5,447	500	0.25	0.25	473	250	723
Public ⁴	3,965	9.2%	1.4%	6,060	9.2%	2,095	200	0.25	0.25	73	38	111
Other	9,988	23.1%	1.4%	15,264	23.1%	5,276	100	0.25	0.25	92	48	140
	43,163	100.0%	1.4%	65,964	100.0%	22,801				1,249	660	1,908

1. Includes manufacturing, wholesale trade, transportation and warehousing, and 20 percent of construction-related jobs.

2. Includes Information, Finance and Insurance, Real Estate and Leasing, Professional and Scientific activities, Management of Companies, Educational Services, and 50 percent of Administrative and Support and Waste Management.

3. Retail includes Retail Trade, and Accommodation and Food Services.

4. Public includes Federal, State and Local Government.

Source: Stanley R.Hoffman Associates, Inc.
SCAG RTP 2007, Preliminary Draft March 2007.

KEY ASSUMPTIONS

1. Use SCAG 2035 total employment forecasts for Simi Valley.
2. Hold employment distribution by sectors constant over the 2005 to 2035 projection period based on the EDD 2005 distribution for Simi Valley.

Scenario 2

Scenario 2 takes the 2005 employment base and applies different growth assumptions to the export-base and the local serving economy. The export base is projected to grow at rates by sectors similar to Ventura County, as shown in Appendix Table A-4, resulting in a higher proportion of Office-type jobs compared to Scenario 1. The local-serving economy on the other hand is linked to growth in population. Additionally, Scenario 2 also estimates a higher persons-per-household ratio of 3.00 in 2035 compared to the SCAG forecast of 2.85, resulting in relatively lower household projections as compared to Scenario 1, holding the SCAG population forecast for 2035 constant.

As shown in Table A-4, Scenario 2 projects a total of 65,964 jobs for the City by 2035. Land use demand at build-out for the various categories are calculated using typical square feet per employee factors and floor area ratios (FARs), as shown in Table A-1. As shown in Table A-4, the translation of employment to land use results in an incremental demand for 44 acres of business-park and 271 acres of office use by 2035, for a total of 315 acres. This is about 80 percent higher than the 172 acres of available land.

Table A-4 Scenario 2: Employment Growth and Land Use Demand, City of Simi Valley: 2005 to 2035

	2005	2005 Distribution	2005 - 2035 AAGR	2035 SCAG Controlled	2035 SCAG Controlled Distribution	2005-2035	Sq.Ft. per Employee	Floor Area Ratio 2005	Floor Area Ratio 2005-2035	2005 Land Use Demand (Acres)	2005-2035 Incremental Demand (Acres)	2035 Land Use Demand (Acres)
Export Base												
Business Park ¹	6,514	15.1%	0.4%	7,273	11.0%	760	1000	0.4	0.4	374	44	417
Office ²	12,385	28.7%	2.6%	26,550	40.2%	14,164	250	0.3	0.3	237	271	508
Local Serving Base												
Retail ³	10,311	23.9%	0.9%	13,658	20.7%	3,347	500	0.25	0.25	473	154	627
Public ⁴	3,965	9.2%	0.9%	5,253	8.0%	1,287	200	0.25	0.25	73	24	96
Other	9,988	23.1%	0.9%	13,231	20.1%	3,243	100	0.25	0.25	92	30	121
	43,163	100.0%	1.4%	65,964	100.0%	22,801				1,249	522	1,770

1. Includes manufacturing, wholesale trade, transportation and warehousing, and 20 percent of construction-related jobs.

2. Includes Information, Finance and Insurance, Real Estate and Leasing, Professional and Scientific activities, Management of Companies, Educational Services, and 50 percent of Administrative and Support and Waste Management.

3. Retail includes Retail Trade, and Accommodation and Food Services.

4. Public includes Federal, State and Local Government.

Source: Stanley R.Hoffman Associates, Inc.

SCAG RTP 2007, Preliminary Draft March 2007.

KEY ASSUMPTIONS

1. Apply Ventura County growth rates by sector from 2005 to 2035 from SCAG RTP to Simi Valley 2005 base.
2. Control calculated employment total to the preliminary SCAG RTP 2007 City employment total.
3. Local serving employment grows at the same rate as population at 0.9 percent.
4. Development intensity same as Scenario 1.

Scenario 3

Scenario 3 is similar to Scenario 2 in terms of the assumptions used for projecting employment growth, but assumes higher intensity of office use to project land use demand. Office use was chosen to accommodate a range of job types, including professional, financial, and technical jobs that generally have a higher employee per square foot ratio than do manufacturing jobs. The export base is projected to grow at rates by sectors similar to Ventura County, as shown in Appendix Table A-5, while the local-serving economy is linked to growth in population. As shown in Table A-5, Scenario 2 projects a total of 65,964 jobs for the City in 2035. Land use demand at build-out for the various categories are calculated using square feet per employee factors and floor area ratios (FARs), as shown in Table A-1. Scenario 3 uses a higher FAR of 0.5 for office use compared to both Scenario 1 and Scenario 2. As shown in Table A-5, this results in a demand for 44 acres of business-park and 163 acres of office use for a total of 207 acres. This is about 20 percent higher than the 172 available acres.

Table A-5 Scenario 3 Employment Growth and Land Use Demand, City of Simi Valley: 2005 to 2035

	2005	2005 Distribution	2005 - 2035 AAGR	2035 SCAG Controlled	2035 SCAG Controlled Distribution	2005-2035	Sq.Ft. per Employee	Floor Area Ratio	Floor Area Ratio 2005-2035	2005 Land Use Demand (Acres)	2005-2035 Incremental Demand (Acres)	2035 Land Use Demand (Acres)
Export Base												
Business Park ¹	6,514	15.1%	0.4%	7,273	11.0%	760	1000	0.4	0.4	374	44	417
Office ²	12,385	28.7%	2.6%	26,550	40.2%	14,164	250	0.3	0.5	237	163	400
Local Serving Base												
Retail ³	10,311	23.9%	0.9%	13,658	20.7%	3,347	500	0.25	0.25	473	154	627
Public ⁴	3,965	9.2%	0.9%	5,253	8.0%	1,287	200	0.25	0.25	73	24	96
Other	9,988	23.1%	0.9%	13,231	20.1%	3,243	100	0.25	0.25	92	30	121
	43,163	100.0%	1.4%	65,964	100.0%	22,801				1,249	413	1,662

1. Includes manufacturing, wholesale trade, transportation and warehousing, and 20 percent of construction-related jobs.

2. Includes Information, Finance and Insurance, Real Estate and Leasing, Professional and Scientific activities, Management of Companies, Educational Services, and 50 percent of Administrative and Support and Waste Management.

3. Retail includes Retail Trade, and Accommodation and Food Services.

4. Public includes Federal, State and Local Government.

Source: Stanley R. Hoffman Associates, Inc.
SCAG RTP 2007, Preliminary Draft March 2007.

KEY ASSUMPTIONS

1. Apply Ventura County growth rates by sector from 2005 to 2035 from SCAG RTP to Simi Valley 2005 base.
2. Control calculated employment total to the preliminary SCAG RTP 2007 City employment total.
3. Local serving employment grows at the same rate as population at 0.9 percent.
4. Development intensity for office use higher in comparison to Scenario 1 and Scenario 2.