

**MOORPARK CITYCITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: David C. Moe II, Economic Development and Housing Manager *Dcm*

DATE: June 16, 2014 (CC meeting of 7/2/14)

SUBJECT: Consider Directing City Staff to Advertise a Request for Proposals to Conduct an Office and Retail Study Analysis of the City's Past, Present, and Future Market Area

BACKGROUND

In 2004, the City of Moorpark ("City") hired Allan D. Kotin and Associates (ADK&A) and CB Richard Ellis Consulting to conduct a Retail Market and Land Use Feasibility Study ("Retail Study") of the City's retail demand. The Retail Study analyzed the demand of the City's growing population by retail category and the availability of commercial sites (existing and vacant land) to accommodate the demand and limit retail leakage.

The Retail Study concluded that the City had significant retail leakage that would require several thousand square feet of new commercial development consuming approximately 50 acres of land over the next 20 years. The Retail Study also revealed that the City does not have a sufficient supply of large sites to accommodate large scale retail development needed to capture the retail leakage. A copy of the 2004 Retail Study has been supplied under separate cover.

DISCUSSION

The retail industry has significantly changed since the City conducted its Retail Study in 2004. Probably the most influential force shaping the retail industry today is the internet. Internet sales have been increasing at a faster pace than brick and mortar sales, but now internet sales are experiencing a shift. Consumers are beginning to shift away from purchasing items on their laptop or desktop and are now buying via phone or tablet. Consumers are increasingly using mobile phones and tablets for product research and online purchasing. This shift to mobile devices is expected to continue in the future and drive the growth of online sales as more consumers have convenient access to the internet.

This shift of retail sales from brick and mortar store to an online format means that consumers are spending less time shopping in stores and shopping centers. The Bureau of Labor Statistics' American Time Use Survey shows that between 2004 and 2012, the average amount of time consumers age 15 and older spent shopping for goods on weekends dropped 14.3% and 11.8% during the week. Even during the hectic holiday season last November and December, foot traffic in stores fell 14.6% compared to the previous year, according to ShopperTrak, while online sales are growing at a double-digit pace, according to the U.S. Commerce Department.

As a result of consumers rapidly shifting to online sales, businesses are forced to rethink their business model or face a significant decline in sales. Some of the larger retailers that have recently announced smaller footprint brick and mortar or specialty versions of their store are Target, Walmart, and BestBuy.

Due to the rapidly changing retail market, staff believes the City should reanalyze the retail demand of the City. At the same time, staff believes the analyses should be expanded to include the City's office demand. The City has some commercial sites that have not been developed and remain vacant. Staff would like to have a consultant analyze the current and future retail and office demand of the City and evaluate the commercial viability of vacant sites to determine if they should remain commercial or become candidates for rezoning to a multifamily residential or other designation.

FISCAL IMPACT

The estimated cost of the proposed retail study is \$40,000.00. The City has currently received a request for a zone change initiated by Grand Moorpark. The proposed zone change would remove the commercial designation of a 4-acre lot on Los Angeles Avenue west of Mission Bell Plaza and replace it with a multifamily residential designation. One of the requirements the City has imposed on Grand Moorpark is to pay \$20,000.00 towards the retail study. The City will pay the remaining \$20,000.00 needed to complete the retail study. It is anticipated that the City will recoup the \$20,000.00 in the future if any developers or owners request a zone change from commercial to residential.

STAFF RECOMMENDATION

Direct staff to advertise a request for proposals to conduct an office and retail analysis and land use feasibility study.

2004 Retail Market and Land Use Feasibility Study (under separate cover)