ECONOMIC DEVELOPMENT SWOT ANALYSIS

- Strengths
- Weaknesses
- Opportunities
- Threats
ECONOMIC DEVELOPMENT SWOT ANALYSIS

**Strengths**

- Large, Motivated Local Workforce
- 25 Million Sq. Ft. of Industrial Space
- Developable Industrial Land
- Strategic Location - Ease of Transport
- Access to the Port of Hueneme
- Business Friendly City
- EDCO Services
- Quality of Life
- DGA, HUB, TEA, RMDZ & FTZ Areas

**Designated Geographical Area (DGA)**
Designated Geographical Area: Employment Tax Credit

**Historically Underutilized Business Zone (HUB)**
Historically Underutilized Business Zone: Government Contract Preference

**Targeted Employment Area (TEA)**
Targeted Employment Area: EB5 Program - Foreign Investment

**Recycling Market Development Zone (RMDZ)**
Recycling Market Development Zone: Recycling Industry Loans and Grants

**Foreign Trade Zone (FTZ)**
Foreign Trade Zone: No Import Duty
Weaknesses

- High Cost of Doing Businesses
- High Labor Costs vs. Other States
- High State Tax
- High Local Tax
- High Insurance Costs
- Educational Attainment Level
- Stringent State Regulatory Environment
Cluster Analysis Attraction

- Clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, and associated institutions in a particular field.
- Clusters arise because they increase the productivity with which companies can compete.
- Clusters can raise companies’ productivity through the proximity of local assets and the presence of like firms and infrastructure that surround them.
ECONOMIC DEVELOPMENT SWOT ANALYSIS

Agricultural Cluster

- Farm Production
  - Annual Wage: $19,500
- Food Processing
  - Annual Wage: $21,000
- Refrigeration/Warehouse
  - Annual Wage: $28,000
- Packaging Material Mfg.
  - Annual Wage: $32,000
- Transportation
  - Annual Wage: $40,000
- Testing/Inspectors
  - Annual Wage: $38,000

OPPORTUNITY

- Specialty Food Product
- Nutraceuticals
  - Probiotics
Opportunity – Specialty Food Products

- Specialty Foods: foods that exemplify quality and innovation that are often made by small manufacturers.
- 88 Billion Dollars in U.S. Sales in 2013
- 6 out of 10 U.S. Consumers Buy Specialty Foods
- 1 in 4 Food Dollars are Spent on Specialty Foods
- Hispanics are the Ethnic Group with the Highest Prevalence of Purchasing Specialty Foods
- Regionally, the Pacific and Mid-Atlantic Regions Show the Highest Incidence of Specialty Food Purchases
ECONOMIC DEVELOPMENT SWOT ANALYSIS

Opportunity – Probiotic & Nutraceutical

- Average Annual Wage: $55,000
- The Nutraceutical Market is Slated to be the World’s Fastest Growing Market During 2012 to 2017
- North America Market Expected to Rise by 39.2%
- Asia-Pacific Market Expected to Rise by 30.4%
- Probiotics Market to Exceed US$28.8 Billion by 2015
- Local Educational Programs
- Potential Incubator Project
Threats

- Other States
  - Free Land
  - Cash for Employees
  - No Sales Tax
  - Aggressive Attraction Campaigns
    - Over 75% of Manufacturers with 15 or more employees contacted by other states
    - Over 15% of Manufacturers with 50 or more employees personally visited by other states

- Inequitable California State Regulations & Taxes
  - Green Code, State Taxes, Labor Code
Positive Economic Indicators

- Lower Unemployment Rate

- Existing Companies Expansions

- 5.8% Industrial Vacancy Rate

- Manufacturer Relocating from Asia
EDCO SERVICES

- Site Selection Assistance
- Financing Assistance
- Incentives Education
- Training Program Assistance
- Training Program Funding
- Business Internship Program
- Permit Processing
- Employee Search Assistance
- Employee Screening
- Code Research
- Supplier Identification
EDCO Midyear Review

- 64 Companies Assisted
  - 27 Attractions
  - 21 Expansions
  - 14 Retentions
  - 2 Code Compliance Issues

- Cluster Analysis Completed on Agricultural Industry
- Grant Application Completed for Nutraceutical/Probiotic Incubator Project
- Multi-employer ETP Contract
- Internship Program
- State Incentive Programs Marketing
EDCO Financial Accountability & Cost Control Practices

- Currently funded 40% by Private Income
- 25% Reduction in Payroll Costs FY 14/15
- Increase in Staff Level FY 14/15
- Vacation cash-in reduced from 3 weeks to 1 week
- No Defined Benefit Pension Plan
- EDCO 401(k) vesting period increased from 1 to 3 years

1993/1994
City Economic Development Dept.
Budget $550,000

1994/1995
EDCO
City Funding Level: $392,000

2014/2015
EDCO
City Funding Level: $254,000

54% Decrease in City Funding to EDCO from FY 94/95 - Present
EDCO Midyear Update

February 24, 2015
Business License Tax Rates Comparison

Gross Receipts at $500,000

<table>
<thead>
<tr>
<th>Location</th>
<th>Business Tax Rates</th>
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<tbody>
<tr>
<td>Moorpark</td>
<td>$91.00</td>
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<tr>
<td>Ventura</td>
<td>$100.00</td>
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<tr>
<td>Thousand Oaks</td>
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