

**MOORPARK CITY COUNCIL
AGENDA REPORT**

TO: Honorable City Council

FROM: David A. Bobardt, Community Development Director 

DATE: August 26, 2016 (CC Meeting of 9/7/2016)

SUBJECT: Consider Moorpark Commercial Market Overview

BACKGROUND/DISCUSSION

In 2004, Allan D. Kotin and Associates, along with CB Richard Ellis Consulting, prepared a retail market and land use feasibility study for the City to help understand whether or not certain vacant properties planned for commercial uses should be maintained for commercial uses or changed to a non-commercial planned land use. 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.

From the time of this study to 2008, four new shopping centers (Campus Plaza, Village at Moorpark, Tuscany Square/The Grove at Moorpark, and LA Spring Center) were completed, an existing shopping center (Mountain Meadows Plaza) was expanded, and a stand-alone retail appliance showroom and retail building (Warehouse Discount Center) were built, adding over 360,000 square feet of retail commercial space. This additional retail space is approximately equivalent to the size of the Moorpark Marketplace shopping center, which was completed in 2003. These new centers, along with some of the previously established centers in Moorpark, have had noticeable vacancies. In addition, an approved Home Depot project and two new approved office developments on Los Angeles Avenue never were built. One of the office developments that was not built was proposed by developer Grand Moorpark, after its General Plan Amendment pre-screening application to build a residential townhouse development was rejected, partially based on the conclusions of the Kotin study, which suggested retaining the site for commercial use.

The retail industry has changed dramatically and rapidly since the Kotin 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. Changes in the demand for commercial space warranted an update to this commercial demand study that would assist in considering individual projects as well as updating the Land Use Element of the General Plan. Brick and mortar stores have recognized these trends and offer rapid shipping of internet orders to the stores, which, combined with automated inventory replacement, has substantially reduced the amount of space needed for inventory. A number of stores, including Staples, have chosen to focus on internet sales combined with quick delivery and have closed hundreds of stores nationwide. This trend has also been felt locally.

On May 21, 2014, the City Council authorized the submittal of a General Plan Amendment application for a proposed change in planned land use from General Commercial to Very High Density Residential on 4.0 vacant acres west of the Mission Bell Plaza shopping Center. This authorization was contingent upon the contribution of \$20,000.00 to a commercial demand study to help determine the appropriate land use for this property. An application by Grand Moorpark for a 66-unit townhouse condominium project was submitted on October 10, 2014, along with the contribution toward the commercial demand study.

On April 15, 2015, the City Council authorized the submittal of a General Plan Amendment application for a proposed change in planned land use from General Commercial to Very High Density Residential on 7.8 acres currently used for recreational vehicle storage and two homes at 4875 Spring Road and 384 Los Angeles Avenue. This authorization also was contingent upon the contribution of \$20,000.00 toward a commercial demand study. An application by Spring Road, LLC, for a 95-unit townhouse condominium project was submitted on November 17, 2015, along with the contribution toward the commercial demand study.

On July 1, 2015, the City Council authorized a budget appropriation of \$40,000.00 to enter into an agreement with Keyser Marston Associates to conduct a retail, office and hotel market study of Moorpark, fully funded by the aforementioned development project proposals. An agreement was executed on October 19, 2015 to prepare this study.

This study was completed in June, 2016, and, after review by staff, distributed to the City Council on July 1, 2016. Two corrections have been made to this document and are incorporated in the final attached document as follows:

- On Page 11, SCAG Population figures have been updated to reflect the Regional Transportation Plan/Sustainable Communities Strategy adopted in April 2016.
- On Page 27, a typo on the land costs in Point No. 4 was corrected.

The following is a brief summary of the conclusions of the Keyser Marston study. A complete Executive Summary is included on Pages 3-9 of the attached report.

Retail

The study documented an excess of retail space in Moorpark, with an estimated 280,000 square feet currently vacant. Given the highly competitive regional and subregional markets with two substantially larger cities bracketing Moorpark and drawing sales to Moorpark residents, the increase in e-commerce, and the limited population growth potential within Moorpark, the study projects that demand for retail uses can be accommodated within this existing vacant retail space over the next 20 years. The study also indicates that the City may wish to consider converting some of the less-than-optimal commercial sites to alternative uses to promote a healthier retail environment.

Office

Given current space allocation trends, high vacancy rates in the market area, low population and limited employment base, opportunities for office development are likely limited to institutional or smaller professional firms.

Industrial

The regional and subregional market for industrial space is strong with low vacancy rates and high absorption rates. Much of the space is being developed for logistics (warehousing) tenants, where employee counts are limited.

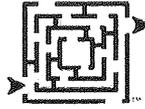
Hotel

The demand analysis indicates a healthy amount of hotel potential in the Simi Valley/Moorpark market area with the Moorpark Fairfield Inn and a planned Simi Valley Hampton Inn taking up a good share of the near to mid-term demand.

STAFF RECOMMENDATION

Receive and file.

Attachment: City of Moorpark Market Overview, Keyser Marston Associates,
August 26, 2016



KEYSER MARSTON ASSOCIATES™
ADVISORS IN PUBLIC/PRIVATE REAL ESTATE DEVELOPMENT

MEMORANDUM

ADVISORS IN:
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AFFORDABLE HOUSING
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To: David Bobardt, Community Development Director
City of Moorpark

From: Kevin Engstrom
James Rabe

Date: August 26, 2016

Subject: City of Moorpark Market Overview

INTRODUCTION

Pursuant to your request, Keyser Marston Associates, Inc. (KMA) prepared a market analysis for the City of Moorpark (City). The analysis estimated the magnitude of the existing commercial development in the City and summarized the market conditions for the City, estimating demand for retail, office, industrial and hotel development. The main sections of the analysis are summarized below:

1. Socio-Economic Characteristics¹ - KMA evaluated the socio-economic characteristics of the three, five and ten-mile market area, City and Ventura County (County). Reviewing the socio-economic characteristics of the market area residents is necessary for the evaluation of potential market opportunities.
2. Employment and Business - Provides a summary of existing employment and businesses.
3. Commercial Inventory – Working with the City, KMA estimated the amount of commercial development in the City.

¹ Socio-Economic characteristics include demographic and economic traits (e.g. population, race, age, education levels, income levels etc.) of market area residents.

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4. Retail Overview - Includes data from regional brokerage houses, current asking rents, estimates of current retail productivity levels, and estimates of the likely supportable retail.
5. Office Overview - This analysis includes data from regional brokerage houses, current asking rents and market demand projections to assess potential opportunities.
6. Industrial Overview – This analysis includes data from regional brokerage houses, current asking rents and market demand projections to assess potential opportunities.
7. Lodging Overview - This analysis includes an evaluation of average daily rates, occupancy and demand in the region.

EXECUTIVE SUMMARY

The KMA analysis is summarized below:

1. Socio Economic Characteristics - The three, five and ten-mile market area population is low; however, both the income levels and education levels are much higher than the County average.²
2. Employment and Businesses – Employment has steadily increased in Ventura County since 2010. Within the market area, there is a concentration of Finance and Insurance employment, which is good for office demand; however, there are actually fewer businesses. In addition, there is a relatively small share of Real Estate and Professional businesses in the City, which are both office users.
3. Commercial Inventory – Within the City, approximately 16% of the commercial space is vacant. In addition, many centers are relying on non-retail, institutional and service related tenants to fill a major share of their space (18% of the commercial space). Further, nearly one third of the centers that are in good condition and have good locations still have high vacancies. Finally, office development in the City is limited to campus/business park developments, with smaller professional and service related office space found throughout the commercial centers.
4. Retail - Brokers active in the City indicate an excess of commercial space in the community. The current high vacancy rates, moderate rental rates and low productivity levels further substantiate the belief that the City's retail market is soft. The surplus/leakage analysis and review of retail productivity levels (sales per square foot) indicates a challenging environment, as existing development in surrounding jurisdictions appears to capture local and regional demand. In addition, national retail trends indicate that on-line shopping will continue to impact the brick and mortar space requirements of retailers. The projections herein reflect a relatively conservative impact of this phenomenon; however, if the current growth rate for on-line sales continues, then the impact on brick and mortar retail could be very significant. Citywide demand projections indicate some potential from community residents for local serving apparel stores, foodservice and food & beverage stores.
5. Office – The office market is still recovering from the recession, as vacancy rates and rents are moving off their 2010-2012 levels and absorption is still relatively

² The market area is measured from the intersection of Moorpark Avenue at Los Angeles Avenue.

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slow; therefore, limited office development has occurred in Ventura County. In addition, vacancy rates in the Simi Valley/Moorpark market area are higher than the County and the City has a small population and employment base, these factors will all inhibit demand. In addition to these local factors, current trends in the office industry indicate the amount of space required by businesses on a per employee basis is decreasing. Whereas historical precedent saw typical space allocations of 250 square feet per employee, current space allocations now range from 175 to 200 square feet per employee. Technology and improving connectivity, which allow employees to work off-site are a significant factor promoting this reduction.

6. Industrial - The Southern California industrial market is very healthy. Within Ventura County, the market is strong, with an average vacancy rate of 5.6% and high absorption levels. In particular, the Simi Valley/Moorpark market area is very healthy with vacancy rates (5.3%) that are lower than the County and strong absorption (377,000 square feet), which accounts for 50% of the County total. Regional trends indicate a healthy long-term industrial market especially for uses with smaller offices, with much of the space is being developed for logistics tenants, which generate limited employee counts. Overall, market demand is likely to be strong in the near- to mid-term.
7. Hotel – Historically, hotels are the most volatile land use, as rooms are “rented” on a nightly basis. This trend will continue in the future, as fluctuations in employment, the economy, and natural/man-made disasters can all have a significant influence on the hotel industry. Notwithstanding these issues, the hotel market in Southern California is healthy, having improved significantly over the past five years. The demand analysis indicates a healthy amount of hotel potential in the Simi Valley/Moorpark market area over the next 20 years. In addition, the nearby Thousand Oaks/Agoura Hills market area is performing very well. Over the past five years, the Simi Valley/Moorpark market area has not seen an increase in hotel room supply. Given the healthy market conditions, a new Hampton Inn & Suites is planned for Simi Valley and a 108-room Fairfield Hotel is planned for Moorpark. If these projects proceed, they will account for a good share of the near to mid-term demand.

The key implications of the market analysis are summarized below:

1. The higher income and education levels of City residents are very attractive to retailers; however, the low number of households will offset these attributes, which limits opportunities.

2. The City is located in a highly competitive Southern California market area. As such, credit tenants have many choices when making decisions on sites, and the low population densities will hamper the City's attractiveness. This is likely to remain the case, even if regional traffic along Los Angeles Avenue continues to grow.
3. Typical retail market areas will extend from one to five miles depending on the establishment type; however, the ten-mile regional market area and opportunities therein, will still impact site selection decisions.
4. The City exists in a highly competitive market area, as it is bracketed by Thousand Oaks and Simi Valley, which are home to strong, regional retail centers. These jurisdictions are capturing and/or are well suited to capture demand from City residents due to agglomeration principles (tenants which attract similar patrons cluster together) and stronger locations. This phenomenon is already occurring with apparel stores, which show a significant amount of demand for the City, but a surplus of sales in the ten-mile market area.
5. In recent years, e-commerce sales have risen nationally at a rate substantially faster than shopping center sales. The Urban Land Institute and International Council of Shopping Centers indicate this trend will continue, with traditional retailers expanding and focusing on their on-line potential. Due to these factors, publications indicate that "shopping online will make retail space dwindle" as on-line sales are projected to approach 30% of total retail sales by 2030.³ These changes will particularly impact areas that are not considered prime retail locations.
6. The surplus/leakage analysis for the City shows potential demand for 220,000 square feet of retail. However, this demand is spread across all establishment types, so most opportunities are limited to smaller, locally serving retailers. Further, competition in the five-mile market area is already absorbing much of this demand, particularly for home furnishings/electronic/appliance stores, building materials stores, sporting goods/hobby stores, general merchandise and miscellaneous retailers. When the market area capture of these tenant types is considered, the potential demand is reduced to 140,000 square feet. At 140,000 to 220,000 square feet, the magnitude of this demand is less than the current amount of vacant space in the City.

³ *Emerging Trends in Real Estate 2016 and USAA's E-Commerce: Implications for Retail Real Estate.*

7. Population and household growth projections for the market area do not indicate significant growth opportunities. Based on current projections, retail demand through 2035 totals 455,000 square feet; however, much of this demand is currently being absorbed in the market area. In fact, the current surplus of sales in the five-mile market area for home furnishings & appliance stores, building materials stores and other/miscellaneous retail is greater than the demand projected for the City through 2035. When the market area performance for these establishment types is considered, the supported retail is only 310,000 square feet. Assuming the City captures a share of this demand consistent with current levels, then the potential supported development is approximately 200,000 square feet.⁴ Assuming the range of retail demand estimated in the sensitivity test (374,000 to 589,000 square feet), the supported retail would be 165,000 to 275,000 square feet.
8. Within the City, approximately 280,000 square feet of commercial space is vacant, so the current amount of vacant space exceeds current demand and the twenty-year demand projections.
9. The City may consider the potential conversion of commercial to alternative land uses. This could promote a healthier retail environment in those areas that are more successful. The conversion of underperforming centers to mixed use could benefit the City by generating more residents, while at the same time allowing land owners to reposition underperforming retail. The conversion to single use residential projects would increase the market area buying power.
10. Undeveloped land with freeway visibility may provide superior long-term retail opportunities than currently developed parcels along secondary and tertiary roads. For instance, the twelve acres south of Moorpark Marketplace may provide an opportunity for new retail development, particularly if a big box retailer opportunity presents itself in the future. Given the current vacancy rates, long-term demand and potential new development opportunities, the City could consider rezoning between 20 and 30 acres of commercial to alternative uses (up to 40 acres may make sense if the City rezones a significant share of this land to mixed-use). At a typical floor area ratio (building area divided by land area) of .25, this would equate to a potential loss of 218,000 to 327,000 square feet of existing or future commercial. Opportunities for this conversion could include retail sites along Spring Road, Moorpark Avenue, commercial centers north of Highway 118 (e.g. Varsity Square Plaza) and mid-block locations along

⁴ This is particularly true for apparel stores, as the ten-mile market area shows a significant surplus of these sales.

Los Angeles Avenue. For all of these locations, and particularly those along Los Angeles Avenue, the City should consider the potential for mixed use development. For instance, Mission Bell Plaza is a large commercial center with significant vacancies, by allowing residential development on the Site, the possibility may exist for an attractive redesign of the property that incorporates modern commercial development and residential.

11. If the City does proceed to re-entitle commercial property, it should capture a share of the value enhancements (value capture) in the form of community benefits. By changing the zoning of selected commercial properties, the City will likely increase their underlying land values. The City can capture a share of this value by requesting the developer provide community benefits (e.g. parking, site improvements, affordable housing, open space, etc.)
12. It will be very difficult for the City to compete for large-scale national tenants given its small population base and strong competition in the cities of Simi Valley and Thousand Oaks. Understanding this, the City should consider focusing on local and regional commercial tenants, as there is still demand for certain types of uses (e.g. apparel stores and food service).
13. Given the lack of private investment in High Street over the past thirty years, the City could consider exploring methods for stimulating healthy commercial along this corridor, as this area could provide an opportunity for local and regional commercial tenants. Some potential methods to activate the area include:
 - a. Institutional investment – For instance, a new public library can serve as a daytime focal point in a historic core/downtown, as has been done with the new post office, fire station and renovated High Street Arts Center.
 - b. Entertainment anchor – A live action theater or art house cinema can draw patrons to the area in the evening and on weekends.
 - c. Transit oriented development – The possibility exists for a small amount of service development adjacent to the Metrolink Station. Further, residential transit oriented development is becoming very popular in Southern California.
 - d. Municipal programs - Business improvement district formation, development standards that take into consideration remaining development potential (e.g. reduced parking requirements near the transit

station), tenant improvement loan programs and façade improvement programs can be utilized to maintain and update the area.

- e. Marketing and activities – Activating the area with events such as a farmer’s market, car show or other thematic activity can introduce patrons to the area. In addition, way-finding and promotional activities can highlight the area.
14. Given current space allocation trends, high vacancy rates in the market area, a low population density and a limited employment base in the City, new office development in the City will likely be limited to institutional uses and/or smaller professional firms. The tenants of this space will appreciate the appeal of Moorpark and the surrounding environs. The smaller professional firms will also look for space in commercial centers.
15. The market opportunities for office, industrial and hotels in Moorpark will be strongly influenced by competitive sites in Simi Valley and Thousand Oaks.
16. According to the ICSC, office/business park workers spending accounts for less than 2% of national retail sales. The City currently has 11,800 employees, assuming national trends, approximately 20% of these employees are office related (2,400 employees). The expenditures of these employees likely range from \$10 million to \$15 million annually. Given the magnitude of these expenditures, most retailers rely on market area residents for long-term success, with daytime employment providing an assist towards profitability.
17. Larger scale office demand is likely to be driven by factors outside of normal market conditions (employment growth), as companies will sometimes choose locations based on business decisions (e.g. proximity to decision makers’ residences) and not market factors. Further, companies currently in the City may require additional space as their business improves.
18. Demand factors are strong for industrial land uses, particularly for sites offering easy freeway access and adjacency.
19. The successful development of large scale employment generating projects (e.g. the 594,000 square foot motion picture studio project on Los Angeles Avenue) can benefit local retailers as employees will make expenditures near work. However, success for the vast majority of retailers relies on demand from the local population base with daytime employment providing an assist towards

profitability. Employment generated by these large projects could have a healthy impact on hotel room demand in the City.

20. Given the modest average daily rate (ADR) in the Simi Valley/Moorpark market area, hotel demand from leisure, corporate and event attendees is likely to continue being focused on select service and/or extended stay hotels. Ultimately, the modest RevPAR (Revenue per Available Room) may make it challenging for a hotel to be financially feasible, even though it has market feasibility. If hotel ADRs do continue to climb, freeway adjacent parcels would be the preferred location for this type of hotel. For instance, the site currently leased by The Home Depot south of the Moorpark Marketplace may provide an opportunity for this type of use.

SOCIO-ECONOMIC CHARACTERISTICS

The socio-economic characteristics of the market area, City and County are shown in Tables 1 - 4. The market area and City boundaries are shown in Figure 1. The key variables for the market area are summarized below:

1. The market area is characterized by relatively low population densities, when compared to Los Angeles County (2,100 persons per square mile) and Orange County (3,200 persons per square mile).⁵

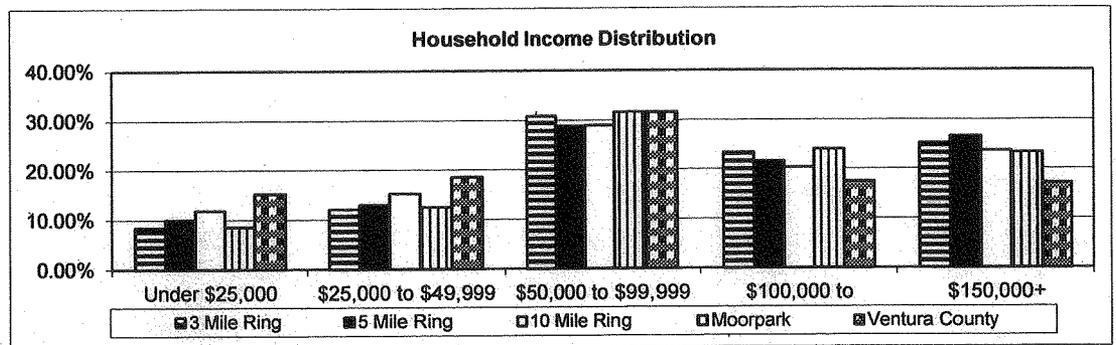
Population Density (People/Square Mile)	
3-Mile Ring	1,370
5-Mile Ring	1,020
10-Mile Ring	1,150
Moorpark	2,870
Ventura County	460

2. The market area population is comprised of slightly larger households.
3. The median household income level in the City and market area is relatively very high.

⁵ The market area is defined from the intersection of Moorpark Avenue at Los Angeles Avenue.

Median Household Income	
3-Mile Ring	\$97,800
5-Mile Ring	\$96,800
10-Mile Ring	\$89,200
Moorpark	\$95,900
Ventura County	\$73,000

4. Within the market area and City, over 23% of the households earn incomes over \$150,000, which is much higher than the County.



5. The age distribution in the market area and City are consistent with the County. The median age in the City is 36 years, which is slightly lower than the County average of 37 years
6. Market area and City residents are higher educated than the County, with over 37% having graduated from college compared to 31% in the County.
7. Growth projections for the market area are moderate and should be consistent with the County through 2019.

	Household Growth Projections			
	2015	2020	Change	
			Total	Percent
3-Mile Ring	11,814	12,300	486	4.1%
5-Mile Ring	26,451	27,449	998	3.8%
10-Mile Ring	123,788	128,658	4,870	3.9%
Moorpark	10,836	11,292	456	4.2%
Ventura County	275,297	285,729	10,432	3.8%

8. Growth projections for the City indicate a total of 8,200 persons through 2040, which equates to a .8% compound annual growth rate (CAAG). This is slightly higher than the County average of .5%.

SCAG Population Projections 2012-2040 ⁶		
	Compound Annual Growth	Gross
Camarillo City	0.7%	13,600
Fillmore City	0.5%	3,000
Moorpark City	0.8%	8,200
Ojai City	0.4%	900
Oxnard City	0.6%	37,200
Port Hueneme City	0.1%	600
San Buenaventura City	0.6%	18,600
Santa Paula City	1.0%	9,800
Simi Valley City	0.5%	17,300
Thousand Oaks City	0.1%	3,900
Unincorporated	<u>0.6%</u>	<u>16,900</u>
Ventura County	0.5%	130,000

The socio-economic makeup of the market area will have an impact on retail opportunities. In particular, retailers focus on population density, income levels and education levels. The market area population is not very large; however, both the income levels and education levels are much higher than the County average. The higher income and education levels are very attractive to retailers; however, the low number of households will limit opportunities.

EMPLOYMENT AND BUSINESSES

Tables 5 - 7 show the employment and business mix for the market area and County.

1. As shown in Table 5, employment in Ventura County increased at a steady rate after the 2011 (post-recession).
2. Within the City, there is a concentration of employment and businesses in the following industries (Tables 6 and 7):
 - a. Construction
 - b. Manufacturing

⁶ Source: Southern California Association of Governments (SCAG) and KMA

- c. Wholesale trade
- d. Administrative/support services
- e. Educational services
- f. Finance and insurance (employment only)

The concentration of Finance and Insurance employment is good for office demand; however, there are actually fewer businesses. In addition, there is a smaller share of Real Estate and Professional businesses in the City, which are both office users.

COMMERCIAL INVENTORY

Working with maps provided by the City, KMA prepared an inventory study of the commercially zoned space in Moorpark, which is shown in Figure 1. The results summarized below are estimates of square footage based on an interpretation of satellite imagery via geographic information systems (GIS) software. The results of this analysis were then reviewed through site visits to verify current conditions.⁷

1. As shown in Figure 2 and summarized below, the City has approximately 1.8 million square feet of commercial space. Approximately 16% of the total space is vacant, 283,000 square feet.

City Commercial Space		
	Total	Share
Occupied Commercial Space	1,498,600	84.0%
Vacant Commercial Space	<u>282,900</u>	<u>16.0%</u>
Commercial Space Total	1,780,500	100.0%

2. As shown in Figure 3 and summarized below, over one-third of the commercial building space in the City is either vacant or occupied by institutional, service or non-retail users. At this level, these tenants/vacancies account for a significant share of the citywide total. Home furnishings, appliance and building materials stores account for the greatest share of the retailers (11.2%), followed by food service and drinking places (10.7%) and miscellaneous store retailers (e.g. florists, sporting good, hobby stores, etc.) at 10.3%.

⁷As such, these results reflect an order of magnitude estimate for the building square footage.

Distribution of Commercial Space by Type of Establishment		
Establishment Type	Total	Share
Home Furnishings, Appliances & Building Materials	199,600	11.2%
Food Service & Drinking Places	191,400	10.7%
Miscellaneous Store Retailers	184,000	10.3%
Food & Beverage Store	163,100	9.2%
General Merchandise	152,900	8.6%
Clothing & Clothing Accessories Stores	144,700	8.1%
Motor Vehicle & Parts Dealers	133,900	7.5%
Gasoline Station	13,100	0.7%
Non-Retail/Institution/Service/Other	315,000	17.7%
Vacant	<u>282,900</u>	<u>15.9%</u>
Total	1,780,500	100.0%

3. Shown in Figure 4 and summarized below is the scope of the major commercial centers in the City. A brief description of the centers exceeding 50,000 square feet follows.⁸

Distribution of Commercial Space by Major Center		
Establishment Type	Total	Share
Moorpark Marketplace	337,800	19.0%
Mission Bell Plaza	240,600	13.5%
Moorpark Town Center	139,200	7.8%
The Village @ Moorpark	128,700	7.2%
Vons Center	106,700	6.0%
Moorpark Plaza Shopping Center	78,800	4.4%
Tuscany Square Shopping Center	73,800	4.1%
High Street Corridor	64,200	3.6%
Moorpark Campus Plaza	50,200	2.8%
LA Spring Shopping Center	35,200	2.0%
Village Retail Shopping Center	31,800	1.8%
Gateway Plaza	28,200	1.6%
Varsity Park Plaza	21,800	1.2%
Miscellaneous Retail ⁹	<u>443,500</u>	<u>24.9%</u>
Total	1,780,500	100.0%

- a. Moorpark Marketplace – Located on Los Angeles and State Route 23, this is the largest center in the City with nearly 340,000 square feet of

⁸ The building area of some centers is owned by multiple entities; consequently, the square footage estimates may not correspond directly to published sources.

⁹ Includes the Warehouse Discount Center, which is approximately one-quarter of this space.

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leasable area. This high quality, community retail center with limited vacancies is anchored by Target, Kohl's and TJ Maxx.

- b. Mission Bell Plaza – Located at the intersection of Park Lane and Los Angeles Avenue, this moderate quality, neighborhood retail center has significant vacancies accounting for over 50% of the rentable area.
- c. Moorpark Town Center – Located on Los Angeles at Moorpark Avenue, this is a large, moderate quality, neighborhood center, anchored by Ralph's, CVS and Goodwill. The center has a modest vacancy rate, with approximately 25% of the space occupied by non-retail (realty firm, bank, etc.) and service (urgent care, wellness center, optometry, etc.) tenants.
- d. The Village @ Moorpark – This newer, neighborhood center is located at the intersection of Miller Parkway and Los Angeles. While the center is in good condition, it has significant vacancies, which exceed one-third of its 129,000 square feet. In addition, Dick's Sporting Goods indicates it will be leaving the center in 2017.
- e. Vons Center – Located at the intersection of Tierra Rejada and Mountain Trail, this is a small scale neighborhood shopping center. While the center is anchored by Vons, over one-third of the tenants are non-retail, institutional or service establishments.
- f. Moorpark Plaza Shopping Center – This moderate quality strip center is occupied by a number of services (e.g. dentistry, orthodontists), Wood Ranch BBQ & Grill and other food service establishments.
- g. Tuscany Square Shopping Center – This newer, neighborhood center is located at the intersection of Moorpark Avenue and Los Angeles Avenue. The center has approximately 74,000 square feet and is currently anchored by Walgreen's. The center is approximately one third vacant, with the largest space previously occupied by Fresh & Easy.
- h. High Street¹⁰ – Approximately 64,000 square feet of eclectic, older commercial space is located along and adjacent to High Street in downtown Moorpark. The commercial has moderate vacancies, with approximately one-quarter of the space occupied by non-retail or service related users.

¹⁰ Area bounded by High Street, Moorpark Avenue, Charles Street and Spring Road.

- i. Moorpark Campus Plaza – Located near the Community College, this moderate quality, unanchored strip center is occupied by a number of office and food service establishments. Immediately adjacent to the center is a gas station and McDonald's. The center has relatively high vacancies.
4. Figure 5 shows the office related space in the City; however, there are limited to no Class A office buildings. Instead, the majority of office space users are located in business park/campus developments along Princeton Avenue and Los Angeles Avenue. Sample tenant types include aerospace firms, electronics manufacturers, real estate services, lenders and software companies. Within the City, there is not a significant concentration of typical office using industries such as real estate, professional services, and information firms. In addition, small professional offices are located throughout the City's commercial centers. Office vacancy rates in the market area exceed 20%.

Some key findings of the inventory study include:

- Approximately 16% of the commercial space in the City is vacant.
- Many centers are relying on non-retail, institutional and service related tenants to fill a healthy share of their space.
- Centers that have good locations and are in good condition still have high vacancies.
- Anchor spaces in some centers are vacant.
- Office development in the City is limited to campus/business park developments.

RETAIL OVERVIEW

The information compiled for the retail overview can be summarized as follows:

1. As shown in Table 8, the per capita retail sales are lower in the City (\$7,600) than the County (\$10,900) and the State (\$10,600). In particular, citywide sales are particularly weak for:
 - a. Motor vehicles
 - b. Building materials
 - c. Clothing stores

2. As shown in Table 9, the average sales per establishment is lower in the City when compared to the County and State averages.
3. Tables 10 and 11 summarize the current and projected retail surplus and leakage for the City of Moorpark. As shown in the Table 11, the City could support approximately 220,000 square feet currently and 491,000 square feet through 2035. However, it is important to note a number of factors that influence these projections:
 - a. This demand would need to fill existing retail prior to new development occurring. Typically, vacancy rates would need to be approximately 5% for interest in new development to occur.
 - b. E-commerce will have a growing impact on retail sales in Moorpark and the nation. In recent years, e-commerce sales have risen nationally at a rate substantially faster than shopping center sales. According to the U.S. Census Bureau, during the fourth quarter of 2015, e-commerce sales in the U.S. totaled \$89.5 billion, or 7.5% of total U.S. retail sales. This represented an extremely robust 15.1% year-over-year growth in e-commerce sales, as compared to a nominal 1.4% increase in total retail sales during the same time period. According to the Emerging Trends in Real Estate, "shopping online will make retail space dwindle" as many retailers are reduced space and are expanding their on-line offerings.¹¹ Further, the Urban Land Institute and International Council of Shopping Centers indicate the same, with traditional retailers expanding and focusing on their on-line potential. According to the USAA Real Estate Company's *E-Commerce: Implications for Retail Real Estate*, on-line retail sales will account for 30% of total retail sales by 2030. To reflect this change in the long-term projections, KMA assumed the share of on-line retail demand for the non-food establishment types would increase 5.0% annually, to approximately 20% of sales.¹²
 - c. The real estate needs of tenant types vary significantly. For instance, many general merchandise and building improvement stores are approximately 100,000 square feet (e.g. Target, Costco, Nordstrom's, The Home Depot, etc.), so the demand shown here is insufficient to support them.

¹¹ Emerging Trends in Real Estate 2016

¹² Forrester Research Inc. estimates on-line sales will increase 9.3% annually through 2020.

- d. Retail trade areas are not determined by City boundaries and are instead created by distance (miles or driving). As shown in Tables 12 and 13, the five-mile market area currently has a surplus of home furnishings & appliances, building materials & garden equipment stores and miscellaneous stores, which will limit opportunities for this type of space in the City.
- e. The projections assume the existing tenants in the City are operating at acceptable productivity levels; however, the sales per square foot for every establishment type in the City is lower than national averages. As such, existing retailers could potentially absorb a share of this demand.

Establishment Type	Demand (SF)
Home Furnishings & Appliances	25,100
Building Material & Garden Equipment	72,600
Food & Beverage Stores	86,300
Clothing & Clothing Accessories	101,200
General Merchandise Stores	48,100
Food Services & Drinking Places	74,500
Other Retail Group	<u>47,000</u>
Retail Stores Total	454,800

- 4. In addition to the commercial supported by residents, KMA also evaluated the potential retail supported by office/business park workers. According to the International Council of Shopping Centers – *Office-Worker Retail Spending in Digital Age*, the spending of these workers accounts for less than 2% of national retail sales. Food service (restaurants and food stores) expenditures account for approximately 10% to 15% of worker spending; however, on-line sales (15%) and transportation related expenses (nearly 20%) account for the greatest share of these expenditures.¹⁴ The balance of the retail expenditures (approximately 50% of the total) are spent in department stores, warehouse stores, drug stores, electronic stores, personal care stores and other establishment types. Assuming these workers account for 20% of the Moorpark workforce, which is the national average, citywide employees would generate approximately \$10 million to \$15 million of retail sales annually. Given the magnitude of these expenditures, most

¹³ Source: SBE and KMA

¹⁴ Over 50% of workers do not make any expenditures near their place of work.

retailers rely on market area residents for long-term success, with daytime employment providing an assist towards profitability.

- As shown in Tables 12 and 13, the 10-mile market area is leaking approximately 900,000 square feet of demand. Approximately 75% of this demand is generated by Food and Beverage and Health & Personal Care stores, which typically only have only a one- to two-mile trade area. Further the 10-mile market area shows a surplus of home furnishings & appliances, building materials & garden equipment stores and apparel stores.

Market Area Retail Demand ¹⁵			
	3 - Mile	5 - Miles	10 - Miles
Home Furnishings/Electronic/Appliances	0	0	0
Building Material, Garden Equip Stores	0	0	0
Food and Beverage Stores	123,269	307,846	494,741
Health and Personal Care Stores	47,578	119,619	204,311
Clothing and Clothing Accessories Stores	78,597	190,674	0
Sporting Goods, Hobby, Book, Music Stores	0	5,443	91,206
General Merchandise Stores	101,931	18,568	54,463
Miscellaneous Store Retailers	0	0	87,109
Foodservice and Drinking Places	0	<u>118,902</u>	<u>0</u>
Total (Square Feet)	351,376	761,052	931,829

- As shown in Table 14, the current asking rents in the market area range from \$11.40 to \$35.40 per square foot (\$.95 to \$2.95 monthly), with an average of \$17.00 per square foot (\$1.40 monthly). These rents are relatively low, as the average rent would not be able to support the cost of new retail development.
- Working with the City and HdL, KMA reviewed the productivity level of establishments in the City. The sales per square foot for the City's establishments were then compared to national averages. The review indicates that very few, if any, retail establishments (e.g. apparel, general merchandise, miscellaneous stores, home furnishings, etc.) in the City are outperforming national and/or regional averages, with many lower than typical. For restaurants, a handful of operators are generating very healthy sales, with the majority of the establishments generating typical sales volumes. As a cross-check, KMA also estimated productivity levels using the State Board of Equalization sales by establishment type. This review corroborated the HdL data, indicating low productivity levels for most establishment types. Overall, the low productivity levels indicate existing retailers could absorb a share of the estimated 455,000

¹⁵ Source: Claritas and KMA

square feet of long-term demand. Ultimately, this data indicates Moorpark residents are likely meeting their retail needs in other jurisdictions by shopping at preferred tenants and taking advantage of agglomeration principles.

8. KMA prepared a sensitivity test of the retail demand projections. The analysis considered both an increase in productivity by existing establishments and an increase in citywide households. Assuming existing retailers increase sales 15% by capturing more of resident expenditures, then citywide demand would be approximately 374,000 square feet over the next 20 years. Assuming, a 15% increase in citywide household formation over the next 20 years then the retail demand would total 589,000 square feet.
9. KMA also contacted a number of retail brokers that are active in the market area. The salient points from these conversations are provided below:
 - a. Many of the brokers indicated there is too much retail development in the City. Further, the belief exists that some of this retail should be considered excess and converted to residential, which is in high demand. New residential development would benefit the remaining retail centers by increasing the number of households in the City (greater buying power).
 - b. Overall vacancy rates in the City are believed to be very high, with estimates ranging from 10% to 20%. Vacancy rates in the more successful shopping centers, of which there is a limited number, are estimated to be 5% or less.
 - c. Rents range considerably with much of the space ranging from \$1.00 to \$2.00 per square foot.
 - d. There are limited opportunities for big box retailers because the population in the market area is so low.
 - e. Demand may exist for entrepreneurial retail (e.g. "mom and pop") stores.
 - f. Opportunities and demand are very limited for the Old Town/High Street area, as retailers would prefer a location on Los Angeles Avenue.
10. According to City Staff, the City lost Kmart, SavOn, Linens N Things, Staples, Big Lots, Do It Center, Fresh n Easy, Albertson's and Radio Shack since 2002. In addition, Dick's Sporting Goods is planning on leaving the City in 2017. Reasons for these departures vary, including: bankruptcies, corporate retrenchment and/or

poor performance of the Moorpark establishment. These retailers occupied a significant amount of commercial space, which has been difficult for brokers to fill given the previously discussed reasons.

Based the preceding research, the implications for the key establishment types are summarized below:

1. **Home Furnishings and Appliances** – The City is projected to support a minimal amount of home furnishings, home goods, appliances and electronic stores (25,000 square feet) through 2035. In addition, the larger market area currently shows a surplus of sales. Given these factors, limited opportunities for this type of retail likely exist in the near- to mid-term.
2. **Building Materials and Garden Equipment** – The City is projected to support approximately 73,000 square feet of this type of retail through 2035. However, the market area currently shows a surplus of this type of retail. This would indicate Moorpark residents are meeting their shopping needs outside of the City boundaries. Given the existing market area competition, opportunities for this type of retail may exist in the near- to mid-term for smaller establishments (e.g. Orchard Supply Hardware, Ace Hardware, etc.). Larger format home improvement stores like Home Depot and Lowe's are typically around 100,000 square feet. Demand from City residents would not reach this threshold during the projection period.
3. **Food and Beverage Stores** – The City is projected to support approximately 86,000 square feet of this type of retail through 2035. While the market area for these retailers is typically smaller (one to two miles), there is also demand in the greater market area. Current demand in the City is only 32,000 square feet, which is lower than the typical store format size for many food stores (approximately 40,000 square feet); however, sufficient demand may exist for a food store in the near- to mid-term. Given the high income and education levels of City residents, potential tenants could include Pavilions, Whole Foods, Sprout's, BevMo, Total Wine and other similar establishments; however, the low population base may cause these retailers to select sites in nearby cities.
4. **Apparel Stores** – The City is projected to support approximately 101,000 square feet of this type of retail through 2035. In addition, there is demand in the immediate market. However, the larger ten-mile market area shows a surplus of this type of retail, as many apparel stores are located in The Oaks and The Simi Valley Town Center. This level of supply in the market area will likely limit apparel opportunities in Moorpark to local serving establishments. These

establishments would likely include locally owned boutiques. These establishments are likely to be smaller in nature and could fill a modest amount of in-line space in existing shopping centers and/or be potentially viable along High Street. However, there are many challenges for small boutique businesses, so long-term success is not guaranteed for many of these establishments. Ross Dress for Less and Marshall's have outlets in nearby cities, so potential may exist for these retailers. These retailers are similar to TJ Maxx, which is already in the City, and would require approximately 25,000 to 30,000 square feet of space. These retailers may be a viable alternative for currently vacant buildings along Los Angeles Avenue.

5. **General Merchandise Stores** - The City is projected to support approximately 48,000 square feet of this type of retail through 2035. The three-mile market area currently shows a significant amount of leakage for this type of retail; however, the larger market area shows only moderate leakage. General merchandise stores include warehouse stores (e.g. Costco and Sam's Club), general retailers (e.g. Wal-Mart, Target and 99 Cents Only Stores) and department stores (e.g. Macy's and JCPenney). Many of these stores are large format and typically exceed 100,000 square feet, which is greater than the future and regional market area demand. In addition, the department stores typically agglomerate in regional and lifestyle retail centers. Given the existing market area competition, limited opportunities for this type of retail may exist in the near- to mid-term for smaller establishments (e.g. 99 Cents Only Stores, Wal-Mart Neighborhood Market, etc.). Demand from City residents is unlikely to meet the threshold for large format stores during the projection period.
6. **Food Service and Drinking Places** – The City is projected to support a healthy amount of this retail through (75,000 square feet) through 2035. In addition, office/business park employees spend approximately \$3.0 million annually on food, providing additional support to the local restaurant industry. The market area shows fluctuating demand depending on the trade area; however, the trade area for many food service and drinking spaces is typically less than three miles. Food service tenants are typically smaller in nature, occupying in-line retail spaces and pad sites. As such, this potential would be well suited for opportunities in existing centers or along High Street in the near- to mid-term. Further, these tenants can be good tenants for mixed-use, commercial/residential developments.
7. **Other Retail Group** – This group includes small retailers such as books stores, hobby stores, florists and other similar retailers. The City is projected to support a reasonable amount of this retail through (47,000 square feet) through 2035.

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However, the three- and five-mile market areas show a surplus of these types of stores. Given the current market area surplus, demand for this space is likely to be limited in the near- to mid-term. Similar to food-services, these tenants are typically smaller in nature, occupying in-line retail spaces. As such, the mid- to long-term potential for this space would be well suited for opportunities in existing centers or along High Street. Further, these tenants can be good tenants for mixed-use, commercial/residential developments.

Brokers active in the City indicate an excess of commercial space in the community. The current vacancy rates, rental rates and productivity levels further substantiate the belief that the City's retail market is soft.

The current surplus/leakage analysis indicates support for 220,000 square feet of retail. However, the distribution of demand across establishment types makes it insufficient to support many tenant types. In addition, the five-mile market area is already absorbing much of this demand, particularly for home furnishings/electronic/appliance stores, building materials stores, sporting goods/hobby stores, general merchandise and miscellaneous retailers. When the market area capture of these tenant types is considered, the potential demand is only 140,000 square feet.

Based on current projections, citywide retail demand through 2035 totals 455,000 square feet; however, much of this demand is currently being absorbed in the market area due to agglomeration principles and stronger locations. In fact, the current surplus of sales in the five-mile market area for home furnishings & appliance stores, building materials stores and other/miscellaneous retail is greater than the demand projected for the City through 2035. When the productivity level of the market area establishments is considered, the supported retail is only 310,000 square feet. Assuming the City captures a share of this demand consistent with current levels, then the potential supported development is approximately 200,000 square feet. Assuming the range of retail demand estimated in the sensitivity test (374,000 to 589,000 square feet), the supported retail would be 165,000 to 275,000 square feet.¹⁶

The limited demand and current vacancies of 283,000 square feet, corroborate the broker comments about an excess of retail space in the City. As such, the City may consider the potential conversion of commercial in less desirable areas. This would promote a healthier retail environment in those areas that are more successful. Specifically, if the City were to promote the conversion of lesser performing commercial

¹⁶ This is particularly true for apparel stores, as the ten-mile market area shows a significant surplus of these sales.

centers to residential and/or mixed use, this would increase the buying power of the market and benefit retailers.

OFFICE OVERVIEW

The information compiled for the office overview can be summarized as follows:

1. As shown in Table 15, office vacancy rates are approximately 14.4% in Ventura County. Over the past year, there has been limited new construction and only modest absorption. Within the Simi Valley/Moorpark market area, the vacancy rate is 20.3% and rents are \$1.82 per square foot compared to the County average of \$1.97 per square foot.
2. As shown in Table 16, rents in the City range from \$.75 to \$2.85 per square foot. The weighted average is \$2.11 per square foot. These rents are higher than the market area average.
3. Table 17 shows office demand projections for a five-mile market area, which indicates support for 325,000 square feet of office through 2035 (20 years) based on employment growth. This support would include filling existing, proposed and future office developments.

Cumulative Office Demand (Square Feet)				
	2015-2020	2015-2025	2015-2030	2015-2035
Cumulative Office Demand	71,200	148,700	233,100	325,200

Overall, the office market is still recovering from the recession, as vacancy rates and rents are moving off their 2010-2012 levels and absorption is still relatively slow; therefore, limited office development has occurred in Ventura County over the past year. Further, it should be noted that the current plans for many businesses is to reduce the amount of office space required per employee. When designing buildings, architects historically estimated up to 250 square feet of space per employee; however, many are now using the 200 square feet per employee assumed herein and some design firms are going as low as 175 square feet per employee. These changes reflect the continuing evolution of technology and its ability to free employees from a desk by working off-site, working at home and/or hoteling. Given these factors, the higher vacancy rates in the market area and the small population and employment base in the City, market opportunities are anticipated to be limited in the near- to mid-term to smaller professional space or institutional development. Larger scale office demand is likely to be driven by factors outside of normal market conditions (employment growth), as companies will

sometimes choose locations based on business decisions (e.g. proximity to decision makers' residences) and not market factors. Additional demand may also result from the expansion of a specific business that exceeds the anticipated growth within its industry.

INDUSTRIAL OVERVIEW

The information compiled for the industrial overview can be summarized as follows:

1. As shown in Table 18, industrial vacancy rates are approximately 5.6% in Ventura County. Over the past year, there has been limited new construction; however, absorption has been very healthy. Within the Simi Valley/Moorpark market area, the vacancy rate is 5.3% and the area accounts for 50% of the countywide absorptions. Market area rents are \$.60 per square foot compared to the County average of \$.65 per square foot.
2. As shown in Table 19, rents in the City range from \$.40 to \$1.00 per square foot. The weighted average is \$.41 per square foot. These rents are lower than the market area average.

The Southern California industrial market is very healthy. Within Ventura County, the market is strong, with an average vacancy rate 5.6% and high absorption levels. In particular, the local market area is very healthy with vacancy rates that are lower than the County (5.3%) and strong absorption (377,000 square feet), which account for 50% of the County total. Given these factors, market demand is likely to be strong in the near- to mid-term, particularly for logistics related industrial development. However, industrial development is unlikely to have a significant impact on the success of the City's retailers, as the typical employee to space ratio in these buildings ranges from 1,000 to 2,000 square feet per employee.

LODGING OVERVIEW

The lodging market conditions are summarized below. The analysis herein relies on data provided by PKF Consulting, which is a leading hotel market data firm. Moorpark is included in their Simi Valley market area; however, the City is also located near Thousand Oaks. This is an important point of distinction, as the Thousand Oaks/Agoura Hills hotels generate much higher Average Daily Rates (ADR) and occupancy levels than Simi Valley, due to its location on U.S. Route 101 and prevalence of high tech and biotech companies, which are significant demand stimulators. For the purposes of this study, KMA has shown the lodging performance factors for the Simi Valley market area, with the Thousand Oaks and Camarillo market areas provided for context.

1. As shown in Table 20, the hotel market has steadily improved since 2010 throughout Ventura County. This improvement is consistent with patterns in California and across the country. Historic occupancy rates for the Simi Valley, Thousand Oaks/Agoura Hills and Camarillo market areas have trended above than the County average, with the Simi Valley market area projected to achieve a 76.7% occupancy level in 2016.

Projected Average Occupancy – 2016¹⁷	
Simi Valley Market Area	76.7%
Camarillo Market Area	75.2%
Thousand Oaks Market Area	78.8%
Ventura County	74.5%

2. As shown in Table 21, the ADR for Simi Valley and Camarillo market areas are lower than the County average; however, Thousand Oaks/Agoura Hills is significantly higher:

Projected Average Daily Rate – 2016⁹	
Simi Valley Market Area	\$108.68
Camarillo Market Area	\$114.55
Thousand Oaks Market Area	\$164.14
Ventura County	\$124.52

3. As shown in Table 22, the lower ADR results in a relatively low Revenue per Available Room (RevPAR – ADR * Occupancy) for Simi Valley and Camarillo when compared to Thousand Oaks/Agoura Hills and the County.

Projected RevPAR – 2016⁹	
Simi Valley Market Area	\$83.36
Camarillo Market Area	\$86.14
Thousand Oaks Market Area	\$129.34
Ventura County	\$92.77

4. As shown in Table 23, the compound annual change in demand for the regional markets and the County. As summarized below, demand increased at a much

¹⁷ Source: PKF 2016 Southern California Lodging Forecast

faster rate in the Camarillo and Thousand Oaks/Agoura Hills market areas when compared to the Simi Valley market area.

Demand Change – (CAAG) 2010-2016	
Simi Valley Market Area	1.80%
Camarillo Market Area	3.29%
Thousand Oaks Market Area	2.97%
Ventura County	2.38%

5. Given the hotel market conditions, KMA estimated hotel demand in the Simi Valley market area over the next 20 years. The analysis is summarized in Table 24, which shows potential demand for 356 to 556 hotel rooms in the market area during this period.

The Simi Valley market area has not seen an increase in the number of hotel rooms over the past five years. However, a new Hampton Inn & Suites is planned for Simi Valley on the 2500 block of Cochran Street and a 108-room Fairfield Hotel is planned for Moorpark.¹⁸ Further, the lodging performance of the Thousand Oaks/Agoura Hills market area shows very healthy demand and rates. The demand analysis indicates a healthy amount of hotel potential over the next 20 years. For this reason, the two new hotel projects are currently being considered in the market area. If these projects proceed, they will account for a healthy share of the local near to mid-term demand. However, the healthy demand and rates in the Thousand Oaks/Agoura Hills market area may provide additional opportunities for Moorpark. It is important to note, that the ADR and occupancy levels in the Simi Valley market area modest. Therefore, even if a hotel has market feasibility, it may be difficult to achieve financial feasibility because the RevPAR is unable to support acquisition and construction costs.

BUILDING AND LAND COMPS

Over the past two years relatively few commercial land and building sales have occurred in the City.

1. As shown in Table 25, the average price for retail buildings was \$240 per square foot, with an imputed land value of \$25 per square foot. These transactions include the sales of Mission Bell Plaza and Moorpark Town Center.

¹⁸ Source: PKF Southern California Lodging Forecast

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2. As shown in Table 26, only one office building sale occurred during this period. The small, 2,000 square foot building sold for \$350 per square foot.
3. As shown in Table 27, five industrial buildings sold during this period for an average price per square foot of \$140 and an imputed land value of \$50 per square foot.
4. As shown in Table 28, only one commercial land sale occurred during this period. The 62,300 square foot site on Los Angeles Avenue sold for \$1.6 million, \$26 per square foot. There are improvements on this property, but the value was based unimproved land due to the obsolescence of the structures.

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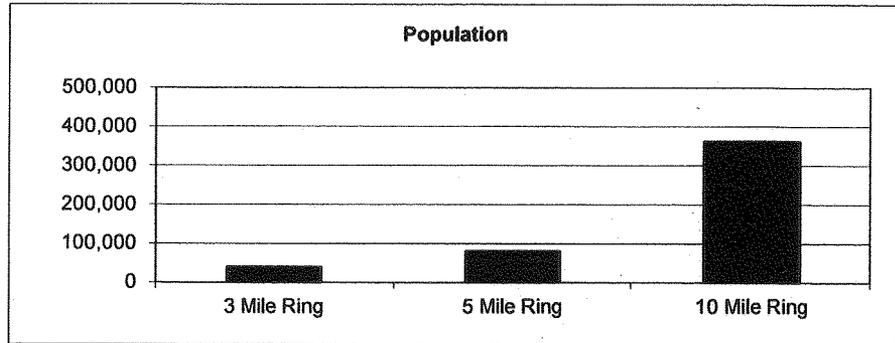
LIMITING CONDITIONS

1. The analysis contained in this document is based, in part, on data from secondary sources such as state and local government, planning agencies, real estate brokers, and other third parties. While KMA believes that these sources are reliable, we cannot guarantee their accuracy.
2. The analysis assumes that neither the local nor national economy will experience a major recession. If an unforeseen change occurs in the economy, the conclusions contained herein may no longer be valid.
3. The findings are based on economic rather than political considerations. Therefore, they should be construed neither as a representation nor opinion that government approvals for development can be secured.
4. Market feasibility is not equivalent to financial feasibility; other factors apart from the level of demand for a land use are of crucial importance in determining feasibility. These factors include the cost of acquiring sites, relocation burdens, traffic impacts, remediation of toxics (if any), and mitigation measures required through the approval process.
5. Development opportunities are assumed to be achievable during the specified time frame. A change in development schedule requires that the conclusions contained herein be reviewed for validity.
6. The analysis, opinions, recommendations and conclusions of this document are KMA's informed judgment based on market and economic conditions as of the date of this report. Due to the volatility of market conditions and complex dynamics influencing the economic conditions of the building and development industry, conclusions and recommended actions contained herein should not be relied upon as sole input for final business decisions regarding current and future development and planning.

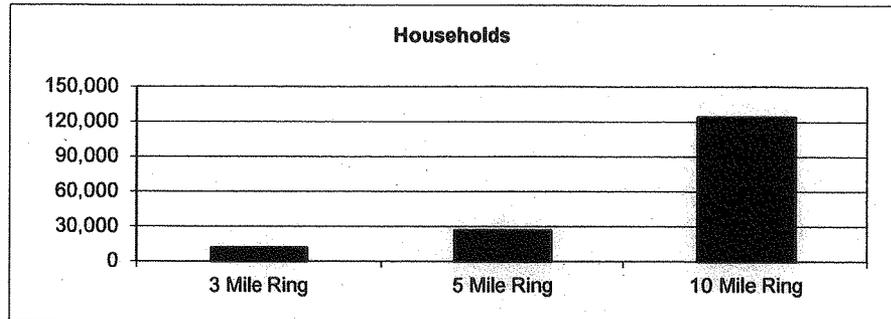
TABLE 1

**2015 SOCIO-ECONOMIC CHARACTERISTICS
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA**

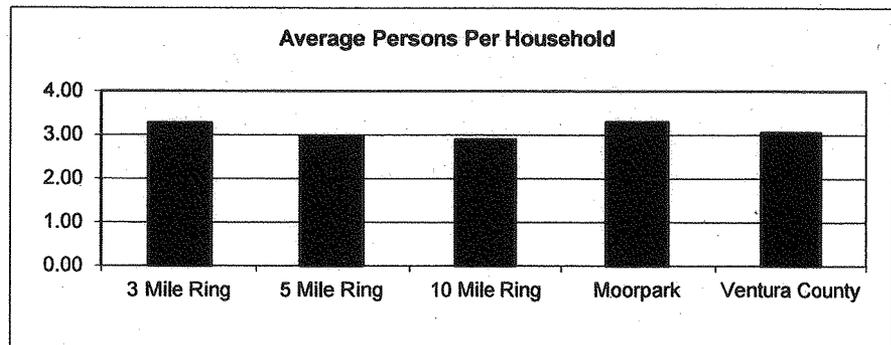
Population	
3 Mile Ring	38,700
5 Mile Ring	80,100
10 Mile Ring	361,200
Moorpark	35,700
Ventura County	849,600



Households	
3 Mile Ring	11,800
5 Mile Ring	26,500
10 Mile Ring	123,800
Moorpark	10,800
Ventura County	275,300



Average Persons Per Hhold	
3 Mile Ring	3.27
5 Mile Ring	2.97
10 Mile Ring	2.89
Moorpark	3.30
Ventura County	3.05



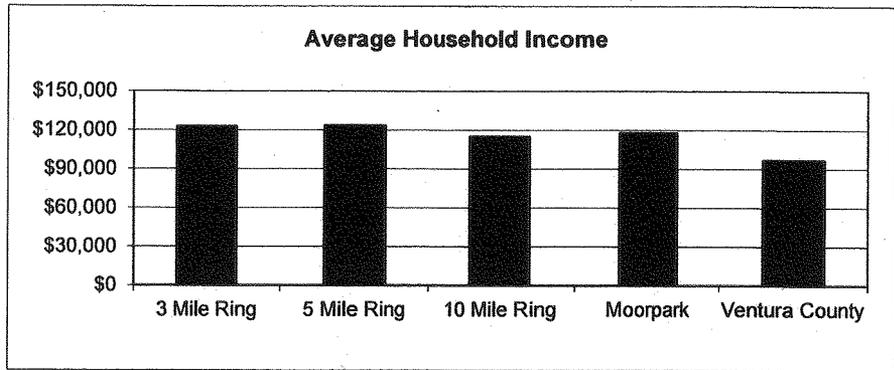
Source: Claritas

APPENDIX 1 - TABLE 1 (Continued)

2015 SOCIO-ECONOMIC CHARACTERISTICS
 MOORPARK MARKET OPPORTUNITIES
 MOORPARK, CALIFORNIA

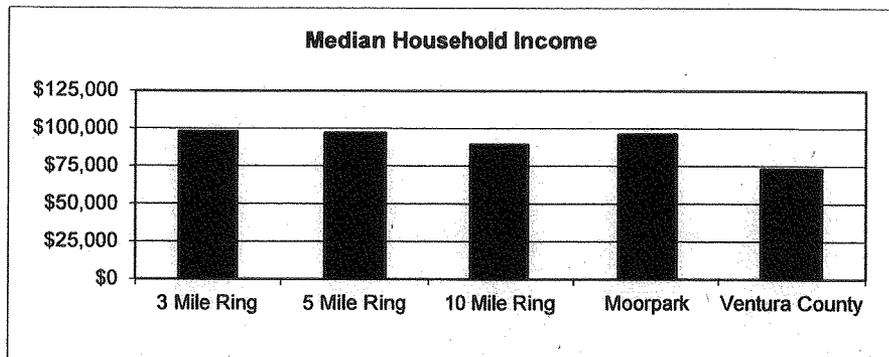
Average Household Income

3 Mile Ring	\$122,600
5 Mile Ring	\$123,300
10 Mile Ring	\$115,100
Moorpark	\$117,600
Ventura County	\$96,700



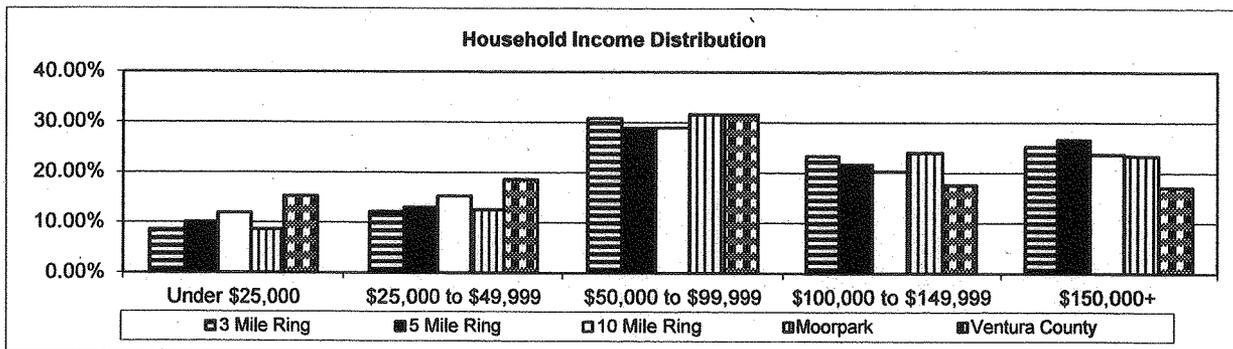
Median Household Income

3 Mile Ring	\$97,775
5 Mile Ring	\$96,821
10 Mile Ring	\$89,211
Moorpark	\$95,878
Ventura County	\$73,044



Household Income Distribution

	Under \$25,000	\$25,000 to \$49,999	\$50,000 to \$99,999	\$100,000 to \$149,999	\$150,000+
3 Mile Ring	8.48%	12.15%	30.78%	23.38%	25.22%
5 Mile Ring	10.02%	12.99%	28.80%	21.66%	26.54%
10 Mile Ring	11.86%	15.24%	28.93%	20.31%	23.66%
Moorpark	8.59%	12.52%	31.56%	23.98%	23.35%
Ventura County	15.27%	18.56%	31.57%	17.51%	17.09%



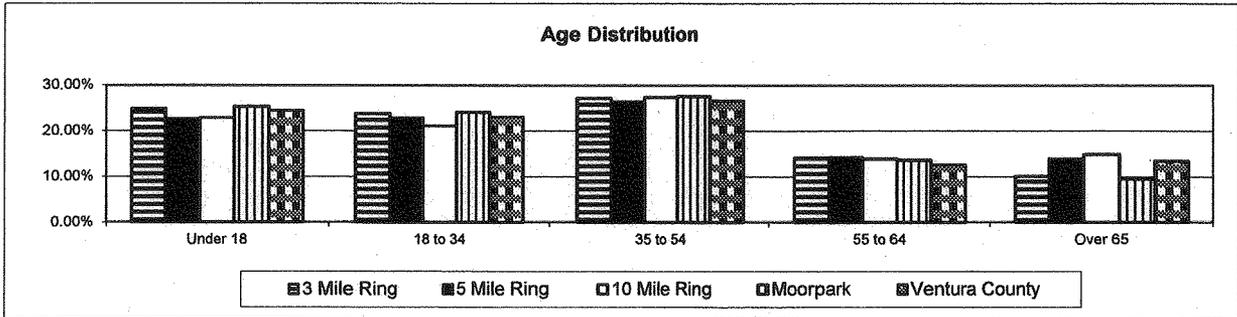
Source: Claritas

APPENDIX 1 - TABLE 1 (Continued)

**2015 SOCIO-ECONOMIC CHARACTERISTICS
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA**

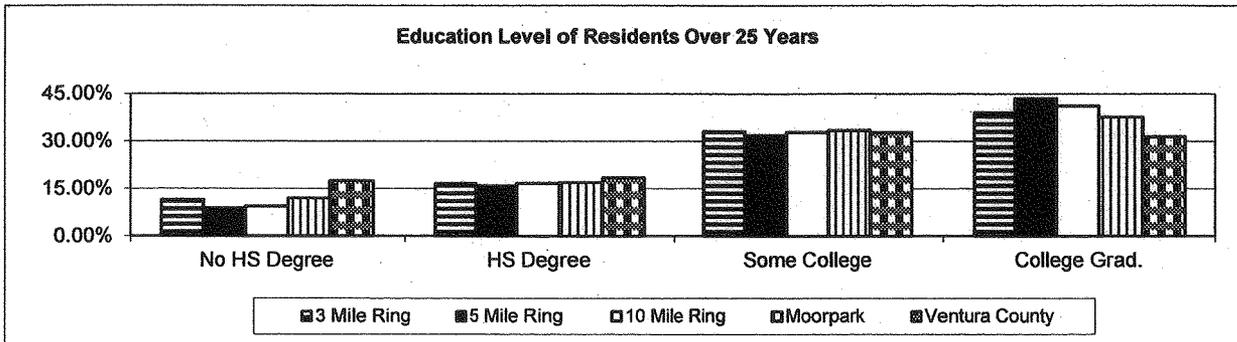
Age Distribution

	Under 18	18 to 34	35 to 54	55 to 64	Over 65
3 Mile Ring	24.87%	23.77%	27.16%	14.14%	10.09%
5 Mile Ring	22.62%	22.84%	26.39%	14.23%	13.93%
10 Mile Ring	22.84%	21.07%	27.35%	13.85%	14.89%
Moorpark	25.31%	24.06%	27.51%	13.61%	9.50%
Ventura County	24.42%	23.02%	26.56%	12.57%	13.42%



Education Level of Residents Over 25 Years

	No HS Degree	HS Degree	Some College	College Grad.
3 Mile Ring	11.36%	16.60%	33.05%	38.98%
5 Mile Ring	8.74%	15.93%	31.84%	43.50%
10 Mile Ring	9.38%	16.71%	32.81%	41.10%
Moorpark	12.00%	16.96%	33.42%	37.62%
Ventura County	17.40%	18.39%	32.78%	31.43%

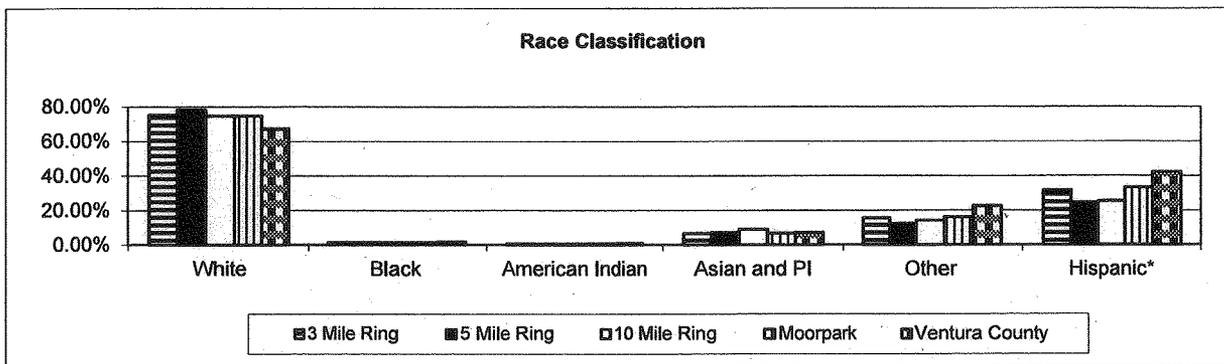


Source: Claritas

APPENDIX 1 - TABLE 1 (Continued)

2015 SOCIO-ECONOMIC CHARACTERISTICS
 MOORPARK MARKET OPPORTUNITIES
 MOORPARK, CALIFORNIA

Race Classification	White	Black	American Indian	Asian and PI	Other	Hispanic*
3 Mile Ring	75.27%	1.52%	0.84%	6.78%	15.58%	31.68%
5 Mile Ring	78.18%	1.56%	0.65%	7.15%	12.45%	24.63%
10 Mile Ring	74.77%	1.48%	0.59%	8.94%	14.23%	25.43%
Moorpark	74.62%	1.54%	0.86%	6.85%	16.14%	33.16%
Ventura County	67.20%	1.87%	1.02%	7.27%	22.63%	42.30%



* Hispanic population percentage calculated separately from other races. In the 200 US Census, census takers were first asked to identify their race as White, Black, American Indian, Asian, Pacific Islander, or Other; and then asked if they identify as Hispanic/Latino or Non-Hispanic/Latino.

Source: Claritas

TABLE 2

**MARKET AREA POPULATION & HOUSEHOLD ESTIMATES
 MOORPARK MARKET OPPORTUNITITES
 MOORPARK, CALIFORNIA**

	POPULATION			
	<u>2015</u>	<u>2020</u>	<u>Total</u>	<u>Change</u> <u>Percent</u>
3 Mile Ring	38,676	40,176	1,500	3.9%
5 Mile Ring	80,069	82,800	2,731	3.4%
10 Mile Ring	361,190	374,768	13,578	3.8%
Moorpark	35,735	37,168	1,433	4.0%
Ventura County	849,566	880,563	30,997	3.6%

	HOUSEHOLDS			
	<u>2015</u>	<u>2020</u>	<u>Total</u>	<u>Change</u> <u>Percent</u>
3 Mile Ring	11,814	12,300	486	4.1%
5 Mile Ring	26,451	27,449	998	3.8%
10 Mile Ring	123,788	128,658	4,870	3.9%
Moorpark	10,836	11,292	456	4.2%
Ventura County	275,297	285,729	10,432	3.8%

Source: Claritas

Prepared by: Keyser Marston Associates, Inc.
 Filename: Moorpark Market Tables- v4; 2; 8/25/2016

TABLE 3

**SCAG POPULATION, HOUSEHOLD & EMPLOYMENT PROJECTIONS
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA**

	Population		
	<u>2012</u>	<u>2020</u>	<u>2040</u>
Camarillo city	66,300	69,500	79,900
Fillmore city	18,800	20,000	21,800
Moorpark city	34,800	39,000	43,000
Ojai city	7,500	7,700	8,400
Oxnard city	200,100	220,200	237,300
Port Hueneme city	21,800	22,100	22,400
San Buenaventura	106,700	112,500	125,300
Santa Paula city	29,800	34,400	39,600
Simi Valley city	125,100	129,200	142,400
Thousand Oaks city	127,800	129,800	131,700
Unincorporated	<u>96,700</u>	<u>102,000</u>	<u>113,600</u>
Ventura County	835,400	886,400	965,400

	Households		
	<u>2012</u>	<u>2020</u>	<u>2040</u>
Camarillo city	24,800	26,000	30,200
Fillmore city	5,200	5,700	6,300
Moorpark city	10,600	12,000	13,100
Ojai city	3,100	3,200	3,300
Oxnard city	50,100	55,100	60,100
Port Hueneme city	7,100	7,300	7,300
San Buenaventura	40,700	42,700	48,400
Santa Paula city	8,500	9,900	11,500
Simi Valley city	41,300	42,900	47,400
Thousand Oaks city	45,900	46,600	47,200
Unincorporated	<u>32,100</u>	<u>33,900</u>	<u>37,500</u>
Ventura County	269,400	285,300	312,300

	Employment		
	<u>2012</u>	<u>2020</u>	<u>2040</u>
Camarillo city	35,800	40,500	47,300
Fillmore city	3,000	4,100	5,300
Moorpark city	11,300	14,300	16,600
Ojai city	5,100	5,100	5,300
Oxnard city	58,100	68,000	79,200
Port Hueneme city	6,400	6,600	6,700
San Buenaventura	60,700	62,700	66,000
Santa Paula city	7,800	9,900	11,700
Simi Valley city	44,000	53,700	61,100
Thousand Oaks city	68,200	73,700	81,900
Unincorporated	<u>31,800</u>	<u>35,700</u>	<u>38,700</u>
Ventura County	332,200	374,300	419,800

Source: SCAG

TABLE 4

**SCAG POPULATION, HOUSEHOLD & EMPLOYMENT PROJECTION CHANGES
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA**

Population						
Change	2012-2020		2020-2040		2012-2040	
	CAAG	Gross	CAAG	Gross	CAAG	Gross
Camarillo city	0.6%	3,200	0.7%	10,400	0.7%	13,600
Fillmore city	0.8%	1,200	0.4%	1,800	0.5%	3,000
Moorpark city	1.4%	4,200	0.5%	4,000	0.8%	8,200
Ojai city	0.3%	200	0.4%	700	0.4%	900
Oxnard city	1.2%	20,100	0.4%	17,100	0.6%	37,200
Port Hueneme city	0.2%	300	0.1%	300	0.1%	600
San Buenaventura	0.7%	5,800	0.5%	12,800	0.6%	18,600
Santa Paula city	1.8%	4,600	0.7%	5,200	1.0%	9,800
Simi Valley city	0.4%	4,100	0.5%	13,200	0.5%	17,300
Thousand Oaks city	0.2%	2,000	0.1%	1,900	0.1%	3,900
Unincorporated	0.7%	5,300	0.5%	11,600	0.6%	16,900
Ventura County	0.7%	51,000	0.4%	79,000	0.5%	130,000

Households						
Change	2012-2020		2020-2040		2012-2040	
	CAAG	Gross	CAAG	Gross	CAAG	Gross
Camarillo city	0.6%	1,200	0.8%	4,200	0.7%	5,400
Fillmore city	1.2%	500	0.5%	600	0.7%	1,100
Moorpark city	1.6%	1,400	0.4%	1,100	0.8%	2,500
Ojai city	0.4%	100	0.2%	100	0.2%	200
Oxnard city	1.2%	5,000	0.4%	5,000	0.7%	10,000
Port Hueneme city	0.3%	200	0.0%	0	0.1%	200
San Buenaventura	0.6%	2,000	0.6%	5,700	0.6%	7,700
Santa Paula city	1.9%	1,400	0.8%	1,600	1.1%	3,000
Simi Valley city	0.5%	1,600	0.5%	4,500	0.5%	6,100
Thousand Oaks city	0.2%	700	0.1%	600	0.1%	1,300
Unincorporated	0.7%	1,800	0.5%	3,600	0.6%	5,400
Ventura County	0.7%	15,900	0.5%	27,000	0.5%	42,900

Employment						
Change	2012-2020		2020-2040		2012-2040	
	CAAG	Gross	CAAG	Gross	CAAG	Gross
Camarillo city	1.6%	4,700	0.8%	6,800	1.0%	11,500
Fillmore city	4.0%	1,100	1.3%	1,200	2.1%	2,300
Moorpark city	3.0%	3,000	0.7%	2,300	1.4%	5,300
Ojai city	0.0%	0	0.2%	200	0.1%	200
Oxnard city	2.0%	9,900	0.8%	11,200	1.1%	21,100
Port Hueneme city	0.4%	200	0.1%	100	0.2%	300
San Buenaventura	0.4%	2,000	0.3%	3,300	0.3%	5,300
Santa Paula city	3.0%	2,100	0.8%	1,800	1.5%	3,900
Simi Valley city	2.5%	9,700	0.6%	7,400	1.2%	17,100
Thousand Oaks city	1.0%	5,500	0.5%	8,200	0.7%	13,700
Unincorporated	1.5%	3,900	0.4%	3,000	0.7%	6,900
Ventura County	1.5%	42,100	0.6%	45,500	0.8%	87,600

Source: SCAG, KMA

Prepared by: Keyser Marston Associates, Inc.
Filename: Moorpark Market Tables- v4; 4; 8/25/2016

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TABLE 5

HISTORIC EMPLOYMENT FIGURES - VENTURA COUNTY
 MOORPARK MARKET OPPORTUNITIES
 MOORPARK, CALIFORNIA

Year	Labor Force		Employment		Unemployment		Unemployment Rate	
	Total	Change	Total	Change	Total	Change	Total	Change
1995	378,800		350,700		28,100		7.42%	
1996	376,600	(2,200)	349,400	(1,300)	27,200	(900)	7.22%	-0.2%
1997	378,600	2,000	353,500	4,100	25,100	(2,100)	6.63%	-0.6%
1998	385,700	7,100	364,300	10,800	21,400	(3,700)	5.55%	-1.1%
1999	394,300	8,600	375,300	11,000	19,000	(2,400)	4.82%	-0.7%
2000	393,000	(1,300)	375,200	(100)	17,800	(1,200)	4.53%	-0.3%
2001	399,000	6,000	379,600	4,400	19,400	1,600	4.86%	0.3%
2002	406,100	7,100	382,800	3,200	23,300	3,900	5.74%	0.9%
2003	409,700	3,600	386,200	3,400	23,500	200	5.74%	0.0%
2004	412,300	2,600	390,300	4,100	22,000	(1,500)	5.34%	-0.4%
2005	416,000	3,700	396,200	5,900	19,800	(2,200)	4.76%	-0.6%
2006	419,600	3,600	401,500	5,300	18,100	(1,700)	4.31%	-0.4%
2007	423,100	3,500	402,400	900	20,700	2,600	4.89%	0.6%
2008	428,800	5,700	401,800	(600)	27,000	6,300	6.30%	1.4%
2009	430,300	1,500	388,800	(13,000)	41,500	14,500	9.64%	3.3%
2010	430,400	100	383,800	(5,000)	46,600	5,100	10.83%	1.2%
2011	432,200	1,800	388,000	4,200	44,200	(2,400)	10.23%	-0.6%
2012	435,900	3,700	396,200	8,200	39,700	(4,500)	9.11%	-1.1%
2013	434,300	(1,600)	400,100	3,900	34,200	(5,500)	7.87%	-1.2%
2014	431,500	(2,800)	402,700	2,600	28,800	(5,400)	6.67%	-1.2%

Source: California Employment Development Department, KMA

Prepared by: Keyser Marston Associates, Inc.
 Filename: Moorpark Market Tables- v4; 5; 8/25/2016

TABLE 6

MARKET AREA EMPLOYMENT & BUSINESSES
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA

	3 Mile Ring			5 Mile Ring			10 Mile Ring		
	Bus.	Emp.	Pop./Bus.	Bus.	Emp.	Pop./Bus.	Bus.	Emp.	Pop./Bus.
Agriculture	8	24	5,022	15	62	5,520	68	420	5,511
Mining	0	0	NA	1	46	82,800	5	99	74,954
Utilities	0	0	NA	1	44	82,800	8	116	46,846
Construction	135	916	298	272	1,606	304	1,426	7,689	263
Manufacturing	61	1,283	659	123	2,344	673	571	17,781	656
Wholesale Trade	52	993	773	100	1,405	828	537	8,443	698
Transportation & Warehousing	16	79	2,511	27	185	3,067	159	1,381	2,357
Information	25	342	1,607	47	640	1,762	277	5,879	1,353
Real Estate/Rental/Leasing	49	318	820	99	634	836	729	4,065	514
Professional/Sci/Tech Services	103	458	390	233	1,085	355	1,886	9,772	199
Management of Companies	0	0	NA	1	2	82,800	7	18	53,538
Administrative/Support Services	71	556	566	136	1,000	609	704	4,519	532
Educational Services	28	1,194	1,435	54	2,350	1,533	307	8,983	1,221
Healthcare & Social Assistance	109	610	369	327	2,035	253	2,680	17,053	140
Arts, Entertainment, Recreation	24	223	1,674	43	396	1,926	296	3,307	1,266
Retail Trade	152	1,846	264	330	4,183	251	2,111	24,839	178
Motor Vehicle & Parts Dealers	12	89	3,348	31	684	2,671	183	3,279	2,048
Furniture/Home Furnishings	9	31	4,464	20	70	4,140	116	1,026	3,231
Electronic/Appliance Stores	23	215	1,747	45	515	1,840	235	2,163	1,595
Building Material/Garden	24	185	1,674	61	481	1,357	183	3,388	1,233
Food & Beverage Stores	17	198	2,363	26	312	3,185	183	3,853	2,048
Health & Personal Care Stores	13	77	3,090	29	167	2,855	187	1,601	2,004
Gasoline Stations	5	32	8,035	11	50	7,527	66	266	5,678
Clothing & Accessories Stores	9	30	4,464	17	58	4,871	258	1,877	1,453
Sport/Hobby/Music/Book Stores	5	200	8,035	18	284	4,600	140	1,194	2,677
General Merchandise Stores	8	147	5,022	15	586	5,520	82	3,603	4,570
Miscellaneous Retail Stores	23	635	1,747	47	953	1,762	304	2,331	1,233
Nonstore Retailers	4	7	10,044	10	23	8,280	53	258	7,071
Finance & Insurance	69	1,135	582	132	1,336	627	1,257	8,702	298
Monetary Authorities	0	0	NA	0	0	NA	0	0	NA
Credit/Intermediation Activities	26	78	1,545	42	115	1,971	402	1,942	932
Sec/Comm Contracts & Fin. Inv	12	234	3,348	19	250	4,358	240	1,283	1,562
Insurance Carriers	29	97	1,385	69	245	1,200	601	4,689	624
Funds/Trusts & Other Finance	2	726	20,088	2	726	41,400	14	788	26,769
Accommodation & Food Services	77	1,109	522	113	1,736	733	697	11,003	538
Accommodation	3	9	13,392	6	189	13,800	39	1,155	9,609
Food Services & Drinking Places	74	1,100	543	107	1,547	774	658	9,848	570
Other Services (Non Public Ad.)	114	543	352	229	1,088	362	1,369	11,251	274
Repair & Maintenance	40	188	1,004	99	436	836	502	6,473	747
Personal & Laundry Serv.	48	238	837	83	372	998	572	2,867	655
Religious/Grant/Civic Org.	26	117	1,545	47	280	1,762	295	1,911	1,270
Public Administration	11	357	3,652	20	953	4,140	128	3,905	2,928
Total	1,104	11,986	36	2,303	23,130	36	15,222	149,225	25
			10.9			10.0			9.8

Source: Claritas

TABLE 6

MARKET AREA EMPLOYMENT & BUSI
MOORPARK MARKET OPPORTUNITITE
MOORPARK, CALIFORNIA

	Moorepark			Ventura County		
	Bus.	Emp. Pop./Bus.	Emp./Bus.	Bus.	Emp. Pop./Bus.	Emp./Bus.
Agriculture	10	42	3,717	196	3,163	16.1
Mining	0	0	NA	32	393	12.3
Utilities	0	0	NA	52	568	10.9
Construction	127	892	293	2,624	14,565	5.6
Manufacturing	53	1,233	701	1,153	30,072	26.1
Wholesale Trade	52	974	715	1,091	18,630	17.1
Transportation & Warehousing	15	75	2,478	434	2,029	9.5
Information	24	344	1,549	513	7,924	15.4
Real Estate/Rental/Leasing	49	309	759	1,581	8,752	5.5
Professional/Sci/Tech Services	94	476	395	3,476	17,952	5.2
Management of Companies	0	0	NA	11	42	3.8
Administrative/Support Services	63	511	590	1,401	10,226	7.3
Educational Services	28	1,259	1,327	657	19,691	30.0
Healthcare & Social Assistance	108	601	344	5,122	36,865	7.2
Arts, Entertainment, Recreation	20	216	1,858	571	6,077	10.6
Retail Trade	141	1,737	264	4,429	49,115	11.1
Motor Vehicle & Parts Dealers	12	85	3,097	437	6,785	15.5
Furniture/Home Furnishings	6	26	6,195	228	1,666	7.3
Electronic/Appliance Stores	21	207	1,770	400	3,678	9.2
Building Material/Garden	23	175	1,616	521	5,542	10.6
Food & Beverage Stores	17	147	2,186	504	7,558	15.0
Health & Personal Care Stores	11	75	3,379	364	4,933	13.6
Gasoline Stations	6	31	6,195	173	820	4.7
Clothing & Accessories Stores	8	30	4,646	561	4,569	8.1
Sport/Hobby/Music/Book Stores	5	194	7,434	295	2,144	7.3
General Merchandise Stores	8	147	4,646	185	6,470	35.0
Miscellaneous Retail Stores	21	613	1,770	661	4,523	6.8
Nonstore Retailers	3	7	12,389	100	427	4.3
Finance & Insurance	64	1,063	581	2,182	12,161	5.6
Monetary Authorities	0	0	NA	0	0	NA
Credit/Intermediation Activities	24	75	1,549	811	3,426	4.2
Sec/Comm Contracts & Fin. Inv	10	220	3,717	345	1,722	5.0
Insurance Carriers	27	94	1,377	1,016	6,254	6.2
Funds/Trusts & Other Finance	3	694	12,389	10	759	75.9
Accommodation & Food Services	72	1,071	516	1,626	24,897	15.3
Accommodation	2	8	18,584	132	3,737	28.3
Food Services & Drinking Places	70	1,063	531	1,494	21,160	14.2
Other Services (Non Public Ad.)	114	599	326	3,117	19,109	6.1
Repair & Maintenance	38	177	978	1,084	8,700	8.0
Personal & Laundry Serv.	49	235	759	1,255	5,514	4.4
Religious/Grant/Civic Org.	27	187	1,377	778	4,895	6.3
Public Administration	13	350	2,859	472	30,171	63.9
Total	1,047	11,772	35	30,740	314,500	10.2

Source: Clarifitas

TABLE 7

**SHARE OF TOTAL BUSINESSES & EMPLOYMENT
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA**

	3 Mile Ring		5 Mile Ring		10 Mile Ring		Moorpark		Ventura County	
	Bus.	Emp.	Bus.	Emp.	Bus.	Emp.	Bus.	Emp.	Bus.	Emp.
Agriculture	0.7%	0.2%	0.7%	0.3%	0.4%	0.3%	0.0%	0.4%	0.6%	1.0%
Mining	0.0%	0.0%	0.0%	0.2%	0.0%	0.1%	0.0%	0.0%	0.1%	0.1%
Utilities	0.0%	0.0%	0.0%	0.2%	0.1%	0.1%	0.0%	0.0%	0.2%	0.2%
Construction	12.2%	7.6%	11.8%	6.9%	9.4%	5.2%	12.1%	7.6%	8.5%	4.6%
Manufacturing	5.5%	10.7%	5.3%	10.1%	3.8%	11.9%	5.1%	10.5%	3.8%	9.6%
Wholesale Trade	4.7%	8.3%	4.3%	6.1%	3.5%	5.7%	5.0%	8.3%	3.5%	5.9%
Transportation & Warehousing	1.4%	0.7%	1.2%	0.8%	1.0%	0.9%	1.4%	0.6%	1.4%	1.3%
Information	2.3%	2.9%	2.0%	2.8%	1.8%	3.9%	2.3%	2.9%	1.7%	2.5%
Real Estate/Rental/Leasing	4.4%	2.7%	4.3%	2.7%	4.8%	2.7%	4.7%	2.6%	5.1%	2.8%
Professional/Sci/Tech Services	9.3%	3.8%	10.1%	4.7%	12.4%	6.5%	9.0%	4.0%	11.3%	5.7%
Management of Companies	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Administrative/Support Services	6.4%	4.6%	5.9%	4.3%	4.6%	3.0%	6.0%	4.3%	4.6%	3.3%
Educational Services	2.5%	10.0%	2.3%	10.2%	2.0%	6.0%	2.7%	10.7%	2.1%	6.3%
Healthcare & Social Assistance	9.9%	5.1%	14.2%	8.8%	17.6%	11.4%	10.3%	5.1%	16.7%	11.7%
Arts, Entertainment, Recreation	2.2%	1.9%	1.9%	1.7%	1.9%	2.2%	1.9%	1.8%	1.9%	1.9%
Retail Trade	13.8%	15.4%	14.3%	18.1%	13.9%	16.6%	13.5%	14.8%	14.4%	15.6%
Motor Vehicle & Parts Dealers	1.1%	0.7%	1.3%	3.0%	1.2%	2.2%	1.1%	0.7%	1.4%	2.2%
Furniture/Home Furnishings	0.8%	0.3%	0.9%	0.3%	0.8%	0.7%	0.6%	0.2%	0.7%	0.5%
Electronic/Appliance Stores	2.1%	1.8%	2.0%	2.2%	1.5%	1.4%	2.0%	1.8%	1.3%	1.2%
Building Material/Garden	2.2%	1.5%	2.6%	2.1%	2.0%	2.3%	2.2%	1.5%	1.7%	1.8%
Food & Beverage Stores	1.5%	1.7%	1.1%	1.3%	1.2%	2.6%	1.6%	1.2%	1.6%	2.4%
Health & Personal Care Stores	1.2%	0.6%	1.3%	0.7%	1.2%	1.1%	1.1%	0.6%	1.2%	1.6%
Gasoline Stations	0.5%	0.3%	0.5%	0.2%	0.4%	0.2%	0.6%	0.3%	0.6%	0.3%
Clothing & Accessories Stores	0.8%	0.3%	0.7%	0.3%	1.7%	1.3%	0.8%	0.3%	1.8%	1.5%
Sport/Hobby/Music/Book Stores	0.5%	1.7%	0.8%	1.2%	0.9%	0.8%	0.5%	1.6%	1.0%	0.7%
General Merchandise Stores	0.7%	1.2%	0.7%	2.5%	0.5%	2.4%	0.8%	1.2%	0.6%	2.1%
Miscellaneous Retail Stores	2.1%	5.3%	2.0%	4.1%	2.0%	1.6%	2.0%	5.2%	2.2%	1.4%
Nonstore Retailers	0.4%	0.1%	0.4%	0.1%	0.3%	0.2%	0.3%	0.1%	0.3%	0.1%
Finance & Insurance	6.3%	9.5%	5.7%	5.8%	8.3%	5.8%	6.1%	9.2%	7.1%	3.9%
Monetary Authorities	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Credit/Intermediation Activities	2.4%	0.7%	1.8%	0.5%	2.6%	1.3%	2.3%	0.6%	2.6%	1.1%
Sec/Comm Contracts & Fin. Inv	1.1%	2.0%	0.8%	1.1%	1.6%	0.9%	1.0%	1.9%	1.1%	0.5%
Insurance Carriers	2.6%	0.8%	3.0%	1.1%	3.9%	3.1%	2.6%	0.8%	3.3%	2.0%
Funds/Trusts & Other Finance	0.2%	6.1%	0.1%	3.1%	0.1%	0.5%	0.3%	5.9%	0.0%	0.2%
Accommodation & Food Services	7.0%	9.3%	4.9%	7.5%	4.6%	7.4%	6.9%	9.1%	5.3%	7.9%
Accommodation	0.3%	0.1%	0.3%	0.8%	0.3%	0.8%	0.2%	0.1%	0.4%	1.2%
Food Services & Drinking Places	6.7%	9.2%	4.6%	6.7%	4.3%	6.6%	6.7%	9.0%	4.9%	6.7%
Other Services (Non Public Ad.)	10.3%	4.5%	9.9%	4.7%	9.0%	7.5%	10.9%	5.1%	10.1%	6.1%
Repair & Maintenance	3.6%	1.6%	4.3%	1.9%	3.3%	4.3%	3.6%	1.5%	3.5%	2.8%
Personal & Laundry Serv.	4.3%	2.0%	3.6%	1.6%	3.8%	1.9%	4.7%	2.0%	4.1%	1.8%
Religious/Grant/Civic Org.	2.4%	1.0%	2.0%	1.2%	1.9%	1.3%	2.6%	1.6%	2.5%	1.6%
Public Administration	1.0%	3.0%	0.9%	4.1%	0.8%	2.6%	1.2%	3.0%	1.5%	9.6%
Total Businesses	100.0%	100.0%								

Source: Claritas; Keyser Marston Associates

TABLE 8

**TOTAL & PER CAPITA RETAIL SALES
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA**

	2013 Total Taxable Sales (\$000s)					
	Moorpark	Simi Valley	Thousand Oaks	Regional Market	Ventura County	State of California
Motor Vehicles and Parts Dirs	\$25,876	\$210,744	\$590,071	\$826,691	\$1,838,612	\$67,986,436
Home Furnishings & Appliances	16,940	42,954	126,369	186,263	479,315	25,411,008
Building Material & Garden Eqmpt	7,909	112,635	102,852	223,396	684,286	29,680,053
Food & Beverage Stores	19,299	84,638	131,701	235,638	573,417	25,289,203
Gasoline Stations	54,102	188,048	213,546	455,696	1,208,107	56,860,585
Clothing & Clothing Accessories	13,496	36,670	183,509	233,675	907,628	34,918,036
General Merchandise Stores	42,687	282,581	151,083	476,351	1,136,487	51,431,094
Food Services & Drinking Plcs	46,165	176,700	294,673	517,538	1,250,942	62,776,359
Other Retail Group	38,365	108,238	235,601	382,204	1,022,643	48,086,943
Retail Stores Total	\$264,839	\$1,243,208	\$2,029,405	\$3,537,452	\$9,101,437	\$402,439,717

	2013 Per Capita Taxable Sales					
	Moorpark	Simi Valley	Thousand Oaks	Regional Market	Ventura County	State of California
Population	34,970	125,774	128,356	289,100	836,864	38,030,609
Motor Vehicles and Parts Dirs	\$740	\$1,676	\$4,597	\$2,860	\$2,197	\$1,788
Home Furnishings & Appliances	484	342	985	644	573	668
Building Material & Garden Eqmpt	226	896	801	773	818	780
Food & Beverage Stores	552	673	1,026	815	685	665
Gasoline Stations	1,547	1,495	1,664	1,576	1,444	1,495
Clothing & Clothing Accessories	386	292	1,430	808	1,085	918
General Merchandise Stores	1,221	2,247	1,177	1,648	1,358	1,352
Food Services & Drinking Plcs	1,320	1,405	2,296	1,790	1,495	1,651
Other Retail Group	1,097	861	1,836	1,322	1,222	1,264
Retail Stores Total	\$7,573	\$9,884	\$15,811	\$12,236	\$10,876	\$10,582

Source: California State Board of Equalization, and California State Department of Finance

¹ Per the CA State Board of Equalization, for those categories listed as "...", the sales are included in the "Other Retail Stores" category.

TABLE 9

**TOTAL PERMITS & SALES PER RETAIL PERMIT
MOORPARK MARKET OPPORTUNITITES
MOORPARK, CALIFORNIA**

-----Total Permits-----						
2013						
	<u>Moorpark</u>	<u>Simi Valley</u>	<u>Thousand Oaks</u>	<u>Regional Market</u>	<u>Ventura County</u>	<u>State of California</u>
Motor Vehicles and Parts Dirs	22	85	108	215	586	32,324
Home Furnishings & Appliances	19	84	161	264	676	38,164
Building Material & Garden Eqpmt	16	45	41	102	353	16,323
Food & Beverage Stores	25	81	85	191	644	31,132
Gasoline Stations	8	29	30	67	187	9,798
Clothing & Clothing Accessories	21	122	231	374	1,085	62,164
General Merchandise Stores	7	38	51	96	307	15,031
Food Services & Drinking Plcs	78	266	337	681	1,900	96,594
Other Retail Group	<u>282</u>	<u>1,042</u>	<u>1,460</u>	<u>2,784</u>	<u>8,547</u>	<u>363,749</u>
Retail Stores Total	478	1,792	2,504	4,774	14,285	665,279

-----Taxable Sales Per Permit-----						
2013						
	<u>Moorpark</u>	<u>Simi Valley</u>	<u>Thousand Oaks</u>	<u>Regional Market</u>	<u>Ventura County</u>	<u>State of California</u>
Motor Vehicles and Parts Dirs	\$1,176,182	\$2,479,341	\$5,463,620	\$3,845,074	\$3,137,563	\$2,103,280
Home Furnishings & Appliances	891,579	511,357	784,901	705,542	709,046	665,837
Building Material & Garden Eqpmt	494,313	2,503,000	2,508,585	2,190,157	1,938,487	1,818,296
Food & Beverage Stores	771,960	1,044,914	1,549,424	1,233,707	890,399	812,322
Gasoline Stations	6,762,750	6,484,414	7,118,200	6,801,433	6,460,465	5,803,285
Clothing & Clothing Accessories	642,667	300,574	794,411	624,799	836,524	561,708
General Merchandise Stores	6,098,143	7,436,342	2,962,412	4,961,990	3,701,912	3,421,668
Food Services & Drinking Plcs	591,859	664,286	874,401	759,968	658,391	649,899
Other Retail Group	<u>136,046</u>	<u>103,875</u>	<u>161,371</u>	<u>137,286</u>	<u>119,649</u>	<u>132,198</u>
Retail Stores Average	\$554,056	\$693,754	\$810,465	\$740,983	\$637,132	\$604,919

-----Permits per 1,000 Residents-----						
2013						
Population	<u>Moorpark</u>	<u>Simi Valley</u>	<u>Thousand Oaks</u>	<u>Regional Market</u>	<u>Ventura County</u>	<u>State of California</u>
	34,970	125,774	128,356	289,100	836,864	38,030,609
Motor Vehicles and Parts Dirs	0.63	0.68	0.84	0.74	0.70	0.85
Home Furnishings & Appliances	0.54	0.67	1.25	0.91	0.81	1.00
Building Material & Garden Eqpmt	0.46	0.36	0.32	0.35	0.42	0.43
Food & Beverage Stores	0.71	0.64	0.66	0.66	0.77	0.82
Gasoline Stations	0.23	0.23	0.23	0.23	0.22	0.26
Clothing & Clothing Accessories	0.60	0.97	1.80	1.29	1.30	1.63
General Merchandise Stores	0.20	0.30	0.40	0.33	0.37	0.40
Food Services & Drinking Plcs	2.23	2.11	2.63	2.36	2.27	2.54
Other Retail Group	8.06	8.28	11.37	9.63	10.21	9.56
Retail Stores Average	13.67	14.25	19.51	16.51	17.07	17.49

Source: California State Board of Equalization; and California State Department of Finance

¹ Per the CA State Board of Equalization, for those categories listed as "\$0", the sales are included in the "Other Retail Stores" category.

TABLE 10

**ESTIMATED MARKET POTENTIAL - EXISTING CONDITIONS
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA**

Establishment Type	City Sales (2013)	City Sales (2015) ²	City Potential (2015)	City Surplus/ (Leakage)	Typical Productivity	Supported Development
Households in City ¹		10,800				
Average HH Income ¹		\$117,600				
Gross Market Area Income		\$1,270,080,000				
Home Furnishings & Appliances	16,940,000	\$17,162,100	\$20,732,000	(\$3,569,900)	\$350	10,200
Building Material & Garden Eqmpt	7,909,000	8,012,700	29,597,000	(21,584,300)	\$400	54,000
Food & Beverage Stores	48,247,500	48,880,000	62,885,000	(14,005,000)	\$450	31,100
Clothing & Clothing Accessories	13,496,000	13,672,900	39,257,000	(25,584,100)	\$350	73,100
General Merchandise Stores	44,933,700	45,522,800	51,743,000	(6,220,200)	\$400	15,600
Food Services & Drinking Plcs	46,165,000	46,770,200	54,875,000	(8,104,800)	\$400	20,300
Other Retail Group	38,365,000	38,868,000	44,232,000	(5,364,000)	\$350	15,300
Retail Stores Total	\$216,056,200	\$218,888,700	\$303,321,000	(\$84,432,300)		219,600

Source: California State Board of Equalization; Bureau of Labor Statistics-CPI (Los Angeles-Riverside-Orange County; All Items); DOF; CES and Claritas.

- 1 Based on estimates from Claritas.
- 2 Sales in 2015 assume annual rate of change between 2013 and 2015 for the CPI (Los Angeles-Riverside-Orange County) during this period.
- 3 Assumes food store sales are 40% taxable.
- 4 Assumes general merchandise store sales are 95% taxable.

TABLE 11

**PROJECTED RETAIL DEMAND
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA**

	2015	2020	2025	2030	2035
Households in City ¹	10,800	11,300	11,600	11,900	12,200
Average HH Income ¹	\$117,600	\$125,500	\$133,900	\$142,900	\$152,500
Gross Market Area Income	\$1,270,080,000	\$1,418,150,000	\$1,553,240,000	\$1,700,510,000	\$1,860,500,000
Establishment Type	City Demand 2015	City Demand 2020	City Demand 2025	City Demand 2030	City Demand 2035
Home Furnishings & Appliances	\$20,732,000	\$22,669,000	\$24,172,000	\$25,570,000	\$26,771,000
Building Material & Garden Eqpmt	29,597,000	32,363,000	34,508,000	36,505,000	38,219,000
Food & Beverage Stores	62,885,000	70,216,000	76,905,000	84,196,000	92,118,000
Clothing & Clothing Accessories	39,257,000	42,926,000	45,771,000	48,420,000	50,693,000
General Merchandise Stores	51,743,000	56,578,000	60,329,000	63,820,000	66,816,000
Food Services & Drinking Plcs	54,875,000	61,272,000	67,109,000	73,472,000	80,384,000
Other Retail Group	\$44,232,000	\$48,365,000	\$51,571,000	\$54,555,000	\$57,117,000
Retail Stores Total	\$303,321,000	\$334,389,000	\$360,365,000	\$386,538,000	\$412,118,000
Incremental Demand					
Home Furnishings & Appliances	10,200	5,200	3,800	3,300	2,600
Building Material & Garden Eqpmt	54,000	6,500	4,700	4,100	3,300
Food & Beverage Stores	31,100	15,300	13,000	13,300	13,600
Clothing & Clothing Accessories	73,100	9,800	7,100	6,200	5,000
General Merchandise Stores	15,600	11,300	8,200	7,200	5,800
Food Services & Drinking Plcs	20,300	15,000	12,800	13,100	13,300
Other Retail Group	15,300	11,100	8,000	7,000	5,600
Retail Stores Total	219,600	74,200	57,600	54,200	49,200
Cumulative Retail Demand	219,600	293,800	351,400	405,600	454,800

Source: California State Board of Equalization; Bureau of Labor Statistics-CPI (Los Angeles-Riverside-Orange County; All items); DOF; CES and Claritas.

1 Based on estimates from Claritas. Population growth projections based CA DOF estimates for Ventura County.

2 Sales in 2015 assume annual rate of change between 2010 and 2015 for the CPI (Los Angeles-Riverside-Orange County) during this period.

3 Assumes food store sales are 35% taxable.

4 Assumes general merchandise store sales are 95% taxable.

TABLE 12

**MARKET AREA RETAIL SALES SURPLUS/LEAKAGE DATA SUMMARY
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA**

	Expenditures	Sales	Opportunity Gap/Surplus	Typical Sales PSF	Potential (SF)
Three-Mile Market Area					
Motor Vehicle and Parts Dealers	\$147,085,461	\$30,832,241	\$116,253,220	NA	NA
Home Furnishings/Electronic/Appliances	25,137,145	27,263,328	(2,126,183)	\$350	0
Building Material, Garden Equip Stores	75,489,805	105,153,164	(29,663,359)	\$400	0
Food and Beverage Stores	83,842,817	28,371,555	55,471,262	\$450	123,269
Health and Personal Care Stores	34,935,328	15,904,101	19,031,227	\$400	47,578
Gasoline Stations	61,417,850	4,040,257	57,377,593	NA	NA
Clothing and Clothing Accessories Stores	36,270,886	8,761,897	27,508,989	\$350	78,597
Sporting Goods, Hobby, Book, Music Stores	13,528,513	16,697,613	(3,169,100)	\$400	0
General Merchandise Stores	81,323,175	40,550,815	40,772,360	\$400	101,931
Miscellaneous Store Retailers	17,622,098	32,357,661	(14,735,563)	\$350	0
Non-Store Retailers	60,222,370	12,550,081	47,672,289	NA	NA
Foodservice and Drinking Places	\$72,960,561	\$86,471,237	(\$13,510,676)	\$400	0
Total Retail Sales Incl Eating and Drinking Places	\$709,836,009	\$408,953,950	\$300,882,059		351,376

	Expenditures	Sales	Opportunity Gap/Surplus	Typical Sales PSF	Potential (SF)
Five-Mile Market Area					
Motor Vehicle and Parts Dealers	\$322,831,746	\$309,084,383	\$13,747,363	NA	NA
Home Furnishings/Electronic/Appliances	56,850,755	75,865,758	(19,015,003)	\$350	0
Building Material, Garden Equip Stores	169,064,597	250,215,438	(81,150,841)	\$400	0
Food and Beverage Stores	187,996,461	49,465,909	138,530,552	\$450	307,846
Health and Personal Care Stores	79,667,978	31,820,251	47,847,727	\$400	119,619
Gasoline Stations	136,047,651	52,390,736	83,656,915	NA	NA
Clothing and Clothing Accessories Stores	80,371,499	13,635,512	66,735,987	\$350	190,674
Sporting Goods, Hobby, Book, Music Stores	30,527,573	28,350,515	2,177,058	\$400	5,443
General Merchandise Stores	179,125,775	171,698,697	7,427,078	\$400	18,568
Miscellaneous Store Retailers	40,042,598	57,422,699	(17,380,101)	\$350	0
Non-Store Retailers	137,444,100	85,028,460	52,415,640	NA	NA
Foodservice and Drinking Places	\$166,415,313	\$118,854,443	\$47,560,870	\$400	118,902
Total Retail Sales Incl Eating and Drinking Places	\$1,586,386,046	\$1,243,832,801	\$342,553,245		761,052

TABLE 12

**MARKET AREA RETAIL SALES SURPLUS/LEAKAGE DATA SUMMARY
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA**

Ten-Mile Market Area	Expenditures	Sales	Opportunity Gap/Surplus	Typical Sales PSF	Potential (\$F)
Motor Vehicle and Parts Dealers	\$1,384,945,511	\$1,490,515,570	(\$105,570,059)	NA	NA
Home Furnishings/Electronic/Appliances	248,400,892	542,845,140	(294,444,248)	\$350	0
Building Material, Garden Equip Stores	742,207,757	826,162,328	(83,954,571)	\$400	0
Food and Beverage Stores	835,317,084	612,683,728	222,633,356	\$450	494,741
Health and Personal Care Stores	357,344,733	275,620,177	81,724,556	\$400	204,311
Gasoline Stations	601,342,325	330,078,866	271,263,459	NA	NA
Clothing and Clothing Accessories Stores	347,200,010	403,115,215	(55,915,205)	\$350	0
Sporting Goods, Hobby, Book, Music Stores	130,781,547	94,299,252	36,482,295	\$400	91,206
General Merchandise Stores	789,334,897	767,549,895	21,785,002	\$400	54,463
Miscellaneous Store Retailers	173,985,978	143,497,927	30,488,051	\$350	87,109
Non-Store Retailers	597,427,201	1,207,773,929	(610,346,728)	NA	NA
Foodservice and Drinking Places	\$728,877,171	\$780,273,671	(\$51,396,500)	\$400	0
Total Retail Sales Incl Eating and Drinking Places	\$6,937,165,106	\$7,474,415,698	(\$537,250,592)		931,829

Source: Claritas; KMA

TABLE 13

**ESTIMATED RETAIL DEMAND (SQURE FEET OF SUPPORTABLE DEVELOPMENT)
MOORPARK MARKET OPPORTUNITITES
MOORPARK, CALIFORNIA**

	3 - Mile	5 - Miles	10 - Miles
Home Furnishings/Electronic/Appliances	0	0	0
Building Material, Garden Equip Stores	0	0	0
Food and Beverage Stores	123,269	307,846	494,741
Health and Personal Care Stores	47,578	119,619	204,311
Clothing and Clothing Accessories Stores	78,597	190,674	0
Sporting Goods, Hobby, Book, Music Stores	0	5,443	91,206
General Merchandise Stores	101,931	18,568	54,463
Miscellaneous Store Retailers	0	0	87,109
Foodservice and Drinking Places	<u>0</u>	<u>118,902</u>	<u>0</u>
Total (Square Feet)	351,376	761,052	931,829

Source: Claritas; KMA

TABLE 14

**MARKET AREA RETAIL LEASE RATE COMPARABLES
MOORPARK MARKET OPPORTUNITITES
MOORPARK, CALIFORNIA**

No.	Address	City	Property Type	Asking	Type	SF Available
1	888 New Los Angeles	Moorpark	Neighborhood Ctr.	\$27.00	NNN	2,748
2	252 E. Los Angeles	Moorpark	Retail	\$24.00	NNN	900
3	302 W. Los Angeles	Moorpark	Strip Retail	\$35.35	NNN	975
4	525 Los Angeles	Moorpark	Community Ctr.	\$27.00	NNN	2,816
5	476 Los Angeles	Moorpark	Retail	\$19.20	MG	1,935
6	593 W. Los Angeles	Moorpark	Community Ctr.	\$17.40	NNN	4,995
				\$19.80	NNN	4,950
				\$24.00	NNN	1,011
				\$21.00	NNN	1,170
				\$24.00	NNN	1,122
				\$24.00	NNN	2,244
7	6591 Collins Drive	Moorpark	Neighborhood Ctr.	\$18.00	NNN	9,154
8	742 New Los Angeles	Moorpark	Community Ctr.	Neg.	NNN	20,721
9	706-790 Los Angeles	Moorpark	Community Ctr.	\$21.00	MG	23,224
10	14701 Princeton	Moorpark	Strip Center	\$15.00	NNN	6,340
11	530 E. Los Angeles	Moorpark	Street Retail	\$24.00	NNN	6,240
				\$21.00	NNN	2,800
12	111-165 Poindexter	Moorpark	Retail	\$11.40	NNN	1,000
				\$12.00	NNN	1,000
13	209 W. Los Angeles	Moorpark	Power Center	\$21.60	NNN	1,033
14	4215 Tierra Rejada	Moorpark	Community Ctr.	\$17.88	NNN	1,394
				\$21.00	NNN	1,382
				\$23.40	NNN	1,471
15	481 E. High St.	Moorpark	Street Retail	\$18.00	NNN	960
16	14711 Princeton	Moorpark	Neighborhood Ctr.	\$15.00	NNN	7,242
17	14721 Princeton	Moorpark	Neighborhood Ctr.	\$15.00	NNN	1,760
18	142-144 W. Los Angeles	Moorpark	Strip Center	\$30.00	NNN	3,940
19	706 Los Angeles	Moorpark	Anchor	\$18.00	NNN	45,022

Lease Rate Range	\$11.40 - \$35.35
Weighted Average Lease Rate	\$16.93

Source: LoopNet.com 2015

TABLE 15

3rd QUARTER 2015 OFFICE MARKET - VENTURA COUNTY MARKET AREA
 MOORPARK MARKET OPPORTUNITIES
 MOORPARK, CALIFORNIA

Submarket	Square Feet	Square Feet	Vacancy Rate	Net Absorption YTD	Under Construction	Average Asking Rent ¹	Change from Previous Qtr
	(Total Inventory)	Vacant					
Agoura Hills	1,752,700	403,121	23.0%	(81,200)	-	\$2.03	-0.1%
Camarillo	2,351,600	507,946	21.6%	(102,800)	-	\$1.64	-5.7%
Conejo Valley	7,358,200	816,760	11.1%	292,100	120,900	\$2.12	2.0%
Oxnard/Port Hueneme	2,541,400	335,465	13.2%	29,100	-	\$2.07	0.8%
Simi Valley/Moorpark	2,359,300	478,938	20.3%	(256,300)	-	\$1.82	-0.1%
Ventura	3,371,100	289,915	8.6%	95,600	-	\$1.68	1.2%
Central County Total	19,734,300	2,832,144	14.4%	(23,500)	120,900	\$1.97	0.7%

(1) PSF Per Month. Full Service Gross (FSG).

TABLE 16

**MARKET AREA OFFICE LEASE RATE COMPARABLES
MOORPARK MARKET OPPORTUNITITES
MOORPARK, CALIFORNIA**

No.	Address	City	Property Type	Asking Rate	Type	SF Available
1	530 Moorpark	Moorpark	Office	\$21.00	MG	3,570
2	5285 Kazuko Ct	Moorpark	Office	\$11.40	IG	800
3	209 W. Los Angeles	Moorpark	Office	\$21.60	NNN	1,033
4	5301 N. Commerce	Moorpark	Office	\$14.40	MG	550
5	635 Los Angeles	Moorpark	Medical Office	\$34.20	FSG	75,082
6	301 Science Dr.	Moorpark	Office	\$22.20	FSG	2,938
7	301 Science Dr.	Moorpark	Office	\$26.09	FSG	736
8	5069 Maureen Ln	Moorpark	Office	\$15.00	MG	5,384
9	14711 Princeton	Moorpark	Office	\$15.00	NNN	7,242
10	14701 Princeton	Moorpark	Medical Office	\$15.00	NNN	3,832
11	484 E. Los Angeles	Moorpark	Office	\$21.00	MG	2,049
12	609 Science Dr.	Moorpark	Office	\$9.00	MG	22,100
13	646 Flinn Ave.	Moorpark	Office	\$10.68	MG	4,924
Lease Rate Range				\$9.00 - \$34.20		
Weighted Average Lease Rate				\$25.40		

Source: LoopNet.com

TABLE 17

**POTENTIAL OFFICE DEMAND WITHIN A FIVE MILE RADIUS
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA**

	2015	-----Estimated Office Demand-----			2035
		2020	2025	2030	
Real Estate/Rental/Leasing					
Employment	634	671	709	751	794
Change		37	39	41	43
Office Employment Percentage		80%	80%	80%	80%
Square Feet/Employee		200	200	200	201
Total Square Footage		5,900	6,200	6,600	7,000
Professional & Business Services					
Employment	2,087	2,306	2,549	2,817	3,113
Change		219	242	268	296
Office Employment Percentage		80%	80%	80%	80%
Square Feet/Employee		200	200	200	201
Total Square Footage		35,100	38,800	42,900	47,600
Finance & Insurance					
Employment	1,336	1,436	1,544	1,660	1,785
Change		100	108	116	125
Office Employment Percentage		80%	80%	80%	80%
Square Feet/Employee		200	200	200	200
Total Square Footage		16,100	17,300	18,600	19,900
Balance of Employment					
Employment	19,073	20,485	22,002	23,632	25,382
Change		1,412	1,517	1,629	1,750
Office Employment Percentage		5%	5%	5%	5%
Square Feet/Employee		200	200	200	201
Total Square Footage		14,100	15,200	16,300	17,600
Total					
Employment	23,130	24,899	26,805	28,859	31,073
Change		1,769	1,906	2,054	2,214
Total Square Footage		71,200	77,500	84,400	92,100
Total Square Footage Through Term of Projection		71,200	148,700	233,100	325,200

Source: Projections based on California EDD employment projections (2012-2022) for Ventura County . Employment Percentage and square footage assumptions made by KMA.

TABLE 18

3rd QUARTER 2015 INDUSTRIAL MARKET - VENTURA COUNTY MARKET AREA
 MOORPARK MARKET OPPORTUNITIES
 MOORPARK, CALIFORNIA

Submarket	Square Feet	Square Feet	Vacancy Rate	Net Absorption YTD	Under Construction	Completed YTD	Average Asking Rent ¹
	(Total Inventory)	Vacant					
Agoura Hills/Westlake Village	2,683,900	115,408	4.3%	99,400	-	-	\$0.93
Calabasas	632,600	135,376	21.4%	6,400	-	-	\$1.35
Camarillo	11,535,000	1,199,640	10.4%	37,400	-	92,700	\$0.58
Fillmore/Santa Paula	2,369,900	94,796	4.0%	2,600	-	-	\$0.54
Newbury Park/Thousand Oaks	7,953,000	254,496	3.2%	216,200	-	-	\$0.76
Oxnard/Port Hueneme	23,383,700	1,215,952	5.2%	51,500	28,000	-	\$0.63
Simi Valley/Moorpark	12,081,600	640,325	5.3%	377,000	-	-	\$0.60
Ventura	11,219,800	336,594	3.0%	(56,300)	-	-	\$0.63
Central County Total	71,859,500	3,992,587	5.6%	734,200	28,000	92,700	\$0.65

(1) PSF Per Month. Triple Net (NNN).

TABLE 19

**MARKET AREA INDUSTRIAL LEASE RATE COMPARABLES
 MOORPARK MARKET OPPORTUNITITES
 MOORPARK, CALIFORNIA**

No.	Address	City	Property Type	Asking Rate	Type	SF Available
1	31 Poindexter	Moorpark	Industrial	Neg	IG	16,383
2	5146 Commerce	Moorpark	Industrial	\$11.04	MG	3,606
3	11953 Challenger Ct.	Moorpark	Industrial	\$10.20	MG	11,397
4	555 Spring Rd.	Moorpark	Industrial	\$8.40	NNN	3,900
5	650 Flinn Ave.	Moorpark	Industrial	\$12.00	MG	1,400
6	709 Science	Moorpark	Industrial	\$4.68	NNN	253,479
7	700 Science Dr.	Moorpark	Industrial	\$4.68	NNN	152,786
8	353 Science Dr.	Moorpark	Industrial	\$10.80	IG	8,470
9	646 Flinn Ave.	Moorpark	Industrial	\$10.68	MG	4,924
Lease Rate Range				\$4.68 - \$12.00		
Weighted Average Lease Rate				\$4.93		

Source: LoopNet.com

TABLE 20

**REGIONAL HOTEL OCCUPANCY RATES¹
 MOORPARK MARKET OPPORTUNITIES
 MOORPARK, CALIFORNIA**

	Simi Valley	Camarillo	Thousand Oaks/ Agoura Hills	Ventura County
2010	68.9%	61.8%	66.2%	64.5%
2011	70.1%	64.0%	72.9%	64.4%
2012	71.2%	67.6%	74.5%	66.7%
2013	71.7%	67.8%	74.6%	68.0%
2014	72.2%	74.1%	77.8%	72.3%
2015 E	75.9%	74.3%	78.4%	73.7%
2016 F	76.7%	75.2%	78.8%	74.5%
Average	71.7%	68.3%	74.1%	68.3%

E - Estimate
 F - Forecast

(1) Source: PKF "The 2016 Southern California Lodging Forecast"

TABLE 21

REGIONAL HOTEL AVERAGE DAILY RATE¹
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA

	Simi Valley	Camarillo	Thousand Oaks/ Agoura Hills	Ventura County
2010	\$90.04	\$88.30	\$119.49	\$98.21
2011	\$92.31	\$89.93	\$121.30	\$98.07
2012	\$93.38	\$90.82	\$126.11	\$100.03
2013	\$96.47	\$95.40	\$132.26	\$101.71
2014	\$97.73	\$105.24	\$143.56	\$109.43
2015 E	\$104.00	\$110.15	\$154.56	\$118.26
2016 F	\$108.68	\$114.55	\$164.14	\$124.52
Average	\$97.52	\$99.20	\$137.35	\$107.18

E - Estimate
 F - Forecast

(1) Source: PKF "The 2016 Southern California Lodging Forecast"

TABLE 22

REGIONAL HOTEL ANNUAL REVPAR (occupancy x room rate)
 MOORPARK MARKET OPPORTUNITITES
 MOORPARK, CALIFORNIA

	Simi Valley	Camarillo	Thousand Oaks/ Agoura Hills	Ventura County
2010	\$62.01	\$54.56	\$79.07	\$63.34
2011	\$64.70	\$57.52	\$88.42	\$63.20
2012	\$66.53	\$61.35	\$93.99	\$66.69
2013	\$69.17	\$64.65	\$98.66	\$69.16
2014	\$70.61	\$78.03	\$111.66	\$79.17
2015 E	\$78.95	\$81.82	\$121.46	\$87.16
2016 F	\$83.33	\$86.15	\$129.40	\$92.81
Average	\$70.76	\$69.15	\$103.24	\$74.50

E - Estimate
 F - Forecast

(1) Source: PKF "The 2016 Southern California Lodging Forecast"

TABLE 23

REGIONAL HOTEL MARKET PERFORMANCE¹
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA

	<u>Occupancy</u>	<u>Average Daily Rate</u>	<u>Annual Supply</u>	<u>Occupied Room Nights Per Year</u>	<u>Occupied Room Nights Change</u>	<u>RevPar</u>	<u>RevPar Change</u>
Simi Valley							
2010	68.9%	\$90.04	207,320	142,791		\$62.04	
2011	70.1%	\$92.31	207,320	145,319	1.8%	\$64.71	4.3%
2012	71.2%	\$93.38	207,320	147,701	1.6%	\$66.49	2.7%
2013	71.7%	\$96.47	207,320	148,657	0.6%	\$69.17	4.0%
2014	72.2%	\$97.73	207,320	149,787	0.8%	\$70.56	2.0%
2015 E	75.9%	\$104.00	207,320	157,388	5.1%	\$78.94	11.9%
2016 F	76.7%	\$108.68	207,320	158,962	1.0%	\$83.36	5.6%
CAC 2010-2016		3.19%	0.00%	1.80%		5.05%	
Camarillo							
2010	61.8%	\$88.30	317,550	196,213		\$54.57	
2011	64.0%	\$89.93	317,550	203,130	3.5%	\$57.56	5.5%
2012	67.6%	\$90.82	317,550	214,529	5.6%	\$61.39	6.7%
2013	67.8%	\$95.40	317,550	215,199	0.3%	\$64.68	5.4%
2014	74.1%	\$105.24	317,550	235,427	9.4%	\$77.98	20.6%
2015 E	74.3%	\$110.15	317,550	235,900	0.2%	\$81.84	4.9%
2016 F	75.2%	\$114.55	316,820	238,258	1.0%	\$86.14	5.3%
CAC 2010-2016		4.43%	-0.04%	3.29%		7.91%	
Thousand Oaks/Agoura Hills							
2010	66.2%	\$119.49	664,300	439,555		\$79.10	
2011	72.9%	\$121.30	664,300	484,218	10.2%	\$88.43	11.8%
2012	74.5%	\$126.11	664,300	495,145	2.3%	\$93.95	6.2%
2013	74.6%	\$132.26	664,665	495,800	0.1%	\$98.67	5.0%
2014	77.8%	\$143.56	664,665	516,984	4.3%	\$111.69	13.2%
2015 E	78.4%	\$154.56	664,665	521,371	0.8%	\$121.18	8.5%
2016 F	78.8%	\$164.14	664,665	523,978	0.5%	\$129.34	6.7%
CAC 2010-2016		5.43%	0.01%	2.97%		8.54%	
Ventura County							
2010	64.5%	\$98.21	1,658,195	1,069,444		\$63.35	
2011	64.4%	\$98.07	1,673,890	1,078,694	0.9%	\$63.16	-0.3%
2012	66.7%	\$100.03	1,673,890	1,115,862	3.4%	\$66.72	5.6%
2013	68.0%	\$101.71	1,673,890	1,138,217	2.0%	\$69.16	3.7%
2014	72.3%	\$109.43	1,673,525	1,210,688	6.4%	\$79.12	14.4%
2015 E	73.7%	\$118.26	1,670,058	1,230,818	1.7%	\$87.16	10.2%
2016 F	74.5%	\$124.52	1,651,990	1,231,286	0.0%	\$92.77	6.4%
CAC 2010-2016		4.04%	-0.06%	2.38%		6.56%	

E - Estimate

F - Forecast

(1) Source: PKF "The 2016 Southern California Lodging Forecast"

TABLE 24

**PROJECTED MARKET AREA HOTEL DEMAND
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA**

Potential Demand Simi Valley Market Area - 2.0% Annual Increase

	Annual 2.0% Demand Increase	Existing Room Night Supply¹	Occupancy Level	Market Area Target Occupancy - 70%	
				Available Room Nights	Cumulative Rooms
2016	158,962	207,320	76.7%	227,089	54
2021	175,507	207,320	84.7%	250,724	119
2026	193,774	207,320	93.5%	276,820	190
2031	213,942	207,320	103.2%	305,631	269
2036	236,209	207,320	113.9%	337,442	356

Potential Demand Simi Valley Market Area- 3.0% Annual Increase

	Annual 3.0% Demand Increase	Existing Room Night Supply¹	Occupancy Level	Market Area Target Occupancy - 70%	
				Available Room Nights	Cumulative Rooms
2016	158,962	207,320	76.7%	227,089	54
2021	184,281	207,320	88.9%	263,258	153
2026	213,632	207,320	103.0%	305,188	268
2031	247,658	207,320	119.5%	353,797	401
2036	287,103	207,320	138.5%	410,147	556

(1) Source: PKF "The 2016 Southern California Lodging Forecast"

TABLE 25

RETAIL BUILDING SALES - CITY OF MOORPARK (2014-2016)
 MOORPARK MARKET OPPORTUNITIES
 MOORPARK, CALIFORNIA

No.	Building Type	Address	Sale Date	Year Built	Sales Price	RBA (SF)	Price/SF	Land (SF)	Price Per SF Land
1	Restaurant	255 High Street	1/22/2016	1935	\$615,000	1,950	\$315.38	14,985	\$41.04
2	Retail Storefront	11-17 East High Street	11/18/2014	1975/2005	\$845,000	4,500	\$187.78	7,492	\$112.79
3	Freestanding Retail	213 East High Street	6/16/2014	1935	\$475,000	1,572	\$302.16	7,405	\$64.15
4	Service Station	550 West Los Angeles Avenue	8/7/2014	1998	\$2,700,000	9,551	\$282.69	54,886	\$49.19
5	Retail (LA Spring Center)	525, 537, 549 Los Angeles	1/16/2015	2005	\$10,280,000	21,561	\$476.79	97,574	\$105.36
6	Retail (Moorpark Town Center)	1, 5, 101-275, 165, 125 Los Angeles	12/3/2014	1984-1986	\$27,250,000	139,740	\$195.01	1,302,361	\$20.92
7	Retail (Mission Bell Plaza) ¹	301-593 Los Angeles	9/2/2015	1993-1996	\$28,600,000	NA	NA	1,378,922	\$20.74
							Weighted Average	\$235.72	\$24.71

¹ Includes sale of buildings and ground leases. This was an off-market transactions.

Note: Sales data from 4/22/2014 - 4/22/2016; Sales covering the City of Moorpark; Multi-property sales, non-arms length transactions and transactions without a sales price were excluded.

Source: Costar: 4/2016

TABLE 26

OFFICE BUILDING SALES - CITY OF MOORPARK (2014-2016)
 MOORPARK MARKET OPPORTUNITIES
 MOORPARK, CALIFORNIA

No.	Building Type	Address	Sale Date	Year Built	Sales Price	RBA (SF)	Price/SF	Land (SF)	Price Per SF Land
1	Class C Medical Office	724 Moorpark Avenue	8/31/2015	1985	\$725,000	2,080	\$348.56	8,782	\$82.56

Note: Sales data from 4/22/2014 - 4/22/2016; Sales covering the City of Moorpark; Multi-property sales, non-arms length transactions and transactions without a sales price were excluded.

Source: Costar. 4/2016

TABLE 27

INDUSTRIAL BUILDING SALES - CITY OF MOOPARK (2014-2016)
MOOPARK MARKET OPPORTUNITIES
MOOPARK, CALIFORNIA

No.	Building Type	Address	Sale Date	Year Built	Sales Price	RBA (SF)	Price/SF	Land (SF)	Price Per SF Land
1	Class C Manufacturing	11999 Challenger Court	6/9/2014	1990	\$1,500,000	11,555	\$129.81	21,780	\$68.87
2	Class B Manufacturing	5360 Commerce Avenue	3/18/2016	1984	\$4,375,000	26,982	\$162.15	121,968	\$35.87
3	Class C Warehouse	588 Flinn Avenue	10/15/2015	1977	\$800,000	1,800	\$444.44	23,087	\$34.65
4	Class B Manufacturing	5155 Goldman Avenue	11/13/2015	1986/2011	\$6,756,500	54,052	\$125.00	111,078	\$60.83
5	Class C Distribution	5530 Tech Circle	11/20/2015	1986	\$1,150,500	9,591	\$119.96	21,349	\$53.89
Weighted Average							\$140.24		\$48.73

Note: Sales data from 4/22/2014 - 4/22/2016; Sales covering the City of Moorpark; Multi-property sales, non-arms length transactions and transactions without a sales price were excluded.

Source: Costar; 4/2016

TABLE 28

COMMERCIAL AND INDUSTRIAL LAND SALES - CITY OF MOORPARK (2014-2016)
MOORPARK MARKET OPPORTUNITIES
MOORPARK, CALIFORNIA

<u>No.</u>	<u>Land Use</u>	<u>Address</u>	<u>Sale Date</u>	<u>Size (AC)</u>	<u>Size (SF)</u>	<u>Sales Price</u>	<u>Price Per SF</u>
1	Commercial	384 E. Los Angeles Ave	9/4/2015	1.43	62,291	\$1,600,000	\$25.69

Note: Sales data from 4/22/2014 - 4/22/2016; Sales covering the City of Moorpark; Multi-property sales, non-arms length transactions and transactions without a sales price were excluded.
Source: Costar. 4/2016

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