

Final Report

DETOD Development Feasibility and Funding Options

August 3, 2012

Prepared For:

The City of Oxnard and the
Southern California Association of Governments



Prepared by:
Economic & Planning Systems, Inc.



In Association With: The Planning Center | DC&E
Fehr & Peers Transportation Consultants



FEHR & PEERS

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DETOD Development Feasibility and Funding Options

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1. INTRODUCTION AND KEY FINDINGS

Introduction

The City Oxnard, in conjunction with the Southern California Association of Governments (SCAG) has retained Economic & Planning Systems, Inc. (EPS), as a sub-consultant to The Planning Center/DC&E, to explore opportunities for encouraging Transit Oriented Development for the Downtown East area of Oxnard.

This report builds on a prior Baseline Study, which assessed existing land uses, reviewed and evaluated market conditions, and developed an understanding of opportunities and constraints for transit-oriented development within the Study Area. These outputs helped revise and refine the project goals, leading to a general strategy for land use, phasing, and economic development that is presented in Chapter 2. The full Baseline Report is contained in **Appendix 10**.

As part of this follow-up analysis, EPS has developed a set of real estate development cash-flow models to analyze the financial feasibility of the land use and phasing strategies under different land assembly scenarios, has analyzed potential fiscal benefits of these scenarios, and has provided a framework and policies to guide how the vision will be implemented.

The report that follows discusses general findings and describes the methodology and underlying assumptions used in the analysis. The report includes:

- Description of an assumed phasing strategy
- Description of a hypothetical development program
- Description of enabling infrastructure and associated costs
- Conclusions regarding overall financial feasibility
- An assessment of fiscal benefits to the City of Oxnard
- Description of available mechanisms for funding required infrastructure
- A proposed strategy to guide City implementation efforts

Study Area

As shown in **Figure 1**, the Study Area is centrally located within the City, adjacent to Downtown. Regional access is provided by Amtrak passenger rail, which stops at the Oxnard Transportation Center; by Interstate 101 freeway, located about 3 miles north of the Study Area; and by the major arterials of Oxnard Boulevard (Highway 1), Fifth Street and Wooley Road.

The Study Area, as shown in **Figure 2**, encompasses the area south and east of the Oxnard Transportation Center. It is bounded by Wooley Road to the south, 3rd Street and the Union Pacific Railroad tracks to the north, Oxnard Boulevard to the west, and Richmond Road to the east. The Ventura County Railroad (VCRR) bisects the Study Area from a north-west to south-east direction. The eastern part of the Study Area is devoted to agricultural processing and

packing facilities and automotive repair shops, while the western part is essentially an extension of the Downtown with smaller blocks and more pedestrian-friendly uses.

Given the diversity of land uses in different parts of the Study Area, the Study Area has been divided into three sub-areas, also shown in Figure 2. These sub-areas are as follows and are referred to in this report:

- Downtown East
- Central Industrial Area
- Auto Repair District

Summary of Findings

1. ***The consultant team has devised a revitalization program that is intended to transform the existing condition by stimulating redevelopment of under-utilized sites, transitioning of marginal land uses, and adding infill multifamily housing, mixed-use residential over retail, spot infill retail, and expanded industrial uses within the current auto repair district.***

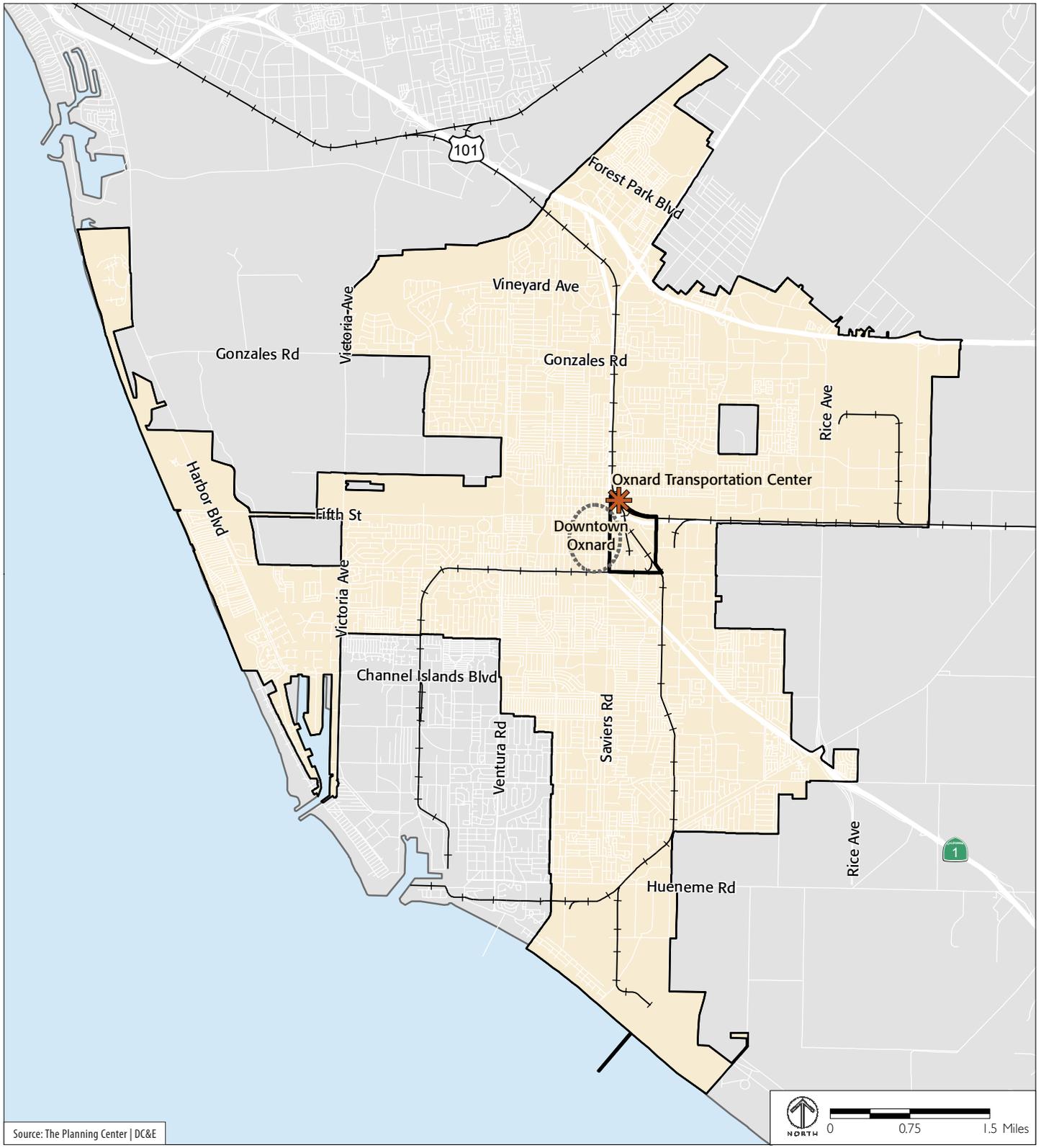
One program, based on an aggressive land assembly scenario, yields 720 new residential units (a net gain of 567) and 72,000 square feet of net new industrial flex/warehouse space. An alternate program, based on a conservative land assembly scenario, which presumes some difficulty in consolidating a large number of small parcels with multiple land owners, supports 233 new residential units while reducing retail by 95,000 square feet and increasing industrial uses by a net new 26,000 square feet. Both programs envision a reduction in the total amount of retail space (between 95,000 and 130,000 square feet), including the reuse of a number of under-utilized and/or vacant properties, but a likely improvement in the performance of the remaining retail.

2. ***Public infrastructure required to serve the renewal area is estimated to cost between \$2 million and \$3.9 million, depending on the land assembly scenario***

Development of the DETOD area will require an investment in public infrastructure that includes circulation enhancements, streetscape improvements, and buffer and gateway treatments. The area, which currently serves a mix of retail, residential, and industrial uses, is not expected to require meaningful expansion of utilities, wastewater, and storm drainage capacity (although improvements may be required). The costs of these improvements will be incurred over three development phases.

3. ***The pro forma analysis indicates that the proposed program is not feasible under assumed market and economic conditions. However, the feasibility gap is not prohibitively large and a variety of public and private initiatives could be pursued to achieve DETOD revitalization goals over the long-term.***

Residual land values are positive for all land use prototypes tested, but land acquisition costs are estimated to be significantly higher. As a result, the feasibility gaps for the aggressive and conservative scenarios are \$9.3 million and \$4.7 million respectively. However, because these gaps represent 5% and 7% of new market value created, and because the model



- Project Boundary
- City Limits

FIGURE I
CITYWIDE CONTEXT

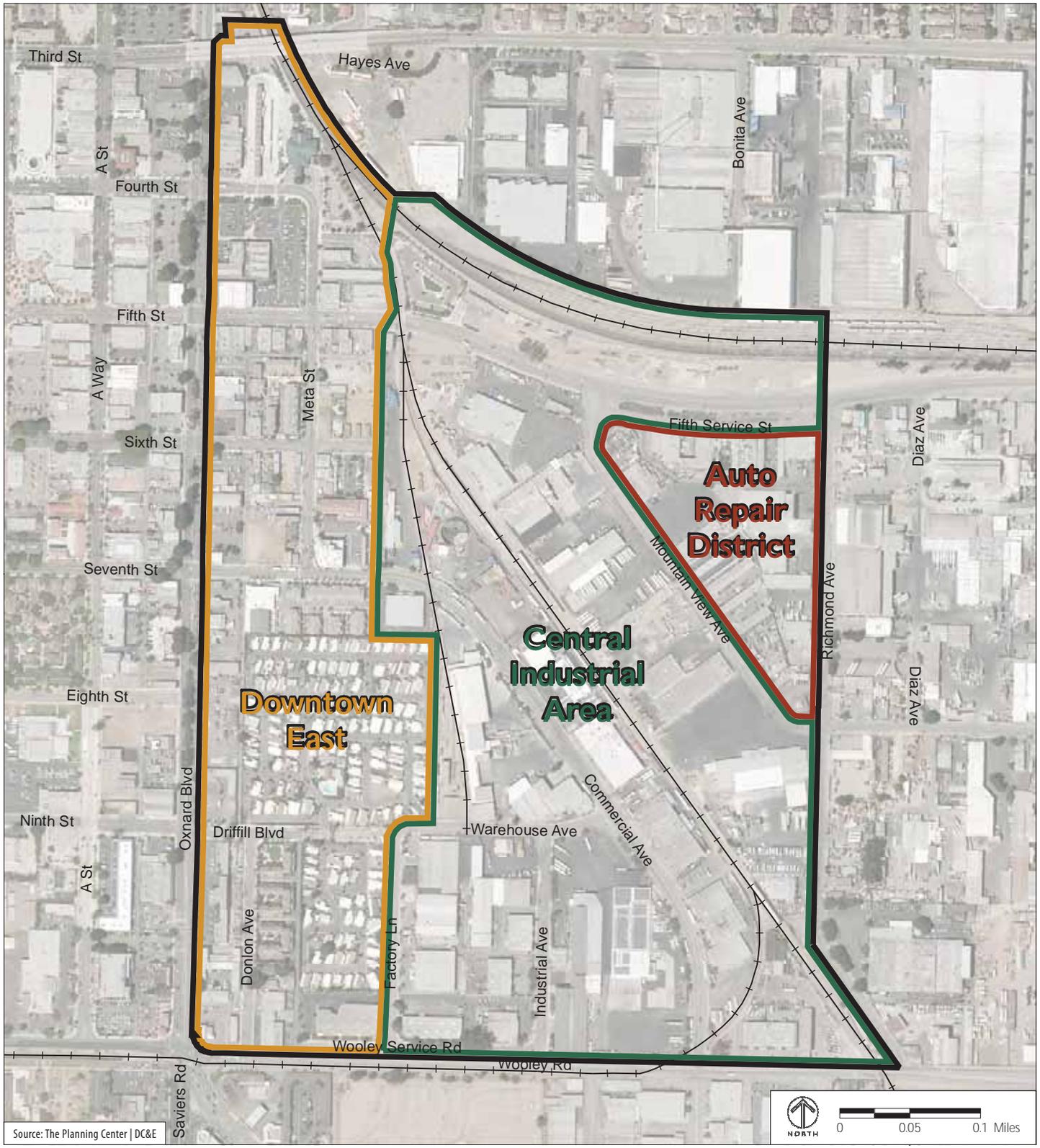


FIGURE 2
 DETOD STUDY AREA AND SUB-AREA BOUNDARIES

makes conservative assumptions about market rents, small market improvements could change gaps into surpluses.

4. The most significant challenge to development feasibility is the cost to buy out the Royal Palms Estates mobile home community, although the revitalization of the DETOD area does not depend on this outcome.

The Royal Palms Estates represents both the largest single-owner property in the renewal area and the most expensive on a per-square-foot basis. Covering 16 acres in the Phase 3 area, it represents 11% of the whole DETOD area and 42% of the portion slated for renewal. As modeled, conversion of the mobile community to multifamily residential adds \$25.7 million in additional residual land value but costs \$27.8 million to buy out for a net incremental loss of \$2.1 million. The high land cost is due to eviction protections afforded by the state of California to residents of mobile home parks, which require the buyer to provide comprehensive relocation benefits and to purchase residents' hard assets. These added to the underlying land cost and the requirement to replace each unit with a new unit of affordable housing makes redevelopment of a mobile home community very expensive. Of course, on-going revitalization efforts elsewhere in the DETOD area can go forward without the conversion of the Royal Palms Estates.

5. The alignment of Fifth Street between the Ventura County Railroad spur line and Diaz Avenue, a possible land assembly option identified in the Baseline Study, could free up additional land for development, but would not be viable as a real estate project from the perspective of a private sector investor.

The cost of the plan, which includes land acquisition and site work to free up and prepare 3.7 acres for new development, is \$5 million against the estimated \$430,000 in residual land value created. While the new alignment could create an opportunity for an east-side gateway into Downtown Oxnard, there are better gateway options elsewhere. Consequently, the Fifth Street Alignment is not considered as part of the project land assembly scenarios.

6. Estimated property and sales tax benefits from the proposed program are significant and may be used to support development or offset infrastructure capital costs.

Net property and sales tax benefits generated by both land assembly scenarios are significant. The aggressive scenario is estimated to contribute \$330,000 in additional annual revenue to the Oxnard General Fund. If bonded, this cashflow could provide \$3.9 million in additional financing, which is equivalent to the \$3.9 million in estimated scenario infrastructure costs. The conservative scenario generates \$91,000 in annual General Fund revenue, good for \$1.1 million if bonded, which represents roughly half of the \$2 million in estimated scenario infrastructure costs.

7. Actual financial and fiscal performance will depend upon future events and the gradual improvement of real estate market conditions in Oxnard and surrounding areas.

The financial and fiscal performance of the proposed plan will ultimately depend upon the actual development that occurs, precise infrastructure plans, and the funding mechanisms applied. Specifically all of the following items will influence financial and fiscal performance:

- The precise extent, phasing, and market value of new development, based on market conditions
- The possibility for land assembly

- The true costs and phasing of infrastructure, facilities, required environmental mitigations, and other negative fiscal impacts
- The availability of non-project area funding sources (e.g., City, State, and federal government) to provide money for infrastructure development
- The type and scope of infrastructure financing mechanisms which will be established to fund the necessary improvements

8. Given the sensitivity of the proposed program to market conditions and competition, the City should focus on financing and implementation strategies that are incremental, catalytic, and that leverage immediate location benefits such as proximity to the Transportation Center and Downtown Oxnard.

The recommended strategy focuses mainly on Phase 1 and has three interrelated components:

- **Private Sector Outreach** to land owners and developers to create interest and promote a common vision, and solicit their active participation in the problem.
- **Regulatory Initiatives** that create “carrots” and “sticks” to promote land recycling and new projects.
- **Financial Support** where applicable to support development feasibility, infrastructure development, and land assembly.

2. LAND USE AND PUBLIC INFRASTRUCTURE

Renewal Area and Phasing

The Baseline Report determined that the best way to take advantage of the Oxnard Transportation Center (OTC) and the ongoing Downtown Oxnard revitalization efforts, as well as to preserve and enhance the Central Industrial area as a jobs center, is to focus revitalization efforts on a strategic portion of the overall DETOD area. The resulting designated renewal area consists of 57 acres out of the 147 that make up the DETOD study area.

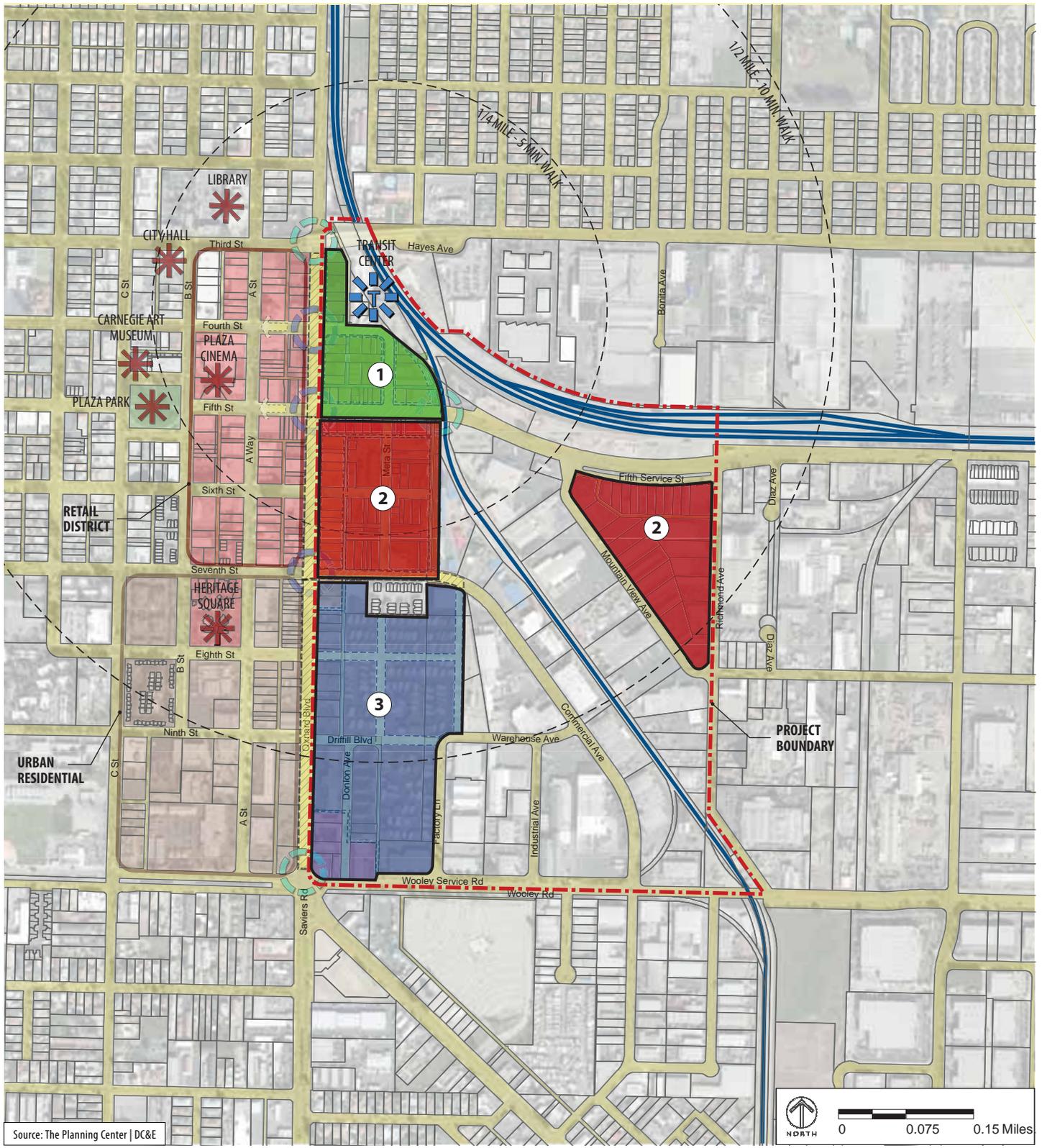
The Baseline Report also determined that the path of development would likely start from the area immediately surrounding the OTC and move from north to south. The OTC area is the logical cornerstone for this pattern because it offers a strong mix of walkable urbanism and transit options that could support creation of a transit village. This in turn, should help improve land values in the areas due south and, in conjunction with market conditions driven by economic recovery and population growth, set off subsequent rounds of development.

This pattern of development forms the basis for three proposed development phases occurring in sequence (as illustrated in **Figure 3**) and described below.

Phase 1—New Transit Village and Enhanced Downtown Connections (*Short to Mid Term, 5-15 Years*)

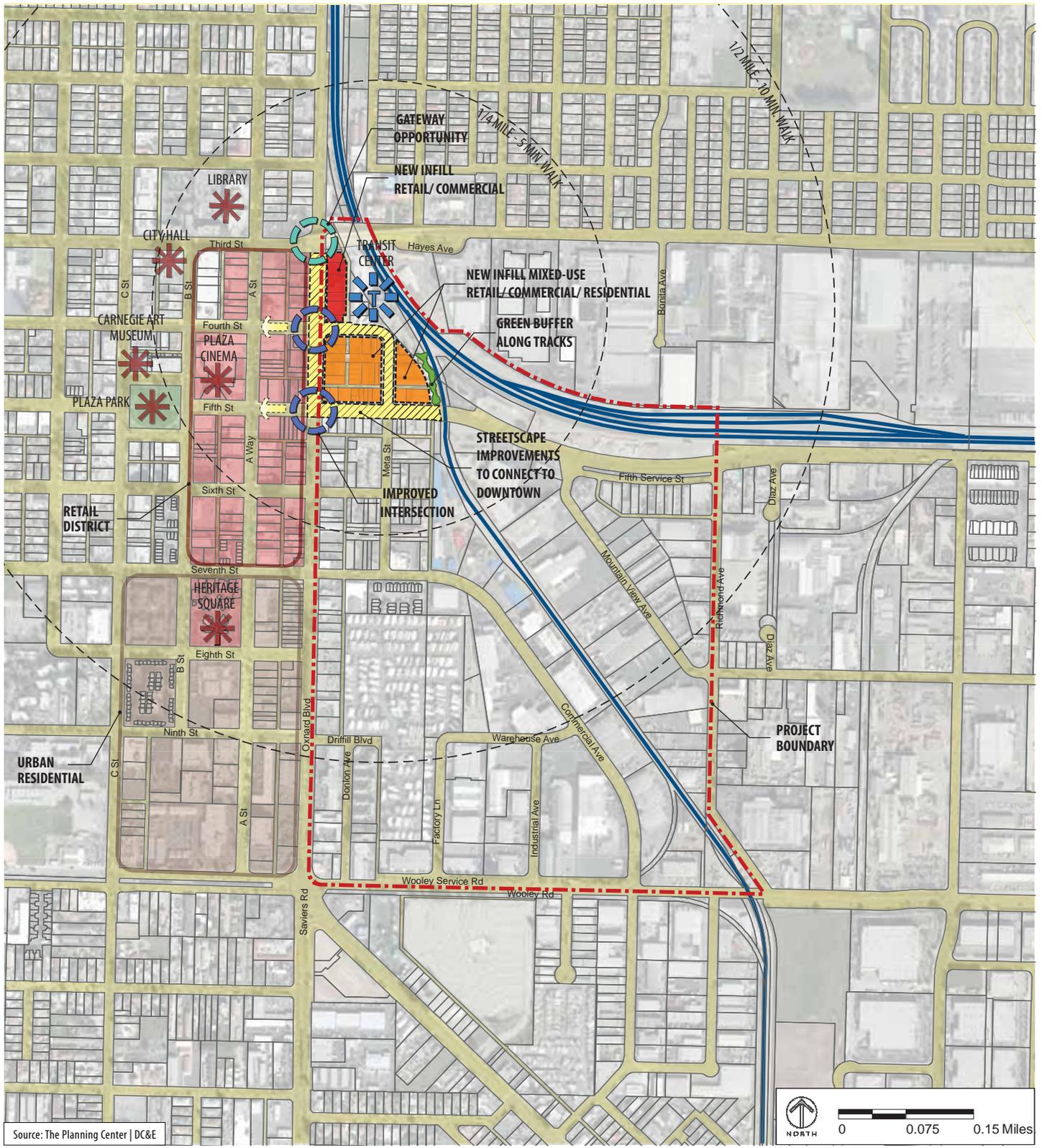
The first phase, shown in **Figure 4**, totals approximately 6.6 acres and includes the area in the direct vicinity of the OTC east of Oxnard Boulevard, west of the Ventura Railroad spur, and north of Fifth Street. The area is compact and situated within a quarter-mile walk of both the OTC and the heart of Downtown Oxnard.

High-density infill development, including a mix of residential and retail uses, is proposed to occur to the immediate south and west of the OTC, to take advantage of the walkable proximity to the OTC and the amenities and shopping opportunities located in Downtown. A catalytic TOD project adjacent to the OTC would help trigger additional TOD in subsequent phases. The new development would be built incrementally on vacant or underutilized sites, or would intensify by reusing and expanding existing buildings.



- Phase 1 Improvement Area
- Phase 2 Improvement Area
- Phase 3 Improvement Area

FIGURE 3
DETOD LAND USE AND PHASING PROGRAM: ALL PHASES



Source: The Planning Center | DC&E

- Project Boundary
- Existing Rail
- Gateway Opportunity
- Existing Urban Residential
- Existing Retail District
- Existing Park
- ✱ Existing Landmark
- Existing Street
- Infill Retail/ Commercial
- Infill Mixed-Use Retail/ Commercial/ Residential
- Improved Intersection
- Green Buffer
- Streetscape Improvements

FIGURE 4
DETOD LAND USE AND
PHASING PROGRAM: PHASE 1

To improve the connectivity between Downtown and the OTC, as well as within the area, streetscape improvements are proposed for portions of Fourth, Fifth, and Meta Street, and along Oxnard Boulevard. Streetscape improvements would include pedestrian-friendly sidewalks with shade trees and seating, reconfigured street parking and pedestrian crossings, bicycle facilities, and street calming measures such as bulb-outs and speed bumps. Additionally, due to the proximity of development to the Ventura County Railroad (VCRR) spur, a green buffer is proposed between the track and the new buildings. Façade improvements along the east side of Oxnard Boulevard and both sides of Fifth Street from Oxnard Boulevard to the tracks are also important recommendations to enhance the walking environment for pedestrians and improving patronage at local businesses.

The intersections of east-west streets intersecting with Oxnard Boulevard, namely Fourth and Fifth Street, are proposed to be improved through enhanced crosswalks, wayfinding, and other methods to visually link the DETOD area with Downtown and encourage pedestrians to walk between areas. Other key intersections, including Third and Oxnard, and Fifth and the VCRR, present the opportunity to create new gateways to the station and to Downtown. Gateways can be formed by a variety of elements, including building placement and articulation, pavement design, public art, landscaping, or street lighting.

Phase 1 – Summary of Development Strategies

1. Infill Development
 - a. Mixed-use transit village with adaptive reuse element on sites of existing La Gloria and light manufacturing facilities
 - b. Spot retail/commercial infill along the east side of Oxnard Boulevard between Third and Fourth Streets
 - c. Spot infill on Fifth Street between Meta Street and the tracks
2. Streetscape Improvements
 - a. Oxnard Boulevard between Third and Fifth Streets
 - b. Fifth Street between Oxnard Boulevard and the tracks
 - c. Fourth Street between Oxnard Boulevard and Meta Street
 - d. Meta Street between Fourth and Fifth Streets
 - e. Create buffer separating transit village development and tracks
3. Façade Improvements
 - a. East side of Oxnard Boulevard between Third and Fifth Streets
 - b. North and south side of Fifth Street between Oxnard Boulevard and the tracks
4. Gateway Opportunity
 - a. Intersection of Third Street/Oxnard Boulevard

5. Intersection Improvements
 - a. Intersection of Fourth Street/Oxnard Boulevard
 - b. Intersection of Fifth Street/Oxnard Boulevard

Phase 2— Residential/Retail Redevelopment and Rationalized Central Industrial Area (Mid Term, 10-20 Years)

The Phase 2 area, shown in **Figure 5**, totals roughly 22.6 acres and includes two separate areas: the first extends two blocks south of Phase 1 from Fifth to Seventh Streets; the second comprises the auto repair district, a discrete cluster of parcels located a quarter mile east. Current uses within the Phase 2 area include the low-income Meta Street Apartments, a health clinic, church, and assorted retail entities, as well as a collection of auto-repair and warehouse entities within the auto repair district. Most of the Phase 2 area is situated within a quarter-mile walk of the OTC, which may allow it to function as an extension of the Phase 1 transit village.

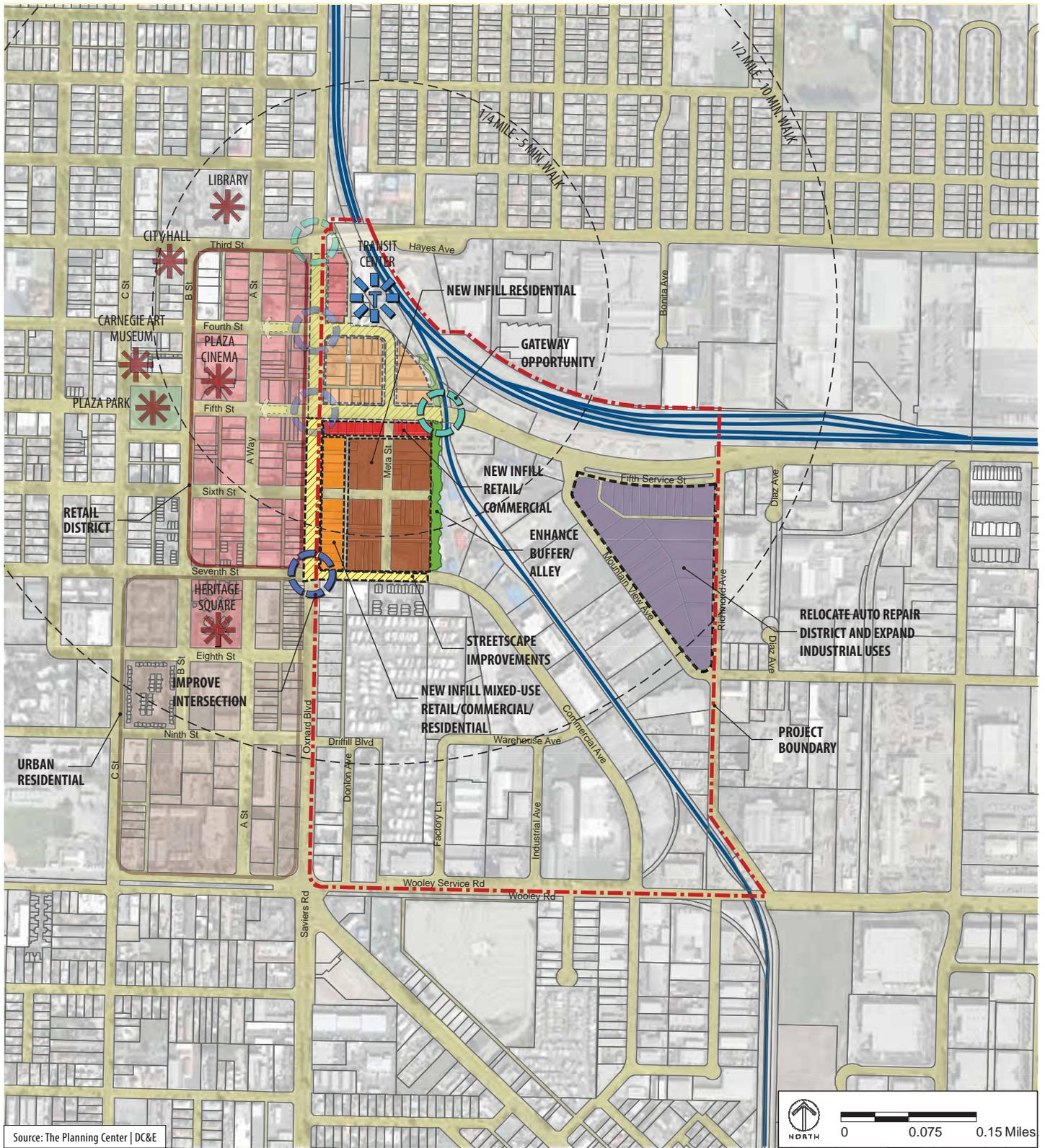
Land uses in the Phase 2 area would consist of similar residential development seen in the Meta Street Apartments and condos along Seventh Street. Along Oxnard Boulevard, depending on the market demand, neighborhood retail and/or residential mixed-use developments are proposed to line the street to complement and support the Downtown retail uses on the west side of Oxnard Boulevard. Infill retail development is also proposed along the south side of Fifth Street to enhance Fifth Street as an important retail corridor and link to Downtown and the OTC.

The existing auto repair district is proposed to be relocated in order to allow for the expansion of the industrial uses in that area. The industrial uses form a viable employment base in Oxnard and their expansion would strengthen the area's regional importance while benefiting from the proximity to the OTC.

Along with the new development, the streetscape improvements proposed in Phase 1 would get extended south along this portion of Oxnard Boulevard; similarly, streetscape improvements would occur along Seventh Street combined with intersection enhancements at the corner of Seventh and Oxnard. The continuation of the green buffer along the eastern edge of the residential development between Fifth and Seventh Streets would minimize visual impacts of the industrial area that is located on the west side of the VCRR spur.

Phase 2 – Summary of Development Strategies

1. Infill Development
 - a. Multi-family residential on underutilized parcels
 - b. Mixed-use residential over retail between Fifth and Seventh Streets
 - c. Infill retail along south side of Fifth Street between Oxnard Boulevard and the tracks
2. Streetscape Improvements
 - a. Oxnard Boulevard between Fifth and Seventh Streets



Source: The Planning Center | DC&E

- | | | |
|---|--|--|
|  Project Boundary |  Existing Rail |  Streetscape Improvements |
|  Existing Urban Residential |  Existing Street |  Gateway Opportunity |
|  Existing Retail District |  Infill Retail/ Commercial |  Improved Intersection |
|  Existing Park |  Infill Mixed-Use Retail/ Commercial/ Residential |  Green Buffer |
|  Existing Landmark |  Infill Residential | |

FIGURE 5
 DETOD LAND USE AND
 PHASING PROGRAM: PHASE 2

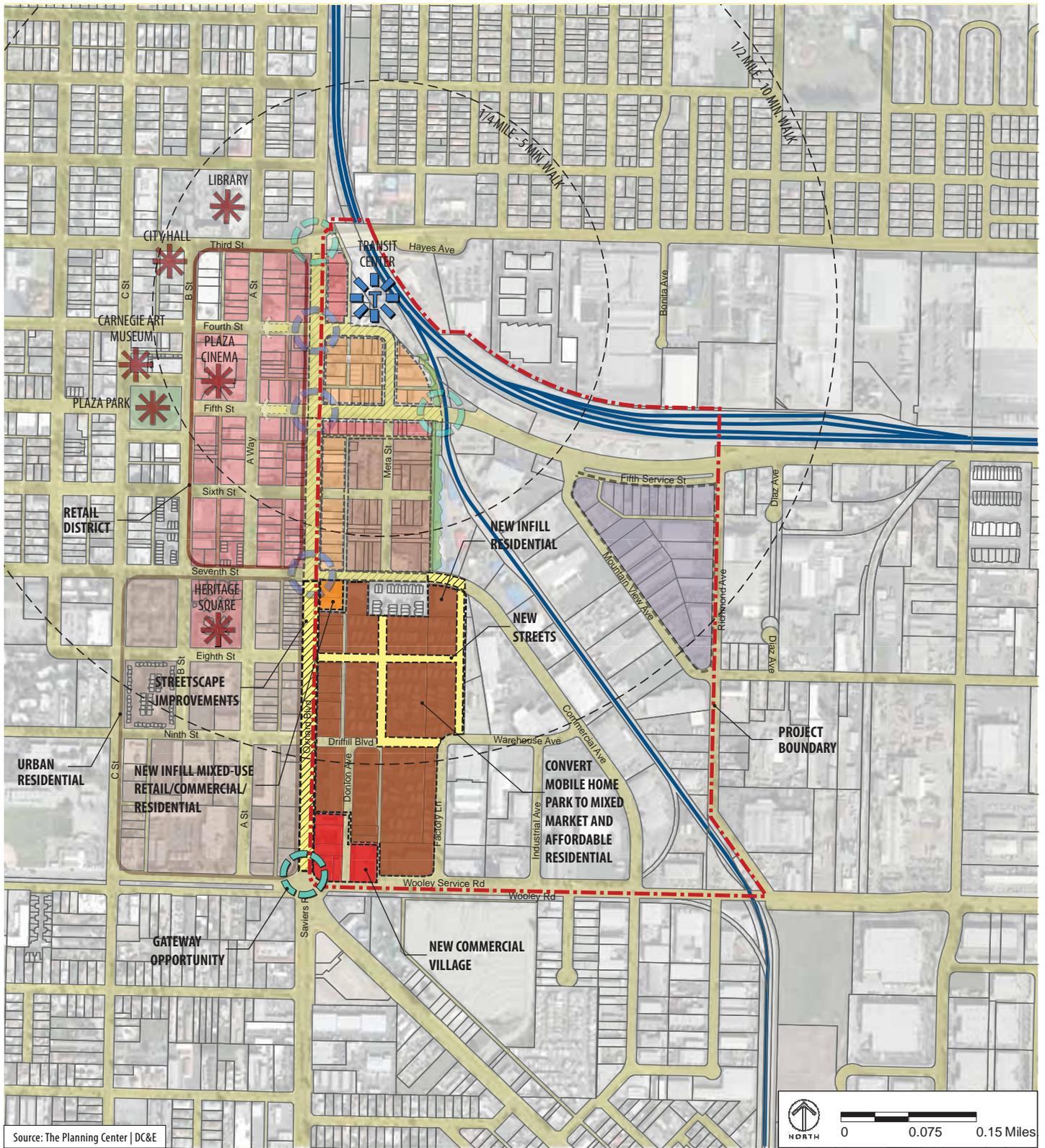
- b. Seventh Street between and Oxnard Boulevard and the edge of the Central Industrial area
- c. Create buffer separating residential from industrial
- 3. Gateway Opportunity
 - a. Intersection of Fifth Street and the tracks
- 4. Intersection Improvement
 - a. Intersection of Oxnard Boulevard and Seventh Street
- 5. Expand Fruit Processing Area into Auto Repair District
 - a. Explore mechanisms to re-zone Auto-Repair District to prohibit auto uses
 - b. Develop a strategy to relocate existing auto uses

Phase 3—Residential and Retail Redevelopment (Long Term, 20-30 Years)

Phase 3, shown in **Figure 6**, is the largest sub-area consisting of nearly 28 acres extending south from Seventh Street to Wooley Road. Existing uses within Phase 3 include two recently constructed condominium complexes, several used-car dealerships along Oxnard Boulevard, and most significantly, the Royal Palms Estates, a mobile home community that covers 16 of the 28 acres. Because all of Phase 3 area is situated outside the OTC quarter-mile walk-shed, revitalization will likely depend on general market conditions and the revitalization of directly adjacent parcels rather than on proximity to the OTC or Downtown.

This area is largely envisioned for intensification with a mix of market rate and affordable multi-family residential uses. The large intersection of Oxnard Boulevard, Wooley Road and Saviers Road presents an opportunity to intensify development with new commercial uses and create a visual gateway into the center of Oxnard. Corner retail with stepped-back residential is also envisioned at the southeast corner of Oxnard Boulevard and Seventh Street.

To improve access and pedestrian connectivity within the Study Area and to the OTC, proposed new streets would be incorporated into the new multi-family residential area. These streets would extend Eighth Street and Driffill Boulevard to the east to connect with Warehouse Avenue and a new north/south street between Seventh Street and Warehouse Avenue. In addition, a new north/south street would connect Eighth Street to Driffill Boulevard. The expansion of the streetscape improvements proposed in Phase 1 and Phase 2 along Oxnard Boulevard would further underline the intent to integrate this area with the Downtown and make the entire area identifiable as a cohesive, walkable district.



Source: The Planning Center | DC&E



- | | | | |
|----------------------------|--|--------------------------|-----------------------|
| Project Boundary | Existing Rail | Infill Residential | Gateway Opportunity |
| Existing Urban Residential | Existing Street | Streetscape Improvements | Improved Intersection |
| Existing Retail District | Infill Retail/ Commercial | New Street | |
| Existing Park | Infill Mixed-Use Retail/ Commercial/ Residential | Green Buffer | |
| Existing Landmark | | | |

FIGURE 6
DETOD LAND USE AND PHASING PROGRAM: PHASE 3

Phase 3– Summary of Development Strategies

1. Infill Development
 - a. Multi-family residential along Oxnard Boulevard and within the interior of the Study Area
 - b. Commercial village at the northeast corner of Oxnard Boulevard and Wooley Road
 - c. Mixed-use node at the southeast corner of Oxnard Boulevard and Seventh Street
2. Optional Infill Redevelopment of Mobile Home park
 - a. Analyze the feasibility of acquiring a portion/all land currently used by mobile home park
 - b. Infill with multi-family residential and additional affordable replacement units
3. New Streets (contingent upon acquisition of mobile home park)
 - a. North/south street between Seventh Street and Driffill Boulevard
 - b. North/south street between Seventh Street and Warehouse Avenue
 - c. Eighth Street extension east to intersect with new north/south streets
 - d. Driffill Boulevard extension east to Warehouse Avenue
4. Streetscape Improvements
 - a. Oxnard Boulevard from Seventh Street to Wooley Road
 - b. Seventh Street east of the buffer to the new north/south road
5. Gateway Opportunity
 - a. Intersection of Oxnard Boulevard and Wooley Road

Land Assembly

Challenges

Patterns of existing property ownership may present a challenge to economic development efforts. The renewal area includes 185 unique parcels, many of which are irregularly shaped. Land ownership is fragmented and reflects a variety of ownership characteristics, from independent owners to trusts with multiple interests. Land use and disposition decisions under these circumstances tend to optimize the interest of the individual owners rather than the district as a whole. Moreover, assembling a parcel large enough for significant development can require the cooperation of several players with divergent short- or long-term goals. Meanwhile, smaller parcels can make it difficult for projects to accommodate on-site at-grade parking requirements.

While there are a fair number of vacant parcels and parking lots, many more parcels host operating uses. Even if struggling, these often provide a secure, low-cost, and low-risk income stream to existing owners, which can represent a significant financial hurdle to alternative investment and redevelopment. Such owners may be unable to make the substantial investment required for redevelopment but also be unwilling to sell.

Other economic (or non-economic) motives or circumstances also may discourage owners from making investments, including anticipated rapid appreciation of property values. In many cases, these ownership patterns result in underutilized parcels and undesirable tenants. The City owns a fair number of parcels, but nearly all are for uses that will be retained under any development scenario, such as OTC parking areas.

Scenarios

In order to model the range between potential land use capacity and reduced capacity due to land assembly challenges, the analysis features two scenarios: an aggressive and a conservative land assembly scenario. Both scenarios are based on a detailed, parcel-level evaluation of land contained within the designated renewal area.¹

The aggressive scenario, which designates 38 out of 57 total acres for renewal (66%), retains a core set of existing uses that support project goals, complement the conceptual program, and utilize significant historical architecture (such as street retail on Fifth Street). These retained uses include public facilities such as the OTC, recent residential developments such as the Meta Street apartments, Clinicas Del Camino Real, and The Boys and Girls Clubs of Oxnard. The remaining uses are designated for renewal, which entails land acquisition, demolition of 400,000 square feet of existing improvements, and construction of new uses.

The conservative scenario designates 16 out of 57 acres for renewal (27%). In this scenario, more than half of the available land area is retained including the Royal Palms Estates mobile home community. While the Royal Palms Estates offers several benefits to a potential buyer—namely a single owner and a large contiguous area—protections afforded to mobile home community against eviction make the land costs very expensive relative to potential alternative uses supportable by Oxnard market rents. For a summary of renewal area calculations and land assembly options, see **Table 1**. For a discussion of mobile home community buy-out costs, see **Appendix 6**.

Conceptual Program

The conceptual program is intended to illustrate and quantify the capacity of the renewal area to support land uses that conform to goals derived from the Baseline Assessment. These goals

¹ The Baseline analysis identified a potential land supplement to the DETOD area resulting from the straightening of a short segment of Fifth Street between the VCRR tracks and Diaz Avenue, which could potentially free up 3.7 additional developable acres of land. In a separate analysis, this option was determined to be financially infeasible, and neither the aggressive nor conservative land assembly scenarios incorporate it. Please refer to the financial feasibility section below for further discussion.

include: emphasize residential uses that utilize the proximity to the OTC to promote pedestrianism and transit use; preserve and enhance the DETOD area as a jobs center for the City of Oxnard; provide complementary uses that serve the study area and the larger Downtown context; assure to the extent possible the feasibility of development under Oxnard market conditions.

This has led to the selection and programming of four distinct real estate development prototypes. While developers will propose a greater variety of uses, many of which the renewal area will also support, the four selected prototypes illustrate the general range of possibility. A brief description of the prototypes follows. For more information on prototype assumptions, see **Appendix 1**.

- **Residential Rental:** The most prominent land use envisioned for the renewal area is multi-family rental residential at a density high enough to allow sufficient residential concentration around the OTC. The Oxnard market does not support high rents, so the prototype is a four-story walk-up over tuck-under parking at a density of 29 dwelling units per acre. This is a relatively low density compared with other Los Angeles County TODs, but it would be among the densest residential developments in Oxnard. A for-sale residential option is not considered here due to the strong preference in Oxnard's for-sale market for more traditional formats. All units are modeled as market-rate housing. While the City has stipulated that affordable housing must contribute between 15% and 33% of all units in the DETOD area, some form of subsidy will be required to make them pencil financially, so to test development feasibility, market-rate and affordable units are assumed to be equivalent.

The parking ratio is 1.6 spaces per unit, which is based on an allocation of one space per bedroom. While some transit-oriented residential developments can succeed with lower parking ratios, lower parking ratios would likely make the units un-marketable in Oxnard. However, should parking demand around the transit village fall in the future, it may be possible to recycle surface parking for other uses.

Mixed-Use Residential Over Retail: The mixed-use prototype, featuring three-story walk-up apartments over street retail at 21 dwelling units and 3,000 square feet of retail per acre, is envisioned for the street frontage on Oxnard Boulevard. This use can help activate the streetscape, encourage pedestrian activity, and provide neighborhood retail to complement the new residential units. The mixed-use prototype shares the same basic form with the residential prototype except that first-floor units are occupied by retail uses.

- **Street Retail:** The retail prototype is envisioned to fill minor gaps in the existing retail streetscape. Like other prototypes, the street retail prototype employs stick construction and relies entirely on surface parking.
- **Warehouse/Distribution:** The prototype for warehouse/distribution is intended to reinforce and expand the existing fruit processing cluster to help support this important job center for the City. The prototype, featuring tilt-up construction, is programmed mainly as a replacement for uses in the auto repair district.

Table 1 Renewal Area and Land Assembly

	Revitalization Phases			All Phases
	Phase I	Phase II	Phase III	
Renewal Area				
Downtown East Study Area				
Land (ac)				147.2
Vertical Sqft				1,612,762
Area Selected for Renewal				
Land (ac)	6.6	22.6	27.5	56.7
Vertical Sqft	90,238	378,616	333,338	802,192
Renewal Area as % of Study Area				
Land	4%	15%	19%	39%
Vertical Sqft	6%	23%	21%	50%
Land Assembly: Aggressive Scenario				
Selected for Assembly				
Land (ac)	3.6	12.5	21.7	37.7
Vertical Sqft	90,238	183,079	125,710	399,027
Retained As Is				
Land (ac)	3.0	10.2	5.8	19.0
Vertical Sqft	0	195,537	207,628	403,165
Revitalization Area as % of Improvement Area				
Land	54%	55%	79%	66%
Vertical Sqft	100%	48%	38%	50%
Land Assembly: Conservative Scenario				
Selected for Assembly				
Land (ac)	2.8	7.1	5.6	15.5
Vertical Sqft	69,860	106,833	96,388	273,081
Retained As Is				
Land (ac)	3.8	15.6	21.9	41.2
Vertical Sqft	20,378	271,783	236,950	529,111
Revitalization Area as % of Improvement Area				
Land	43%	31%	20%	27%
Vertical Sqft	77%	28%	29%	34%

Source: Economic & Planning Systems, Inc.

Land Use Capacity

Both land assembly scenarios add a significant number of residential units, with 722 new units constructed in the aggressive scenario (a net of 567 after accounting for the eliminated mobile home units) and 233 in the conservative scenario (which retains the mobile units). Retail square footage, on the other hand, falls in both, by 130,000 square feet in the aggressive scenario and 95,000 square feet in the conservative scenario. This decline is attributable to the fact that the program replaces retail uses near the OTC and along Oxnard Boulevard with residential and mixed-use. Industrial uses in both scenarios also increase, by 72,000 square feet in the aggressive scenario and 26,000 square feet in the conservative scenario. This expansion is attributable to more efficient land use in the transformed auto repair district.

A program breakdown by prototype, phase, and scenario is shown in **Table 2**. A summary of net program change by scenario is shown in **Table 3**.

Table 2 Program Summary

Land Use Prototype	Phase I		Phase II		Phase III		All Phases		
	Res. Units	Comm. Sq.ft.	Units	Comm. Sq.ft.	Res. Units	Comm. Sq.ft.	Res. Units	Retail Sq.ft.	Indstry. Sq.ft.
Aggressive Scenario									
Four-Story Walk-Up Apartments	72	0	74	0	467	0	613	0	0
Infill Retail	0	21,243	0	15,370	0	40,362	0	76,975	0
Three-Story Walk-Up Apartments Over Retail	0	0	36	5,148	73	10,476	109	15,624	0
Warehouse/ Distribution/ Flex	0	0	0	138,212	0	0	0	0	138,212
TOTAL	72	21,243	110	158,730	541	50,838	722	92,599	138,212
Conservative Scenario									
Four-Story Walk-Up Apartments	72	0	38	0	32	0	142	0	0
Infill Retail	0	6,856	0	6,111	0	20,356	0	33,323	0
Three-Story Walk-Up Apartments Over Retail	0	0	20	2,817	72	10,259	92	13,076	0
Warehouse/ Distribution/ Flex	0	0	0	84,136	0	0	0	0	84,136
TOTAL	72	6,856	57	93,064	104	30,615	233	46,400	84,136

Source: Economic & Planning Systems, Inc.

Table 3 Net Program Change

Land Use	Aggressive Scenario			Conservative Scenario		
	Demo	New Construction	Net Impact	Demo	New Construction	Net Impact
Residential Units	155	722	567	0	233	233
Retail Square Feet	222,868	92,599	(130,269)	141,488	46,400	(95,088)
Industrial Square Feet	66,192	138,212	72,020	58,192	84,136	25,944

Source: Economic & Planning Systems, Inc.

Public Infrastructure

Revitalization is often catalyzed by public-sector investment in infrastructure, such as streets, parks, and community facilities. These types of projects often spur private-sector investment because it reflects the City's commitment to the success of a particular district and can improve its overall appeal and marketability.

In order to support the proposed land use scenarios, new public infrastructure is required to make the area more amenable to pedestrian use, to encourage circulation between the OTC and Downtown Oxnard, to buffer the residential areas from the industrial uses, and to mark significant entries into the area from the north, south, and east. By improving connectivity between Downtown Oxnard and within the DETOD renewal area as a whole, including pedestrian, automobile, and public gathering opportunities, the district can operate as an integrated whole.

Because the area currently serves a mix of retail, residential, and industrial uses, it is not expected to require meaningful expansion of utilities, wastewater, and storm drainage capacity. Of course, improvements to these facilities may be required but these costs, if any, have not been considered as part of this analysis.

The resulting streetscape enhancements, new interior roads, landscaping, and gateway treatments, can be constructed incrementally over the three development phases. In the aggressive scenario, the improvements are estimated to cost \$3.9 million. Conservative scenario infrastructure costs are estimated at \$2 million, because internal circulation costs required to prepare the mobile home parcels for alternative development can be omitted.

For a summary of infrastructure costs by category, phases, and scenario, refer to **Table 4**.

Table 4 Infrastructure Costs

Public Facility Cost ⁽¹⁾	Amount (\$)			
	Phase I	Phase II	Phase III	All Phases
Aggressive Land Assembly Scenario				
Streets and Streetscape	\$638,538	\$465,750	\$279,048	\$1,383,335
Gateway	\$34,213	\$85,000	\$39,100	\$158,313
Intersection Improvement	\$137,310	\$56,700	\$0	\$194,010
Green Buffer	\$133,055	\$180,100	\$0	\$313,155
Internal Circulation	\$0	\$0	\$1,864,725	\$1,864,725
Subtotal	\$943,115	\$787,550	\$2,182,873	\$3,913,538
Conservative Land Assembly Scenario				
Streets and Streetscape	\$638,538	\$465,750	\$279,048	\$1,383,335
Gateway	\$34,213	\$85,000	\$39,100	\$158,313
Intersection Improvement	\$137,310	\$56,700	\$0	\$194,010
Green Buffer	\$133,055	\$180,100	\$0	\$313,155
Internal Circulation	\$0	\$0	\$0	\$0
Subtotal	\$943,115	\$787,550	\$318,148	\$2,048,813

(1) Excludes land cost

Sources: The Planning Center/DC&E, Economic & Planning Systems, Inc.

3. FINANCIAL FEASIBILITY AND FISCAL BENEFITS

This chapter evaluates the financial and fiscal feasibility of DETOD revitalization from the perspective of both private developers and the City. Specifically, financial feasibility measures economic performance of redevelopment as a private investment, comparing expected costs with likely returns. Fiscal analysis, in turn, compares the likely change in General Fund costs and revenues. Because the City already provides a range of public services to the DETOD area, General Fund costs are not expected to change appreciably. Consequently, this analysis focuses on incremental General Fund revenues only.

Financial Feasibility

Financial feasibility is determined by first computing residual land value, which is the difference between the capitalized value of the proposed development less total vertical development costs. Land acquisition cost is then subtracted from residual land value. If the remainder is positive—that is, if there is a surplus after subtracting all costs including assumed developer returns, the proposed development program is feasible. If the remainder is negative, there is an economic feasibility gap.

In both the aggressive and conservative land assembly scenarios, residual land value is positive, but because land acquisition costs are higher, net value is negative. The aggressive scenario shows a net value deficit of \$9.4 million, and the conservative scenario shows a net \$4.7 million deficit. The feasibility gaps must be eliminated or significantly narrowed if the program is to interest private developers.

For a summary of residual land value, land costs, and net value created broken down by uses, phases, and scenario, please refer to **Table 5**. For Detailed residual land value pro-formas by development type, see **Appendices 2 through 5** and **Appendix 7**. For an in-depth description of model inputs, refer to **Appendix 8**.

Infeasibility of Fifth Street Realignment Option

The Baseline Report identifies the straightening of a segment of Fifth Street between the VCRR tracks and Diaz Avenue as a way to potentially free up additional land for development. However, this would be neither financially feasible nor sufficiently beneficial from an urban design perspective to justify the cost.

The alignment project would involve acquiring approximately 1.8 acres of Union Pacific land, demolishing the existing portion of the road, and constructing a new segment to free up approximately 3.7 acres of land north of the Central Industrial Area for new uses. The straightened Fifth street could also enable creation of a more formal gateway into Downtown Oxnard from the east.

There are two major impediments to this plan. First, Union Pacific is not generally amenable to selling rights of way. Second, the economic cost far outweighs economic benefits. As shown in **Table 6**, estimated land acquisition and preparation costs total nearly \$5 million and estimated

Table 5 Opportunity Cost Analysis

	Revitalization Phases			All Phases
	Phase I	Phase II	Phase III	
Aggressive Land Assembly Scenario				
Residual Land Value of New Uses				
Four-Story Walk-Up Apartments	\$4,447,254	\$4,543,615	\$28,869,578	\$37,860,446
Inline Retail	\$374,550	\$271,002	\$711,652	\$1,357,203
Three-Story Walk-Up Apartments Over Retail	\$0	\$312,165	\$635,221	\$947,386
Warehouse/ Distribution/ Flex	\$0	\$1,015,004	\$0	\$1,015,004
Subtotal	<u>\$4,821,803</u>	<u>\$6,141,785</u>	<u>\$30,216,451</u>	<u>\$41,180,039</u>
Land Acquisition	\$4,212,361	\$10,871,115	\$35,431,407	\$50,514,883
Surplus/(Gap)	<u>\$609,442</u>	<u>(\$4,729,330)</u>	<u>(\$5,214,956)</u>	<u>(\$9,334,844)</u>
Suplus/(Gap) as a % of Market Value	3%	-10%	-4%	-5%
Conservative Land Assembly Scenario				
Residual Land Value of New Uses				
Four-Story Walk-Up Apartments	\$4,447,291	\$2,323,894	\$1,983,366	\$8,754,551
Inline Retail	\$120,885	\$107,744	\$358,918	\$587,547
Three-Story Walk-Up Apartments Over Retail	\$0	\$170,838	\$622,066	\$792,905
Warehouse/ Distribution/ Flex	\$0	\$617,879	\$0	\$617,879
Subtotal	<u>\$4,568,176</u>	<u>\$3,220,354</u>	<u>\$2,964,350</u>	<u>\$10,752,881</u>
Land Acquisition	\$3,786,532	\$6,246,500	\$5,432,829	\$15,465,861
Surplus/(Gap)	<u>\$781,644</u>	<u>(\$3,026,146)</u>	<u>(\$2,468,479)</u>	<u>(\$4,712,980)</u>
Suplus/(Gap) as a % of Market Value	5%	-11%	-9%	-7%

Source: Economic & Planning Systems, Inc.

residual land value for new warehouse/distribution/flex space totals \$430,000 for a net deficit of approximately \$4.5 million.

A land use other than industrial might produce a higher residual land value, but it is unlikely to be marketable in this location. Hypothetically, City land contribution could lower the deficit by \$2 million to \$2.5 million and bonding all General Fund property tax benefits generated by the new uses could reduce the deficit by another \$173,000 to a still infeasible gap of \$2.3 million. Finally, because there are several preferable entries to Downtown that could serve as a gateway, it is arguable that the potential urban design benefits of the realignment would be marginal at best—and not worth the \$2.3 million in subsidy that would be required to eliminate the feasibility gap.

Improving Program Feasibility

In attempting to encourage revitalization of the DETOD area, the City of Oxnard must deal with several of the challenges typically facing older Downtown areas, including physical dilapidation, highway-based competition, a physical layout that won't accommodate certain marketable uses like retail anchors, and resistance from existing owners. Each of these factors is reflected in the feasibility gaps, which, while significant, should not be an impediment to moving forward.

Table 6 5th Street Alignment Feasibility Analysis

Category	Quantity	Rate	Cost
COSTS			
Union Pacific Land	78,408 Sqft	\$12.00 /Sqft	\$940,896
City-Owned Land	161,172 Sqft	\$12.00 /Sqft	\$1,934,064
Grading	260,000 Sqft	\$1.00 /Sqft	\$260,000
Asphalt	160,000 Sqft	\$9.00 /Sqft	\$1,440,000
Striping, Sidewalk, Signalling, Landscaping	160,000 Sqft	\$2.27 /Sqft	\$362,500
Total			\$4,937,460
REAL ESTATE VALUE CREATED			
New Land Area	161,172 Sqft		
Less 10% for circulation, etc.	(16,117) Sqft		
Net Available New Land Area	145,055 Sqft		
Use: Warehouse/ Distribution/ Flex	62,005 Sqft		
Residual Land Value		\$6.98 /Sqft	\$432,583
Net Value Created			(\$4,504,877)
INCREMENTAL PROPERTY TAX BENEFITS			
Estimated Assessed Value	62,005 Sqft		
Construction Cost	\$133 /Sqft		
Property Tax Increment To Oxnard General Fund	\$8,245,601 Value	0.178%	\$14,677
Equivalent 30-Yr Bond Value	7.5% coupon		\$173,343

Sources: DC&E/The Planning Center, Economic & Planning Systems, Inc.

Measured against total market value created, the feasibility gaps are relatively minor. In the aggressive scenario, the \$9.4 million gap represents 5% of the total market value created, and in the conservative scenario, a \$4.7 million gap equates to 7% of total market value created. Such deficits tend to be sensitive to changes in value drivers, so small market improvements can swing the results into positive feasibility.

For example, rent appreciation of 5.5% relative to costs shifts the aggressive scenario into feasibility, as does a 6.6% bump for the conservative scenario. And because the rent assumptions used in the analysis are conservative in order to reflect the untested (for Oxnard) transit village concept, there is upside if the residential units can command rents at the upper end of the Oxnard spectrum. Structural changes in the residential market that shift demand from for-sale to for-rent properties could also boost rents and feasibility.

Even without rent improvement, Phase 1 in both scenarios appears to be feasible. And because each phase stands on its own, implementation of Phase 1 can begin now.

Phases 2 and 3, on the other hand, show a large feasibility gap attributable to two main factors. The mixed-use prototype, of which Phases 2 and 3 include a considerable quantity, generates far less residual value per square foot than single-use multifamily, the result of higher construction

costs and greater perceived risk without a commensurate bump in rents. Tweaking the program mix in Phases 2 and 3 to employ less of the mixed-use prototype can improve feasibility.

The biggest factor in the Phase 3 feasibility gap pertains to the Royal Palms Estates mobile home community. As modeled, replacement of Royal Palms Estates with multifamily residential adds \$25.7 million in additional residual land value and \$27.8 million buy-out costs, for a net incremental loss of \$2.1 million. Buy-out costs, as discussed further in **Appendix 6**, are based on an assumption of full occupancy. But a common strategy used by some mobile park owners to improve marketability is to let occupancy fall by attrition and thereby lower the relocation cost burden. Whether the current owners are willing to forego rent in anticipation of future redevelopment remains to be seen.

Fiscal Benefits

This section evaluates the impact of the proposed development on the City of Oxnard's General Fund revenues with respect to sales and property taxes. In addition to providing useful information on the overall merits of the proposed development, the results of the analysis can have a direct bearing on project financial feasibility. For example, if the development generates a significant surplus, the City may elect to dedicate a portion of these funds to project-wide infrastructure, thus enhancing overall project feasibility.

In both land assembly scenarios, property tax benefits increase significantly. In the aggressive scenario, property tax revenue to the Oxnard General Fund increases by 500% or \$290,000 in incremental annual revenue. In the conservative scenario, revenues increase by 250% or \$90,000 annually.

Sales tax benefits are more modest. A net loss in retail square feet in both scenarios to make way for residential expansion is offset somewhat by higher expected retail sales per square foot. In the aggressive scenario, sales tax benefits increase by roughly 25% or \$41,000, whereas in the conservative scenario, net benefits decline by a marginal amount and stay essentially even.

Together, net tax benefits generated by both scenarios are significant. The aggressive scenario adds \$330,000 in new contributions to the Oxnard General Fund annually, which could hypothetically be bonded to generate approximately \$3.9 million in additional financing. The conservative scenario generates \$91,000 in new annual General Fund contributions, equivalent to a \$1.1 million bond.

In both cases, these hypothetical bond proceeds could help offset public infrastructure costs. In the aggressive scenario, all \$3.9 million in estimated public infrastructure costs could be financed, and in the conservative scenario, roughly half the \$2 million in costs could be covered.

For a summary of tax benefits by phase and scenario, please refer to **Tables 7a** and **7b**. For a comparison of total tax benefits with public infrastructure costs, see **Table 8**.

Table 7A Fiscal Benefits Analysis – Aggressive Land Assembly Scenario

	Phases ⁽¹⁾			All Phases
	Phase I Area	Phase II Area	Phase III Area	
Property Taxes				
Current				
Basis	\$5,303,571	\$13,499,316	\$13,732,617	\$32,535,504
Estimated Annual Taxes ⁽²⁾	\$53,036	\$134,993	\$137,326	\$325,355
Portion Available to Oxnard General Fund ⁽³⁾	\$9,440	\$24,029	\$24,444	\$57,913
After Revitalization				
Basis	\$20,307,391	\$47,874,207	\$127,935,938	\$196,117,536
Estimated Annual Taxes ⁽²⁾	\$203,074	\$478,742	\$1,279,359	\$1,961,175
Portion Available to Oxnard General Fund ⁽³⁾	\$36,147	\$85,216	\$227,726	\$349,089
Net New Tax Benefits				
Basis	\$15,003,820	\$34,374,891	\$114,203,321	\$163,582,032
Estimated Annual Taxes ⁽²⁾	\$150,038	\$343,749	\$1,142,033	\$1,635,820
Portion Available to Oxnard General Fund ⁽³⁾	\$26,707	\$61,187	\$203,282	\$291,176
Sales Taxes				
Current				
Retail Sqft	45,044	91,014	86,810	222,868
Estimated Sales/Sqft ⁽⁴⁾	\$77	\$76	\$79	\$77
Estimated Retail Sales	\$3,457,853	\$6,936,315	\$6,877,472	\$17,271,640
Estimated Annual Taxes ⁽⁵⁾	\$32,850	\$65,895	\$65,336	\$164,081
After Revitalization				
Retail Sqft	21,243	20,518	50,838	92,599
Estimated Sales/Sqft ⁽⁴⁾	\$231	\$234	\$233	\$233
Estimated Retail Sales	\$4,903,927	\$4,802,675	\$11,870,318	\$21,576,920
Estimated Annual Taxes ⁽⁵⁾	\$46,587	\$45,625	\$112,768	\$204,981
Net New Tax Benefits				
Retail Sqft	(23,801)	(70,496)	(35,972)	(130,269)
Estimated Retail Sales	\$1,446,074	(\$2,133,640)	\$4,992,846	\$4,305,281
Estimated Annual Taxes ⁽⁵⁾	\$13,738	(\$20,270)	\$47,432	\$40,900

(1) Areas targeted for revitalization make up 39% of DETOD area land and 50% of DETOD area improvements

(2) Tax increment is computed as 1% of the difference between new market value and the current assessed value

(3) At .178% of Assessed Value

(4) Sales/Sqft rate estimate derived from NAICS 2011 Data

(5) At .95% of total sales allocated to the City of Oxnard

Sources: Economic & Planning Systems, Inc., County Assessor, NAICS

Table 7B Fiscal Benefits Analysis – Conservative Land Assembly Scenario

	Phases ⁽¹⁾			All Phases
	Phase I Area	Phase II Area	Phase III Area	
Property Taxes				
Current				
Basis	\$3,255,571	\$7,648,583	\$8,416,691	\$19,320,845
Estimated Annual Taxes ⁽²⁾	\$32,556	\$76,486	\$84,167	\$193,208
Portion Available to Oxnard General Fund ⁽³⁾	\$5,795	\$13,614	\$14,982	\$34,391
After Revitalization				
Basis	\$17,305,457	\$26,390,937	\$27,437,888	\$71,134,282
Estimated Annual Taxes ⁽²⁾	\$173,055	\$263,909	\$274,379	\$711,343
Portion Available to Oxnard General Fund ⁽³⁾	\$30,804	\$46,976	\$48,839	\$126,619
Net New Tax Benefits				
Basis	\$14,049,886	\$18,742,354	\$19,021,197	\$51,813,437
Estimated Annual Taxes ⁽²⁾	\$140,499	\$187,424	\$190,212	\$518,134
Portion Available to Oxnard General Fund ⁽³⁾	\$25,009	\$33,361	\$33,858	\$92,228
Sales Taxes				
Current				
Retail Sqft	32,916	51,084	57,488	141,488
Estimated Sales/Sqft ⁽⁴⁾	\$76	\$76	\$80	\$78
Estimated Retail Sales	\$2,511,218	\$3,867,468	\$4,625,181	\$11,003,867
Estimated Annual Taxes ⁽⁵⁾	\$23,857	\$36,741	\$43,939	\$104,537
After Revitalization				
Retail Sqft	6,856	8,928	30,615	46,400
Estimated Sales/Sqft ⁽⁴⁾	\$231	\$235	\$235	\$234
Estimated Retail Sales	\$1,582,603	\$2,097,213	\$7,199,123	\$10,878,939
Estimated Annual Taxes ⁽⁵⁾	\$15,035	\$19,924	\$68,392	\$103,350
Net New Tax Benefits				
Retail Sqft	(26,060)	(42,156)	(26,873)	(95,088)
Estimated Retail Sales	(\$928,615)	(\$1,770,255)	\$2,573,942	(\$124,928)
Estimated Annual Taxes ⁽⁵⁾	(\$8,822)	(\$16,817)	\$24,452	(\$1,187)

(1) Areas targeted for revitalization make up 39% of DETOD area land and 50% of DETOD area improvements

(2) Tax increment is computed as 1% of the difference between new market value and the current assessed value

(3) At .178% of Assessed Value

(4) Sales/Sqft rate estimate derived from NAICS 2011 Data

(5) At .95% of total sales allocated to the City of Oxnard

Sources: Economic & Planning Systems, Inc., County Assessor, NAICS

Table 8 Public Costs and Benefits

	Revitalization Phases			All Phases
	Phase I	Phase II	Phase III	
Aggressive Land Assembly Scenario				
Public Infrastructure Cost	\$943,115	\$787,550	\$2,182,873	\$3,913,538
Annual Fiscal Benefits at Build-out				
Net New Property Tax to Oxnard General Fund	\$26,707	\$61,187	\$203,282	\$291,176
Net New Sales Tax	\$13,738	(\$20,270)	\$47,432	\$40,900
Net New Benefits	\$40,445	\$40,918	\$250,714	\$332,076
<i>Potential Bonded Value of Fiscal Benefits (30-year bond, 7.5% coupon)</i>	\$477,665	\$483,254	\$2,961,029	\$3,921,948
Conservative Land Assembly Scenario				
Public Infrastructure Cost	\$943,115	\$787,550	\$318,148	\$2,048,813
Annual Fiscal Benefits at Build-out				
Net New Property Tax to Oxnard General Fund	\$25,009	\$33,361	\$33,858	\$92,228
Net New Sales Tax	(\$8,822)	(\$16,817)	\$24,452	(\$1,187)
Net New Benefits	\$16,187	\$16,544	\$58,310	\$91,041
<i>Potential Bonded Value of Fiscal Benefits (30-year bond, 7.5% coupon)</i>	\$191,174	\$195,391	\$688,666	\$1,075,231

Source: Economic & Planning Systems, Inc.

4. FINANCING AND IMPLEMENTATION

This section describes a general strategy for financing the proposed DETOD renewal area and implementation actions that are responsive to economic realities and changing market conditions. The recommendations should be taken as a general framework within which to proceed, as the optimal strategy will depend on events that have not materialized, including an improvement of market conditions and evidence of clear developer interest.

Findings and Implications for Strategy

The conceptual program under both land assembly scenarios is financially infeasible under the assumptions tested in the model. However, the feasibility “gap” is not large relative to the estimated market value of the proposed program, and small changes in market assumptions, construction costs, and land assembly costs could shift the results to significantly reduce or eliminate this gap. In addition, Phase 1 in both scenarios actually shows a surplus, indicative that a Phase 1 scenario may be supportable under current market conditions.

The viability of Downtown Oxnard for retail and residential development as a whole remains an overriding concern. As described in the Baseline Study, Downtown Oxnard, despite heavy private investment and public support from the Oxnard Redevelopment Agency, remains a work in progress, especially for residential uses. Even if strong economic recovery comes to the City, the likelihood, timing, and extent of continued Downtown revitalization remains uncertain. Initial market demand post-recovery is likely to flow to RiverPark (which still has a large number of finished residential lots and vacant retail space) before Downtown Oxnard, and to Downtown Oxnard before the DETOD renewal area starts to look like a viable development location.

In addition, under any market scenario, land assembly in the DETOD renewal area will be a challenge. The land pattern features a large number of irregular parcels, and ownership is diverse and fragmented. Land use and disposition decisions under these circumstances tend to optimize the interest of the individual owners rather than the district as a whole. Even if land values provide a strong incentive for revitalization, many current owners may refuse to sell for market value or will hold out entirely.

Public infrastructure costs for enabling infrastructure such as streetscape improvements and landscape buffers are a reasonable \$2 million to \$3.9 million. Estimated fiscal benefits from the project may provide much of the security necessary to justify public financing for build-out. However, potential additional negative potential fiscal impacts beyond those estimated here, such as capital improvements for sewer and water and services for fire and police protection should be assessed in light of proposed actual development projects.

Given sensitivity of DETOD area renewal to future market conditions, to strong competition from other residential and retail areas in the City, and to the likely challenges in land assembly, the City should consider an approach to revitalization that is opportunistic with respect to market conditions, is focused on policies and infrastructure investments that have a catalytic effect, and that leverages existing location benefits, such as proximity of the Phase 1 area to the OTC and to Downtown Oxnard.

The resulting recommended strategy focuses mainly on Phase 1 and has three interrelated components, as follows:

1. **Private Sector Outreach:** Lay the foundation for DETOD renewal with outreach initiatives to land owners and developers that promote a common vision, create the underlying conditions that may lead to a catalytic project in Phase 1, and solicits their active participation in this process.
2. **Regulatory Initiatives:** Explore opportunities for regulatory tactics that will create momentum for developers towards realizing the DETOD renewal vision. Where possible, consider both “carrots” and “sticks” as appropriate throughout DETOD renewal area.
3. **Financial Support:** Explore opportunities to pursue and implement funding options and financing mechanisms to support development feasibility, infrastructure development, and land assembly. Aim to build infrastructure incrementally in time with phasing.

The discussion below presents some of the actions and approaches available within each category in general terms for consideration by City staff. Additional specificity will be required when or if the City decides to pursue one or several of the approaches described.

Private Sector Outreach

Public-Private Engagement

Specific sites within the DETOD renewal area stand out as opportunity sites, based on their location, ownership, or proximity to key Downtown amenities. Several areas have been preliminarily identified as opportunity sites, such as the area surrounding La Gloria supermarket in Phase 1 and the Royal Palms Estates in Phase 3. In addition, strategically located vacant sites (e.g., scattered parcels throughout all the phase areas) may offer long-term opportunities for infill development. The use of these sites will depend on the cooperation of property owners, which the City may be able to help facilitate and encourage.

One possible approach is to engage in discussions with land owners and potential developers to refine the vision for DETOD renewal. This process would help identify potential revitalization obstacles, clarify options consistent with project goals, and refine the program in concert with available parcels. Most importantly, such outreach would help educate land owners about the potential appreciation in land values that may result from cooperation around a holistic vision for the DETOD renewal area, which could help facilitate land assembly.

Another effort should aim to coordinate public-private development efforts with ongoing public improvements. In addition to potential DETOD renewal improvements specified in the infrastructure plan, other improvements scheduled as part of Downtown Oxnard revitalization should be designed to support and enhance the DETOD opportunity area as well.

Marketing and Business Recruitment

While the City should not be in the business of pre-programming the tenant mix of a commercial district, it can work closely with the private-sector groups to identify, recruit, and retain businesses consistent with broader economic development goals. Business recruitment efforts

can not only attract new businesses but also support the needs of existing tenants. The types of activities often associated with business recruitment strategies include these:

- Research on market conditions and space requirements for targeted tenant types;
- Analysis of available sites, including renovation requirements and lease terms;
- Marketing and solicitation aimed at specific tenants;
- Expedited or preferential permits and business licensing for targeted tenants (e.g., liquor licenses);
- Financial assistance with initial start-up costs (e.g., tenant improvements);
- Low-interest business loans; and
- Property acquisition or lease subsidies for targeted tenants.

Business recruitment efforts can be implemented by both public and private entities or as part of a coordinated effort. In either case, the effort should be closely linked to the overall marketing plan for Downtown Oxnard and focused on attracting businesses that reinforce or enhance the economic and social vitality of Downtown Oxnard as a whole, inclusive of the DETOD area.

Business Improvement District

One useful tool to facilitate marketing, business recruitment, and establishment of a holistic vision for the future is a Business Improvement District (BID). A BID Business Improvement Districts (BIDs) can play a variety of roles and can provide a range of services designed to advance the overall commercial appeal of a specific district. At the very minimum, a BID can serve as an organizing tool to formulate and advance common area interests. Other BID activities can range from development of marketing and promotional activities, including sponsoring special events, to more strategic management of programs, maintenance services, construction of additional common area improvements, and possibly recruiting selected tenants.

The Oxnard Downtown Management District, a Property Business Improvement District (PBID) established in 2001, currently plays this role for a portion of Downtown Oxnard that includes some, but not all, of the DETOD renewal area. As the PBID comes up for renewal, the City should consider expanding the district's boundaries to include the whole DETOD renewal area and to incorporate some version of the DETOD renewal vision into the next 5-year district plan.

Regulatory Initiatives

In the latest update of the General Plan, the zoning designation for the whole DETOD area has been specified as CBD. With no height limits and a residential density cap at 39 du/ac, this appears appropriate for the prototypes tested for the renewal area in phases 1-3. However, up-zoning to allow even more density could create additional incentive for developers and land owners to explore more intense land uses.

The CBD designation is not, however, consistent with the study's objective to preserve the Central Industrial Area as a jobs center, and the original industrial designations should be restored. By reducing the amount of land available for residential and retail development, this

may also have the salutary effect of increasing the land value—and incentives for revitalization—for the remaining DETOD renewal area.

As described previously in the Baseline Report, the existing condition of many entities in the DETOD area with regard to uses, signage, general upkeep, and other areas may be in conflict with the current Municipal Code. A program of improved code enforcement, implemented in conjunction with new infrastructure development and the concurrent roll-out of a DETOD vision, may help create a new set of underlying conditions that provide developer incentive and encourage land transactions in support of DETOD renewal goals.

Financial Support

Various forms of public assistance may be available, as needed, to support development feasibility, infrastructure development, economic development, and land assembly. The ultimate mix of available financing mechanisms will be determined in the implementation process, based on final technical analyses of costs, benefits, and burdens, and on deliberations involving City staff, property owners, developers, elected officials, bond counsel, underwriters, finance experts, and others.

The financing tools and their applicability to the DETOD renewal area fall into four distinct categories, which are listed below and discussed further in **Appendix 9**.

1. Area-Specific Fees, Dedications, and Exactions
2. Assessment and Special Tax-Secured Financing
3. Citywide Sources
4. Federal and State Funding

To develop, adopt, and implement the funding mechanisms for the DETOD renewal area, the City of Oxnard will need to complete a number of actions, based on a refined assessment of the conceptual plan. These actions fall under four categories of activity, with accompanying sub-tasks. Although they are presented in a sequential order, in all likelihood the individual actions will need to be undertaken concurrently.

1. Refine land and development plan
 - a. Refine land use and facility improvement assumptions
 - b. Formulate and refine cost estimates
 - c. Establish infrastructure phasing based upon development priorities
2. Obtain views and concerns from key stakeholders
 - d. Determine intentions and level of participation of DETOD area landowners and potential developers
 - e. Select and approve the preferred financing strategy
 - f. Consider and assemble financing mechanisms
3. Adopt preferred phasing and financing strategy

4. Establish the funding mechanisms as defined in the financing strategy, based on the implementation requirements of each.

APPENDIX 1: LAND USE PROTOTYPES

Appendix 1 Land Use Prototypes

Item	Residential Rental*	Retail	Mixed Use	Industrial
	Four-Story Walk-Up Apartments Over Tuck Parking	Inline Retail	Three-Story Walk-Up Apartments Over Retail and Tuck Parking	Warehouse/ Distribution/ Flex
Description <i>(height, construction type, parking options)</i>	Four-story wood frame construction; tuck and surface parking	One-story wood frame construction; surface parking	Three-story wood frame construction; tuck and surface parking; over retail	1 story; class D or S construction; surface parking
Residential Size (Sqft/per unit)	820	na	850	na
DU/acre	29	na	21	na
FAR	0.64	0.45	0.55	0.45
Equivalent Retail Sqft/acre		19,600	3,000	19,600
Parking Ratio (per unit) ⁽¹⁾	1.6	na	1.6	na
Parking Ratio (per 1,000 Sqft office/retail/ind.)	na	3.3	4.0	1.0
Covered Parking (% of total)	42%	0%	38%	0%
Surface Parking (% of total)	58%	100%	62%	100%
Revenue Inputs				
Rent Type	NA	FS	NA / NNN	NNN
Value (per unit)	na	na	na	na
Annual Res Rent (per Sqft)	\$21.00		\$21.00	
Annual Non-Res Rent (per Sqft)		\$23.00	\$23.00	\$11.00
Operating Expenses	30.0%	20.0%	25.0%	10.0%
Cap Rate at Stabilization ⁽²⁾	5.0%	7.0%	6.0%	6.0%
Cost Inputs				
Building Construction (per gross Sqft) ⁽³⁾	\$110	\$110	\$125	\$90
Tenant Improvements (per gross Sqft)	na	\$20	\$20	\$0
Development Impact Fees (per gross Sqft)				
Sewer	\$4.66	\$0.20	\$2.35	\$0.18
Storm Drain	\$0.52	\$0.83	\$0.35	\$0.75
Traffic	\$3.24	\$4.42	\$3.77	\$2.44
Development Permit Fees	\$2.52	\$3.25	\$3.35	\$2.04
Total	\$10.95	\$8.70	\$9.82	\$5.40
Developer Return	7.0%	8.5%	8.0%	8.0%
Key Outputs				
Residual Land Value (per unit/per bldg. sq.ft.)	\$61,762	\$18	\$8	\$7
Residual Land Value as % of Building Value	27.2%	8.3%	3.9%	4.9%
Fees as % of Development Value	4.6%	4.1%	5.0%	3.8%
Development Cost (per unit/per sq.ft.)	\$158,723	\$191	\$189	\$133

(1) Calculated as 1 space per bedroom

(2) Based on CBRE Cap Rate Survey, 2H2011

(3) Source: RS Means 2012, adjusted for Oxnard cost premium, between median and 3/4 costs

Sources: Economic & Planning Systems, RS Means, CBRE

APPENDIX 2: RESIDENTIAL PROFORMA

Appendix 2a
Four-Story Walk-Up Apartments Over Tuck Parking
Maximum Land Assembly Scenario

Item	Assumption	Per Unit	Total	Phase I	Phase II	Phase III
DEVELOPMENT PROGRAM						
Units			613	72	74	467
Net Area	820 sq.ft. per unit		502,667	59,040	60,326	383,301
Efficiency Ratio	85%					
Gross Area			591,373	69,459	70,971	450,943
Land Area			920,551	107,919	110,504	702,128
FAR			0.64	0.64	0.64	0.64
Parking Ratio (spaces per unit)	1.6		981	115	118	748
Surface Spaces	58%		569	67	68	434
REVENUE ASSUMPTIONS						
Gross Revenue	\$21.00 /net sq. ft./year	\$17,220	\$10,556,001	\$1,239,840	\$1,266,836	\$8,049,325
(less) Operating Expenses	30%	(\$5,166)	(\$3,166,800)	(\$371,952)	(\$380,051)	(\$2,414,797)
(less) Vacancy Rate	4.0%	(\$689)	(\$422,240)	(\$49,594)	(\$50,673)	(\$321,973)
Subtotal, Annual Net Operating Income		\$11,365	\$6,966,961	\$818,294	\$836,112	\$5,312,554
Capitalized Value	5.0% cap rate	\$227,304	\$139,339,212	\$16,365,888	\$16,722,239	\$106,251,085
(less) Cost of Sale	3.0%	(\$6,819)	(\$4,180,176)	(\$490,977)	(\$501,667)	(\$3,187,533)
Total Revenue		\$220,485	\$135,159,035	\$15,874,911	\$16,220,572	\$103,063,553
DEVELOPMENT COSTS						
Direct Costs						
Building Construction Cost	\$110 /GLA sq. ft.	\$106,118	\$65,050,986	\$7,640,471	\$7,806,834	\$49,603,681
Surface Parking	\$1,000 /space		\$568,872	\$66,816	\$68,271	\$433,785
Structured Parking	Allocated private portion		\$0	\$0	\$0	\$0
Site Improvement (Demo, grading)	\$1.50 /Land Area sq. ft.	\$2,253	\$1,380,826	\$161,879	\$165,756	\$1,053,192
Total Direct Costs		\$109,298	\$67,000,683	\$7,869,165	\$8,040,861	\$51,090,658
Indirect Costs						
Development Impact Fees (per gross Sqft)						
Sewer	\$4.66 per gross Sqft	\$4,497.12	\$2,756,770	\$323,792	\$330,843	\$2,102,135
Storm Drain	\$0.52 per gross Sqft	\$504.60	\$309,323	\$36,331	\$37,122	\$235,870
Traffic	\$3.24 per gross Sqft	\$3,126.12	\$1,916,336	\$225,080	\$229,981	\$1,461,274
Development Permit Fees	\$2.52 per gross Sqft	\$2,431.44	\$1,490,492	\$175,064	\$178,875	\$1,136,553
Other Indirect Costs (1)	20.0% of direct costs	\$21,860	\$13,400,137	\$1,573,833	\$1,608,172	\$10,218,132
Total Indirect Costs	29.7% of direct costs	\$32,419	\$19,873,057	\$2,334,101	\$2,384,994	\$15,153,962
Subtotal, Direct and Indirect Costs		\$141,717	\$86,873,740	\$10,203,266	\$10,425,854	\$66,244,620
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$7,086	\$4,343,687	\$510,163	\$521,293	\$3,312,231
Developer Return (% of direct and indirect costs)	7.0% of direct and indirect costs	\$10.28	\$6,081,162	\$714,229	\$729,810	\$4,637,123
Total Costs		\$158,723	\$97,298,589	\$11,427,658	\$11,676,957	\$74,193,974
RESIDUAL LAND VALUE			\$61,761.73	\$37,860,446	\$4,447,254	\$4,543,615
						\$28,869,578

(1) Include architecture & engineering, financing, and G & A costs.

Source: Economic & Planning Systems, Inc.

DETOD Development Feasibility and Funding Options
Final Report, August 3, 2012

Appendix 2b
Four-Story Walk-Up Apartments Over Tuck Parking
Minimum Land Assembly Scenario

Item	Assumption	Per Unit	Total	Phase I	Phase II	Phase III	
DEVELOPMENT PROGRAM							
Units			142	72	38	32	
Net Area	820 sq.ft. per unit		116,227	59,040	30,854	26,333	
Efficiency Ratio	85%						
Gross Area			136,738	69,459	36,299	30,980	
Land Area			212,674	107,919	56,518	48,236	
FAR		0.64		0.64	0.64	0.64	
Parking Ratio (spaces per unit)	1.6		227	115	60	51	
Surface Spaces	58%		132	67	35	30	
REVENUE ASSUMPTIONS							
Gross Revenue	\$21.00 /net sq. ft./year	\$17,220	\$2,440,766	\$1,239,840	\$647,935	\$552,991	
(less) Operating Expenses	30%	(\$5,166)	(\$732,230)	(\$371,952)	(\$194,381)	(\$165,897)	
(less) Vacancy Rate	4.0%	(\$689)	(\$97,631)	(\$49,594)	(\$25,917)	(\$22,120)	
Subtotal, Annual Net Operating Income		\$11,365	\$1,610,906	\$818,294	\$427,637	\$364,974	
Capitalized Value	5.0% cap rate	\$227,304	\$32,218,116	\$16,365,888	\$8,552,745	\$7,299,483	
(less) Cost of Sale	3.0%	(\$6,819)	(\$966,543)	(\$490,977)	(\$256,582)	(\$218,984)	
Total Revenue		\$220,485	\$31,251,572	\$15,874,911	\$8,296,163	\$7,080,498	
DEVELOPMENT COSTS							
Direct Costs							
Building Construction Cost	\$110 /GLA sq. ft.	\$106,118	\$15,041,137	\$7,640,471	\$3,992,878	\$3,407,788	
Surface Parking	\$1,000 /space		\$131,535	\$66,816	\$34,918	\$29,801	
Structured Parking	Allocated private portion		\$0	\$0	\$0	\$0	
Site Improvement (Demo, grading)	\$1.50 /Land Area sq. ft.	\$2,251	\$319,010	\$161,879	\$84,777	\$72,355	
Total Direct Costs		\$109,296	\$15,491,683	\$7,869,165	\$4,112,573	\$3,509,944	
Indirect Costs							
Development Impact Fees (per gross Sqft)							
Sewer	\$4.66 per gross Sqft	\$4,497.12	\$637,422	\$323,792	\$169,213	\$144,417	
Storm Drain	\$0.52 per gross Sqft	\$504.18	\$71,462	\$36,301	\$18,971	\$16,191	
Traffic	\$3.24 per gross Sqft	\$3,126.12	\$443,097	\$225,080	\$117,626	\$100,390	
Development Permit Fees	\$2.52 per gross Sqft	\$2,431.39	\$344,626	\$175,060	\$91,486	\$78,080	
Other Indirect Costs (1)	20.0% of direct costs	\$21,859	\$3,098,337	\$1,573,833	\$822,515	\$701,989	
Total Indirect Costs	29.7% of direct costs	\$32,418	\$4,594,944	\$2,334,067	\$1,219,810	\$1,041,067	
Subtotal, Direct and Indirect Costs		\$141,714	\$20,086,626	\$10,203,232	\$5,332,383	\$4,551,011	
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$7,086	\$1,004,331	\$510,162	\$266,619	\$227,551	
Developer Return (% of direct and indirect costs)	7.0% of direct and indirect costs	\$10,28	\$1,406,064	\$714,226	\$373,267	\$318,571	
Total Costs		\$158,720	\$22,497,022	\$11,427,620	\$5,972,269	\$5,097,133	
RESIDUAL LAND VALUE			\$61,764.77	\$8,754,551	\$4,447,291	\$2,323,894	\$1,983,366

(1) Include architecture & engineering, financing, and G & A costs.

Source: Economic & Planning Systems, Inc.

APPENDIX 3: RETAIL PROFORMA

Appendix 3a
Inline Retail
Maximum Land Assembly Scenario

Item	Assumption	Per Bldg. Sq.Ft.	Total	Phase I	Phase II	Phase III	
DEVELOPMENT PROGRAM							
Gross Leasable Area (sq.ft.)			76,975	21,243	15,370	40,362	
Efficiency Ratio	90%						
Net Leasable Area (sq.ft.)			69,278	19,119	13,833	36,326	
Land Area			171,074	47,211	34,160	89,703	
FAR			0.45	0.45	0.45	0.45	
Parking Ratio (spaces per 1,000 sq.ft.)	3.3		231	64	46	121	
Surface Spaces	100%		231	64	46	121	
REVENUE ASSUMPTIONS							
Gross Office Revenue (FS)	\$23.00 /NLA	20.70	1,593,392	439,730	318,163	835,498	
(less) Operating Expenses	20%	(4.14)	(318,678)	(87,946)	(63,633)	(167,100)	
(less) Commissions	3.0%	(0.62)	(47,802)	(13,192)	(9,545)	(25,065)	
(less) Vacancy Rate	5.0%	(1.04)	(79,670)	(21,987)	(15,908)	(41,775)	
Annual Net Operating Income		14.90	1,147,242	316,606	229,078	601,559	
Capitalized Value	7.0% cap rate	\$212.91	\$16,389,170	\$4,522,938	\$3,272,537	\$8,593,696	
(less) Cost of Sale	2.0%	(\$4.26)	(\$327,783)	(\$90,459)	(\$65,451)	(\$171,874)	
Total Revenue			\$209	\$16,061,387	\$4,432,479	\$3,207,086	\$8,421,822
DEVELOPMENT COSTS							
Direct Costs							
Building Construction Cost	\$110 /GLA sq. ft.	\$110.00	\$8,467,298	\$2,336,730	\$1,690,723	\$4,439,845	
Surface Parking	\$1,000 /space	\$3.00	\$230,926	\$63,729	\$46,111	\$121,087	
Site Improvement (Demo, grading)	\$1.50 /Land Area sq. ft.	\$3.33	\$256,610	\$70,817	\$51,239	\$134,555	
Total Direct Costs		\$116.33	\$8,954,835	\$2,471,276	\$1,788,073	\$4,695,487	
Indirect Costs							
Tenant Improvements	\$20.00 /GLA sq. ft.	\$20.00	\$1,539,509	\$424,860	\$307,404	\$807,245	
Development Impact Fees (per gross Sqft)							
Sewer	\$0.20 per gross Sqft	\$0.20	\$15,273	\$4,215	\$3,050	\$8,008	
Storm Drain	\$0.83 per gross Sqft	\$0.83	\$63,871	\$17,627	\$12,754	\$33,491	
Traffic	\$4.42 per gross Sqft	\$4.42	\$340,496	\$93,967	\$67,989	\$178,540	
Development Impact Fees (per gross Sqft)	\$3.25 per gross Sqft	\$3.25	\$250,277	\$69,069	\$49,975	\$131,233	
Other Indirect Costs (1)	20.0% of direct costs	\$23.27	\$1,790,967	\$494,255	\$357,615	\$939,097	
Total Indirect Costs	44.7% of direct costs	\$51.97	\$4,000,393	\$1,103,993	\$798,786	\$2,097,615	
Subtotal, Direct and Indirect Costs			\$168	\$12,955,228	\$3,575,269	\$2,586,858	\$6,793,101
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs		\$8.42	\$647,761	\$178,763	\$129,343	\$339,655
Developer Return (% of direct and indirect costs)	8.5% of direct and indirect costs		\$14.31	\$1,101,194	\$303,898	\$219,883	\$577,414
Total Costs			\$191	\$14,704,184	\$4,057,930	\$2,936,084	\$7,710,170
RESIDUAL LAND VALUE			\$18	\$1,357,203	\$374,550	\$271,002	\$711,652

(1) Include architecture & engineering, financing, and G & A costs.

Source: Economic & Planning Systems, Inc.

DETOD Development Feasibility and Funding Options
Final Report, August 3, 2012

Appendix 3b
Inline Retail
Minimum Land Assembly Scenario

Item	Assumption	Per Bldg. Sq.Ft.	Total	Phase I	Phase II	Phase III
DEVELOPMENT PROGRAM						
Gross Leasable Area (sq.ft.)			33,323	6,856	6,111	20,356
Efficiency Ratio	90%					
Net Leasable Area (sq.ft.)			29,991	6,170	5,500	18,321
Land Area			74,058	15,236	13,581	45,241
FAR			0.45	0.45	0.45	0.45
Parking Ratio (spaces per 1,000 sq.ft.)	3.3		100	21	18	61
Surface Spaces	100%		100	21	18	61
REVENUE ASSUMPTIONS						
Gross Office Revenue (FS)	\$23.00 /NLA	20.70	689,792	141,919	126,494	421,379
(less) Operating Expenses	20%	(4.14)	(137,958)	(28,384)	(25,299)	(84,276)
(less) Commissions	3.0%	(0.62)	(20,694)	(4,258)	(3,795)	(12,641)
(less) Vacancy Rate	5.0%	(1.04)	(34,490)	(7,096)	(6,325)	(21,069)
Annual Net Operating Income		14.90	496,650	102,182	91,076	303,393
Capitalized Value	7.0% cap rate	\$212.91	\$7,095,004	\$1,459,740	\$1,301,082	\$4,334,182
(less) Cost of Sale	2.0%	(\$4.26)	(\$141,900)	(\$29,195)	(\$26,022)	(\$66,684)
Total Revenue		\$209	\$6,953,104	\$1,430,546	\$1,275,061	\$4,247,498
DEVELOPMENT COSTS						
Direct Costs						
Building Construction Cost	\$110 /GLA sq. ft.	\$110.00	\$3,665,562	\$754,160	\$672,191	\$2,239,211
Surface Parking	\$1,000 /space	\$3.00	\$99,970	\$20,568	\$18,332	\$61,069
Site Improvement (Demo, grading)	\$1.50 /Land Area sq. ft.	\$3.33	\$111,087	\$22,854	\$20,372	\$67,862
Total Direct Costs		\$116.33	\$3,876,619	\$797,582	\$710,895	\$2,368,142
Indirect Costs						
Tenant Improvements	\$20.00 /GLA sq. ft.	\$20.00	\$666,466	\$137,120	\$122,217	\$407,129
Development Impact Fees (per gross Sqft)						
Sewer	\$0.20 per gross Sqft	\$0.20	\$6,612	\$1,360	\$1,212	\$4,039
Storm Drain	\$0.83 per gross Sqft	\$0.83	\$27,650	\$5,689	\$5,070	\$16,891
Traffic	\$4.42 per gross Sqft	\$4.42	\$147,404	\$30,327	\$27,031	\$90,046
Development Impact Fees (per gross Sqft)	\$3.25 per gross Sqft	\$3.25	\$108,347	\$22,292	\$19,869	\$66,187
Other Indirect Costs (1)	20.0% of direct costs	\$23.27	\$775,324	\$159,516	\$142,179	\$473,628
Total Indirect Costs	44.7% of direct costs	\$51.97	\$1,731,802	\$356,304	\$317,578	\$1,057,920
Subtotal, Direct and Indirect Costs		\$168	\$5,608,421	\$1,153,886	\$1,028,473	\$3,426,062
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$8.42	\$280,421	\$57,694	\$51,424	\$171,303
Developer Return (% of direct and indirect costs)	8.5% of direct and indirect costs	\$14.31	\$476,716	\$98,080	\$87,420	\$291,215
Total Costs		\$191	\$6,365,558	\$1,309,661	\$1,167,317	\$3,888,580
RESIDUAL LAND VALUE						
		\$18	\$587,547	\$120,885	\$107,744	\$358,918

(1) Include architecture & engineering, financing, and G & A costs.

Source: Economic & Planning Systems, Inc.

APPENDIX 4: MIXED-USE PROFORMA

DETOD Development Feasibility and Funding Options
Final Report, August 3, 2012

Appendix 4a
Three-Story Walk-Up Apartments Over Retail and Tuck Parking
Maximum Land Assembly Scenario

Item	Assumption	Per Bldg. Sq.Ft.	Total	Phase I	Phase II	Phase III	
DEVELOPMENT PROGRAM							
<u>Residential</u>							
Units			109	0	36	73	
Net Area	850 sq.ft. per unit		92,962	0	30,631	62,331	
Efficiency Ratio	85%						
Gross Area			109,367	0	36,037	73,331	
Parking Ratio (spaces per unit)	1.6						
<u>Retail</u>							
Gross Leasable Area (sq.ft.)			15,624	0	5,148	10,476	
Efficiency Ratio	95%						
Net Leasable Area (sq.ft.)			14,843	0	4,891	9,952	
Parking Ratio (spaces per 1,000 sq.ft.)	4.0						
Land Area			226,859	0	74,750	152,109	
FAR			0.55	#DIV/0!	0.55	0.55	
Total Sq.Ft.			124,991	0	41,185	83,807	
Total Spaces			237	0	78	159	
Surface Spaces	62%		147	0	49	99	
REVENUE ASSUMPTIONS							
<u>Residential</u>							
Gross Revenue	\$21.00 /net sq. ft./year	\$17.85	\$1,952,210	\$0	\$643,255	\$1,308,955	
(less) operating expenses	25.0%	(\$4.46)	(\$488,052)	\$0	(\$160,814)	(\$327,239)	
(less) vacancy rate	4.0%	(\$0.71)	(\$78,088)	\$0	(\$25,730)	(\$52,358)	
Residential Revenue		\$13	\$1,386,069	\$0	\$456,711	\$929,358	
Capitalized Value	7.0% cap rate		\$19,800,982	\$0	\$6,524,443	\$13,276,539	
(less) Cost of Sale	2.0%		(\$396,020)	\$0	(\$130,489)	(\$265,531)	
Capitalized Residential Value			\$19,404,962	\$0	\$6,393,955	\$13,011,008	
<u>Retail</u>							
Gross Revenue (NNN)	\$23.00 /NLA sq. ft.	\$23.00	\$341,383	\$0	\$112,486	\$228,897	
(less) Commissions	3.0%	(\$0.69)	(\$10,241)	\$0	(\$3,375)	(\$6,867)	
(less) Vacancy Rate	5.0%	(\$1.15)	(\$17,069)	\$0	(\$5,624)	(\$11,445)	
Retail Revenue		\$21	\$314,072	\$0	\$103,487	\$210,585	
Capitalized Value	6.0% cap rate		\$335.03	\$0	\$1,724,785	\$3,509,751	
(less) Cost of Sale	2.0%		(\$6.70)	\$0	(\$34,496)	(\$70,195)	
Capitalized Retail Value			\$328	\$0	\$1,690,289	\$3,439,556	
Total Capitalized Value			\$196	\$0	\$8,084,244	\$16,450,564	
DEVELOPMENT COSTS							
<u>Direct Costs</u>							
Building Construction Cost	\$125 /GLA sq. ft.	\$125.00	\$15,623,926	\$0	\$5,148,099	\$10,475,826	
Surface Parking	\$1,000 /space	\$1.18	\$147,240	\$0	\$48,516	\$98,724	
Site Improvement (Demo, grading)	\$1.50 /Land Area sq. ft.	\$2.72	\$340,289	\$0	\$112,126	\$228,164	
Total Direct Costs		\$128.90	\$16,111,455	\$0	\$5,308,740	\$10,802,714	
<u>Indirect Costs</u>							
<u>Residential</u>							
Development Impact Fees (per gross Sqft)							
Sewer	\$2.35 per gross Sqft	\$2.35	\$256,868	\$0	\$84,638	\$172,230	
Storm Drain	\$0.35 per gross Sqft	\$0.35	\$38,389	\$0	\$12,649	\$25,740	
Traffic	\$3.77 per gross Sqft	\$3.77	\$412,328	\$0	\$135,862	\$276,465	
Development Impact Fees (per gross Sqft)	\$3.35 per gross Sqft	\$3.35	\$366,566	\$0	\$120,784	\$245,782	
Subtotal		\$9.82	\$1,074,151	\$0	\$353,934	\$720,217	
<u>Retail</u>							
Tenant Improvements	\$20 /GLA sq. ft.	\$20.00	\$312,479	\$0	\$102,962	\$209,517	
Development Impact Fees (per gross Sqft)							
Sewer	\$2.35 /GLA sq. ft.	\$2.35	\$36,695	\$0	\$12,091	\$24,604	
Storm Drain	\$0.35 /GLA sq. ft.	\$0.35	\$5,484	\$0	\$1,807	\$3,677	
Traffic	\$3.77 /GLA sq. ft.	\$3.77	\$58,904	\$0	\$19,409	\$39,495	
Development Impact Fees (per gross Sqft)	\$3.35 /GLA sq. ft.	\$3.35	\$52,367	\$0	\$17,255	\$35,112	
Subtotal		\$4.29	\$465,929	\$0	\$153,524	\$312,405	
Other Indirect Costs (2)	20.0% of direct costs	\$25.78	\$3,222,291	\$0	\$1,061,748	\$2,160,543	
Total Indirect Costs	29.6% of direct costs	\$38.10	\$4,762,370	\$0	\$1,569,206	\$3,193,164	
Subtotal, Direct and Indirect Costs			\$167.00	\$0	\$6,877,946	\$13,995,879	
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$8.35	\$1,043,691	\$0	\$343,897	\$699,794	
Developer Return (% of direct and indirect costs)	8.0% of direct and indirect costs	\$13.36	\$1,669,906	\$0	\$550,236	\$1,119,670	
Total Costs			\$189	\$0	\$7,772,079	\$15,815,343	
RESIDUAL LAND VALUE			\$7.58	\$947,386	\$0	\$312,165	\$635,221

(1) Only applies to residential parking; retail is assumed to be surface parked with parking cost covered under site improvements.
(2) Include architecture & engineering, financing, and G & A costs.

Source: Economic & Planning Systems, Inc.

Appendix 4b
Three-Story Walk-Up Apartments Over Retail and Tuck Parking
Minimum Land Assembly Scenario

Item	Assumption	Per Bldg. Sq.Ft.	Total	Phase I	Phase II	Phase III
DEVELOPMENT PROGRAM						
<u>Residential</u>						
Units			92	0	20	72
Net Area	850 sq.ft. per unit		77,804	0	16,764	61,040
Efficiency Ratio	85%					
Gross Area			91,534	0	19,722	71,812
Parking Ratio (spaces per unit)	1.6					
<u>Retail</u>						
Gross Leasable Area (sq.ft.)			13,076	0	2,817	10,259
Efficiency Ratio	95%					
Net Leasable Area (sq.ft.)			12,422	0	2,677	9,746
Parking Ratio (spaces per 1,000 sq.ft.)	4.0					
Land Area			189,868	0	40,909	148,959
FAR			0.55	#DIV/0!	0.55	0.55
Total Sq.Ft.			104,610	0	22,539	82,071
Total Spaces			199	0	43	156
Surface Spaces	62%		123	0	27	97
REVENUE ASSUMPTIONS						
<u>Residential</u>						
Gross Revenue	\$21.00 /net sq. ft./year	\$17.85	\$1,633,881	\$0	\$352,034	\$1,281,848
(less) operating expenses	25.0%	(\$4.46)	(\$408,470)	\$0	(\$88,008)	(\$320,462)
(less) vacancy rate	4.0%	(\$0.71)	(\$65,355)	\$0	(\$14,081)	(\$51,274)
Residential Revenue		\$13	\$1,160,056	\$0	\$249,944	\$910,112
Capitalized Value	7.0% cap rate		\$16,572,225	\$0	\$3,570,628	\$13,001,597
(less) Cost of Sale	2.0%		(\$331,444)	\$0	(\$71,413)	(\$260,032)
Capitalized Residential Value			\$16,240,780	\$0	\$3,499,215	\$12,741,565
<u>Retail</u>						
Gross Revenue (NNN)	\$23.00 /NLA sq. ft.	\$23.00	\$285,717	\$0	\$61,560	\$224,157
(less) Commissions	3.0%	(\$0.69)	(\$8,572)	\$0	(\$1,847)	(\$6,725)
(less) Vacancy Rate	5.0%	(\$1.15)	(\$14,286)	\$0	(\$3,078)	(\$11,208)
Retail Revenue		\$21	\$262,859	\$0	\$56,635	\$206,224
Capitalized Value	6.0% cap rate		\$335.03	\$0	\$943,922	\$3,437,068
(less) Cost of Sale	2.0%		(\$6.70)	\$0	(\$18,878)	(\$68,741)
Capitalized Retail Value			\$328	\$0	\$925,043	\$3,368,327
Total Capitalized Value			\$196	\$0	\$4,424,259	\$16,109,892
DEVELOPMENT COSTS						
<u>Direct Costs</u>						
Building Construction Cost	\$125 /GLA sq. ft.	\$125.00	\$13,076,281	\$0	\$2,817,397	\$10,258,884
Surface Parking	\$1,000 /space	\$1.18	\$123,231	\$0	\$26,551	\$96,680
Site Improvement (Demo, grading)	\$1.50 /Land Area sq. ft.	\$2.72	\$284,801	\$0	\$61,363	\$223,439
Total Direct Costs		\$128.90	\$13,484,313	\$0	\$2,905,311	\$10,579,003
<u>Indirect Costs</u>						
<u>Residential</u>						
Development Impact Fees (per gross Sqft)						
Sewer	\$2.35 per gross Sqft	\$2.35	\$214,983	\$0	\$46,320	\$168,663
Storm Drain	\$0.35 per gross Sqft	\$0.35	\$32,129	\$0	\$6,922	\$25,207
Traffic	\$3.77 per gross Sqft	\$3.77	\$345,093	\$0	\$74,353	\$270,740
Development Impact Fees (per gross Sqft)	\$3.35 per gross Sqft	\$3.35	\$306,794	\$0	\$66,101	\$240,692
Subtotal		<u>\$0.00</u>	<u>\$0</u>	\$0	\$0	\$0
		\$9.82	\$898,999	\$0	\$193,697	\$705,302
<u>Retail</u>						
Tenant Improvements	\$20 /GLA sq. ft.	\$20.00	\$261,526	\$0	\$56,348	\$205,178
Development Impact Fees (per gross Sqft)						
Sewer	\$2.35 /GLA sq. ft.	\$2.35	\$30,712	\$0	\$6,617	\$24,095
Storm Drain	\$0.35 /GLA sq. ft.	\$0.35	\$4,590	\$0	\$989	\$3,601
Traffic	\$3.77 /GLA sq. ft.	\$3.77	\$49,299	\$0	\$10,622	\$38,677
Development Impact Fees (per gross Sqft)	\$3.35 /GLA sq. ft.	\$3.35	\$43,828	\$0	\$9,443	\$34,385
Subtotal		\$4.29	\$389,954	\$0	\$84,019	\$305,935
Other Indirect Costs (2)	20.0% of direct costs	\$25.78	\$2,696,863	\$0	\$581,062	\$2,115,801
Total Indirect Costs	29.6% of direct costs	\$38.10	\$3,985,816	\$0	\$858,778	\$3,127,038
Subtotal, Direct and Indirect Costs			\$167.00	\$0	\$3,764,089	\$13,706,040
Contingency (% of direct and indirect costs)	5.0% of direct and indirect costs	\$8.35	\$873,506	\$0	\$188,204	\$685,302
Developer Return (% of direct and indirect costs)	8.0% of direct and indirect costs	\$13.36	\$1,397,610	\$0	\$301,127	\$1,096,483
Total Costs			\$189	\$0	\$4,253,420	\$15,487,825
RESIDUAL LAND VALUE			\$7.58	\$792,905	\$0	\$170,838
						\$622,066

(1) Only applies to residential parking; retail is assumed to be surface parked with parking cost covered under site improvements.

(2) Include architecture & engineering, financing, and G & A costs.

Source: Economic & Planning Systems, Inc.

DETOD Development Feasibility and Funding Options
Final Report, August 3, 2012

Appendix 5a

Warehouse/ Distribution/ Flex
Maximum Land Assembly Scenario

Item	Assumption	Per Bldg. Sq.Ft.	Total	Phase I	Phase II	Phase III
DEVELOPMENT PROGRAM ASSUMPTIONS						
Gross Building Area (sq.ft.)			145,486	0	145,486	0
Efficiency Ratio	95%					
Net Building Area (sq.ft.)			138,212	0	138,212	0
Land Area			323,336	0	323,336	0
FAR		0.45		na	0.45	na
Parking Ratio (spaces per 1,000 sq.ft.)	1.0		138	-	138	-
Surface Spaces	100%		138	-	138	-
REVENUE ASSUMPTIONS						
Gross Revenue (NNN)	\$11.00 /NLA	\$10.45	\$1,520,331	\$0	\$1,520,331	\$0
(less) Operating Expenses	10%	(\$1.05)	(\$152,033)	\$0	(\$152,033)	\$0
(less) Commissions	3%	(\$0.31)	(\$45,610)	\$0	(\$45,610)	\$0
(less) Vacancy Rate	5%	(\$0.52)	(\$76,017)	\$0	(\$76,017)	\$0
Subtotal		\$8.57	\$1,246,672	\$0	\$1,246,672	\$0
Capitalized Value	6.0% cap rate	\$142.82	\$20,777,863	\$0	\$20,777,863	\$0
(less) Cost of Sale	2.0%	(\$2.86)	(\$415,557)	\$0	(\$415,557)	\$0
Total Revenue		\$140	20,362,306	0	20,362,306	0
COST ASSUMPTIONS						
Direct Costs						
Building Construction Cost	\$90 /GLA sq. ft.	\$90.00	\$13,093,764	\$0	\$13,093,764	\$0
Surface Parking	\$1,000 /space		\$138,212	\$0	\$138,212	\$0
Site Improvement (Demo, grading)	\$1.50 /Land Area sq.	\$3.33	\$485,004	\$0	\$485,004	\$0
Total Direct Costs		\$94.28	\$13,716,979	\$0	\$13,716,979	\$0
Indirect Costs						
Tenant Improvements	\$0.00 /GLA sq. ft.	\$0.00	\$0	\$0	\$0	\$0
Development Impact Fees (per gross Sqft)						
Sewer	\$0.18 per gross Sqft	\$0.18	\$25,980	\$0	\$25,980	\$0
Storm Drain	\$0.75 per gross Sqft	\$0.75	\$108,647	\$0	\$108,647	\$0
Traffic	\$2.44 per gross Sqft	\$2.44	\$354,771	\$0	\$354,771	\$0
Development Impact Fees (per gross Sqft)	\$2.04 per gross Sqft	\$2.04	\$296,376	\$0	\$296,376	\$0
Other Indirect Costs (1)	20% of direct costs	\$18.00	\$2,618,753	\$0	\$2,618,753	\$0
Total Indirect Costs	25% of direct costs	\$23.40	\$3,404,527	\$0	\$3,404,527	\$0
Subtotal, Direct and Indirect Costs		\$118	\$17,121,506	\$0	\$17,121,506	\$0
Contingency (% of direct and indirect costs)	5%	\$5.88	\$856,075	\$0	\$856,075	\$0
Developer Return (% of direct and indirect costs)	8%	\$9.41	\$1,369,721	\$0	\$1,369,721	\$0
Total Costs		\$133	\$19,347,302	\$0	\$19,347,302	\$0
RESIDUAL LAND VALUE			\$7	\$1,015,004	\$0	\$1,015,004

(1) Include architecture & engineering, financing, and G & A costs.

Source: Economic & Planning Systems, Inc.

APPENDIX 5: WAREHOUSE/DISTRIBUTION PROFORMA

Appendix 5b
Warehouse/ Distribution/ Flex
Minimum Land Assembly Scenario

Item	Assumption	Per Bldg. Sq.Ft.	Total	Phase I	Phase II	Phase III
DEVELOPMENT PROGRAM ASSUMPTIONS						
Gross Building Area (sq.ft.)			88,564	0	88,564	0
Efficiency Ratio	95%					
Net Building Area (sq.ft.)			84,136	0	84,136	0
Land Area			196,829	0	196,829	0
FAR			0.45	na	0.45	na
Parking Ratio (spaces per 1,000 sq.ft.)	1.0		84	-	84	-
Surface Spaces	100%		84	-	84	-
REVENUE ASSUMPTIONS						
Gross Revenue (NNN)	\$11.00 /NLA	\$10.45	\$925,494	\$0	\$925,494	\$0
(less) Operating Expenses	10%	(\$1.05)	(\$92,549)	\$0	(\$92,549)	\$0
(less) Commissions	3%	(\$0.31)	(\$27,765)	\$0	(\$27,765)	\$0
(less) Vacancy Rate	5%	(\$0.52)	(\$46,275)	\$0	(\$46,275)	\$0
Subtotal		\$8.57	\$758,905	\$0	\$758,905	\$0
Capitalized Value	6.0% cap rate	\$142.82	\$12,648,424	\$0	\$12,648,424	\$0
(less) Cost of Sale	2.0%	(\$2.86)	(\$252,968)	\$0	(\$252,968)	\$0
Total Revenue		\$140	12,395,455	0	12,395,455	0
COST ASSUMPTIONS						
Direct Costs						
Building Construction Cost	\$90 /GLA sq. ft.	\$90.00	\$7,970,765	\$0	\$7,970,765	\$0
Surface Parking	\$1,000 /space		\$84,136	\$0	\$84,136	\$0
Site Improvement (Demo, grading)	\$1.50 /Land Area sq.	\$3.33	\$295,244	\$0	\$295,244	\$0
Total Direct Costs		\$94.28	\$8,350,145	\$0	\$8,350,145	\$0
Indirect Costs						
Tenant Improvements	\$0.00 /GLA sq. ft.	\$0.00	\$0	\$0	\$0	\$0
Development Impact Fees (per gross Sqft)						
Sewer	\$0.18 per gross Sqft	\$0.18	\$15,815	\$0	\$15,815	\$0
Storm Drain	\$0.75 per gross Sqft	\$0.75	\$66,138	\$0	\$66,138	\$0
Traffic	\$2.44 per gross Sqft	\$2.44	\$215,965	\$0	\$215,965	\$0
Development Impact Fees (per gross Sqft)	\$2.04 per gross Sqft	\$2.04	\$180,418	\$0	\$180,418	\$0
Other Indirect Costs (1)	20% of direct costs	\$18.00	\$1,594,153	\$0	\$1,594,153	\$0
Total Indirect Costs	25% of direct costs	\$23.40	\$2,072,489	\$0	\$2,072,489	\$0
Subtotal, Direct and Indirect Costs		\$118	\$10,422,634	\$0	\$10,422,634	\$0
Contingency (% of direct and indirect costs)	5%	\$5.88	\$521,132	\$0	\$521,132	\$0
Developer Return (% of direct and indirect costs)	8%	\$9.41	\$833,811	\$0	\$833,811	\$0
Total Costs		\$133	\$11,777,576	\$0	\$11,777,576	\$0
RESIDUAL LAND VALUE		\$7	\$617,879	\$0	\$617,879	\$0

(1) Include architecture & engineering, financing, and G & A costs.

Source: Economic & Planning Systems, Inc.

APPENDIX 6: LAND ACQUISITION

The real estate market in the DETOD area is relatively static, and there are few land sale comps available.

Valuation of Existing Retail, Industrial, Auto Repair Parcels, and Raw Land

To value the existing retail, industrial, and auto repair uses, critical assumptions for existing rents and capitalization rates are used. The DETOD area does not currently have favorable location characteristics for residential or retail uses compared with Downtown Oxnard, River Park, along highway 101, and elsewhere in the City. Consequently, rents lag those found elsewhere and are assumed here to be roughly 50% of the rents for new construction.

Likewise, the tenants are less reliable and less credit-worthy than those in the higher-rent precincts. This is reflected in assumed capitalization rates that are 300 and 400 basis points higher than those commanded by new construction.

What few comps exist indicate a raw land value of roughly \$12 per square foot.

Valuation of the Royal Palms Estates Mobile Home Community

Mobile Home Community buy-out valuation is a special case. California law provides mobile home park residents with strong protection from actual or constructive eviction. Would-be buyers must file a Closure Impact Report that lays out a plan for the acquiring party to both purchase residents' assets and to provide rich relocation benefits. Furthermore, the acquiring party must replace every lost unit with a new unit of affordable housing.

Consequently, the cost of acquiring and replacing a mobile home park includes the land value, tenant relocation costs, tenant asset buy-out costs, and the revenue lost from replacing market-rate with affordable housing. Key assumptions for this estimation were modeled on the relocation package offered to residents of the Oxnard Wagon Wheel Mobile Home Park in 2007.

Appendix 6
Land Acquisition Costs

	Buy-Out Cost Assumptions				
	Existing Retail/Hotel	Existing Light Industrial./ Warehouse	Existing Auto Repair	Mobile Home Community	Existing Parking or Vacant Lot
LAND VALUE					
Avg. Lease Rate/Sqft/Month (1)	\$1.00	\$0.50	\$0.50	\$0.15	
Gross Potential Income/Year	\$12.00	\$6.00	\$6.00	\$1.86	
less Vacancy Losses	5%	5%	5%	5%	
less Operating Expenses (% of GPI)	20%	20%	20%	40%	
less Capital Reserves (% of GPI)	3%	3%	3%	3%	
Annual Net Operating Income ⁽¹⁾	\$8.64	\$4.32	\$4.32	\$0.97	
Capitalization Rate ⁽²⁾	11.0%	9.0%	11.0%	8.0%	
Building Value/Sqft	\$78.55	\$48.00	\$39.27		
Land Value/Sqft				\$12.09	\$12.00
MOBILE PARK TENANT RELOCATION/REPLACEMENT HOUSING COSTS					
Relocation Cost/Tenant (equivalent 1.5 year rent) ⁽³⁾				\$12,510	
Asset Buy-out Cost/Resident ⁽³⁾				\$20,000	
RLV/unit loss of Affordable Replacement Housing vs. Market Rate ⁽⁴⁾				\$91,700	
Land Sqft/Tenant ⁽⁵⁾				4,484	
Relocation Cost/land Sqft				\$27.70	
Net Value/Built Square Foot (rounded)	\$79	\$48	\$39		
Net Value/Land Square Foot (rounded)				\$40	\$12

(1) Per leasable Sqft (mobile home community at per land Sqft, based on equivalent rents at Oxnard Pacific Mobile Estates)

(2) Based on CBRE Cap Rate Survey, 2H2011

(3) Based on relocation benefit package offered to residents of the Oxnard Wagon Wheel Mobile Home Park in 2007

(4) Assuming rents set for Very Low (50%) Income Limits

(5) Based on current count of 155 units occupying 695,046 Sqft

Source: Economic & Planning Systems, Inc.

APPENDIX 7: RESIDUAL LAND VALUE ANALYSIS BY USE

Appendix 7a
Residual Land Value Summary by Use
Maximum Land Assembly Scenario

	New Uses				Total
	Four-Story Walk-Up Apartments Over Tuck Parking	Inline Retail	Three-Story Walk-Up Apartments Over Retail and Tuck Parking	Warehouse/ Distribution/ Flex	
DEVELOPMENT PROGRAM ASSUMPTIONS					
Gross Land Area	920,551	171,074	226,859	323,336	1,641,819
Net Leasable Area (non-residential Sqft)		69,278	14,843	138,212	222,333
Residential Units	613	na	109	na	722
BUILDING VALUES					
Avg. Lease Rate/Sqft/Month (avg. for MU)	\$1.75	\$1.92	\$1.77	\$0.92	
Gross Potential Income/Year	\$10,556,001	\$1,593,392	\$2,293,592	\$1,520,331	\$15,963,316
(less) Operating Expenses	30%	20%	25%	10%	
(less) Commissions		3%	3%	3%	
(less) Vacancy Rate (blended for MU)	4%	5%	0.0%	5%	
Annual Net Operating Income	\$6,966,961	\$1,147,242	\$1,700,141	\$1,246,672	\$11,061,015
Capitalization Rate (2)	5.0%	7.0%	6.0%	6.0%	
(less) cost of sale	3.0%	2.0%	2.0%	2.0%	
Total Building Value	\$135,159,035	\$16,061,387	\$24,534,808	\$20,362,306	\$196,117,536
BUILDING COSTS					
Direct Costs					
Building Construction Cost	\$65,050,986	\$8,467,298	\$15,623,926	\$13,093,764	102,235,973
	\$568,872	\$230,926	\$147,240	\$138,212	1,085,250
Site Improvement Cost (incl./surface parking)	\$1,380,826	\$256,610	\$340,289	\$485,004	2,462,729
Total Direct Costs	\$67,000,683	\$8,954,835	\$16,111,455	\$13,716,979	105,783,952
Indirect Costs	\$19,873,057	\$4,000,393	\$4,762,370	\$3,404,527	32,040,347
Subtotal, Direct and Indirect Costs	\$86,873,740	\$12,955,228	\$20,873,825	\$17,121,506	137,824,299
Contingency (% of direct and indirect costs)	5%	5%	5%	5%	
Developer Return (% of direct and indirect costs)	7%	9%	8%	8%	
Total Costs	\$97,298,589	\$14,704,184	\$23,587,422	\$19,347,302	154,937,497
RESIDUAL LAND VALUE	\$37,860,446	\$1,357,203	\$947,386	\$1,015,004	\$41,180,039
RESIDUAL LAND VALUE/Unit	\$61,762				

Source: Economic & Planning Systems, Inc.

Appendix 7b
Residual Land Value Summary by Use
Minimum Land Assembly Scenario

	New Uses				Total
	Four-Story Walk-Up Apartments Over Tuck Parking	Inline Retail	Three-Story Walk-Up Apartments Over Retail and Tuck Parking	Warehouse/ Distribution/ Flex	
DEVELOPMENT PROGRAM ASSUMPTIONS					
Gross Land Area	212,674	74,058	189,868	196,829	673,429
Net Leasable Area (non-residential Sqft)		29,991	12,422	84,136	126,549
Residential Units	142	na	92	na	233
BUILDING VALUES					
Avg. Lease Rate/Sqft/Month (avg. for MU)	\$1.75	\$1.92	\$1.77	\$0.92	
Gross Potential Income/Year	\$2,440,766	\$689,792	\$1,919,598	\$925,494	\$5,975,651
(less) Operating Expenses	30%	20%	25%	10%	
(less) Commissions		3%	3%	3%	
(less) Vacancy Rate (blended for MU)	4%	5%	0.0%	5%	
Annual Net Operating Income	\$1,610,906	\$496,650	\$1,422,915	\$758,905	\$4,289,377
Capitalization Rate (2)	5.0%	7.0%	6.0%	6.0%	
(less) cost of sale	3.0%	2.0%	2.0%	2.0%	
Total Building Value	\$31,251,572	\$6,953,104	\$20,534,150	\$12,395,455	\$71,134,282
BUILDING COSTS					
Direct Costs					
Building Construction Cost	\$15,041,137	\$3,665,562	\$13,076,281	\$7,970,765	39,753,745
	\$131,535	\$99,970	\$123,231	\$84,136	438,872
Site Improvement Cost (incl./surface parking)	\$319,010	\$111,087	\$284,801	\$295,244	1,010,143
Total Direct Costs	\$15,491,683	\$3,876,619	\$13,484,313	\$8,350,145	41,202,759
Indirect Costs	\$4,594,944	\$1,731,802	\$3,985,816	\$2,072,489	12,385,051
Subtotal, Direct and Indirect Costs	\$20,086,626	\$5,608,421	\$17,470,129	\$10,422,634	53,587,810
Contingency (% of direct and indirect costs)	5%	5%	5%	5%	
Developer Return (% of direct and indirect costs)	7%	9%	8%	8%	
Total Costs	\$22,497,022	\$6,365,558	\$19,741,246	\$11,777,576	60,381,402
RESIDUAL LAND VALUE	\$8,754,551	\$587,547	\$792,905	\$617,879	\$10,752,881
RESIDUAL LAND VALUE/Unit	\$61,765				

Source: Economic & Planning Systems, Inc.

APPENDIX 8: PROFORMA INPUT ASSUMPTIONS

Rents

Multifamily Residential

A review of Oxnard multifamily rents in several recently constructed apartment communities, conducted for the Baseline Analysis in October 2011, showed a range of between \$1.40 and \$1.90 per monthly square foot for a two-bedroom apartment. The Oxnard market has recently shown preference for multi-family housing in suburban and new-urbanist settings. Because the proposed residential development is located Downtown, and because the transit village concept has not been proven in the City, it is not reasonable to expect that new units will command a rent premium over the existing market. For this reason, the residential prototype is valued assuming a rent of \$1.75 per square foot.

Retail

The Baseline survey of retail rents, drawn from a mid-year 2011 CoStar report, showed Oxnard retail rents averaging \$21 per square foot per year and nearly \$23 per square foot per year for shopping centers. Given the exceptionally weak status of retail at the time of the report, it is reasonable to assume that a slight improvement may be possible for the proposed DETOD retail. This is reflected in the assumed retail prototype rent of \$23 per square foot per year on a triple-net basis.

Mixed-Use Residential Over Retail

The mixed use prototype uses a rent assumption consistent with those for the residential and retail prototypes. The resulting blended average rate is \$21.28 per square foot per year on a triple-net basis.

Industrial

Warehouse/distribution/flex rents are drawn from a mid-year 2012 CoStar report, which cites an Oxnard average for Flex/R&D rents of \$10.37 per square foot. Based on this, a conservative \$11 per square foot is assumed for the prototype.

Operating Expenses

It is assumed that retail and industrial leases will be on a triple net basis. Under the terms of the triple net lease, tenants typically pay all expenses associated with their operation in addition to rent, including property taxes, insurance, repairs, maintenance, and utilities. Landlords do incur expenses for property management, accounting, and marketing, to differing degrees for retail and industrial. As a result, retail operating expenses are assumed to be 20% of gross income, and industrial operating expenses are 10%. Both are typical industry figures.

For residential rental, expenses associated with ongoing operation are paid by landlords under the full service lease structure. For residential rental uses, these expenses include property management, administration, maintenance, utilities, insurance, and taxes and are reflected in the "operating expenses" line item in the pro forma. New residential apartment operating costs

typically range between 25 and 35 percent. As a result, operating costs of 30 percent of gross rental income are assumed for residential rental uses.

Cap Rates

A "cap rate" is applied to the net operating income (NOI) to estimate the potential sales value of rent-generating properties. Cap rates have historically ranged between 4 and 10 percent, with residential rental uses and institutional space typically generating lower cap rates (perceived as lower risk), while industrial and manufacturing uses have typically generated higher cap rates, associated with riskier investments. Larger building space that could attract institutional investors typically generates lower cap rates compared to smaller buildings typically purchased by individuals and small investment companies. Cap rates are highly influenced by a wide number of factors and should be considered for individual projects based on site-specific factors. The cap rates utilized in this analysis are based on the CB Richard Ellis Cap Rate survey for the second half of 2011.

Of particular note is the recent cap rate performance of multi-family rental, which is typically considered low-risk. However, in the current market environment, many investors believe it to be the only worthwhile risk. This "flight to quality" has resulted in very low cap rates of 5% for multi-family, with higher rates of 7% for retail, and mixed-use and industrial sitting in between at 6%.

Construction Costs

Building construction costs vary widely based on many factors, such as development location and use, building type and height, and costs of materials and labor. Direct construction costs provided in the feasibility analysis assume prevailing wage and are based on the RS Means 2011 Cost Data, EPS's experience with comparable projects, and interviews with developers.

In order to calibrate costs to the Oxnard market, the residential, retail, and mixed-use prototypes feature type-5 stick construction, industrial uses tilt-up, and all parking is surface parking.

Development Returns

Return on development investment varies based on a range of factors such as risk, capital and real estate market conditions, building uses, and other trends. Real estate development returns on investment have historically ranged between 8 and 15 percent. Development of residential uses is considered less risky than commercial space. Lower-density development is considered less risky than higher-density development and requires lower returns. Mixed-use development is considered riskier relative to development with no ground-floor retail. This analysis assumes that return requirements on vertical development reflect only building density and construction type rather than any other potential risk factors, such as geographic location within the City.

Vertical development returns on development costs ranging between 7 and 8.5 percent are assumed in this analysis, reflecting a roughly 200 basis-point risk premium over cap rates and the current high level of competition for stable, high-quality income properties.

Other Assumptions Used in Residual Land Value Analysis

Efficiency Ratio

Used for various development types to convert gross square footage to net square footage. An efficiency ratio of 85 percent is assumed for residential uses, 90 percent for retail, and 95 percent for industrial uses.

Vacancy Rate

Reflects typical levels of vacancy upon stabilization. A vacancy rate of 4 percent is assumed for residential rental uses, 5 percent for industrial, and 5 percent for retail.

Cost of Sale

Includes marketing and sales commission and is used to reflect a pro forma cost to distinguish between a capitalized market value and net revenue proceeds. This cost is assumed at 3 percent for all uses.

Site Work Cost

Includes demo, grading, and site improvements; assumed at \$1.50 per square foot for all development types.

Surface Parking Cost

Includes fine grading, paving, and striping; assumed at \$1,000 per space.

Other Indirect Costs

Reflect soft costs in addition to tenant improvements and development impact fees not explicitly stated in the pro forma analysis. These costs typically reflect architecture and engineering, financing, and general and administrative (G&A) and are assumed at 20 percent of direct costs for all development types.

Contingency

Reflects uncertainty associated with potential development cost increase, market changes, and other risk factors. Development contingencies typically range between 5 and 20 percent and decrease with the level of certainty. Given the small-scale nature and short development period of most infill projects evaluated in this analysis, development contingency is assumed at 5 percent of direct and indirect cost for all development types.

APPENDIX 9: FUNDING SOURCES AND MECHANISMS

It is expected that a range of funding sources will be tapped for the DETOD area plan. In addition to typical development-based funding sources, several other sources may be available given the transit-oriented nature of the development. At this point, the funding sources are identified for discussion purposes, to determine if the list is complete (and appropriate) and to guide subsequent analytical efforts. The ultimate mix of financing mechanisms will be determined in the implementation process, based on final technical analyses of costs, benefits, and burdens, and on deliberations involving City staff, property owners, developers, elected officials, bond counsel, underwriters, finance experts, and others.

Regardless of the financing mechanisms selected, any financing approach should seek to align the sources, timing, and scope of financing to the specified uses, as described by the following principles:

- There should be assurances that necessary funding will be available at the time specific infrastructure items are required.
- Financial burdens on development should be kept within industry standards and market constraints.
- The plan should be responsive to expected variations in timing, location, and type of development.
- Infrastructure improvements that serve the City or region should be allocated to funding mechanisms outside the DETOD renewal area. For example, improvements to the OTC should be financed with regional transportation sources.

The financing tools and their applicability to the DETOD fall into four distinct categories, which are listed below and discussed further in the next section.

1. Area-Specific Fees, Dedications, and Exactions
2. Assessment and Special Tax-Secured Financing
3. Citywide Sources
4. Federal and State Funding

Area-Specific Fees, Dedications, and Exactions

Area Development Impact Fees

Area development impact fees may be enacted by a legislative body (i.e., city or county) through adoption of an ordinance. Such fees do not require a public vote to be enacted, but they do require public hearings. Area development impact fees must be directly related to the benefits received. Specifically, State law requires that impact fees be shown to have a “rational nexus”

Table 1
Renewal Area and Land Assembly

	Revitalization Phases			All Phases
	Phase I	Phase II	Phase III	
Renewal Area				
Downtown East Study Area				
Land (ac)				147.2
Vertical Sqft				1,612,762
Area Selected for Renewal				
Land (ac)	6.6	22.6	27.5	56.7
Vertical Sqft	90,238	378,616	333,338	802,192
Renewal Area as % of Study Area				
Land	4%	15%	19%	39%
Vertical Sqft	6%	23%	21%	50%
Land Assembly: Aggressive Scenario				
Selected for Assembly				
Land (ac)	3.6	12.5	21.7	37.7
Vertical Sqft	90,238	183,079	125,710	399,027
Retained As Is				
Land (ac)	3.0	10.2	5.8	19.0
Vertical Sqft	0	195,537	207,628	403,165
Revitalization Area as % of Improvement Area				
Land	54%	55%	79%	66%
Vertical Sqft	100%	48%	38%	50%
Land Assembly: Conservative Scenario				
Selected for Assembly				
Land (ac)	2.8	7.1	5.6	15.5
Vertical Sqft	69,860	106,833	96,388	273,081
Retained As Is				
Land (ac)	3.8	15.6	21.9	41.2
Vertical Sqft	20,378	271,783	236,950	529,111
Revitalization Area as % of Improvement Area				
Land	43%	31%	20%	27%
Vertical Sqft	77%	28%	29%	34%

Source: Economic & Planning Systems, Inc.

or relationship between costs and the impact or demand caused by the new development.² They do not create a lien against property but must be paid in full as a condition of approval. Fees are established so that these properties pay their fair share at the time they are ready to be developed. Benefiting properties may be given the option to finance the fees by entering into an Assessment District (AD) or Mello-Roos Community Facility Districts (CFD) (see description of these financing mechanisms below).

Applicability to the DETOD Renewal Area

A principal use of impact fees is to encumber properties that would not otherwise enter into an AD or CFD. For example, if an area consists of numerous parcels with separate developers it may be difficult to organize an AD or a CFD. There are a large number of landowners in the DETOD area, but it is possible that all or a portion of the area will be sold off to one or more developers at a later date. Further discussions with the current landowners will be required to determine the likelihood of such an outcome.

Another advantage of impact fees is they can be enacted by the City without the approval of current landowners. Thus, the Oxnard City Council could approve an Area Development Impact Fee Ordinance for the DETOD area, which would provide some policy direction early on in the process before resolving outstanding issues regarding the intentions and participation of current landowners. The revenue generated from the impact fees in early phases would be obligated to help finance the bulk of project-wide infrastructure costs that will occur in later phases. It is important to note that the passage of such an ordinance would not preclude future developers from participating in one of the other financing mechanisms discussed below in lieu of paying an impact fee. A major deficiency of impact fees is that they are typically collected over time as development occurs. To the extent that funding is needed "up front" for a particular facility, fee funding is not sufficient. Additionally, programmed or expected development that does not occur when expected, or never occurs, exacerbates the initial problem.

Dedications and Exactions

Under the Subdivision Map Act, developers may be required to dedicate land or make cash payments for public facilities required or affected by their project (e.g., road right-of-way fronting individual properties). Dedications are typically made for road and utility right-of-ways, park sites, and land for other public facilities. Cash contributions are made for other public facilities that are directly required by their projects (e.g., payments for a traffic signal).

Applicability to the DETOD Renewal Area

To develop the DETOD area as planned, some lands currently owned by individual landowners will be necessary for public uses. For example, if the mobile home community area within Phase 3 is redeveloped, landowners may need to make some land available for road and utility right-of-ways. Some landowners may be willing to make such dedications in lieu of paying impact fees or other project-wide contributions and/or be entitled to reimbursements from other developers.

² The conditions for imposition of impact fees were formalized by the passage of AB1600 (Government Code Section 66000), which institutionalized prior case law on the subject (e.g., Nollan).

As discussed further, those property owners that dedicate their land for public or right-of-way uses that benefit the area as a whole should be compensated proportionately.

Development Agreements

A development agreement is a contract between a public agency and a developer that provides the developer with assurances that the land use entitlements for a project will not be changed in the future and specifies public sector commitments to financing, phasing, and other elements of project implementation. In return for these public considerations and assurances, the developer may be asked to make financial commitments beyond those that could be justified through typical subdivision ordinance dedications and exactions and/or impact fees, which are all limited by the "rational nexus" criteria. Development agreements can be drafted as standard agreements that can be modified to meet project-specific problems or objectives.

Applicability to the DETOD Renewal Area

Development agreements are especially applicable to large projects in which the developer may be willing to make up-front investments in required infrastructure, which exceed the "fair share" allocation in return for an assurance of future entitlements. However, the lack of large, contiguous, single-owner parcels in the DETOD renewal area limits the applicability of this tool.

Assessment and Special Tax-Secured Financing

Special Assessment Districts (1911, 1913, 1915 Acts)

California law provides procedures to levy assessments against benefiting properties and issue tax-exempt bonds to finance public facilities and infrastructure improvements. Assessment districts, also known as improvement districts, are subject to majority vote of property owners. Votes are weighted according to the amount of the proposed assessment on the parcel to which the ballot pertains. Assessments are distributed in proportion to the benefits received by each property as determined by engineering analysis and form a lien against property. Special assessments are fixed dollar amounts and may be prepaid, although they are typically paid back with interest over time by the assessed property owner. Only public infrastructure improvements with property-specific benefits (e.g., roads, drainage, and sewer and water improvements) may be financed with assessments. In addition, standard public finance underwriting criteria requires that the ratio of improved land value to assessment lien be equal to or greater than three to one.

Applicability to the DETOD Renewal Area

Unlike impact fees, an assessment district would provide the DETOD renewal area with a stable and predictable revenue stream to fund infrastructure improvements since the tax is a fixed dollar amount, regardless of whether development has occurred. In addition, since assessment can be applied to already developed property, area properties that remain in their current use could be required to contribute to project-wide costs, providing that a clear "nexus" is established. However, landowners in the area who do not anticipate developing their property until later phases may be reluctant to support an assessment district. Such a district would commit them to paying higher taxes for uses that are not immediately enhanced by the corresponding infrastructure.

Mello-Roos Community Facilities Districts

California's Mello-Roos Community Facilities Act of 1982 allows for the creation of a special district authorized to levy a special tax and issue tax-exempt bonds to finance public facilities and services. A CFD may be initiated by the legislative body or by property owner petition and must be approved by a two-thirds majority of either property owners or registered voters (if there are more than 12 registered voters living in the area).

Special taxes are collected annually with property taxes and may be prepaid if such provisions are specified in the tax formula. The special tax amount is based upon a special tax lien against the property. There is no requirement that the tax be apportioned on the basis of direct benefit. Because there is no requirement to show direct benefit, Mello-Roos levies may be used to fund improvements of general benefit, such as major utilities, fire and police facilities, and libraries and parks, as well as improvements that benefit specific properties. The provision also allows for the allocation of cost burdens to alleviate burdens on specific classes of development.

The City has established CFDs for residential developments at RiverPark and Seabridge and would do well to consider establishing one for the DETOD district as well so as to help fund ongoing operating costs. Should the proposed developments produce a net negative fiscal impact, a new CFD can be expected to mitigate those imbalances in municipal costs and revenues. Such a mechanism will ideally be flexible reflecting changing conditions in the area. For example, as the tax effort improves, the need for special taxes may decline.

Applicability to the DETOD Renewal Area

A Mello-Roos CFD is especially applicable in cases in which there are a few developers/landowners who seek to develop a large area and have a reasonable expectation about the type, timing, and amount of development sought. Like an assessment district, a Mello-Roos can provide a stable and predictable revenue source and, thus, bonding capacity with which to fund project-wide improvements. However, the advantage of a Mello-Roos is that it offers a high degree of flexibility with regard to the apportionment of the tax. For example, vacant parcels in the DETOD renewal area may be exempt from the tax until development actually occurs. Its disadvantage is that a Mello-Roos requires two-thirds approval among affected property owners, which means implementation would likely require a significant amount of negotiation and consensus among current and/or future land owners in the DETOD area. Further outreach and discussions with current landowners will be required to determine if a Mello-Roos is feasible and should be pursued.

"Redevelopment 2.0" Agency Financing

As the CRA unwinds, several proposals looking to restore access to certain redevelopment tools have begun to circulate. As envisioned, successor agencies could regain the authority and power to:

- Buy and sell real property including, if necessary, the power to use eminent domain.
- Receive and spend a portion of the property tax revenues generated from the increase in assessed value that occurs after establishing a project area.

- Finance their operations by borrowing from federal or state governments and by using tax increment revenue bonds.
- Finance and develop infrastructure improvements.

While the elimination of urban blight was the primary public purpose justifying formation of a redevelopment agency with the powers described above, successor agencies under the new schemes would likely operate under a narrower mandate with access to a severely reduced portion of tax increment. One of these schemes is SB 1156, which aims to authorize the use of new joint powers authorities to pursue sustainable economic development, affordable housing, and the facilitation of infill and transit-oriented development using powers enumerated in the Community Redevelopment Law. Another such bill, SB 659, explicitly focuses on funding for affordable housing.

Applicability to the DETOD Renewal Area

Upon availability of such "Redevelopment 2.0" tools, the City may choose to create a project area to facilitate its development goals for the area. Such tools may offer a means to use tax increment financing and other techniques to assemble land, finance infrastructure, and subsidize development. However, passage of such bills is especially uncertain so long as the budget crisis in California continues.

Citywide Sources

General Fund Revenues

The City of Oxnard may elect to use General Fund revenues to help offset a proportion of the project-wide costs. Such a policy might be justified if it is determined that a substantial General Fund revenue surplus is expected to be generated by the development, as discussed in Chapter 4.

Federal and State Grants

The City has in the past received funding for public facilities from other levels of government, including the State and federal government. Funds from these sources may be made available for development in the DETOD area, especially for public uses. The availability, amount, and timing of these funds will need to be further evaluated.

APPENDIX 10: DETOD FEASIBILITY STUDY BASELINE REPORT



Downtown East Transit Oriented Development Feasibility Study

Baseline Report

November 15, 2011 | Prepared For:

The City of Oxnard and the
Southern California Association of Governments



Downtown East Transit Oriented Development Feasibility Study

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This report was funded in part through grant[s] from the Federal Highway Administration [and Federal Transit Administration], U.S. Department of Transportation and the California Department of Transportation (Caltrans). The views and opinions of the agency expressed herein do not necessarily reflect those of the U. S. Department of Transportation, nor Caltrans.

The contents of this report reflect the views of the author, who is responsible for the facts and accuracy of the data presented herein. The contents do not necessarily reflect the official view or policies of the Southern California Association of Governments (SCAG) or DOT. This report does not constitute a standard, specification or regulation.



**SOUTHERN CALIFORNIA
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I INTRODUCTION

This baseline report provides a comprehensive overview of existing conditions in the Oxnard Downtown East Transit-Oriented Development (DE-TOD) Study Area (Study Area). Although this report is only one part of the larger DETOD Feasibility Study, it is an integral component, providing direction for the study and informing future recommendations. This report is composed of the following chapters:

- ◆ **Chapter 1, Introduction**, provides an overview of the project, including a description of the Study Area, a brief background of how the project came to be, and a summary of the initial goals that the project hopes to accomplish.
- ◆ **Chapter 2, Land Use**, describes the existing land uses within the Study Area, assesses edge conditions and adjacent areas, and provides an initial screen of the Study Area to determine which sites may be appropriate for new development or redevelopment.
- ◆ **Chapter 3, Economics**, analyzes the economic benefits generated by existing land uses and provides baseline real estate market data for residential, retail and industrial uses in the Study Area.
- ◆ **Chapter 4, Circulation**, reviews existing vehicle trip generation, bicycle and pedestrian transportation, public transit ridership data, and circulation and access to the Oxnard Transportation Center. This chapter also describes activity that takes place on the Ventura County Railroad (VCRR) line.
- ◆ **Chapter 5, Feasibility of Initial Goals**, identifies the feasibility of initial goals for the Study Area as identified in the Introduction.
- ◆ **Chapter 6, Conclusions and Recommendations**, presents the strategic implications of the existing conditions, including recommendations for how to direct growth in the Study Area in a manner that will help support the City's goals for the Study Area, City, and region.

A. Study Area

The Study Area, shown in Figure 1-1, encompasses the area south and east of the Oxnard Transportation Center. It is bounded by Wooley Road to the south, 3rd Street and the Union Pacific Railroad tracks to the north, Oxnard Boulevard to the west, and Richmond Road to the east. The Ventura County Railroad (VCRR) bisects the Study Area from a north-west to south-east direction. The eastern part of the Study Area is devoted to agricultural processing and packing facilities and automotive repair shops, while the western part is essentially an extension of the downtown with smaller blocks and more pedestrian-friendly uses.

As shown in Figure 1-2, the Study Area is centrally located within the City, adjacent to downtown. Regional access is provided by Amtrak passenger rail, which stops at the Oxnard Transportation Center; by Interstate 101 freeway, located about 3 miles north of the Study Area; and by the major arterials of Oxnard Boulevard (Highway 1), 5th Street and Wooley Road.

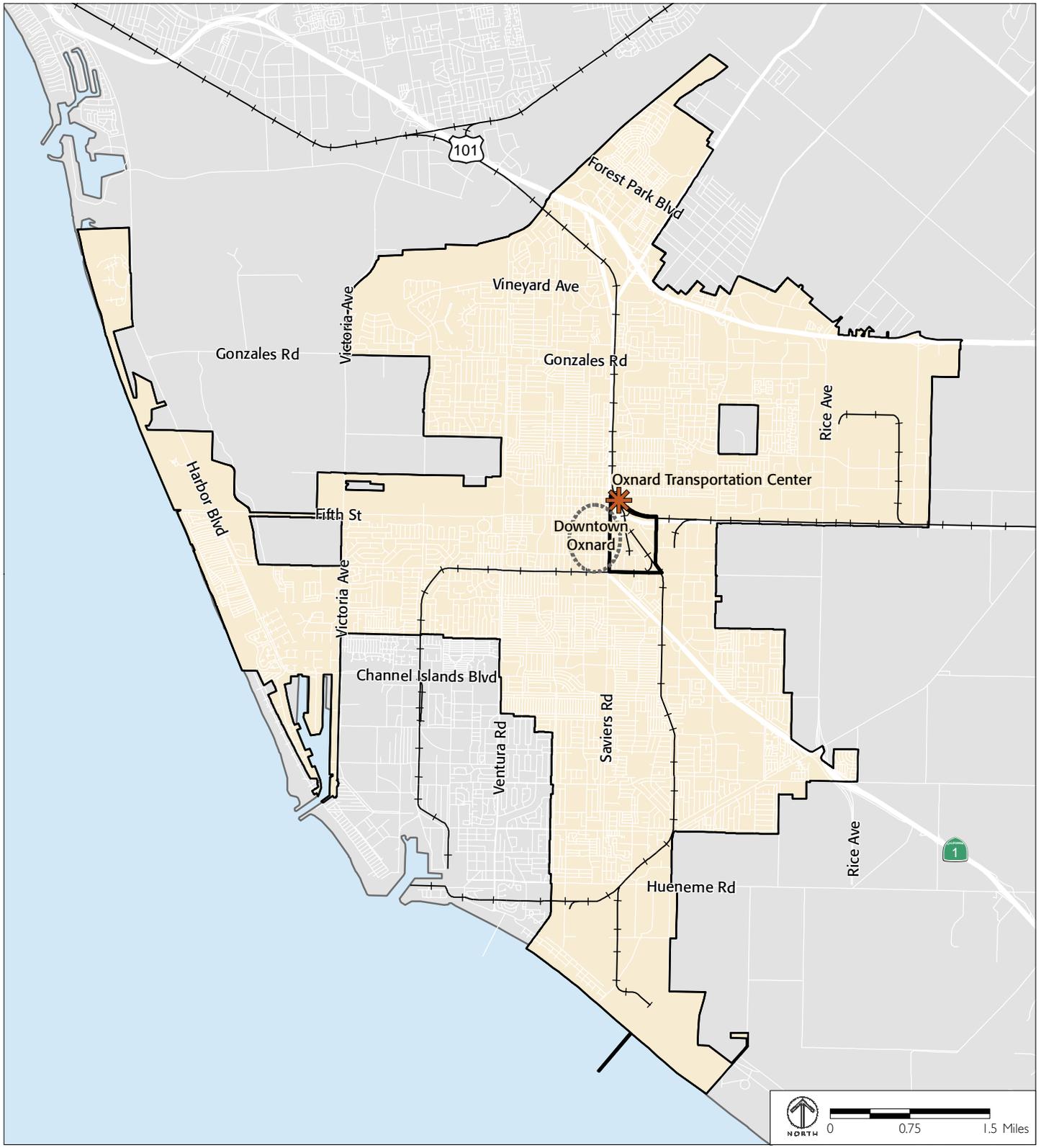
B. Background

Over the past decade, the City of Oxnard has prepared and adopted a variety of plans, policies, and guidelines addressing land use and design issues in downtown Oxnard. This includes the current *Draft City of Oxnard 2030 General Plan*, the *Oxnard Downtown Strategic Plan* in 2005, the *Oxnard Downtown District Master Plan* and its accompanying *Oxnard Downtown Design Guidelines* in 1996, the Central Business District (CBD) provisions of the City's Zoning Ordinance, and the *Meta Street Master Plan* in 1990.

The City's Draft 2030 General Plan extends downtown Oxnard's Central Business District (CBD) land use designation eastward to include approximately 100 additional acres to the south of the Oxnard Transportation Center



FIGURE I-1
OXNARD DOWNTOWN EAST TOD STUDY AREA BOUNDARY



-  Project Boundary
-  City Limits

FIGURE I-2
CITYWIDE CONTEXT

(OTC), which makes up the Study Area for this report, as shown in Figure 1-1. The combination of excellent public transportation access and proximity to downtown lend the Study Area to transit-oriented uses.

The Draft General Plan sets out a vision to guide redevelopment in the CBD with an “urban village” concept. The urban villages would incorporate private and public redevelopment, mixed land uses, affordable and workforce housing, and transit connectivity and are intended to be a key strategy for meeting greenhouse gas (GHG) emission reduction targets pursuant to Senate Bill (SB) 375.

The Study Area does not currently take advantage of its location near transit, as it is largely developed with agricultural processing plants, associated support facilities and auto repair shops. As downtown to the west successfully embraces more TOD, it will create the conditions necessary to make TOD development and reinvestment feasible in the Study Area, which will in turn contribute to more visibility and usability of the OTC.

There are many challenges associated with transitioning this active industrial area into a smart growth residential district. In general, the industrial operations taking place in the area are somewhat incompatible with residential uses, so care must be taken in phasing any new development to prevent disruption. Substantial changes will have to be made to the street patterns and facilities to provide comfortable pedestrian linkages to the transit center, including addressing the location of the VCRR that currently bisects the Study Area. Additionally, the existing agricultural processing plants in the Study Area are stable and well-established in their current locations, and the economic downturn presents a challenge and uncertainty for the timing of redevelopment.

This feasibility study is intended to provide a comprehensive overview of existing conditions in the Study Area and determine the opportunities and constraints of transitioning the east side of downtown into a transit-oriented urban village consistent with the General Plan vision. The results of this re-

port will help determine an appropriate land use mix for the Study Area and determine a feasible direction for redevelopment and revitalization in the future.

C. Analytical Process

Preparation of this baseline report was prepared by The Planning Center | DC&E, responsible for project management, land use analysis, and the infill opportunity analysis; Economic & Planning Systems, Inc., responsible for the economic, market and feasibility analysis of initial project goals; and Fehr & Peers Transportation Consultants, responsible for assessing existing vehicle trip generation, bicycle and pedestrian transportation and public transit ridership in the Study Area.

Information for this report was also provided by local stakeholders who contributed valuable information essential to understanding local conditions in the Study Area. These stakeholders included local businesses, property owners, active residential developers in Oxnard, the Ventura County Railroad, Ventura County Agricultural Commissioner and Deputy Commissioner, Ventura County Transportation Commission, Sakioka Farms, Economic Development Corporation of Oxnard, Chamber of Commerce Land Use Committee, Caltrans, and City Staff. A summary of stakeholder comments is provided in Appendix A.

D. Funding for the Study

Funding for the Downtown East Transit-Oriented Development (DETOD) Feasibility Study was provided by the Southern California Association of Governments' (SCAG) Compass Blueprint Demonstration Project Program. In 2004, SCAG adopted the Compass Growth Vision intended to “accommodate the 6 million new residents expected to live in the region by 2030 while balancing valuable quality of life goals.” The Compass 2% Strategy Opportunity Areas identify key geographical locations totaling 2 percent of the entire

region which are singled out for the additional development to implement such a Vision. Downtown Oxnard is designated as a TOD Opportunity Area site in the SCAG Compass 2% Plan. It is expected that the cumulative effect of small actions concentrated on this 2 percent of the land will greatly contribute to improving the quality of life for Southern California residents. Compass Blueprint assists Southern California cities and other organizations in evaluating planning options and stimulating sustainable new development consistent with the region's goals.

E. Initial Goals

The expansion of downtown eastward accomplishes a number of goals outlined in the Draft General Plan and in the Compass Blueprint Grant Application as well as other regional initiatives, including the following:

- ◆ **Transit-Oriented Development.** DETOD implements a key component of the Compass 2% Plan by concentrating high-density and affordable housing and other compatible uses around an existing regional transit facility, the OTC.
- ◆ **Preservation of agricultural land.** Oxnard voters established the City Urban Restriction Boundary (CURB) to preserve agriculture and open space that generally coincides with Oxnard city limits or the Ventura County Local Agency Formation Commission Sphere of Influence. DETOD will occur entirely within the CURB boundary to accommodate projected growth and future affordable housing development while preserving agriculture in the surrounding County unincorporated areas.
- ◆ **Walkable, village-style development.** DETOD is consistent with the Draft 2030 General Plan's new "Village" designation, which envisions a walkable, mixed-use, transit-oriented community within a short walk to the OTC where commuters will take Metrolink to Los Angeles and Santa Barbara.
- ◆ **Affordable housing.** The DETOD area will include, at a minimum, 15 percent affordable housing as it is located within the Central City Revi-

talization/Redevelopment Area. The City has negotiated inclusionary requirements of up to 23 percent in other specific plan areas and would seek to require 25 to 33 percent affordable, if feasible, in the DETOD area.

- ◆ **Respect for the past.** Existing housing, commercial uses and historic buildings will be integrated into the new Village, giving the area a link to its past and sense of place.
- ◆ **GHG emissions reduction.** Moving the heavily truck-oriented agricultural processing plants out of the downtown and closer to the fields and the 101 freeway will result in a substantial amount of greenhouse gas (GHG) emission reduction.
- ◆ **Water and energy efficiency.** Relocating and upgrading the agricultural processing facilities into new state-of-the-art “green” facilities, including development of an agriculture waste-to-energy facility, will result in significant water and energy savings and GHG reductions.
- ◆ **A model for other communities.** The DETOD relocation strategy and planning framework could apply to other SCAG communities where transit stations (Amtrak, Metrolink, and Light Rail-Metro) are located in areas originally developed and still used for rail-adjacent industrial uses.

2 LAND USE

This chapter describes the baseline land use conditions in the DETOD Study Area. The Study Area varies from compact commercial development to large warehousing and distribution facilities, and also contains a variety of residential products. As a result, there are many issues related to land use compatibility and stability that will be discussed in this chapter.

The total amount of development in the Study Area by land use is summarized in Table 2-1 below.

TABLE 2-1 **EXISTING DEVELOPMENT**

Land Use Category	Existing Development (2011)
Single-Family Residential	4 units
Multi-Family Residential	90 units ^a
Mobile-Homes	153 units
Commercial	337,174 SF
Industrial	956,348 SF
Office/Medical Office	22,000 SF
Public/Institutional	85,625 SF
Parking	3,987 SF
Total Residential	246 units
Total Non-Residential	1,405,134 SF

^a Includes 24 low-income rentals and 26 moderate income condominiums.

The DETOD Study Area is almost entirely developed. As indicated in Table 2-1, the Study Area is primarily developed with industrial uses, including agricultural processing facilities that are set on large parcels on either side of the Ventura County Railroad (VCCR). A cluster of auto shops make up the eastern portion of the Study Area, while a mix of commercial and residential

make up the western portion closer to downtown. For the purposes of describing land uses and other physical characteristics in a systematic fashion, the Study Area has been divided into three sub-areas, as shown in Figure 2-1.

The sub-areas are:

- ◆ Downtown East
- ◆ Central Industrial Area
- ◆ Auto Repair District

A. Downtown East

1. Existing Land Uses, Zoning, and General Plan Designations

This sub-area, located east of Oxnard Boulevard and west of Factory Lane, is essentially an extension of the downtown and is designated as Central Business District (CBD) in the City's General Plan and Zoning Code (Figures 2-2 and 2-3). As shown in Figure 2-4, the northern part of the sub-area consists primarily of commercial uses around the Oxnard Transportation Center (OTC) and along Oxnard Boulevard. A few newer multi-family housing developments are located on the interior streets, along with a few scattered single-family homes. The southern portion of the sub-area is dominated by the Royal Palms Mobile Home community. Uses surrounding Royal Palms include a new multi-family housing development along Donlon Avenue, used car dealerships and various commercial uses along Oxnard Boulevard. Other notable uses in this sub-area include the Clinicas Medical Center, the Harriet H. Samuelsson Branch Boys and Girls Club, and the Ventura County Rescue Mission, located on Meta Street between 6th and 7th Streets. Produce packing houses and related uses in the Central Industrial Area are located just east of this sub-area.

2. Compatibility and Stability

Most land uses in this sub-area are generally compatible with one another and the uses in downtown. However, potential incompatibilities are associated with the uses bordering the Central Industrial Area, where residential uses are adjacent to packing houses that generate loud noises, odors and truck traffic.

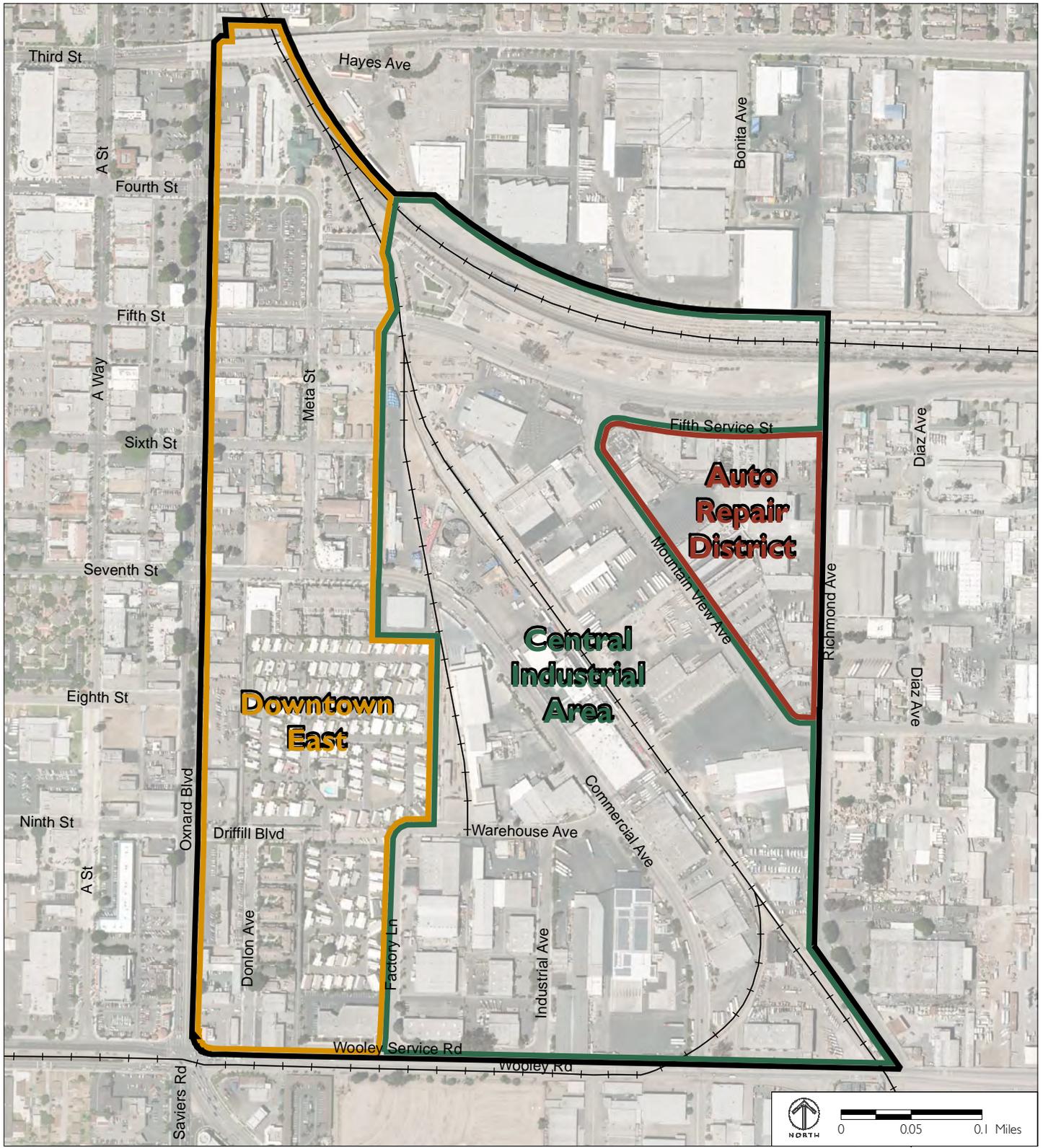


FIGURE 2-1
LAND USE SUB-AREAS

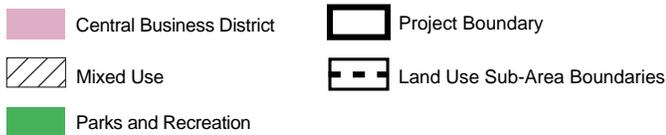
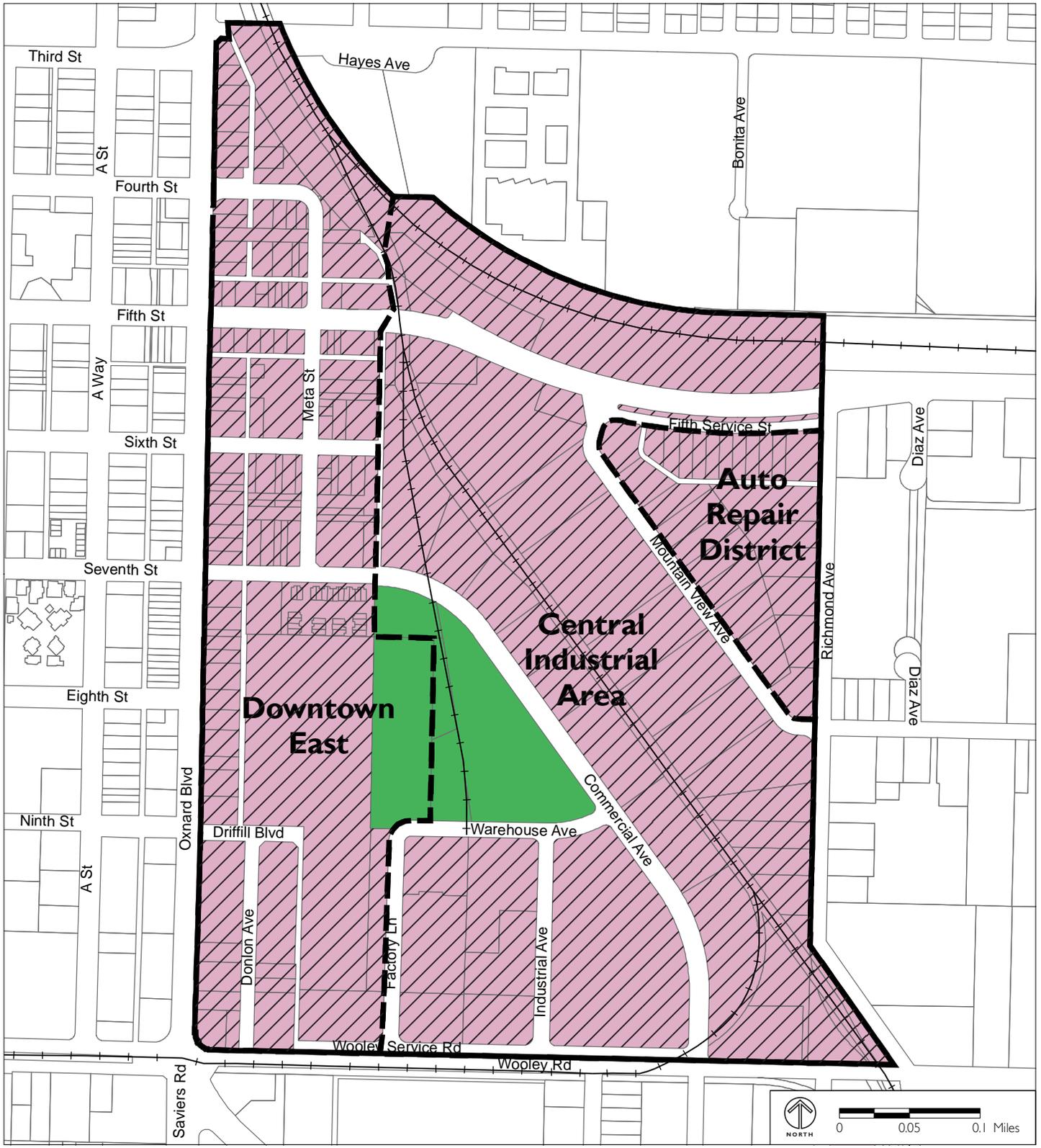


FIGURE 2-2
GENERAL PLAN LAND USE

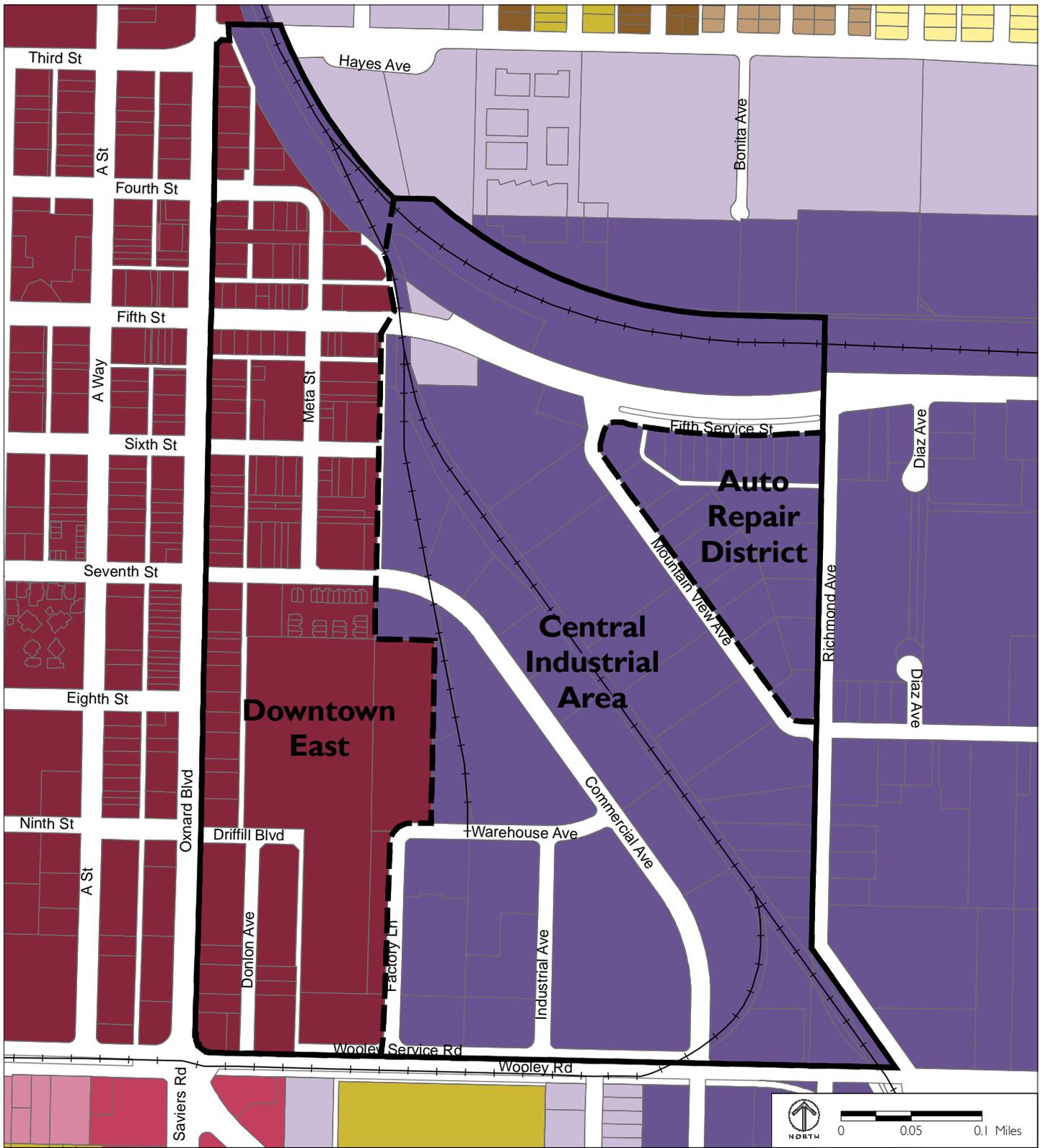


FIGURE 2-3
 ZONING

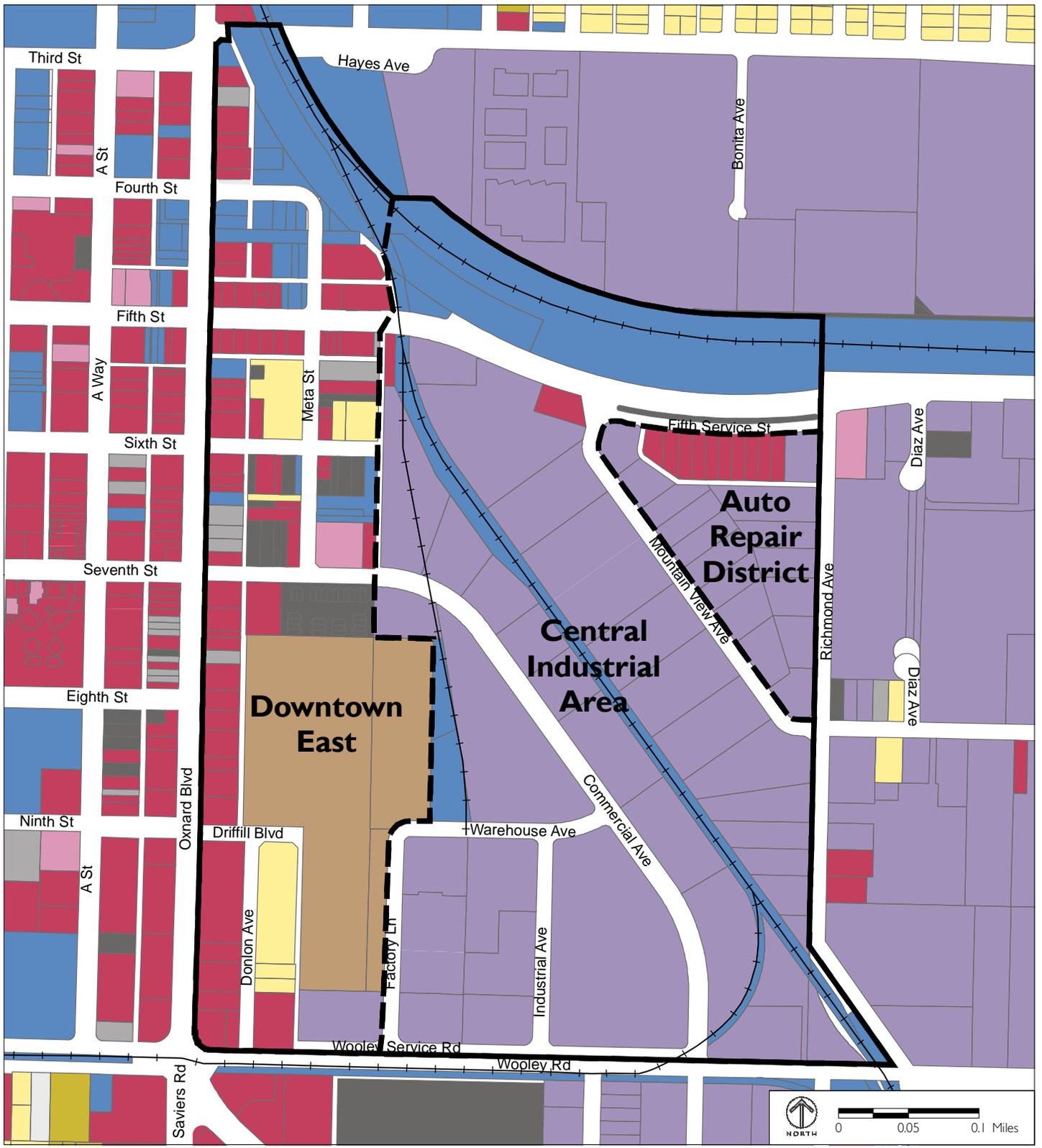


FIGURE 2-4
 EXISTING LAND USE

As the area is currently developed, limited buffers exist between these uses, especially along Factory Lane, between the mobile home park and the produce packing houses. Further north, residential uses are separated from the Central Industrial Area by an alley and high wall, which provides some protection. Additionally, the Clinicas Medical Center and Ventura County Rescue Mission on the east side of Meta Street serve as good transitions between the commercial and residential uses to the west and the packing houses to the east.

The Oxnard Transportation Center is a major hub of activity in this sub-area and is surrounded, for the most part, by stable retail and restaurant uses. There are a few vacant and/or underutilized sites along Oxnard Boulevard, both north and south of the OTC. These sites are either vacant storefronts or include large parking lots that could be developed. Additionally, the auto dealerships between 7th Street and Wooley Road, while relatively stable, are not ideal uses near the OTC and downtown area and could be redeveloped to be more compatible with adjacent uses.

The residential portions of this sub-area are very stable, with the well-maintained Royal Palms mobile home park and the newer multi-family developments, including the Meta Street Apartments that provide affordable housing options within close proximity of the OTC. These residential uses serve as excellent examples of stable residential development. Similar residential uses could be incorporated into possible catalytic projects for the future redevelopment of this area.

3. Physical Conditions

The northern portion of this sub-area, near the OTC, is made up of pedestrian-friendly blocks and storefronts fronting the streets. While there are some gaps between buildings, surface parking lots and vacant sites, the area is generally pleasant for walking. Many of the buildings fronting 5th Street and Oxnard Boulevard north of 7th Street have awnings or overhangs that further frame the pedestrian realm. Additionally, the downtown streetscape is continued in this area, with nice signage and decent sidewalks; however, there is

minimal landscaping, no street furniture and sporadic street trees. There are three gateways into the downtown area within this sub-area that currently lack definition and a visual connection with downtown—the 3rd Street overpass of Oxnard Boulevard, 5th Street as it intersects with the railroad, and the Five Points Intersection at Wooley Road and Oxnard Boulevard. These gateways are important entries into downtown but currently lack the kind of high-quality streetscaping, enhanced architectural features and landmarks that would signify arrival into downtown. On the other hand, entrances into the OTC from Oxnard Boulevard and 5th Street contain signage and wayfinding to help orient and welcome visitors.

In the southern portion, in particular, the pedestrian environment along Oxnard Boulevard is less inviting due to the lack of barriers between vehicles and pedestrians and the high speed of traffic. South of 7th Street the block lengths are longer, particularly due to the large scale of the mobile home park. The lack of continuous shaded streetscapes along internal paths creates a pedestrian environment that is less friendly than the northern portion of this sub-area. Photos of the Downtown East sub-area are shown in Figure 2-5.

4. Current Plans and Projects

a. 1995 Oxnard Downtown District Master Plan

The 1995 Oxnard Downtown District Master Plan is described as a comprehensive strategy for revitalizing the historic heart of Oxnard through a set of policies and regulations. The Plan includes a Code for private development and Public Realm Requirements for streets and other public spaces. A Business and Operations Plan focuses on the implementation of the Plan and transformation of downtown. The Downtown East sub-area is within the Master Plan area and is therefore subject to the policies and regulations included in the document.

The intent of the Code, as it relates to this study, is to ensure that new buildings are compatible with each other and with the existing urban fabric of the downtown. The program envisions a more intimate urban typology for



FIGURE 2-5
PHOTOS OF THE DOWNTOWN EAST SUB-AREA

Oxnard Boulevard, including a recommendation to redesign the portion that extends from 7th Street to 3rd Street into a “downtown avenue” street type.

b. 2005 Downtown Strategic Plan

In 2005, the City of Oxnard prepared the Downtown Strategic Plan, which builds off of the 1995 Master Plan and sets forth a vision and strategy for the future of downtown Oxnard, including recommendations for streetscape improvements, traffic and pedestrian circulation, architectural style/theme, and parking for seven different districts in downtown. Three of the districts are within the Downtown East sub-area (Transportation Center District, Meta District, and Five Points Northeast District). The vision, development strategies and action priorities for each district are summarized below:

i. *Transportation Center District*

The Transportation Center District is located east of Oxnard Boulevard between 2nd Street and 5th Street. The presence of excellent transportation access, coupled with the adjacent land that appears ripe for redevelopment, offers strong opportunities for the establishment of transit-oriented uses. Sufficient parking would have to be provided to accommodate parking demand associated with the OTC and other uses along 5th Street.

Development Strategies

- ◆ A commercial plaza at the southeast corner of 4th Street and Oxnard Boulevard (the area currently used for mainly surface parking). Retail stores/restaurants/cafes could be built on the northern and southern boundaries of the site, defining the block while keeping the interior as an open, hard-space public plaza with interactive public art. The retail/restaurant/café would be accessible from both the plaza and the streets. The plaza would expand the downtown to the east, help connect the OTC to the rest of the downtown, and act as a pleasant transportation gateway into downtown.
- ◆ Implementation of the adopted *OTC Master Plan*, which addresses the need for additional parking, the need for better circulation within and

around the site, and the need to create a better pedestrian path within the district.

Action Priorities

- ◆ Develop a plan for establishing a commercial plaza at 4th Street and Oxnard Boulevard.
- ◆ Parking structure feasibility study.

ii. Meta Street District

The Meta Street District is located east of Oxnard Boulevard between 5th Street and just south of 7th Street. The vision of the Meta Street District is to establish a unique, mixed-use urban neighborhood. To achieve this vision, future development would consist of medium-density infill housing and neighborhood-oriented retail uses. The following development strategies for more infill housing and retail would balance the housing stock by introducing market rate housing to complement the two ongoing affordable housing projects in the neighborhood, and would provide new retail opportunities:

Development Strategies

- ◆ The 6th Street intersection could be developed for commercial and community function with retail at the intersection and a small public space along the south edge of 6th Street between the alley and Meta Street.
- ◆ Infill housing is recommended on 6th and Meta Streets.
- ◆ Retail is recommended for vacant lots on 7th Street and Oxnard Boulevard.

Action Priorities

- ◆ Prepare and adopt a utility undergrounding ordinance that requires project developers to either bury overhead utilities or contribute in-lieu fees to support a City-sponsored program to do so.
- ◆ Work with the Southern California Edison to acquiring funding for utility undergrounding under the PUC's Rule 20.

- ◆ Prepare a streetscape improvement plan for Meta and 6th Streets that would further the strategies listed above.

iii. Five Point Northeast District

The Five Points Northeast District is located between the Meta District and Wooley Road. This district will continue to be anchored by residential uses in the interior of its blocks, but will be buoyed by the addition of new retail and mixed-use projects along Oxnard Boulevard and Wooley Road. These new projects could range from two- to three-story mixed-use structures with retail or office uses on the street level and residential units above to high-volume retail uses dependent on automobile transportation.

Action Priorities

- ◆ Work with owners of vacant properties along Oxnard Boulevard to identify appropriate infill projects.

In addition to district-specific strategies and actions, the following gateway recommendations apply to the Oxnard DETOD Feasibility Study:

iv. East 5th Street as it intersects with the Railroad Tracks

- ◆ Reconstruct the road section of 5th Street east of the Ventura County railroad tracks to Rose Avenue, providing turning lanes and traffic islands.
- ◆ Plant trees and shrubs on both sides of 5th Street from Rose Avenue to Oxnard Boulevard, including the existing island on the south side of 5th between Richmond and Mountain View Avenues.
- ◆ Sponsor a facade improvement plan for the section of 5th Street between the railroad tracks and Oxnard Boulevard.
- ◆ Develop a specific area plan for the 5th Street corridor between Rice Avenue and Oxnard Boulevard to guide streetscape improvements, and examine existing areas for reuse when land use transition occurs.

- ◆ Consider a freestanding structure in the form of a gate just across the railroad tracks on 5th Street framing the view of the downtown and defining the eastern gateway.

c. Meta Street Master Plan (1990)

In addition to the Strategic Plan, the Meta Street Master Plan includes plans for land use, streetscape, infrastructure, and circulation improvements for the 14 acres bounded by 5th Street, Oxnard Boulevard, 7th Street and the railroad tracks. It is not intended as a regulatory instrument, but instead to be used by the City as a means to stimulate private development commitments in the area. The plan recommends major land use changes, from industrial and specialty retail to residential, some of which have already been implemented. The Master Plan contains the following goals:

- ◆ An enhancement of the Latino cultural characteristics of Meta Street
- ◆ The introduction of well-designed forms of housing as the predominant new land use of Meta Street
- ◆ The establishment of uses that will support the new residential character of the street
- ◆ The upgrading and rebuilding of the infrastructure of the street to be consistent with contemporary standards

d. Oxnard Downtown Management District

A majority of the Downtown East sub-area is within the boundaries of the Oxnard Downtown Management District, which is a property-based Business Improvement District (PBID) encompassing the area bounded by Second Street on the north, the Railroad tracks on the east, Wooley Street on the south and C and D Streets on the west. The only properties within this sub-area that are not included in the PBID are those located east of Oxnard Boulevard between 7th Street and Wooley Road. All other properties are within the PBID boundaries. The Downtown Oxnard Management District Plan, prepared in 2010, renewed the PBID for an additional 3 years. The purpose of the PBID is to provide and manage supplemental services and improvements for the downtown area. These include a “clean and safe” program, a profes-

sional marketing and business development program, and a program of installing and upgrading physical amenities.

e. Redevelopment Project Area

The Downtown East sub-area is within the Merged (Downtown and Central City Revitalization) Project Area, which is covered by the 2010 Redevelopment Implementation Plan. The Central City Revitalization Project portion, which applies to this area, is intended to eliminate the existing conditions and causes of blight and to encourage and foster economic revitalization. The programs and activities that are in place to help achieve these goals include urban design, public utilities, street construction, business revitalization, and low- and moderate-income housing.

f. Downtown Oxnard Historic Resources Survey

In 2005, the Downtown Oxnard Historic Resources Survey was prepared to identify and evaluate properties within downtown for their potential historical significance and for local, State and federal eligibility, in accordance with the California Office of Historic Preservation and the National Park Service criteria. A total of 16 properties were identified within the Downtown East sub-area, including eight properties that appear to be contributors to a district that appears eligible for local listing or designation through the survey evaluation. The remaining eight properties appear to be individually eligible for local listing or designation through the survey evaluation.

g. Current Development Projects

The only current development project in the Downtown East sub-area is the 6th Street Apartments, located at 217 East 6th Street. The project involves renovating eight existing units and constructing eight garages. Upon completion, this project will slightly increase the residential population of the Downtown East sub-area.

B. Central Industrial Area

1. Existing Land Uses, Zoning, and General Plan Designations

This sub-area consists of the area bounded by 5th Street to the north, Mountain View Avenue and Richmond Avenue to the east, Wooley Road to the south, and Factory Lane to the west. As shown in Figures 2-2 and 2-3, the General Plan designates this sub-area as Central Business District, while the Zoning designation is Heavy Manufacturing. The zoning is consistent of the type of development currently found in this sub-area.

As shown in Figure 2-4, the primary uses found in this area are large produce cooling, packing and distribution facilities. Many of these are located on the railroad tracks that cut through the sub-area from the northwest corner to the southeast corner, while others are located within close proximity of the tracks. The primary use in the southern portion along Wooley Road is the Oxnard Produce Terminal, which serves Western Precooling, Driscoll's, Beach Street, Ocean Mist, Nunes, Coastal Fresh Farms, Naturipe, Prime Time, and Hortifrut Produce. This facility extends from Commercial Avenue in the east across Industrial Avenue to Factory Lane in the west. Channel Islands Cooling is also located on the western side of Commercial Avenue. Additional uses in this area include auto-related retail and other stores related to industrial or manufacturing activities, such as PraxAir and Johnson Lift. The west side of the railroad tracks is dominated by packing houses, including Valley Spud, California Chips and Smucker. The eastern side of the tracks includes Superior Cooling and Ice, a packing supply company and additional packing houses. All of these uses are located on large lots with poor connectivity to the rest of the Study Area.

2. Compatibility and Stability

Since this sub-area is composed primarily of produce packing houses and related uses, there are few compatibility issues within the sub-area itself. In fact, the location of these land uses is complimentary given the proximity of these uses to agricultural producers. Produce is trucked to this area from nearby farms and then transferred to cooling facilities and/or packing houses that prepare and ship produce for distribution. Given the short shelf life of most

produce, trucks are the most common means of transporting produce from this area. However, the Smucker facility uses rail to transport strawberries.

There have been compatibility issues along the western border of this sub-area, where the packing houses border residential and commercial uses. In these areas there are insufficient buffers to shield the non-manufacturing uses from the loud noises, odors and other potential impacts associated with manufacturing operations. In particular, there have been complaints from the mobile home park during peak production periods.

3. Physical Conditions

While manufacturing facilities aren't the most aesthetically pleasing, the structures in this sub-area are generally in good condition. The buildings fronting the streets tend to have some form of landscaping, although some are better maintained than others. Street trees are sporadic and provide little shade for the sidewalks, which are in good condition in most places. There are numerous access driveways and loading docks that create unsafe pedestrian areas. Large blank walls, fences and surface parking lots create an environment that isn't very pleasant for pedestrians. Additionally, the railroad creates a barrier for pedestrians and vehicles to cross between the different sides of this sub-area, with crossings limited to 5th Street and Wooley Road. Photos of this sub-area are shown in Figure 2-6.

4. Current Plans and Projects

a. Redevelopment Project Area

The Central Industrial Area is also within the Merged (Downtown and Central City Revitalization) Project Area, which is covered by the 2010 Redevelopment Implementation Plan. The Central City Revitalization Project Area portion, which applies to this area, is intended to eliminate the existing conditions and causes of blight and to encourage and foster economic revitalization. The programs and activities that are in place to help achieve these goals include urban design, public utilities, street construction, business revitalization, and low- and moderate-income housing.



FIGURE 2-6

PHOTOS OF THE CENTRAL INDUSTRIAL AREA

b. Current Development Projects

There are two current projects in this sub-area. A Special Use Permit and Zoning Variance for 831 Richmond are currently in Plan Check. This project includes an employee parking lot, trash enclosure and lunch area on a 15,630-square-foot undeveloped site. The other project is currently under construction on the Smucker Fruit Processing site, located at 760 Commercial Avenue. This project entails the reconstruction of an existing train loading dock that serves the Smucker facility.

C. Auto Repair District

1. Existing Land Uses, Zoning and General Plan Designations

This is the smallest sub-area within the Study Area, bounded by 5th Street to the north, Richmond Avenue to the east and Mountain View Avenue to the southwest. As shown in Figures 2-2 and 2-3 this sub-area is designated Central Business District and zoned Heavy Manufacturing. Although these designations are the same as the Central Industrial Area, the existing uses, shown in Figure 2-4, vary widely from those found in the Central Industrial Area. The narrow parcels along the 5th Street Service Street are made up of auto repair shops, packed tightly together. Similar auto-related uses are also found along the east side of Mountain View Avenue, intermixed with a storage facility and surface parking lots. The uses along Richmond Avenue are more varied and include the Community Action Ventura County building, newer warehouse/manufacturing facilities, a Michelin tire center, a greenhouse company, and a Mexican restaurant.

2. Compatibility and Stability

The varied land uses in this sub-area are compatible with one another and benefit from the relatively inexpensive lease rates and visibility to the high-traffic arterial of 5th Street. Despite the overall compatibility and stability in this area, some of the uses appear to be in need of improvements. Specifically the auto repair shops on the 5th Street Service Street and Mountain View Avenue are in poor condition and have potential for redevelopment. The uses along Richmond Avenue are in better condition overall and appear to be

more stable uses as well. Although some of these uses aren't as compatible with the auto repair shops, the buffering between buildings is adequate.

3. Physical Conditions

Of the three sub-areas within the Study Area, this one has the most room for improvement. The buildings along the 5th Street Service Street and Mountain View Avenue are poorly maintained and create an unfriendly pedestrian environment along these streets. Most properties do not have any landscaping and street trees are nearly nonexistent. Overall this area could benefit from major public and private improvements. Photos of this sub-area are shown in Figure 2-7.

4. Current Plans and Projects

a. Redevelopment Project Area

The Auto Repair District is also within the Merged (Downtown and Central City Revitalization) Project, which is covered by the 2010 Redevelopment Implementation Plan. The Central City Revitalization Project portion, which applies to this area, is intended to eliminate the existing conditions and causes of blight and to encourage and foster economic revitalization. The programs and activities that are in place to help achieve these goals include urban design, public utilities, street construction, business revitalization, and low- and moderate-income housing.

b. Current Development Projects

There are no current development projects in this sub-area.

D. Infill Opportunity Estimation

The Infill Estimation Tool was used to identify properties within the Study Area that have the potential for infill development in the future. This tool



FIGURE 2-7

PHOTOS OF THE AUTO REPAIR DISTRICT

distinguishes the assessed property valuation between land and improvement values to identify parcels with a low improvement to land value (I/L) ratio.¹

For this study, parcels with an I/L ratio less than 0.5 were selected as potential infill parcels. Vacant parcels and parcels used exclusively for surface parking were also identified as potential infill sites. Finally, since the assessor data is not 100-percent accurate, the results were refined based on site visits by The Planning Center | DC&E staff. The results of the Infill Estimation Tool are shown in Figure 2-8 below.

As shown in Figure 2-8, the infill opportunity sites are scattered throughout the Study Area, with the largest concentration of sites within the Auto Repair District. These industrial and commercial parcels in the Auto Repair District provide an opportunity for the expansion of agricultural processing and packaging uses similar to those on the east side of Mountain View Avenue. Other uses could include supporting commercial uses that would complement the industrial uses.

There are a number of small vacant and underutilized sites in the Downtown East sub-area that are within ¼ mile of the OTC, as well as larger underutilized commercial parcels in the southern portion of the Study Area along Oxnard Boulevard. These parcels range from 7,000 to 65,000 square feet, some of which could be assembled in order to create larger catalytic infill sites within walking distance of the OTC. However, the fragmented parcelization and land ownership will make land assembly difficult and complicated. A detailed market analysis prepared as part of this study will help determine feasible land use alternatives for the infill opportunity sites.

¹ The I/L ratio is based on assessed value when, under terms of Proposition 13, properties are sold or substantially remodeled. Based on past experience, parcel opportunity screen results are generally around 90 percent correct, which is adequate for this type of analysis.



- Transit Center
- Project Boundary
- Infill Analysis Results**
- Underutilized Industrial
- Underutilized Commercial
- Vacant Commercial
- Parking Lot

Methodology:
 1.) Land uses selected were: "Vacant" and "Parking"
 2.) Improvement to land value ratio selected was under 0.5
 3.) Results were edited to add and remove some sites based on site visit reconnaissance

FIGURE 2-8

INFILL OPPORTUNITY MAP

3 ECONOMICS

This chapter provides an overview of economic and market conditions affecting the revitalization and real estate development potential of the proposed Oxnard Downtown East Transit Oriented Development (DETOD) project plan.

The success of the DETOD vision articulated in the Draft 2030 General Plan and the Compass Blueprint Grant Application will depend to a large degree on whether the following two key economic conditions materialize:

- (1) A walkable, mixed-use, transit-oriented residential community in the DETOD area becomes economically feasible,
- (2) The operators in the Central Industrial District, which include agricultural processors, auto repair shops, and a portion of the Ventura County Railroad Line will have the financial means and/or incentive to relocate to accommodate the new “Village” designation envisioned by the general plan.

The analysis that follows, prepared by Economic & Planning Systems (EPS), assesses the underlying economic context for these two outcomes.

A. Regional Economic Context

Oxnard’s position in the regional economy will play an important role in the economic success of the Study Area. While Oxnard’s economy is struggling along with the weak national economy, long-term prospects for the City are strong, due to attributes intrinsic to its strategic location. These include productive agricultural land, scenic coastline, connection to major highway and rail systems, proximity to Port Hueneme and the Point Mugu Naval station, and commutable access to job centers in Ventura, Santa Barbara, Los Angeles, and the San Fernando Valley.

Overall, the City is well linked to the regional economy as demonstrated by the commute patterns of its residents. Specifically, Oxnard is a heavy “out-commute” City with about 14,000 more employed residents than jobs. Less

than one-third of the City's employed residents (29 percent) work in Oxnard. Meanwhile, about 37 percent of Oxnard's jobs are held by local residents. So there is a "criss-cross" commute pattern where a significant portion of the residents who live in Oxnard don't work in Oxnard and the employees who work in Oxnard live elsewhere.

While Oxnard's economy includes significant representation in sectors as varied as healthcare, financial services, agriculture, and manufacturing, diversity has not provided meaningful protection in the current economic down cycle. Manufacturing, retail, and hospitality sectors have all been hard hit by the recession. Much of Oxnard's workforce is made up of low-skill low-education workers, who have been vulnerable to the current climate. As shown in Table 3-1, the agriculture, manufacturing, retail, and hospitality sectors rank second, third, fourth, and sixth by employment in Oxnard, totaling 44 percent of all jobs, and all but manufacturing pay in the lowest salary quartile.

The effects of the weak economy are reflected directly in the income and employment numbers. Since 2008, Oxnard personal income per capita has fallen 29 percent and unemployment rose to double digits. According to one recent estimate, unemployment significantly exceeds that reported in the City's Comprehensive Financial Report (Table 3-2) and may currently be as high as 14 percent.¹

Direct job loss in Oxnard, as distinct from the employment levels of Oxnard residents, has been equally severe. As shown in Table 3-3, the City has lost almost 5,000 jobs since 2007—a 6.7 percent drop, and a 9.9 percent drop on a per-capita basis because population has continued to rise.

¹ Bill Watkins, *Oxnard Business Outlook 2012*, October 2011

CITY OF OXNARD
 DETOD FEASIBILITY STUDY
 BASELINE REPORT
 ECONOMICS

TABLE 3-1 **OXNARD EMPLOYMENT BY SECTOR AND SALARY**

Oxnard Employment by Sector and Salary			
Sector	2010 jobs/sector	Average Salary	Salary Rank (Quartiles)
Education-Health	20.5%	\$45,000	second
Agriculture	12.2%	\$26,000	fourth
Manufacturing	12.2%	\$30,000	third
Retail	11.9%	\$27,000	fourth
Professional Management	10.0%	\$61,000	first
Leisure-Hospitality	9.7%	\$17,000	fourth
Wholesale	5.7%	\$51,000	second
Finance-Insurance-Real Estate	4.6%	\$50,000	second
Non-Classified	4.4%	\$32,000	third
Other Services	3.2%	\$29,000	fourth
Public Administration	2.7%	\$53,000	first
Construction	2.4%	\$53,000	first
Information	0.6%	\$41,000	third

Source: EPS, SCAG, CA Employment Development Department

TABLE 3-2 **CITY OF OXNARD INCOME AND EMPLOYMENT 2001-2010**

City of Oxnard Income and Employment 2001-2010				
Year	Population	Personal Income (\$000)	Per Capita Income	Unemployment Rate
2001	177,700	3,488,251	19,630	4.90%
2002	182,027	3,599,948	19,777	5.20%
2003	181,800	3,979,057	21,887	7.40%
2004	186,122	4,207,288	22,605	5.60%
2005	188,941	4,408,869	23,346	4.90%
2006	189,990	4,652,855	24,490	4.00%
2007	192,997	4,858,838	25,176	4.70%
2008	194,905	5,166,932	26,510	6.10%
2009	197,067	5,088,467	25,821	10.30%
2010	200,004	3,707,181	18,829	10.60%

Source: 2009-2010 Oxnard CAFR

TABLE 3-3 **CITY OF OXNARD NUMBER OF JOBS, 2007-2010**

City of Oxnard Number of Jobs, 2007-2010					
	2007	2008	2009	2010	2007-10
Jobs	59,454	58,977	55,830	55,489	
Change (#)		-477	-3,147	-341	-3,965
Change (%)		-0.80%	-5.34%	-0.61%	-6.7%
Jobs/capita	0.31	0.30	0.28	0.28	-9.9%
<i>Source: SCAG/MDA DataQuick/EPS</i>					

Oxnard City revenues since 2009 also show declines. As shown in Table 3-4, total revenues fell 1.5 percent between 2009 and 2010, largely as a result of falling property taxes, transit oriented taxes, and business licensing revenue. This drop occurred in spite of the fact that Oxnard implemented a new ½-cent sales tax in 2009, leading to significant increases in sales tax revenue in 2010. While sales tax increased in 2010, forecasters believe that full recovery will be gradual, as recent sales have been weak.

The prospects for a near-term economic rebound for Oxnard look poor, and economic recovery is expected to lag that of the region in general, as is typically the case for more peripheral locations like Oxnard. Job growth, according to a recent study, will be slow and insufficient to materially lower the rate of unemployment.

B. Study Area Economic Context

The location of the DETOD area in the center of Oxnard and due east of the City’s traditional downtown will play a key role in determining the feasibility of revitalization efforts. The Study Area totals 129 acres and consists of a patchwork of uses and land-use designations. On the whole, the Study Area’s socio-economic conditions are worse than the Oxnard average. As shown in

TABLE 3-4 **CITY OF OXNARD REVENUES 2001-2010 (\$M)**

City of Oxnard Revenues 2001-2010 (\$m)				
FY	Property Tax	Sales Tax	Other (1)	Total
2001	23.5	18.1	10.0	51.6
2002	25.9	19.8	13.3	59.1
2003	30.1	20.8	9.5	60.4
2004	35.2	22.8	11.7	69.7
2005	49.1	23.2	12.3	84.6
2006	58.5	24.0	13.1	95.6
2007	68.4	25.8	12.8	107.0
2008	75.7	24.2	13.3	113.2
2009	76.7	24.0	13.7	114.5
2010	72.8	28.1	11.8	112.8

(1) TOT, Franchise Tax, Deed Transfer Tax, Business License, Penalties and Interest
 Source: 2009-2010 CAFR

Table 3-5, residents of the Five Points Northeast Neighborhood,² which encompasses the Study Area, have dramatically lower household income, pay lower rents, and experience lower property values in all housing categories. These numbers are paralleled by the high proportion of affordable or affordable-equivalent units in the area (203 out of 246, or 82 percent). In addition, the poverty level is high (32 percent compared with 15 percent elsewhere in Oxnard) and the level of educational attainment is low (76 percent without a high school degree, compared with 40 percent in Oxnard).

² Five Points Northeast contains the entire Study Area and adds a triangle-shaped area in the south bordered by Wooley Road, Oxnard Boulevard, and the VCRR rail line; and a rectangle-shaped area in the north above the Union Pacific Tracks and bordered by Third Street. The Five Points NE neighborhood is twice the size of the Study Area and contains a similar mix of uses.

TABLE 3-5 **FIVE POINTS NE NEIGHBORHOOD COMPARED WITH OXNARD**

Five Points NE Neighborhood Compared with Oxnard					
2009 Demographic Indicators	Five Points NE	Oxnard	2009 Est. Residential Values	Five Points NE	Oxnard
Median Household Income, 2009	\$21,630	\$51,221	Detached houses (11.9% sample)	\$331,544	\$477,726
Median rent in 2009:	\$727	\$1,140	Attached Units (6.2% sample)	\$171,591	\$200,385
Population Density/square mil	3051	6730	Units in duplexes (2.0% sample)	\$137,500	\$157,274
Less than Highschool Education	76%	40%			
Below Poverty Level	31.6%	15.1%			

Source: City-data.com

Despite the below average socio-economic conditions facing Study Area residents, the location serves as a vital economic node within Oxnard. The Census Block group area,³ which encompasses the Study Area, has an estimated 429 residents and 3,276 jobs. This represents a large employment location in the City, accounting for about 7 percent of the City’s jobs. Although the Study Area is half the size of the Census Block area, it still stands as a significant jobs node.

It is worth noting that, in contrast to the City as a whole, the Study Area appears to employ a slightly higher proportion of local residents than the City as a whole, as about 45 percent of the jobs are held by local residents. This shows, to a degree greater than elsewhere in Oxnard, that the Study Area already offers some of the benefits of a live-work community. These could potentially be enhanced by increasing the residential density of the Study Area (at currently 3,051 people per square mile in the Five Points

³ The Census Block area contains the entire Study Area and adds a rectangle extending directly east with Wooley Road and Third Street forming southern boundaries and Rose Avenue forming the eastern boundary. The Census Block Area is roughly twice the size of the Study Area. It contains a similar mix of industrial uses with a lower proportion of residential and retail uses.

Northeast neighborhood compared with 6,730 for Oxnard as a whole⁴) and retaining existing jobs.

C. Residential Market

The performance of the local residential market will be critical to the success of the DETOD vision as a higher-density, mixed-use district. Like many areas in California, Oxnard saw a large quantity of residential construction in the prior decade as developers pursued a vision for the City as a lower-cost alternative to neighboring Ventura and Camarillo. However, paralleling national trends, the residential boom proved to be something of a speculative bubble. As shown in Table 3-6, residential permitting peaked in 2003 before falling to ten-year lows in 2009 and 2010. From 2000 to 2006, median home sales prices nearly tripled from \$206,000 to \$593,000 before dropping nearly by half to \$295,000 in 2010.

The leading edge of Oxnard residential development is represented by the 700-acre master-planned RiverPark project, a fully self-contained community with its own retail, amenities, and schools. While the first RiverPark units were completed in 2007, build-out of the planned 2,800 units has slowed considerably.

As shown in Table 3-7, roughly 72 percent of the residential units built in Oxnard in the last 15 years were single-family-detached or single-family-attached, increasing the City's proportion of single-family residences from 63 percent in 1995 to 65 percent in 2009. While this is a lower proportion of single-family residences than elsewhere in Ventura County, where 74 percent of units are single-family, Oxnard is still largely a suburban housing market.

According to SCAG, renters make up 45 percent of Oxnard's residential users, higher than the 35 percent figure for Ventura County as whole. This higher percentage of renters may be attributable in part to the comparatively

⁴ City.Data.com

TABLE 3-6 **OXNARD RESIDENTIAL PRICING AND PERMITTING**

Oxnard Residential Pricing and Permitting											
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Housing Permits Issued	1,032	441	779	1,083	536	764	873	758	343	145	160
Median Home Sales Prices (\$000)	\$206	\$235	\$270	\$352	\$450	\$567	\$593	\$530	\$330	\$280	\$295

Source: SCAG/Construction Industry Research Board/MDA DataQuick

weak economic profile of Oxnard residents and to the fact that short-term residents affiliated with the military bases make up a significant portion of the population.

Oxnard’s emergence as a bedroom community alternative to Ventura and Camarillo in recent years has helped provide residents with contemporary suburban housing options that neighboring cities have long enjoyed. It is arguable that interest in the kind of high-density multi-family arrangements envisioned for the DETOD will occur only after the pent-up demand for a planned suburban environment has been satisfied.

If and when a market for urban-style units emerges in Oxnard, it will likely be in the downtown area west of the DETOD. Oxnard’s original downtown is a fine-grained and walkable district that also hosts the City’s civic functions, including City Hall and the Main Public Library. Fifteen years of concentrated redevelopment efforts by the City have brought a variety of restaurants, entertainment options, historical attractions, and services to the area. Nonetheless, downtown Oxnard remains a work in progress, as the commercial activity and foot-traffic envisioned for the area has not materialized.

Tentative plans for downtown are in place to construct multifamily residential units in the blocks just west of Centennial Plaza, and five additional adjacent downtown parcels with the potential for 1,000 units have also been identified. Most of the potential units lie within a ¼-mile of the Oxnard Transit

TABLE 3-7 POPULATION AND HOUSING UNIT TYPE (1995-2010)

Jurisdiction	Amount by Year ¹						Growth 1995-2010			
	1995 #	%	2000 #	%	2005 #	%	2009 ² #	%	#	%Δ
Oxnard										
Housing Units										
SF	27,518	63%	30,020	65%	33,085	66%	34,134	65%	6,616	24.0%
MF	12,888	30%	13,208	29%	13,986	28%	15,491	29%	2,603	20.2%
Mobile Homes	3,014	7%	2,940	6%	2,946	6%	2,946	6%	-68	-2.3%
Total	43,420	100%	46,168	100%	50,017	100%	52,571	100%	9,151	21.1%
Vacancy Rate	4.0%		3.5%		3.5%		3.5%		42,510	27.0%
Population	157,494		174,626		189,276		200,004			
Ventura County										
Housing Units										
SF	177,333	74%	190,200	75%	202,146	75%	205,749	74%	28,416	16.0%
MF	51,473	21%	52,209	21%	56,135	21%	60,640	22%	9,167	17.8%
Mobile Homes	12,181	5%	12,175	5%	12,306	5%	12,362	4%	181	1.5%
Total	240,987	100%	254,584	100%	270,587	100%	278,751	100%	37,764	15.7%
Vacancy Rate	4.1%		3.4%		3.3%		3.5%		136,941	19.3%
Population	707,772		765,557		814,853		844,713			

(1) Reflect amount at year end (i.e. January 1st of subsequent year)

(2) Breakout of housing units by type were not available for 2010.

Source: California Department of Finance; Economic & Planning Systems, Inc

Center and could satisfy some of the goals for the DETOD area if built. All such plans, however, have been delayed due to the weak overall residential market.

The Study Area lies just east of downtown, and the prospects for the proposed DETOD development depend to a degree on the success of downtown redevelopment. Several obstacles may hinder this from happening, however. Most important is the general state of the economy, which has dampened downtown retail performance and delayed residential expansion.

A second obstacle is represented by the perceived “chasm” between central downtown and the Study Area. The effects of downtown revitalization extend no further east than the east side of A Street, which has left a block-wide strip separating the Study Area from downtown. Oxnard Boulevard, with its heavy truck traffic and dilapidated streetscape condition, represents the biggest challenge. If the DETOD is to leverage proximity to downtown, this chasm must be bridged.

D. Retail Market

The Draft 2030 General Plan and Compass Blueprint visions for the DETOD area propose only small-scale retail to service the needs of residents and commuters, and this analysis considers retail feasibility for the area only as an adjunct to residential uses. However, as argued above, the DETOD area will benefit from the revitalization of downtown Oxnard, and conversely, the ongoing struggles of downtown Oxnard’s retail sector may act as an impediment.

In general, Oxnard and the surrounding Cities of Ventura and Camarillo may be over-retailed, the legacy of intense inter-city competition for sales tax revenue from retailers located along the 101 highway. Evidence for this can be found in Table 3-8, which shows a steep ramp-up of retail sales in the region as new retail came on line followed by an equally steep crash through the present day, when the economy sagged.

TABLE 3-8 OXNARD, CAMARILLO, AND VENTURA CITY COMPARATIVE RETAIL SALES 2002-2010

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2006-10 Avg. Growth
Oxnard, Camarillo, and Ventura City Comparative Retail Sales 2002-2010										
Oxnard										
Retail Sales Total (\$000)	\$1,587,405	\$1,716,352	\$1,822,135	\$1,893,914	\$1,893,276	\$1,809,324	\$1,648,459	\$1,436,959	\$1,477,138	-6.0%
Per Capita Sales Total	\$8,880	\$9,445	\$9,804	\$10,091	\$10,003	\$9,433	\$8,503	\$7,298	\$7,386	-7.3%
Per Capita Sales Index	100.0%	106.4%	110.4%	113.6%	112.6%	106.2%	95.8%	82.2%	83.2%	
Camarillo										
Retail Sales Total (\$000)	\$574,452	\$645,898	\$709,269	\$759,559	\$797,448	\$847,151	\$883,616	\$810,794	\$835,278	1.2%
Per Capita Sales Total	\$9,665	\$10,657	\$11,486	\$12,164	\$12,483	\$12,993	\$13,571	\$12,269	\$12,525	0.1%
Per Capita Sales Index	100.0%	110.3%	118.8%	125.9%	129.2%	134.4%	140.4%	126.9%	129.6%	
Ventura City										
Retail Sales Total (\$000)	\$1,419,416	\$1,505,464	\$1,641,053	\$1,704,450	\$1,707,140	\$1,705,586	\$1,505,335	\$1,317,593	\$1,350,712	-5.7%
Per Capita Sales Total	\$13,832	\$14,443	\$15,648	\$16,165	\$16,058	\$15,964	\$13,978	\$12,123	\$12,285	-6.5%
Per Capita Sales Index	100.0%	104.4%	113.1%	116.9%	116.1%	115.4%	101.1%	87.6%	88.8%	-6.5%
Oxnard/Camarillo/Ventura Totals										
Per Capita Sales Total	\$10,508	\$11,160	\$11,837	\$12,256	\$12,234	\$11,988	\$11,011	\$9,593	\$9,726	-5.6%
Per Capita Sales Index	100.0%	106.2%	112.7%	116.6%	116.4%	114.1%	104.8%	91.3%	92.6%	

Source: California Retail Survey 2010, EPS

The shopping center sub-use category in Oxnard has seen strong declines in particular with a vacancy rate currently at nearly 10 percent, as shown in Table 3-9. In the best of times, downtown retailers, located 2.5 miles from the highway via an indirect route of surface streets, have not competed well against the highway-based centers, and in the current economy, they have fared even worse.

Finally, also shown in Table 3-9, Oxnard is scheduled to gain 610,000 additional square feet of premium retail space at The Collection at RiverPark—the largest single amount of retail under construction anywhere in the Los Angeles region. This vast bump in supply is likely to increase vacancies and put further downward price pressure on local rents.

E. Central Industrial Area Agricultural Processors

Several key goals of the DETOD vision articulated in the Draft 2030 General Plan and the Compass Blueprint Grant Application stipulate reductions in greenhouse gas (GHG) emission, water use, and energy use by relocating industrial operators in the Central Industrial District to a new location closer to the highway. This would also require operators to upgrade their facilities.

This underlying premise, which assumes such relocation is operationally sensible and financially feasible (or can be made so) for the operators, is probably not realistic in the near- and medium-term. Relocation of the agricultural processing cluster would likely generate high direct and indirect costs for the operators and the City. In fact, given the underlying economics, current uses in the Central Industrial Area may also be the highest and best uses.

Most importantly, agricultural processors provide an important economic resource for the City. JM Smucker, which is located in the Central Industrial Area, is one of the City's largest employers, as shown in Table 3-10. Many ancillary businesses, such as box manufacturers and refrigeration companies, cluster around the agricultural processors in a mutually reinforcing business relationship. Costly relocation could fundamentally change the economics of

TABLE 3-9 OXNARD MARKET RATES BY RETAIL SUB-USE, MID-YEAR 2011

Market	Total GLA	Direct sf	Vacancy		YTD Net Absorp-	YTD Deliveries	Under Construc-	Quoted Rates
			Total SF	Vac%				
General	4,949,378	154,964	154,964	3.10%	25,965	0	0	\$17.60
Mall	0	0	0	0.00%	0	0	610,000	\$0.00
Power	1,337,151	72,629	72,629	5.40%	2,421	0	0	\$18.56
Shopping Center	4,094,973	401,107	404,331	9.90%	-22,373	0	0	\$22.66
Specialty	0	0	0	0.00%	0	0	0	\$0.00

Source: CoStar

TABLE 3-10 CITY OF OXNARD PRINCIPAL EMPLOYERS

City of Oxnard Principal Employers	Employees	Rank	Percentage of Total City Employment
St. John's Regional Medical Center	1,500	1	2.83%
City of Oxnard	1,206	2	2.27%
Oxnard Elementary School District	1,051	3	1.98%
Boskovich Farms	1,000	4	1.88%
Haas Automation	750	5	1.41%
Oxnard College	700	6	1.32%
Oxnard Union HS District	600	7	1.13%
JM Smucker	500	8	0.94%
Proctor and Gamble	500	9	0.94%
Richview Western	500	10	0.94%

Source: 2009-2010 CAFR

doing business in Oxnard and even jeopardize continued tenancy. In a new location, current users would no longer enjoy the benefits of grandfathered code, and compliance would likely require purchase of additional land—perhaps as much as 50 percent more than what is currently used. In addition, because current capital assets remain only partially amortized, near- and medium-term acquisition of new capital equipment would represent a huge loss of value—only a small amount of which could be recovered by more efficient water and energy use.

The current location of the agricultural processing cluster is already operationally efficient, and moving even closer to agricultural production would save only a few miles and yield minimal business benefits. Conversely, relocation risks losing the co-location benefits of so many ancillary businesses, as noted above. While the current location lacks space for expansion, which constrains the potential for on-site growth, additional growth can be accommodated incrementally. In other words, expansion does not require a large alternative site to which all current users must re-locate.

Finally, relocation of the agricultural users within Oxnard may not comply with General Plan guidelines for land use, which has no place to accommodate these users. The General Plan foresees re-zoning the entire DETOD area as CBD (Central Business District), but it does not provide for the creation of an equivalent amount of M2 land lost. As noted, relocated agricultural processors would likely require a greater quantity of M2 land than is currently used.

F. The Ventura County Railroad

As mentioned above, the Draft 2030 General Plan proposes re-zoning the DETOD area as CBD, which would make not only industrial uses incompatible, but also render as incompatible the use of the Ventura County Railroad (VCRR), which runs a short-line, a spur, and a train yard in the Study Area. Implementation of the CBD zoning over VCRR rights of way depends

on whether the line continues operation or whether it can be feasibly relocated.

The combined area of VCRR represents only a small proportion of the Study Area, but the location of the short-line, which runs diagonally from the southeast to the northwest before meeting up the Union Pacific Railroad (UPRR) at the Oxnard Transit Center, creates awkwardly shaped parcels that effectively isolate large areas, making land use planning for redevelopment a challenge. But while removing the VCRR tracks could free up land for redevelopment, it would do so at the expense of the economic value provided today and in the future unless successfully relocated in a manner that preserves its current function.

Port Hueneme, which handles automobiles, fresh fruit, and bulk liquid as its major cargo categories, relies heavily on the VCRR short-line, the main rail conduit connecting the Port to the Union Pacific line. Trucks are the Port's primary means of transport, but a significant portion of cargo is moved by rail. Furthermore, a working connection with the UPRR is critical for future Port expansion.

The Ventura County Naval Base also uses the line and considers it a strategic necessity for potential mobilization efforts. The Base is not currently a central node in the Navy's operations and may be a candidate for closure at some point, but it will remain in Oxnard for the foreseeable future.

A study commissioned by the Port in 2000 estimated a contribution of almost 3,500 jobs to Ventura County in 2000. (A new study from Cal Lutheran University, due in late 2011, is expected to update these numbers.) Using the 2000 study and methodology as a basis, EPS has estimated in 2010 the Port contributed nearly 1,700 jobs to Oxnard, as shown in Table 3-11.

Given the current and likely future value of the VCRR short-line, closure does not appear to be an economically feasible or likely option. Rather, successful relocation will be required to preserve its current economic function.

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However, the long-term viability of the VCRR will depend on a variety of economic factors, including international trade patterns, the performance of Port facilities elsewhere (i.e. Port of LA), most of which cannot be predicted with certainty at this time. Consequently, it is appropriate to consider the long-term implications and reuse options in the event that this facility eventually becomes obsolete.

TABLE 3-11 **JOBS CONTRIBUTION TO OXNARD BY PORT OF HUENEME**

Jobs Contribution to Oxnard by Port of Hueneme	2000 Study		2010 Estimate		
	County		County		Oxnard
Metric Tons Handled 2000 (1)	1,403,020	(1)	1,256,408	(2)	
Direct Jobs Created	2,183	(1)	1,955	(3)	75% 1,466 (4)
Indirect Jobs Created	1,288	(1)	1,153	(3)	20% 231 (4)
Total Jobs Created	3,471		3,108		55% 1,697

Sources:
 (1) *The Economic Impact of the Port of Hueneme on Ventura County for Fiscal Years 2000 and 2010, 11/1/2000, Leeper, Cambridge & Campbell*
 (2) *Port Hueneme Comprehensive Annual Financial Report FY Ending June 30, 2010*
 (3) *Prorated by tons/jobs ratio*
 (4) *EPS estimate*

4 CIRCULATION

This chapter describes the existing circulation conditions within the Oxnard DETOD Study Area. It includes a multi-modal review of circulation in the Study Area, including pedestrian facilities, bike facilities, transit service, and estimated automobile trips. It also includes an assessment of internal block connectivity and access to the Oxnard Transit Center (OTC), particularly for pedestrians. The following discussion is based on field observations, the Oxnard Bicycle and Pedestrian Master Plan, data from Gold Coast Transit and Metrolink, the Institute of Transportation Engineers (ITE) trip generation, and the Mixed Use Trip Generation (MXD).

A. Pedestrian Facilities

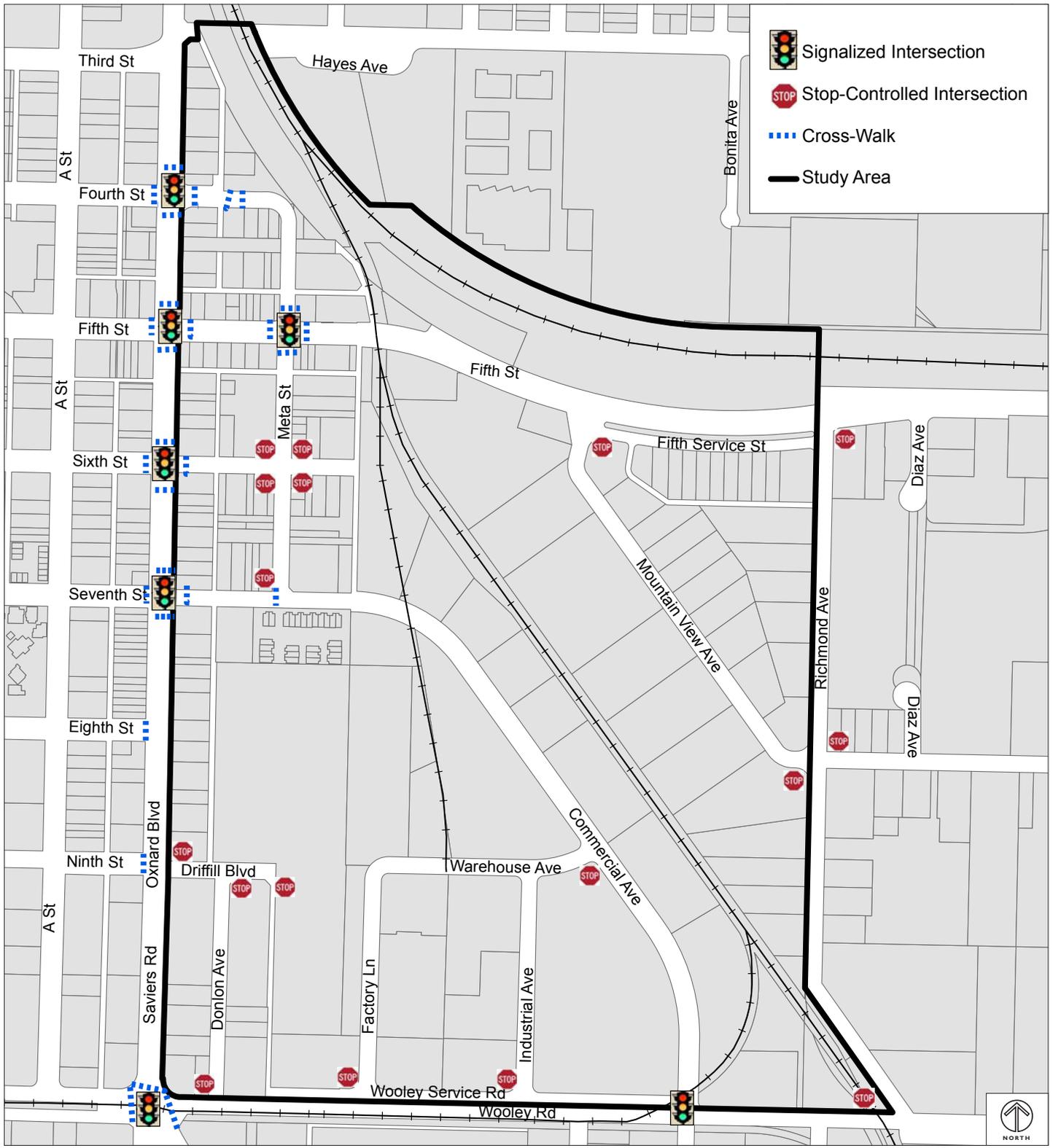
The condition of pedestrian facilities in the Study Area varies broadly by location. This section briefly profiles street segments based on 1) the availability and condition of sidewalks, 2) the type of street lighting offered, 3) the presence of streets trees and streetscape design elements, and 4) an overall assessment of its walkability, particularly as it relates to connecting pedestrians to the OTC. The controls of each Study Area intersection are shown in Figure 4-1. Figure 4-1 also provides the location of existing crosswalks.

Surveyed streets in the Study Area include:

- ◆ **4th Street** – Oxnard Boulevard to 5th Street – 4th Street provides the entrance into the OTC from both Oxnard Boulevard and 5th Street, and as such is an important pedestrian corridor. 4th Street provides sidewalks on both sides of the street, although not necessarily always parallel to the street; however sidewalks and crosswalks direct pedestrian traffic to the OTC. Lighting is provided at automobile and pedestrian scales on the east/west segment of the street; there is almost no street lighting on the north-south segment (see photo to the right for a comparison of pedestrian and auto-scaled lighting). There are occasional trees on 4th Street.
- ◆ **5th Street** – Oxnard Boulevard to Richmond Avenue – 5th Street is also an important pedestrian corridor as it provides access to the OTC and downtown Oxnard. 5th Street has sidewalks, pedestrian-scale street



Pedestrian-scaled lighting that serves the sidewalk compared to auto-scale lighting that primarily serves cars on the street.



Source: Fehr & Peers.

FIGURE 4-1
STUDY AREA INTERSECTIONS AND CROSSWALKS

lighting, trees, and street furniture (planters) on both sides of the street from Oxnard Boulevard to the railroad tracks, creating an attractive and welcoming pedestrian environment. East of the railroad tracks, there is automobile-scale lighting only on the south side of 5th Street, and a cement sidewalk on the south side of the street only until Mountain View Avenue. The lack of streetscape amenities east of the tracks act as a deterrent for pedestrians to walk to downtown and the OTC from the eastern portion of the Study Area even though it is within a half mile walking radius of the station.

- ◆ **5th Street, Service Street** – Mountain View Avenue to Richmond Avenue – The 5th Street Service Street provides access to businesses and on-street parking while maintaining the free flow of traffic on 5th Street. It is primarily an auto-oriented street, conducive to the auto-oriented land uses that line the south side of the corridor. On the 5th Street Service Street, there is no sidewalk on the north side of the street and a discontinuous sidewalk on the south side of the street towards the west of the segment. There is automobile scale street lighting on the south side of the street, and no trees on either side of the street. A wide planted median separates the Service Street from 5th Street. Similar to 5th Street east of the tracks, the 5th Street Service Street lacks the pedestrian amenities to encourage walking to downtown and the OTC from this area of the Study Area.
- ◆ **6th Street** – Oxnard Boulevard to North/South Alley – 6th Street has sidewalks, pedestrian scale lighting, and intermittent trees on both sides of the street. The small block lengths and attractive streetscape lend itself to pedestrian activity.
- ◆ **7th Street** – Oxnard Boulevard to North/South Alley – There are sidewalks, pedestrian scale lighting, and trees on both sides of 7th Street, as shown in the photo to the right. Similar to 6th Street, the small block lengths and attractive streetscape encourage pedestrian mobility; however, large trucks travel from Commercial Avenue to Oxnard Boulevard along 7th Street, diminishing the pedestrian character of this corridor.



Pedestrian-scaled lighting and trees on both sides of 7th Street.

◆ **Driffill Boulevard** – Oxnard Boulevard to North/South Alley – Driffill Boulevard in the Study Area is a short block leading to the entrance to the Royal Palms Mobile Home Park. There are sidewalks, pedestrian-scaled lighting, and trees on both sides of Driffill Boulevard, creating an attractive setting for pedestrians.

◆ **Wooley Road** – Oxnard Boulevard to Richmond Avenue – Wooley Road forms the southern boundary of the Study Area. It is a designated truck route through Oxnard and is also the route for the Ventura County Railroad, which is a short-line freight railway that connects the Union Pacific railroad in Oxnard to the Naval Base in Port Hueneme. There is a nearly continuous cement sidewalk on the north side of Wooley Road (although it is occasionally impeded, as shown in the photo to the left), and there is a curb and dirt sidewalk, as well as the railroad, on the south side of the street. There is automobile-scaled lighting and trees on the north side of the street, and limited automobile-scaled lighting on the south side of the street. A short service road extends on the north side of the street between Donlon Avenue and Industrial Avenue. Given the heavy industrial businesses that serve as the primary land use along this corridor, and its designation as truck and freight routes, an auto-orientation as opposed to a pedestrian-orientation is an appropriate characterization for this corridor. It is also outside of the half-mile walking radius to the OTC.



On the north side of Wooley Road, looking west, the sidewalk is impeded by a telephone pole.

◆ **Oxnard Boulevard** – 3rd Street to Wooley Road – Oxnard Boulevard, also currently Highway 1, is a major arterial in the City of Oxnard that forms the western boundary of the Study Area. In the Study Area, Oxnard Boulevard features wide cement sidewalks, automobile scale lighting, and intermittent trees on both sides of the street. The street also provides a planted median that includes mature trees north of Driffill Boulevard, as shown in the photo to the left. Oxnard Boulevard currently separates the DETOD Study Area from the rest of downtown Oxnard to the west. Enhancing the pedestrian streetscape along this corridor will help soften this visual barrier that separates these two areas.



Oxnard Boulevard provides trees and landscaping in the median north of Driffill Boulevard.

- ◆ **Donlon Avenue** – Driffill Boulevard to Wooley Road – There are cement sidewalks, pedestrian scale and automobile scale lighting as well as trees on both sides of Donlon Avenue. The streetscape along this street enhances as one moves north near the residential areas.
- ◆ **Meta Street – 5th Street to 7th Street** – Meta Street is an important north/south street forming a gateway into the OTC. There are cement sidewalks, pedestrian-scale lighting, and intermittent trees on both sides of Meta Street. Similar to 6th and 7th Streets in the Study Area, the small blocks and pedestrian-friendly streetscape encourage walking along this corridor.
- ◆ **Warehouse Avenue/Factory Lane** – Wooley Road to Commercial Avenue – This street separates the Downtown East area of the Study Area from the Central Industrial area. There are a combination of gravel and cement sidewalks on the south and east sides of Warehouse Avenue/Factory Lane and a combination of cement and dirt sidewalks with overgrown vegetation on the north and west sides of the street. There is intermittent automobile-scale lighting on the north side of Warehouse Avenue, and occasional trees on both sides of the street. Warehouse Avenue/Factory Lane, while partially within the half mile radius of the OTC, does not provide convenient access for pedestrians to the station. Nor do the uses lend this area to pedestrian activity as truck traffic is heavy along this street.
- ◆ **Industrial Avenue** – Warehouse Avenue to Wooley Avenue – This street is in the heart of the Central Industrial Area. There are sidewalks, automobile-scale lighting, and trees on both sides of Industrial Avenue. Similar to Factory Lane, Industrial Avenue experiences heavy truck traffic and does not currently lend itself to pedestrian activity.
- ◆ **Commercial Avenue** – North-South Alley to Wooley Road – Commercial Avenue is also in the heart of the Central Industrial Area. For most of the corridor, there is a cement sidewalk on the east side of the street and a dirt sidewalk on the west side of the street; there are cement sidewalks on both sides of the street towards the northern end of the segment. This street is extremely wide without any lane demarcations ex-



Commercial Avenue is extremely wide with no defined lanes.



Mountain View Avenue lacks curbs, sidewalks and trees.



Tree roots damage a sidewalk on Richmond Avenue.

cept for a center line (see photo to the left). Lighting is at automobile scale, and trees are sporadic, mostly on the west side of the street. Truck traffic is also heavy along this corridor, which creates compatibility issues as it transitions to the more residential and commercial character of 7th Street towards the west.

◆ **Mountain View Avenue** – 5th Street to Richmond Avenue – Mountain Avenue separates the Central Industrial Area from the Auto Repair District. There are no sidewalks, curbs or trees on either side of Mountain View Avenue (see photo to the left). There is some automobile-scale lighting on the west side of the street. The lack of pedestrian amenities, heavy truck traffic, and industrial and auto-oriented uses deter pedestrians from utilizing this street to traverse from 5th Street to Richmond Avenue.

◆ **Richmond Avenue** – 5th Street to Wooley Road – Richmond Avenue forms the eastern boundary of the Study Area. There are virtually no sidewalks on either side of Richmond Avenue, except for the short segment on the east side of the street adjacent to Advanced Structural Alloys that has been disrupted by tree roots (see photo to the left). There are intermittent automobile-scale lighting and trees on both sides of the street. In addition to the heavy truck traffic, industrial uses and lack of streetscape amenities, this corridor is largely outside of the half mile radius, which suggests that pedestrians are unlikely to walk to the OTC from as far as Richmond Avenue.

B. Bicycle Facilities

There are no bicycle facilities in the Study Area under existing conditions, but there are several facilities nearby. All of these facilities are Class II bike lanes except as noted. They are described below based on the recent draft of the Oxnard Bicycle and Pedestrian Master Plan and site observations. Opportunities should be explored to extend existing bicycle facilities to the Study Area and enhance connectivity to the OTC and existing businesses and residences in the area.

- ◆ Bicycle connections to the west include: Wooley Avenue at E Street; 7th Street at D Street
- ◆ Bicycle connections to the east include: Eastman Avenue at Rose Avenue
- ◆ Bicycle connections to the south include: Saviers Road at Oxnard Boulevard; Pacific Avenue at Wooley Avenue; Rose Avenue at Wooley Avenue
- ◆ Bicycle connections to the north include: Hobson Way/H Street; Oxnard Boulevard north of Colonia Road (Class I bike path); Rose Avenue north of Camino Del Sol

Minimal bicycle parking was observed in the vicinity of the Study Area, with the largest concentration occurring at the Metrolink Oxnard Station where both lockers and racks are available.

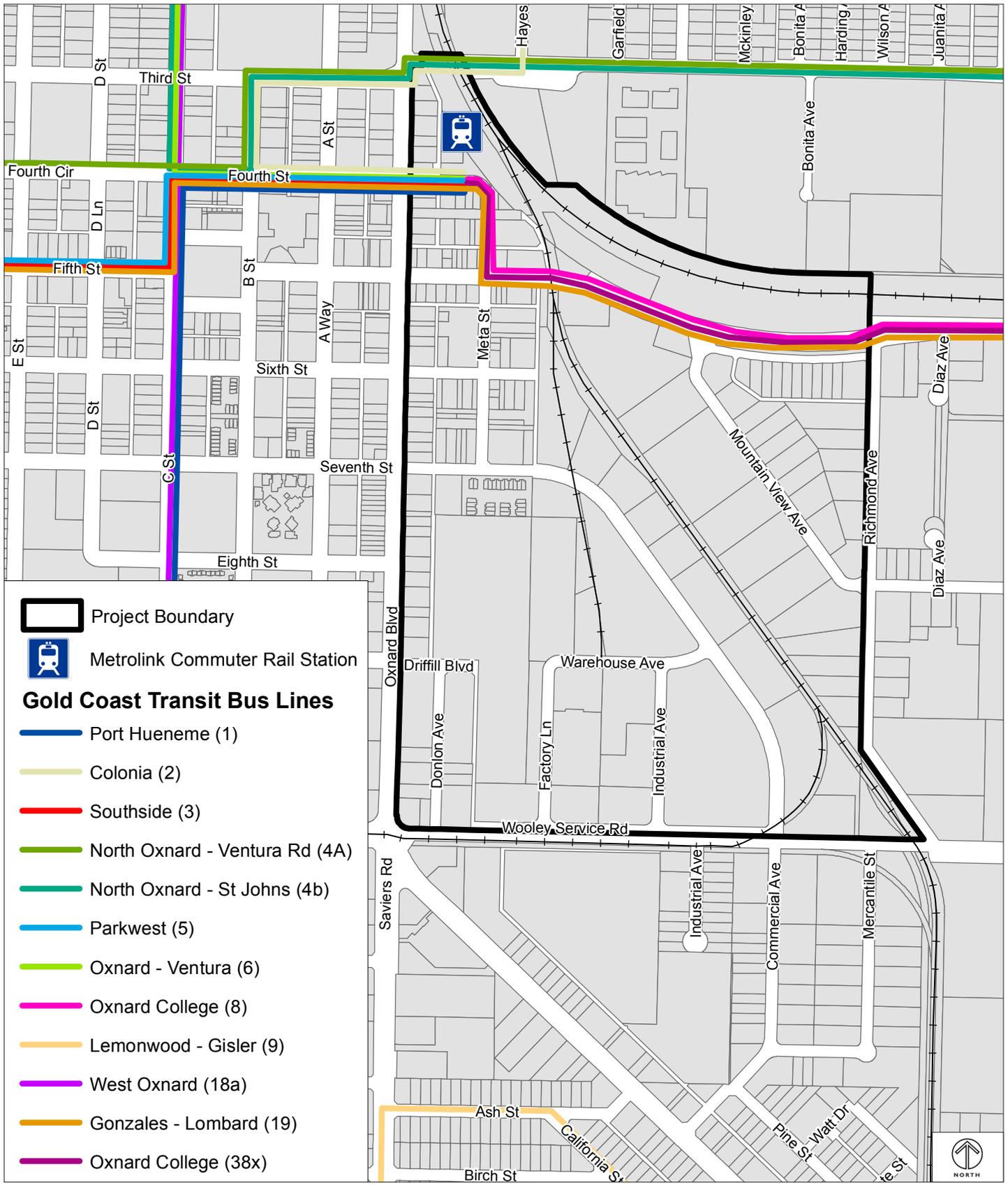
C. Public Transit

This section describes the existing public transit operators that serve the Study Area and the current service provisions.

1. Gold Coast Transit

Gold Coast Transit operates 18 bus lines in Oxnard, and eleven of these bus lines pass within a half mile of the Study Area, to the north, south, east, or west, as shown in Figure 4-2. These eleven lines are described below:

- ◆ **Line 1 Port Hueneme – Oxnard Transportation Center** – Weekday headways during the AM and PM peak hours on Line 1 are approximately 25 minutes. In June 2011, there were 1,697 daily boardings on Line 1.
- ◆ **Line 2 Colonia** – Weekday headways during the AM and PM peak hours on Line 2 are approximately 40 minutes. In June 2011, there were 305 daily boardings on Line 2.



Source: Fehr & Peers.

FIGURE 4-2

GOLD COAST TRANSIT BUS LINES

- ◆ **Line 3 Southside** – Weekday headways during the AM and PM peak hours on Line 3 are approximately 55 minutes. In June 2011, there were 354 daily boardings on Line 3.
- ◆ **Line 4A North Oxnard via Ventura Road** – Weekday headways during the AM and PM peak hours on Line 4A are approximately 50 to 60 minutes. In June 2011, there were 239 daily boardings on Line 4A.
- ◆ **Line 4B North Oxnard via St. Johns** – Weekday headways during the AM and PM peak hours on Line 4B range from 15-55 minutes. In June 2011, there were 560 daily boardings on Line 4B.
- ◆ **Line 5 Parkwest** – Weekday headways during the AM and PM peak hours on Line 5 range from 35 to 55 minutes. In June 2011, there were 444 daily boardings on Line 5.
- ◆ **Line 6 Oxnard-Ventura/Main Street** – Weekday headways during the AM and PM peak hours on Line 6 range from 15 to 35 minutes. In June 2011, there were 2,495 daily boardings on Line 6.
- ◆ **Line 8 Oxnard College** – Weekday headways during the AM and PM peak hours on Line 8 are approximately 40 minutes. In June 2011, there were 554 daily boardings on Line 8.
- ◆ **Line 9 Lemonwood/Gisler** – Weekday headways during the AM and PM peak hours on Line 9 are approximately 40 minutes. In June 2011, there were 170 daily boardings on Line 9.
- ◆ **Line 19 Gonzales - Lombard - Oxnard Transportation Center** – Weekday headways during the AM and PM peak hours on Line 19 are approximately 60 minutes. In June 2011, there were 238 daily boardings on Line 19.
- ◆ **38X Oxnard College Sunday Express** – Line 38X operates on Sundays from 11:00 AM to 3:30 PM with headways of 60 minutes. Data on boardings was not available for Line 38X.

2. Metrolink and Amtrak

The Ventura County Metrolink and Amtrak Lines are accessible from the Metrolink Oxnard Station located at the OTC. Los Angeles-bound trains run Monday through Friday at 5:39 AM, 6:17 AM, 6:56 AM and 7:37 AM and arrive at Union Station in downtown Los Angeles approximately 90 minutes later. East Ventura-bound trains from Union Station arrive in Oxnard Monday through Friday at 9:21 AM, 5:53 PM, 6:38 PM, and 8:14 PM.

There are about 100 Metrolink boardings at the Oxnard Station each week-day. For fiscal year 2011, there were an average of 106 boardings in Q1 (July-September 2010), 102 boardings in Q2 (October-December 2010), and 100 boardings in Q3 (January-March, 2011).

D. Trip Generation Estimates

In order to provide a benchmark for comparison with proposed TOD land uses within the Study Area, the Institute of Transportation Engineers (ITE), 8th Edition and Mixed Use Trip Generation Methodology (MXD) was applied to the existing land uses in the Study Area.

Vehicle trip rates presented in the ITE Trip Generation 8th Edition were used to estimate number of trips to and from the project site. The ITE trip generation estimates are shown in Table 4-2.

The MXD method was developed through a national study for the US Environmental Protection Agency (EPA) to more accurately predict vehicle trips by accounting for the smart growth (or "D") characteristics of the development site and its surrounding built environment. These characteristics include the following:

- ◆ Density
- ◆ Diversity (mix) of land uses
- ◆ Design and connectivity of site circulation
- ◆ Destination accessibility
- ◆ Distance to transit

- ◆ Demographics
- ◆ Development scale

Many of the built environment variables are known to influence travel behavior, including density, diversity, development scale, design, and distance to transit. Table 4-1 details the input values (and data source) for MXD trip generation estimates in the Oxnard DETOD Study Area. The MXD trip generation estimates are shown in Table 4-2. These inputs will be used for comparison purposes to assess how the Study Area improves with respect to vehicle trip generation with future changes to the land use and circulation patterns.

E. Goods Movement

Goods movement is an integral part of the circulation system within the Study Area. Large trucks are the operational equivalent of five passenger cars in traffic. While large trucks are necessary for the delivery of agricultural goods, products and materials, the size and weight of the commercial vehicle often leads to excessive wear on roadways and traffic congestion.

There has been a shift in goods movement over the years, from the largest proportion of commodities being shipped via rail, to the largest proportion of commodities being shipped by truck. Some of the factors involved in this shift include the deregulation of the rail and shipping industry, the completion of major highway networks and the flexibility and speed of truck operations. This shift has affected goods movement within the Study Area, as described below.

1. Truck Routes

Specific roadways have been designated as truck routes within the City of Oxnard. These roadways are generally arterial streets with few or no adjacent residential properties and have been selected to minimize the noise and vibration impacts. The only City-designated truck route, within or adjacent to the Study Area, is Wooley Road, which runs east-west along the southern boundary of the Study Area. However, trucks are currently permitted on other

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TABLE 4-1 **MXD MODEL INPUTS**

Input Variable	Input Value	Source
Project Area (Acres)	146.9	The Planning Center DC&E
Number of Intersections	24	Site Plan
Transit Available Adjacent to Site	Yes	Site Plan
Surrounding Block Group Average Household (HH) Size	2.22	Block Group 1 of CT 47.06; The Planning Center DC&E
Average Vehicles Owned per Dwelling Unit	0.7	Block Group 1 of CT 47.06; The Planning Center DC&E
Employment Within 1 Mile of the Project Site	16,809	SCAG Travel Demand Model
Employment Within a 30-Minute Trip by Transit	65,508	SCAG Travel Demand Model
Residential Dwelling Units	4 SF, 90 MF, 152 Mobile Homes	
General Retail (ksf)	109	
Supermarket (ksf)	7	
Restaurant (ksf)	62	
Gas Station	4	
Auto Repair	210	The Planning Center DC&E
Non-Medical Office	72	
Medical Office	22	
Light Industrial	217	
Manufacturing	513	
Warehousing/Self-Storage	20	
Motel (Rooms)	66	Reported by motel operators
Metrolink (Daily Riders)	100	Reported by Metrolink

Source: Fehr & Peers

TABLE 4-2 **TRIP GENERATION ESTIMATES**

Results	External Vehicle Trips			Vehicle Miles Travelled (VMT)		
	ITE	MXD	% Change	ITE	MXD	% Change
Daily	33,232	26,349	21%	80,582	63,902	21%
AM Peak Hour	2,815	2,207	22%	8,760	6,845	22%
PM Peak Hour	3,265	2,586	21%	8,742	6,918	21%

Source: Fehr & Peers

streets within the Study Area, although these are not designated as truck routes. Strategies for transitioning the Study Area to transit-oriented and pedestrian-friendly uses should consider the need to dissuade or prohibit trucks from travelling down certain corridors designed for TOD uses.

2. Railroads

The Ventura County Railroad (VCRR) is a short-line railroad that runs through the Study Area and connects the Union Pacific Railroad (UP) in Oxnard to Port Hueneme. The VCRR is a subsidiary of Rail America, which leases the railroad from the Oxnard Harbor District. The short-line extends over 17 miles and provides an integral corridor for movement of goods in the industrial areas of South Oxnard, the Port of Hueneme and the Ventura County Naval Base. Almost 2,000 cars traveled over the VCRR in 2010 carrying automobiles, paper, petroleum and wood pulp.¹ The VCRR interchanges with the UP at the OTC, which provides an important link throughout North America for the customers based in the VCRR area.

Activity on the short-line, including the frequency of deliveries and the number of railcars per delivery, varies throughout the year depending on the

¹ RailAmerica Website:
<http://www.railamerica.com/RailServices/VCRR.aspx>; Accessed November 11, 2011.

needs of the customers utilizing the railroad. On a regular basis there is limited use, including one inbound train from UP on three nights of the week—Monday, Wednesday and Thursday; and one outbound train on Wednesday night and Tuesday and Thursday morning. One to three times a day the train will make deliveries or load cargo from local customers. The train stores railcars on the short spur south of 5th Street until they are ready to depart on the UP line. On a regular basis, the train carries around 25 railcars on average, and up to 36 railcars for large military shipments, which only occur 4-5 times per year. The size of the loads will determine how long the train will block intersections; military trains can block multiple intersections at once. Train operators try and avoid blocking a crossing for more than ten minutes.

The Oxnard Harbor District considers the line underutilized; however, VCRR has indicated that business is good and demand is growing, which means that more activity could occur along the railroad in the future. Business is constrained by the fact that Port Hueneme cannot handle container operations, so it cannot compete with the larger ports in Los Angeles and Long Beach; nevertheless, Port Hueneme attracts niche markets, mostly in the auto industry, which is expected to grow as more manufacturers from China are introduced into the United States. As the Study Area is the terminus for the short-line, future freight movement along the railroad is an important issue to consider when planning future land uses for this area.

5 DEVELOPMENT FEASIBILITY

This chapter provides an analysis of development feasibility of the Initial Goals stipulated for the proposed Oxnard Downtown East Transit Oriented Development (DETOD) project plan. Economic & Planning Systems (EPS) has analyzed the issue of development feasibility by assessing one fundamental question:

Is the value of the future use sufficiently greater than the value of the existing use to incentivize a developer or landowner to change the use of the site?

This question is addressed through a “residual land value” analysis, in which the value of the existing use is compared to the value that a landowner could receive by selling the land for its intended future use.¹

A. Existing Use

The value of existing uses for the proposed DETOD development is assumed to be the land value alone (i.e., equivalent to a vacant lot). This is a best-case scenario, as the full 129-acre Study Area hosts a wide variety of residential and commercial operating uses, many of which feature significant capital assets. A vacant land assumption is reasonable for two reasons: it represents the best medium-term option for interested developers, and it sets up a useful threshold: if development is infeasible on vacant land, it will not be feasible on improved land (e.g. a property with an existing tenant). The vacant land value, based on market comparables, is about \$15 per square foot for both residential and industrial land.

¹ Formerly defined, residual land value is equal to the market value of a finished product, as determined by its sale price or by the capitalized value of net operating income, minus the total project development costs (including soft costs, fees, and off-site improvements but excluding land). Residual value analysis combines information on typical market lease rates and/or sale prices with the expected development and operating costs for the building types being considered.

B. Future Uses

The DETOD vision of a pedestrian-oriented mixed-use village will require residential densities that likely exceed those found elsewhere in Oxnard. Such density would be required in order to leverage existing infill opportunities, conserve land, and concentrate users near the Oxnard Transportation Center. Density also allows the developer to amortize land costs over a larger number of units and may represent the most cost-effective way to develop within the Study Area.

The analysis uses two residential prototypes to test development feasibility (Table 5-1). Both are based on actual recent projects constructed or under construction elsewhere in southern California markets that support this use. As necessary, costs have been adjusted to account for the variability in regional construction. Each prototype forms the basis for rental and for-sale alternatives. The for-sale units are more costly to construct due to additional sound buffering and premium interior fit-out. Construction costs assume no prevailing wage, which may be unrealistic given the potential involvement of public funds. Any financing and subsidy alternatives that employ City resources will likely require cost adjustments to accommodate a prevailing wage premium.

One of the key goals for the DETOD vision is the provision of affordable housing. The minimum threshold for affordable housing is 15 percent with an outside goal of 33 percent. The DETOD area currently has 247 residential units, of which 203 (82 percent) are affordable. This analysis assumes that existing affordable units may be counted towards the requirement, and that additional affordable units as may be required will receive sufficient support from the City so as to be revenue-neutral from the developer perspective. At the 15 percent target, 1,309 new market-rate new units may be built; at the 33 percent target, 571 market-rate new units may be built.

Unit mixes skew more heavily towards one-bedroom units than elsewhere in Oxnard, which reflects the profile of likely TOD users. Both prototypes are

parked cost-effectively with some parking located at grade beneath the units and the remaining parking surface-parked on the parcel. Parking counts are aggressively low in keeping with the vision of a transit-oriented community.

While other residential typologies, such as a townhouse format, may also be appropriate for the Study Area, the tested prototypes represent the higher-density end of the potential spectrum, which is necessary to establish thresholds for development feasibility.

TABLE 5-1 **DEVELOPMENT PROTOTYPES FOR RESIDUAL LAND VALUE ANALYSIS**

Development Prototypes for Residual Land Value Analysis		
	High-Density Mixed Use	Medium Density Residential
Lot (Square Feet)	42,740	42,740
Residential Density	124 DUAC	40 DUAC
Retail Portion (Square Feet)	11,800	0
Avg. Unit Size (Net Square Feet)	755	822
Studio	0%	15%
1 BR	74%	55%
2 BR	26%	15%
3 BR	0%	15%
Parking	140	58
Covered	59	28
Surface	81	30
Spaces/Bedroom	0.90	1.00

Source: Economic & Planning Systems, Inc.

C. Residential Rent Assumptions

Dense housing typologies are not typical in Oxnard, and there are no direct rent and sales comparables for the envisioned DETOD development. For the

purpose of this analysis, EPS has used existing rents for other typologies to reflect general pricing and sensitivity.

In general, the Oxnard rental market does not feature upscale residential developments like those that can be found in Ventura or Santa Barbara, and market rents are relatively low. Some of the higher Oxnard rents can be found at the Serenade Apartments in RiverPark and Tierra Vista in the East Village neighborhood, both recently constructed apartment communities offering a large number of amenities. There are also desirable condominium rentals near the beach and marina, but rents for these do not typically exceed those at Serenade. The feasibility analysis assumes baseline of rents at the high end of the Serenade rate card. For a summary of Oxnard residential rent comparables, see Table 5-2.

TABLE 5-2 **OXNARD RENT COMPARABLES (RENT/SF)—OCTOBER 2011**

Oxnard Rent Comparables—October 2011						
<i>Rent/SF</i>	Serenade		Tierra Vista		Oxnard Shores Sample	
1 Bedroom	\$1.89		\$1.60 - \$1.71			
2 Bedroom	\$1.66 - \$1.73		\$1.42 - \$1.50		\$1.27 - \$1.91	
3 Bedroom	\$1.59 - \$1.70		\$1.49		\$1.55	
<i>Source: Zillow, Loopnet, Company Websites</i>						

D. Residential For-Sale Assumptions

As with the rental market, there are no direct Oxnard sales comparables for the envisioned DETOD development, so EPS has selected prices from other housing types to reflect general market price levels and price sensitivity.

Sales comparables from units at RiverPark provide a good proxy in the Oxnard market for new residential development by virtue of the fact they are

the newest and arguably most desirable mid-range housing units available in the City. (And with entitlements for a total build-out of 2,800 units, RiverPark should continue to set the pace for some time.) Recent sales for townhouse-style units at RiverPark have commanded over \$190 per square foot at the high end.

As discussed earlier, the residential median sales price for Oxnard peaked in 2006 at \$593,000 before falling 51 percent to today's recession-depressed median price of \$295,000. A review of same-unit sales at RiverPark between 2008 and 2011 indicates that current prices represent a compression of between 10 and 20 percent. To reflect how values may rebound, the analysis explores a scenario in which current RiverPark-equivalent prices are inflated by 25 percent to recapture all lost value and then some.

The high end of the for-sale market is represented in this analysis by comparables from the Oxnard Shores and Channel Islands neighborhoods, which offer ocean views and, in some cases, private boating slips. Recent Channel Islands condo sales have fetched values in excess of \$500 per square foot. For a summary of Oxnard residential sales comparables, see Table 5-3.

E. Development Feasibility Findings

In summary, the residual land value analysis showed very little development feasibility under current conditions, both for rental and for-sale units. Dense residential development, which is more expensive on a unit basis than single-family development, makes the most sense in areas where land values, rents, and for-sale prices are high. This is not the case in the DETOD area, where high-density residential development is the recommended solution for policy rather than economic goals. For a summary of the residual land value analysis and sensitivities, see Table 5-4. For a summary of costs and revenue assumptions per prototype, see Appendix A.

Current Oxnard rents are too low to support new development of this kind. Even luxury areas such as Channel Islands Harbor generate insufficient rents

TABLE 5-3 **OXNARD SINGLE-FAMILY SALES COMPARABLES (SALES PRICE/SF)—2011**

Oxnard Single-Family Sales Comparables—2011						
<i>Sales Price/SF</i>						
	RiverPark		Cabrillo		Oxnard Shores/Channel Islands Harbor Sampling	
Condo					\$279 - \$521	
Townhouse	\$120	- \$193	\$150	- \$182		
SFD	\$175		\$187 - \$219			

Source: Zillow, Loopnet, Company Websites

to support residential density. For RiverPark-Comparable rents (Rental Scenario 1), both the high- and medium-density prototypes generate negative residual land values per square foot of land. The minimum average rent before the project becomes feasible (Rental Scenario 2) is \$3.02 for the high-density prototype and \$2.77 for the medium-density prototype. Assuming zero land costs (Rental Scenario 3) improves minimum rent thresholds to \$2.97 and \$2.62 respectively, but there is little evidence the current market will support such rents anywhere in Oxnard, let alone for an unusual product in an area that is mostly industrial and where nearby residents are of modest means.

A similar story applies with the for-sale units. Current RiverPark-comparable pricing (Condo Scenario 1) generates negative residual land values per square foot of land for both the high- and medium-density prototypes. Adding the 25 percent premium to recapture value temporarily lost due to the recession (Condo Scenario 2) improves results but does not remove the negative residual land values. Only by assuming top-of-market pricing (Condo Scenario 3: \$520 per square foot compared with \$184 for the RiverPark comps), based on sales rates for non-comparable units in Channel Island

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TABLE 5-4 **FEASIBILITY ASSESSMENT* – DETOD AREA RESIDENTIAL OPTIONS AND SENSITIVITY ANALYSIS****

Feasibility Assessment* -- DETOD Area Residential Options and Sensitivity Analysis**			
Scenario		High-Density Mixed Use: 124 DUAC	Medium Density Residential: 40 DUAC
RENTAL			
<u>Rental Scenario 1</u>	RiverPark-Comparable Rents	\$1.85	\$1.87
	Residual Land Value/SF of Land (1)	(\$313)	(\$264)
<u>Rental Scenario 2</u>	Threshold Rent: residual Land Value = \$0	\$3.02	\$2.77
<u>Rental Scenario 3</u>	Threshold Rent: existing land = \$0/sf, residual Land Value = \$0	\$2.97	\$2.62
CONDO			
<u>Condo Scenario 1</u>	RiverPark-Comparable Purchase Price/SF	\$183	\$184
	Residual Land Value/SF of Land (1)	(\$558)	(\$172)
<u>Condo Scenario 2</u>	RiverPark-Comparable Purchase Price/SF + 25% premium	\$229	\$230
	Residual Land Value/SF of Land (1)	(\$458)	(\$136)
<u>Condo Scenario 3</u>	High-Market Purchase Price/SF	\$520	\$520
	Residual Land Value/SF of Land (1)	\$180	\$86
<u>Condo Scenario 4</u>	Threshold Price: residual Land Value = \$0	\$438	\$408
<u>Condo Scenario 5</u>	Threshold Price: existing land = \$0/sf, residual Land Value = \$0	\$431	\$389
Buy-out Cost Assumptions	Existing Land: Residential Areas	\$14	
	Existing Land: Industrial Areas	\$14	
Residual Land Value Cost Assumptions (non-prevailing wage)	High Density Mixed Use Rental	\$290,374	
	High Density Mixed Use Condo	\$346,871	
	Medium Density Rental	\$266,813	
	Medium Density Condo	\$319,885	
	Developer Profit (% const. costs)	15%	
(1) Residual Land Value/SF at \$0 or above indicates potential feasibility at assumed developer profit/unit under assumed conditions; negative Residual Land Value/SF indicates potential challenge under assumed conditions.			
* Feasibility assessment compares existing use value of underlying unimproved land (i.e., vacant lots) to value of underlying land for future use. This is a best-case scenario that does not consider additional costs associated with purchasing and mitigating land hosting existing uses such as retail, mobile home park, agricultural processing, auto repair, and rail lines. Figures shown assume private, profit-driven development and do not account for any potential public subsidies or financial assistance, except where implied by sensitivity analyses.			
** Sensitivity analysis consists of varying assumed rents, sales prices, and underlying land values, reflecting potential alternative market scenarios, to test feasibility under these conditions.			
Source: Economic & Planning Systems, Inc.			

Harbor, do both the high- and medium-density prototypes generate positive residual land values. The minimum average sales price per square foot before the project becomes feasible (Condo Scenario 4) is \$438 for the high-density prototype and \$408 for the medium-density prototype, which are values that may be attainable in downtown Los Angeles but not downtown Oxnard.

F. Additional Feasibility Considerations

As described above, development of higher-density residential product types is feasible only under a highly optimistic economic scenario within the Study Area. Moreover, this analysis is based on the value of a vacant lot, assuming no other extra-ordinary development or entitlement costs. While there are several such lots scattered throughout the Study Area, few are in parcels large enough for feasible development, and more than likely, additional costs to assemble developable parcels will be required. These costs could range from minimal to substantial as follows:

- ◆ **Value of Operating Commercial Uses:** Many of the existing vacant lots are located adjacent to parcels with operating commercial establishments, some of which will have to be acquired in order to assemble a developable parcel. Operating and occupied uses may add incremental costs to the vacant lot value.
- ◆ **Relocation of Mobile Home Residents:** The Royal Palms Mobile Home Community occupies a large parcel at the southern end of the Downtown East area and represents, due to its size and proximity to both the Oxnard Transportation Center and the Oxnard Boulevard retail corridor, a strong potential location for transit-oriented residential development. However, redevelopment of a mobile home community is extremely difficult as it incurs additional pre-development costs associated with tenant relocation, tenant compensation for owned units, legal fees to address fair housing issues, and subsidy costs associated with creating new affordable housing units to replace the units lost.

- ◆ **Environmental Mitigation:** Decades of industrial uses within the Central Industrial Area and Auto Repair Districts have generated certain environmental damage. Some quantity—perhaps a substantial amount—of mitigation will be required before redevelopment can take place.
- ◆ **Incentives for Relocation of Agricultural Processors:** One of the stated goals of the Compass Blueprint Strategy and implied goals of the General Plan is for the re-location of industrial uses within the Central Industrial Area. As discussed above, natural attrition of these uses is unlikely in the short- and medium-term due to the operational benefits of the current location. Consequently, some incentive will be required to induce the current users to move. This incentive may be substantial, as it will have to provide some compensation for the unamortized value of existing industrial assets; a possible subsidy to purchase or ground-lease additional M2-zoned land, which is in short supply in Oxnard; and a possible subsidy to acquire more land than currently occupied due to current code requirements.
- ◆ **Replacement Costs for VCRR:** The Ventura County Railroad line and a spur run through the Study Area, creating awkwardly-shaped parcels and isolating large tracts of land. It is highly unlikely the VCRR will cease operation soon, so relocation of the line and spur is the only option for freeing up this land. Such actions, however, are likely to be extraordinarily expensive due to, at the very minimum, replacement land costs, replacement capital costs, and extensive legal and consultant fees necessary to achieve this goal.

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6 CONCLUSIONS AND RECOMMENDATIONS

The Oxnard DETOD Study Area faces several key barriers to realizing the DETOD vision articulated in the Draft 2030 General Plan and the Compass Blueprint Grant Application. This chapter reiterates the initial goals identified in the Introduction, provides an overview of the key challenges associated with their implementation, and provides initial recommendations to help achieve the goals. The identification of these challenges and initial recommendations lay the groundwork for the planning program and financing strategy to be completed in the next phase of work.

- ◆ *Transit-Oriented Development.* Concentrate high-density and affordable housing and other compatible uses around an existing regional transit facility, the OTC.

The results of this baseline analysis concluded that converting the entire DETOD Study Area to TOD is not feasible in the short- to mid-term. Oxnard lacks a large demand for high-density multi-family residential development of the type envisioned for the Study Area. The City is still largely a suburban housing market and if and when a market for urban-style units emerges, it will likely first be in the downtown area west of the DETOD. The residual land value analysis showed very little development feasibility under current conditions, both for rental and for-sale units. Furthermore, there are few opportunity sites in the Study Area large enough to make a high-density residential product feasible, and a host of additional costs to assemble and ready a lot for development will be required.

On the other hand, the Study Area currently serves as a vital employment district in the City. Not only are the agricultural processing plants well established, but a significant portion of the people who work at the plants live in Oxnard, already providing the benefits of a live-work community in the Study Area. In addition to the economic value sustained by the industrial operations, business generated by the VCRR short-line running through the Study Area is also strong and growing. In addition, the area already far exceeds the City's goals for affordable housing, providing 82 percent affordable units compared to the goal of 33 percent for the Study Area. And high-

density or mixed-use development in the Downtown East area may be feasible in the long run.

Initial recommendations with respect to TOD include the following:

- Consider dividing the DETOD Study Area into separate TOD and agricultural industrial zones that simultaneously preserve existing industrial uses and establish residential boundaries within a reasonable walking distance from the OTC.
- Focus TOD opportunities immediately around the OTC in the Downtown East area where the mix of retail and residential uses, block sizes, and proximity to downtown are already compatible with TOD.
- As the DETOD market conditions improve, build centralized parking near the OTC and use the shared parking structure to effectively subsidize developer costs for residential uses.
- Expand the Meta Street District vision throughout the DETOD as the market allows, which establishes a unique, mixed-use urban neighborhood consisting of medium-density infill housing and neighborhood-oriented retail uses.
- Continue to invest in TOD opportunities in the downtown area to the west. Until redevelopment efforts succeed in the already pedestrian-friendly and commercial area of downtown, it will be difficult to leverage support for high-density TOD in the Study Area.
- Maintain and support the existing agricultural processing plants as long as they are successful and serving as an economic benefit to the City.
- Investigate alternate locations for the auto repair uses that would free up expansion options for the agricultural processors.
- Consider the long-term implications and reuse options of the VCRR in the event that this facility eventually becomes obsolete.
- Conduct further research into the legal parameters and cost of redeveloping the Royal Palms Mobile Home Park, which offers a strong po-

tential location for transit-oriented development given its size and proximity to the OTC.

- Implement the outstanding action priorities and provisions of existing City plans that pertain to the Study Area, including the 2005 Downtown Strategic Plan and Meta Street Master Plan.
- Conduct further research and case studies to understand how to make high-density TOD developments feasible in downtown Oxnard.

- ◆ *Preservation of agricultural land.* Accommodate projected growth and future affordable housing development within the CURB boundary while preserving agriculture in the surrounding County unincorporated areas.

While the current market cannot easily support high-density residential development in the Study Area in the short- to mid-term, maintaining the CURB boundary will only help to increase demand for growth in the Study Area in the long term as the economy begins to recover. By the same token, the CURB boundary will also entrench existing agricultural processors by limiting M2-zoned land into which they can expand. However, keeping industrial uses in place also preserves agricultural land, possibly more so than residential, as industrial relocation would be very land-intensive. Additionally, a limited supply of land will induce higher-density development types to meet housing demands, which is important for realizing TOD goals in the Study Area and preserving agricultural land in unincorporated County areas.

- ◆ *Walkable, village-style development.* Support the Draft 2030 General Plan's new "Village" designation, which envisions a walkable, mixed-use, transit-oriented community within a short walk to the OTC.

While the current market cannot support a wholesale conversion of the Study Area to TOD in the short- to mid-term, facilitating redevelopment of targeted areas, improving the walkability of the Study Area within a reasonable proximity of the OTC, and drawing connections to the village character of downtown to the west will help support this goal. Improving the compatibility between residential and industrial uses in the Study Area will also help encourage more walking which could boost support for the OTC.

Initial recommendations for the Study Area include the following:

- Prioritize actions that leverage downtown revitalization, improve areas in closest proximity to the OTC, and respond to market forces and a recovering Oxnard economy.
- Invest in streetscape enhancements along Oxnard Boulevard to bridge the visual barrier between the Study Area and downtown Oxnard.
- Encourage the relocation of existing auto dealerships along Oxnard Boulevard in the Study Area to other more appropriate locations in the City and redevelop in their place commercial uses that will foster a more walkable TOD environment.
- Enhance the gateways into downtown Oxnard at 3rd Street, 5th Street as it intersects with the railroad, and the Five Points Intersection at Wooley Road and Oxnard Boulevard.
- Enhance the streetscape along corridors in the Study Area that provide important pedestrian routes to the OTC, including 4th Street, 5th Street east of the railroad tracks, and Oxnard Boulevard.
- Explore opportunities to extend existing bicycle facilities to the Study Area to enhance connectivity to the OTC and to existing businesses and residences in the area.
- Consider greening the existing north/south alleys in the Study Area to improve the image and provide safe alternative routes for pedestrians to circulate through the Study Area.
- Consider developing special design guidelines for industrial and manufacturing uses to soften the edges between incompatible uses and ensure an aesthetic façade from the street, avoiding large blank walls and large expanses of surface parking lots.

◆ *Affordable housing.* Seek to require 25 to 33 percent affordable housing, if feasible, in the DETOD area.

As stated above, the Study Area already far exceeds the goal of 33 percent affordable housing. At the 33 percent target, 571 new market-rate units may be built in the Study Area. Balancing affordable units with market-rate housing is an attainable goal in the Study Area in the long term.

- ◆ *Respect for the past. Integrate existing housing, commercial uses and historic buildings into the new Village, giving the area a link to its past and sense of place.*

The history of agriculture and the produce-packing industry is one of the defining characteristics of Oxnard and important to the culture and identity of the City. The DETOD Study Area is at the heart of this industry as produce from local fields are trucked in, packaged and even distributed by train, as is the case with Smuckers. Such has been the practice here for over a Century, beginning with the construction and operation of the sugar beet factory in 1898 that marked a new era for the Oxnard Plain. Respecting the past in the Study Area is linked to preserving the agricultural heritage of Oxnard and those businesses and operations that define that heritage.

The following recommendations are intended to respect and preserve the unique agricultural heritage that is so prominent in the Study Area:

- Perform additional research into the 16 properties in the Downtown East subarea that appear to be eligible for local listing either individually or as part of a historic district. To the extent feasible, encourage their protection, restoration and adaptive reuse.
 - Integrate public art, landscaping and architectural treatments that reflect and celebrate the agricultural heritage of Oxnard.
 - Preserve the sugar beet factory building and facilitate its adaptive reuse in the event that the area transitions to TOD in the future.
 - Enhance the railroad right-of-way and associated easement and storage areas, particularly at interface areas, to foster a positive impression of the railroad in the Study Area.
-
- ◆ *Greenhouse Gas (GHG) emissions reduction/Water and energy efficiency. Achieve a substantial amount of GHG emission reduction, water and energy savings by moving the heavily truck-oriented agricultural processing plants out of the downtown, closer to the fields and the 101 freeway, and into new state-of-the-art “green” facilities.*

The baseline analysis determined that the cost to relocate the agricultural processing plants is operationally and financially infeasible in the short- and medium-term. The current location of the agricultural processing cluster is already operationally efficient. Many ancillary businesses cluster around the agricultural processors in a mutually reinforcing business relationship. In a new location, current users would no longer enjoy the benefits of grandfathered code, and compliance would likely require purchase of additional land—perhaps as much as 50 percent more than what is currently used. The City does not have the amount of M2 land required elsewhere to facilitate relocation of the agricultural processors. In addition, because current capital assets remain only partially amortized, near- and medium-term acquisition of new capital equipment would represent a huge loss of value—only a small amount of which could be recovered by more efficient water and energy use.

While relocating the existing processing plants is cost prohibitive in the short- to mid-term, the following recommendations will help the City achieve greenhouse reductions and achieve this goal in the long term:

- As existing agricultural processors face the need for expansion, help facilitate incremental relocation to more sustainable and efficient locations, while, in the mean time, freeing up additional M2 land in the City.
- Coordinate the process for incremental relocation with a planning program that helps to transition the area to TOD over the long term. Focus on relocating first the industrial operators west of the railroad tracks that are closer to the OTC and downtown.
- Consider the Auto Repair District as a potential location to expand the agricultural processing cluster and, in so doing, ensure new facilities meet high standards of water and energy efficiency. A relocation to the Auto Repair District will also spur reinvestment in public streetscape and infrastructure improvements along Richmond Avenue, Mountain View Avenue and the 5th Street Service Street, leading to a greener and more sustainable environment.

- Investigate opportunities to assist the agricultural processing plants to replace or upgrade their fleet of medium and heavy-duty diesel trucks to cleaner, more efficient vehicles in a manner that virtually pays for itself. Among other opportunities, a new program funded by the federal government and the state Department of Ecology is offering owners of older heavy-duty commercial trucks up to \$30,000 to scrap their trucks and buy a newer, less-polluting vehicle.
 - Take measures to prohibit or limit trucks from traveling along residential streets and into the more walkable areas in the Study Area, including 7th Street, westbound on 5th Street, and Oxnard Boulevard (when it is no longer designated Highway 1).
- ◆ *A model for other communities. Apply the DETOD relocation strategy and planning framework to other SCAG communities where transit stations are located in areas originally developed and still used for rail-adjacent industrial uses.*

A benefit of conducting this feasibility study is learning the economic realities, constraints and opportunities for transitioning a rail-adjacent industrial district to TOD. Strategies applied to this area will be able to be used in other station areas with similar economic and physical constraints and opportunities. This is an achievable goal.

CITY OF OXNARD
DETOD FEASIBILITY STUDY
BASELINE REPORT
CONCLUSIONS AND RECOMMENDATIONS

APPENDIX A

STAKEHOLDER INTERVIEW NOTES

STAKEHOLDER INTERVIEW NOTES AUGUST 9-10, 2011

Ventura County Transportation Commission

Interview Date/Time: August 9, 2011 at 9:30 AM

- Darren Kettle
 - Steve DeGeorge
-
- ◆ Union Pacific owns and controls the main line and Ventura County Railroad owns the short line. We'll need to do more research to understand operating rights and who controls what—ask Tony.
 - ◆ The shorter track is a place to store cars.
 - ◆ Harbor District Board (HDB) supportive of their railroad, don't want to see it lost, impaired or conditioned. There will be no willingness to see major change.
 - ◆ VCTC cooperates with HDB—supports program, not formal relationship.
 - ◆ The Coast Mainline stretch is a secondary route for the UP railroad. The primary north- south route is up the grapevine.
 - ◆ UP freight trains through here 3-5 times a day. Limited use.
 - ◆ 3 Metrolink in AM starting at 7 AM and 3 in PM starting at 5 or 5:30 PM – Metrolink has a schedule and passenger has preference over freight trains.
 - ◆ 3 Amtrak northbound and 3 southbound. They'll provide schedule to UP.
 - ◆ Do businesses still need rail freight delivery on the short track? A lot depends on how much they use it; other than leveraging that they “could” use it, if businesses don't and the use goes to harbor then it doesn't matter whether it's moved as far as the businesses or harbor are concerned.
 - ◆ UP may use the short track for freight. If that goes away that's an impact to their business—they have institutional agreements. In this day and age there's not a lot of ag on railroads; it makes sense in congested environments, not so much in Oxnard—faster by truck b/c produce has shelf life. If you leave CA you talk about railroad.
 - ◆ You could theoretically change the switch further down the main line to move the short track along Richmond but it's an economic issue. As long as you have the ROW, it would cost a few million to build switch and track. But acquisition of properties is expensive and difficult to determine. The nature of speeds

would lend itself to move switch, the turning radius is a matter of speed; it would be akin to the lower break off, not infeasible to make that work.

- ◆ HUGE Question – how much and who is using this? VCR or UP using this stretch?
- ◆ HDB sees the line as underutilized—business don't support it. Until they get into containership which isn't their business model. For rail to work you need container operation, b/c it's done by Long Beach and LA and autos and ag is a niche here; more import than export here; most bring in banana and pineapple to warehouses in harbor and then truck out. The other use is autos—they drive down Hueneme Road to car carrier trucks. Port Hueneme naval base leases land to car manufacturers to store cars. They are sensitive to their dreams they want it more utilized; not set up for containers and would lose battle.
- ◆ Question for HDB – how do they intend to make it more utilized?
- ◆ Deepening of Panama Canal—now LA and LB has more capacity. Oxnard Harbor District is in competition with LB and LA. They are adding to it refrigeration on containers so they can go to LA—impact on HD.
- ◆ Steve will do a study to see if they can support a self contained Sprinter—more intensive use on coast mainline from Simi to Ventura; if this is TOD, we will look at how we can serve this area; not easily done given the nature. They would need layover facilities, a place to service and clean cars (maybe a stop in the study area). This is 50 years down the road; more localized within County, more frequent and intercity; who knows if Metrolink would operate; backbone for other transit services to build off of. See Moorpark Station for size – Steve can get acreage.
- ◆ VCTC owns Moorpark to LA so they can control; UP owns above Moorpark.
- ◆ Cost of relocating businesses may be too expensive—so work around it; acquiring ROW would be hugely expensive; maybe outside the scope of this vision.
- ◆ Whole project is predicated upon relocating these uses.
- ◆ Issue – revenue stream for transportation investments—fewer; even with TOD, it won't move the needle.
- ◆ VCTC would like to see higher density employment centers not necessarily industrial; County lacks high-density employment centers; in this County this location is 5 miles from closest freeway and no matter how much we want to see it successful it will not be LA as far as mode split; will there be the transit there to support it? There may not be.
- ◆ Could see some enhancement to Metrolink—a little more regular and frequent. If rail moves you could look at TOD along 5th connectivity to transportation center. Right now ridership is fair, most comes from east – 50 riders, from Oxnard under 100 daily. Camarillo 150 daily.
- ◆ If freight corridor stays, the things that become more feasible is intensification of use on coast mainline.

- ◆ Focus on west side of track—not sure other side will change up. If they can be moved it opens up a lot of possibilities, like moving rail line. If they can move, can the rail line move? And if not, it would be hard to market a project with that level of freight. This may take this quadrant out of the question.

Developers

Interview Date/Time: August 9, 2011 at 11:00 AM

- Armando Lopez and associates with Plaza Development
- ◆ Riverpark – with Paul Keller of Urban Partners, 50-50 deal. Financial partner Oak Tree Capital Management. They acquired 150 acres; as far as the entitlement process, Oxnard was interested b/c they had a lot to gain with commercial, good fiscal reasons; negotiations with how much commercial. Went about as smooth as possible; did a MelloRoos District – primary mode for public improvements; no sales tax rebate; participation on OPA; Once entitled, Oak Tree wanted out so they sold their portion to Shea Homes (for sale portion) who formed venture with Centex and Standard Specific; partition agreement so Plaza took apartment rentals. In addition, the partnership sold a for-sale retail piece to Shea Enterprises, who developed and are leasing up the Collection, an up-scale big-box center. (TBD: whether public financing was involved in the retail center.)
- ◆ Relatively fast process – since 91? Mid 2005 SF did well, and then market tanked; made condos smaller and cheaper; 400 apt units opened in 2007, 70% leased up quickly, then recession stalled, lowered rents, then filled and raised rents—it's doing good. They're stacked flats; fairly new and high end. Families that are no longer in single-family for whatever reason; professionals as far as Santa Monica and Santa Barbara, Amgen, officers in military, roomates. If employment is down they're struggling. Not saying success says there's a huge market in residential—it stinks.
 - Rents- 1 BR 800 sq. ft.--\$1,350
 - 2 BR 1050 sq. ft - \$1,700
 - 3 BR 1100 sq. ft. – \$1,900
- ◆ Riverpark much more in demand than would be in downtown. Heading towards affordable—city is requiring more affordable, 20%?
- ◆ 5-10 years – would typically think of more urban location for this TOD. Hard to say. 10-15 years maybe trains to Santa Barbara?
- ◆ They developed Centennial Plaza; looked at building North and South Plaza; still negotiating with City on South Plaza. They need bigger residential population to make commercial viable; North Plaza waiting for South Plaza; owners participation agreement b/c they own a piece adjacent to the land. There's a market but timing is unsure, probably 30 du/ac range; worked with Cabrillo who does affordable component and they do market rate, separate buildings.

- ◆ Heritage area nice; different mentality here. Oxnard blvd huge barrier. Whole lot of public investment in streetscape and bring down cost of development. Wooley and Patterson near tracks. This is a huge area 5th to 3rd maybe.
- ◆ Cost to build marginally impacted but at what point can you undercut Ventura enough to fill up? People would pay price differential to live in Ventura b/c it's closer, more amenities and not run down, so need public financing.
- ◆ Train other way doesn't connect to job centers. Many drive to take Coastal Express; if there's a station at Wagon Wheel, even more.
- ◆ Movie theater is doing well; Subway, Coldstone also. People feel safe downtown, there's more people walking, lack of diversity in retail; they're there for festivals-- 30K on weekend; foreign film series at the theater-- packed 2 shows a day; age and ethnic diversity, seniors; concert series in Heritage Park; Came from all over; but not enough retail.
- ◆ Maybe opportunity to create arts district; need to counterprogram against Ventura, not just urbane, but Oxnard needs different spin.
- ◆ Totally different demographic between beach and Riverpark. Reason for living Downtown right now is affordability. As properties appreciate and land becomes scarce the difficulty of relocating is more expensive; nowhere to send. Commodities price goes up. Needs sweet market timing. Relocation and demolition is huge undertaking; very difficult in Downtown. Owners know price just went up when you talk about relocating.

Agricultural/Industrial Businesses

Interview Date/Time: August 9, 2011 at 2:00 PM

- Dennis Hardgrave, Development Planning Services representing 771 Mountain Avenue
- Don De Armond, Western Precooling
- Mark Vajcovec, Central Valley Packaging & Supply
- Bret Niedens, Western Precooling
- Paul Farry, CBRE
- Al Yamamoto, Smuckers
- Charles Barrett, Smuckers
- Ted Elrich, Premiere Snacks
- Gary Grayson, Boskovich Farms
- Steven Marquez, Boskovich Farms
- Steve Kinney, EDCO
- Elizabeth Callahan, EDCO

- ◆ In attendance are property owners, business owners, operators and tenants
- ◆ 100% cockamamie.
- ◆ High Cost of Moving to Another Location:
 - Interrupt operations—tens of millions of dollars, huge amount of employment—1000s in this area. This is anything but an underutilized location; lots of economic value. We already meet SB 375 most bike or walk to these businesses; 70-75% of their workers live in Oxnard. They specifically like this location—cycling friendly. Enhance bike and walking in this area.
 - No other place with the largest amount of capital investments; Deardorff is moving and Boskovitch Farms is taking its place. Price per sq. ft. of land is around \$100, then add \$100 per sq. ft. in air blowing, coolers, chillers, etc.; there is some depreciation but it gets replaced every 20 years—refrigerator units from environmental side must be upgraded.
 - Politically nobody wants trucks; rezoning a challenge elsewhere; can't permit these types of facilities on farmland per SOAR. City is rezoning to M2 off Del Norte but it's not enough land, 25 acres --for MS4 permit requirements now they'd need 50% more land. Not big enough M2 to relocate; hard to find agriculture processing plant properties.
 - Processing can afford M1, Deardorff is a good example – they needed 7 acres to go. It's possible to still do other operations here and package nearby. Strawberries are time sensitive; they are close to the farms and market.
 - Is this all worth it? Can you create more value from the dirt? The lease rate is about the same price per acre as the CBD area - \$12 per sq. ft. now; CBD vacancy rate is 15%.
- ◆ Minimal apparent operational advantage to locating elsewhere:
 - Is there an operational advantage to being somewhere else? 18 wheel trucks don't have to be near city. less traffic and more convenient to be near freeway. Most go down Del Norte.
 - Are we going to gain anything? Do we get more transportation use from residential or workers?
 - Parking issues in this study area--industrial zone with no parking, meaning too many restricted. This is the only advantage to locating elsewhere that was given.
- ◆ Potential Improvement/Reuse Strategies Discussed
 - What do cities do for companies?—pull and push factor; cities will try and find other location; cities will then upzone saying you can do “x” amount of residential; owners can sell when lease ends; a good example is Jack London Square in Oakland—3000 new units.

- This area should be an agricultural/industrial enhancement zone; this is the most inverted logic he's seen yet.
- Auto uses not best use here, and not a huge reliance; lease rates are cheap and they can get a sign on 5th; few auto uses work for the right price per sq. ft.; they could be located more cheaply and as a group; they would have to be in M2 b/c they do their work outside. Towing has to be in M2.
- It helps to have farmwork housing; perhaps move the mobile homes; complaints primarily during peak periods, April and May for about 6 weeks while shipping is taking place.
- Eminent domain would be an advantage—controls timing of transition. City can compress timeframe to bring more economic sense to it. On the other end, there's such an imbalance of M2. If City owned receiver site, maybe.
- If we were rezoned, it would be hard to find tenants b/c nothing could be added based on the new zoning; it's an outside use issue-- couldn't add outside equipment unless wording is changed in zoning ordinance.

◆ Operational Notes

- They package strawberries, bell peppers, celery and mixed vegetables. All but Smuckers ship by car; Smuckers ships back east 2 times a day by train, 180 rail cars annually; takes fruit and freezes and ship back east in bulk; train is huge asset for them.
- Packaging sells boxes to farming and industrial; moved here 15 years ago to be in center of produce industry; need a certain critical mass to make business work. Ship time is sensitive product; Rice Road, 1-1/2 miles to interchange, straight shot. Rice to Wooley will be primary route.
- Peak time: April and May
- Only Smuckers uses rail line

Ventura County Railroad

Interview Date/Time: August 10, 2011 at 9:30 AM

- Anthony Taormina

◆ Basic Operational Description

- VCC owned by Oxnard Harbor District—10.2 mile track, the interchange is at the main line and has a roundhouse maintenance yard.
- Short line goes to businesses and national defense ROW to naval construction battalion center; most heavy freight comes to base from different places on UP (national railroad); need short line to

connect to main line. Autos go out defense track b/c they lease their land for auto storage for 5 million/yr (so military doesn't have to rely on congress to appropriate money). They would need a longshoreman to load a railcar at the port so they don't do that; they drive them to the base or over to the BMW or Mitsubishi ramp.

- The process involves either manifest trains or unit trains. Manifest trains have cargo for different locations; i.e, takes blocks of cars destined for Oxnard; unloads in Oxnard UP yard; manifest train continues on; UP picks up blocked cars and makes deliveries; VCR pulls cars going to paper mill or auto yards, etc.
- Unit train is a train that has been blocked-60-65 railcars for one destination; military may have loaded battalion in Texas, comes in and broken up in yard. VCC will pick up 20-30 cars a time and take to the navy base. Cars from Korea come into port and UP has positioned empty rail cars in yard; VCC assembles empties, fills up trains, takes to UP, assembles and sends off.

◆ Opportunities for VCRR and Oxnard

- 1-2 unit trains a year. Working with UP to do more on a regular basis. Mostly set up for military but think in the future more market for cars. LA focus is containers and Alameda corridor. Oxnard deals with specialized trade like auto—Koreans can be in SD or Hueneme or Richmond; they look for one load center. Hueneme services southwestern region for cargo.
- Market: Toyota bringing cars that are sold in Japan; auto business is growing business in this niche; rebuilding; forecast back up by 2014-15. Rail will become more important once we introduce China manufacturers in US; So Cal for consumer market, passes through here to Texas. Auto manufactures want one load center to support So Cal market and inland markets. That requires rail.
- 45-60 minutes to cross one intersection; that's why Alameda corridor and grade separations were built—Rice and 5th
- To expand would require an environmental assessment to resolve traffic impacts; now from LA to Riverside needs mitigation, SCAG is looking at strategies, Fed Government finances. But if UP isn't competitive none of this works; how committed are they to making the short line/port be a gateway for them?

◆ Threats for VCRR and Oxnard

- This is mobilization port, built to be mobile—mostly asphalt. Pentagon has to maintain that, so they are looking to get money. This was built for WW2; If there is a change in national defense strategy, this may no longer serve as a port of entry strategy; if it becomes obsolete the land will go to Port Hueneme—they'd want to do a plan to generate sales tax, 1400 acres.

- Port's capacity is 1.5 million; right now they're at 1.1 million, but industry is changing. He has 5 customers. It's a niche port; 750' max ship length; competition with Oakland; job is to encourage UP to use railroad to maximize industrial development; marine highway concept to avoid truck congestion; takes cargo with discretionary lower value items that are less time sensitive (manufacturing goods, clothing) to satellite ports like Hueneme to transfer inland for distribution. Discharges cargo in Panama to smaller ships to destinations up and down coast avoiding LA and LB congestion and labor cost.
- As terminus this area is an issue of future freight movement.
- SCAG studied warehouse demand in Southern California—looked at trade
- UP won't go away b/c it's the main line that goes to Seattle, but maybe there is a system that bypasses Oxnard.
- VCC can't run railroad on UP track b/c it's not in the union; we need to talk to a railroad expert; high speed rail authority
- ◆ Issues and Strategies for DETOD
 - Railroad is barrier; need to break the barrier of historical ideas.
 - Find out Smuckers' 20-yr plan. Supply chain can change tomorrow.
 - The short spur is a get away for the roundhouse; need a place to put the locomotive. VCC needs facilities—ask UP if they have space for VCC. Sell roundhouse property and ROW leading to it, where could they put their roundhouse; couldn't get a return for selling that property and having to replace asset; buy ROW from UP and make a deal that they'll have access through it.

Agricultural Commissioner and Deputy Commissioner

Interview Date/Time: August 10, 2011 at 11:00 AM

- Henry Gonzalez
- ◆ CA Dept of Food and Ag and Dept of Regulations share their authority; they implement their programs at the local level. Every county is required to have an Ag Commissioner. He's hired by the county, but works for the State; regulates pesticide use, shipments coming in and leaving the county; plants and plant products.
- ◆ Relationship with packing houses and coolers for boxing and shipping; they can't receive plants and plant products unless they inspect them for cleanliness—weeds, pests, viruses; they inspect seeds as well. All growth phases. Once it's processed it becomes FDA jurisdiction. If there are pathogens of ag significance; generally fresh produce they inspect.

- ◆ Produce ships daily so they inspect daily; 50 inspectors; planning responsibility in unincorporated areas in county that could affect ag; they are asked for their assessment, they provide that in the area of compatibility.
- ◆ They are a protector and promoter of agriculture. They have the ability to fine and put out of business but objective is to maintain business playing field.
- ◆ Ventura County is #8 in the State and #9 in the nation for crop yields. In '10 almost 14.5% increase since 2009; we measure what growers receive--strawberries, celery and nursery stock.
- ◆ Ventura County SOAR initiatives have demonstrated an interest in agriculture.
- ◆ Majority of these uses in the study area are compliant where they're at. Land here is the most expensive ag land in the state; development pressure has driven cost up. This is ideal growing environment for high-end crops like strawberries. Monterey has much more land—bigger ag but smaller urban population, not as much pressure.
- ◆ In the future we don't know how shipping/transport is going to be; port, highway, rail? auto repair shops don't need that and maybe there are other subgroups that could be pulled. Ag uses need space for their equipment; if it costs them more in the short or long term you'll get resistance, legal resistance.
- ◆ Some may be willing to relocate to another City, like Limoneira is looking to develop in Santa Paula; maybe move some of them; if City can accept loss of whatever revenues; Santa Paula has annexed County property and rezoned as industrial with little pushback, 100s of acres. Strawberries wouldn't move to Santa Paula; they main crops are lemons, avocados, celery, some berries but mostly row crops.
- ◆ Ag businesses contract with growers; find out which businesses are trucking in from Oxnard; Find locations where business is located.
- ◆ Crops grow seasonally and ag businesses are busiest during peak season; rest of the year devoted to maintenance; peak season depends on commodity and number of commodities each crop is handling. Strawberries are year round but amount goes down; Celery is almost year round.
- ◆ In general there will be opposition building on productive ag land; most fertile and deepest soils anywhere. You can put housing anywhere; you can't move climate, but you can move people.
- ◆ Weigh your options.

Chamber of Commerce Land Use Committee

Interview Date/Time: August 10, 2011 at 12:00 PM

- Committee Chair, Mr. Will Berg
- Mr. Craig K. Beam
- Mr. Fred Ferro

- Mr. Craig Kaihara
 - Ms. Nancy Kierstyn Schreiner
 - Ms. Nancy Lindholm
-
- ◆ Oxnard is opting to pay to stay RDA.
 - ◆ Do we have eminent domain authority? This will probably be more incremental change when owner decides to sell.
 - ◆ Public entities do a disservice by rezoning; need staggered approach; don't want to prohibit them from expanding; e.g., packing houses want to expand but county environmental health can't let them go in b/c they require permanent sewer facility; prefer over long term and write in that they can expand.
 - ◆ Will likely have hazardous issues and remediation costs. Ideally, RDA would buy up area to relocate; huge funding issue.
 - ◆ Is this area currently economically sustainable—lot of businesses; but City has interest in economic Downtown; houses and condos have done well. Ag businesses have low tax base, rents low, they own land.
 - ◆ Look at constraints to relocating—sewer, transportation, downtime—look at site basis and figure out actual impediments. Residual land value needs to be an inducement to property owners to move. Look at inherent cost and value.
 - ◆ Some businesses may go on own right.
 - ◆ Need transit service to attract TOD. Look at demographics, commuter patterns; half work outside county. Will more people generate more rail business?
 - ◆ Is there room in Sakioka project? Do water rights transfer? Depends on amount of water they use; there's lots of cooling. Maybe recycled water lines, depends on product—FTA concerns. Sakioka does some ground lease. Sakioka Farms is 430 acres—125 is BRP and the rest is M1. These facilities wouldn't fit there.
 - ◆ RWQCB for LA—MS4—unless rules change no chance. Municipal Separate Storm Sewer System; discharge of stormwater. Last summer came out with technical guidance manual. Ratio is too large; need infiltration land. The positive is that if this is a master plan, the PW Dept can do master MS4 that could provide the facilities to hold runoff. Land owners can pay into master sewer program. Need to build facility in 5 years to develop storm water facility. Net increase in impervious area.
 - ◆ Need to write in reduced standards at receiving site or they wouldn't be viable b/c they're nonconforming.

Craig Kaihara, Sakioka Farms
Steve Kinney, EDCO

Interview Date/Time: August 10, 2011 at 2:00 PM

- ◆ Concerned about water users; need to be water neutral; they have wells 770 acre feet, need 300 additional acre feet.
- ◆ The drainage ditch to the right of Del Norte is SOAR boundary and City boundary.
- ◆ North of 3rd they're warehouses and freezers for cold storage.
- ◆ Wagonwheel project is for high rise residential; entitled, 60 acres
- ◆ Supply/demand logistics—so little of M2 and plenty of M1; maybe some overlap that increases supply. And maybe rezoning some retail to M1 or M2; but most are embedded near residential.
- ◆ Businesses along rail line are incidental; look at long term economics of their business. Need to plan for eventual relocation. Replanning could be more industrial use. May never be strong site for residential; at very minimum, edge condition; edgy urban artsy type uses.
- ◆ Series of actions that would have to take place once market emerged; trigger events. As opposed to jumping in with land use changes and caveats.
- ◆ Need to rework the zoning code; M1 and M2 carryover from 60s and 70s; list of M2 uses are so outdated so it sets up an artificial barrier that conveys artificial value to M2 properties.
- ◆ Protective of Sakioka b/c it's a huge job supplier in the future.
- ◆ The issue is keeping space for type of users that can't be next to residential. Even just improving streets might evolve into the need for new sewer and infrastructure. Talk to PW on condition of sewer lines.
- ◆ Oxnard Blvd. is a priority, and 5th a good strong second b/c it will be principal entry into Downtown.

CalTrans

Interview Date/Time: August 10, 2011 at 3:30 PM

- Wilford Milton, Branch Chief, District 7
- David Sosa
- ◆ Caltrans would not have any land use restrictions in the study area; however, any land use planning that takes place that would impact Oxnard Boulevard and Caltrans' right-of-way, would need to undergo environmental review and possibly a permit from Caltrans. The traffic study would need to identify any impacts to circulation on Oxnard Boulevard, and since this is just a feasibility study, no traffic study would be performed at this time.
- ◆ Check with the City for maps identifying where Caltrans property begins and ends

- ◆ Caltrans will send us the permit process
- ◆ City should also know when Route 1 will be relinquished to the City; would take place after Rice ramps are completed. (follow-up with City estimated three years)

CITY OF OXNARD
DETOD FEASIBILITY STUDY
BASELINE REPORT
APPENDIX A

APPENDIX B

**RESIDUAL LAND VALUE ANALYSIS—NEW MULTIFAMILY
RENTAL AND CONDO CONSTRUCTION, BASELINE SCENARIO**

PROGRAM	Rental		Condo	
	High-Density Mixed Use: 124 DUAC	Medium Density Residential: 40 DUAC	High-Density Mixed Use: 124 DUAC	Medium Density Residential: 40 DUAC
Lot (Square Feet)	42,740	42,740	42,740	42,740
Building Footprint (Square feet)	13,750	12,240	13,750	12,240
Market Rate Units	124	40	124	40
Avg. Unit Size (Net Square Feet)	755	822	755	822
Parking	140	58	140	58
Covered	59	28	59	28
Surface	81	30	81	30
Net Leasable Retail Area (Square Feet)	11,800	NA	11,800	NA
REVENUE				
Avg. Unit Price: per rental SF or sale SF (1)	\$1.85	\$1.87	\$183	\$184
Total Value/Residential Unit	\$165,917	\$32	\$138,129	\$151,415
Avg. Retail Lease Rate/SF/Month (2)	\$1.50	NA	\$1.50	NA
Retail Value/Residential Unit	\$21,289	NA	\$21,289	NA
Total Value/Residential Unit (3)	\$187,206	\$32	\$1,267	\$1,267
COST				
Sitework				
Total Sitework (per lot square foot) (3)	\$3.68	\$3.68	\$3.68	\$3.68
Direct Sitework Costs/Unit	\$1,267	\$1,267	\$1,267	\$1,267
Building				
Direct Construction Costs/Gross SF	\$200	\$188	\$240	\$226
Direct Construction Costs/Unit	\$188,661	\$181,617	\$226,394	\$217,941
Surface Parking Construction Costs/Space	\$1,500	\$1,500	\$1,500	\$1,500
Soft Costs/Unit	\$45,279	\$38,140	\$54,334	\$45,768
Total Retail Leasing and TA Costs/Unit	\$5,329	NA	\$5,329	NA
Contingency Costs (5%) /Unit	\$11,963	\$10,988	\$14,303	\$13,185
Total Building Costs/Unit	\$251,232	\$230,745	\$300,360	\$276,894
Total Site and Building Costs per Unit	\$252,499	\$232,012	\$301,627	\$278,161
Developer Profit as a % of Costs	15.0%	15.0%	15.0%	15.0%
Net Costs/Unit (5)	\$290,374	\$266,813	\$346,871	\$319,885
RESIDUAL LAND VALUE CALCULATION				
Unfinished Lot Value (Unit Value less Unit Cost)	(\$103,168)	(\$266,782)	(\$187,452)	(\$168,470)
Implied Unfinished Land Cost/Gross Land sf	(\$299)	(\$250)	(\$544)	(\$158)
Estimated Existing Land Cost/sf (6)	\$14	\$14	\$14	\$14
Surplus/(Deficit) Land Value Created/sf	(\$313)	(\$264)	(\$558)	(\$172)
<p>(1) Rent and sale assumptions from Oxnard comps, October 2011</p> <p>(2) Rent assumptions from CoStar, mid-year 2011</p> <p>(3) Residential NOI capitalized at 6%, Retail NOI capitalized at 7%</p> <p>(4) Assumes demo, rough grading, and 5% contingency (no remediation)</p> <p>(5) Note that the calculations exclude several cost categories that new construction within the DETOD Survey Area will likely entail, depending on site specifics. The Royal Palms Area will likely add costs associated with tenant relocation, replacement costs for tenants' units, and legal fees to address fair housing issues, as well as costs associated with creating new affordable housing units to replace ones lost; the Central Industrial Area and Auto Repair District will likely require additional environmental remediation, incur possibly higher site preparation costs, and may require incentives to induce the operators to re-locate; relocation of the VCRR tracks will add replacement land costs, replacement new construction costs, and extensive legal fees.</p> <p>(6) Based on raw land value comps from the 5 Points NE and La Colonia Neighborhoods</p>				

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