

Town of Paradise 2010 Business Survey

Presentation to Council

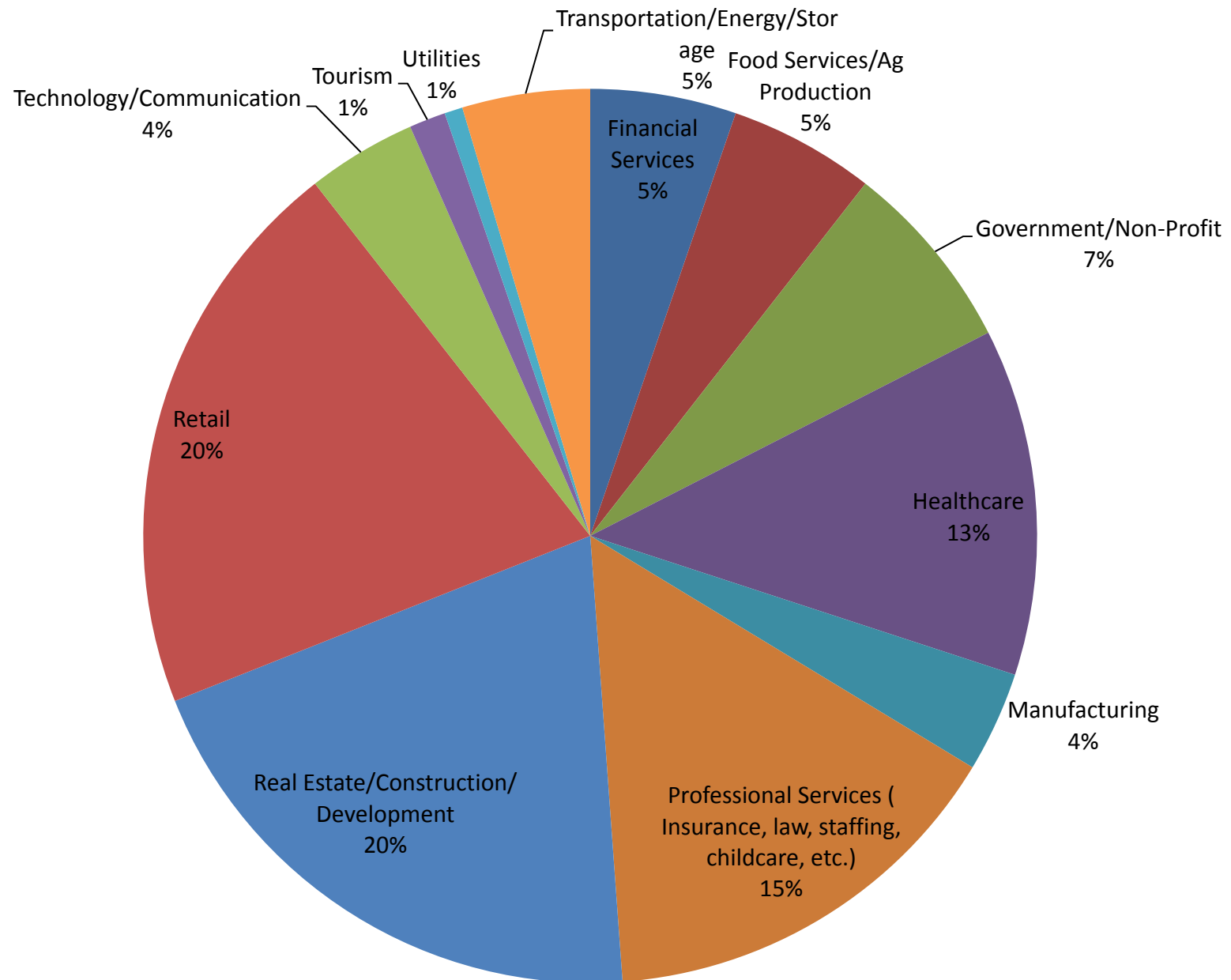
June 8, 2010

Town of Paradise

2010 Business Survey

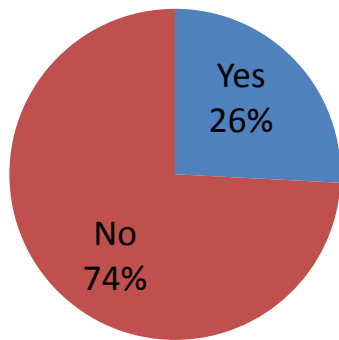
- 1,533 Surveys Sent (approx. 1,500 after returns)
- 304 or 20% of surveys were received; this is an acceptable representative sample for a community survey
- Presentation Overview
 - Business sectors
 - Employees/Jobs
 - Classification
 - Full time vs. Part-time
 - Salaries, education, recruitment
 - Revenue growth and projections
 - Economic impacts

Business Sectors in Paradise

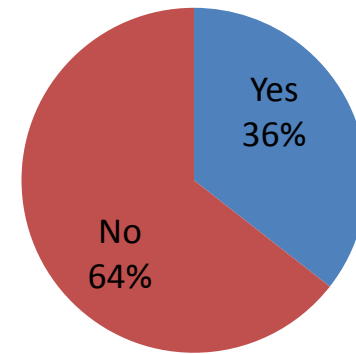


34% of the businesses that responded are home-based businesses. Of those home-based businesses 26% are retail business.

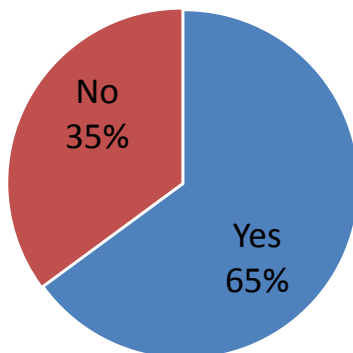
Retail



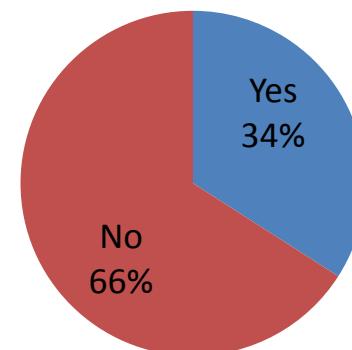
Professional Services



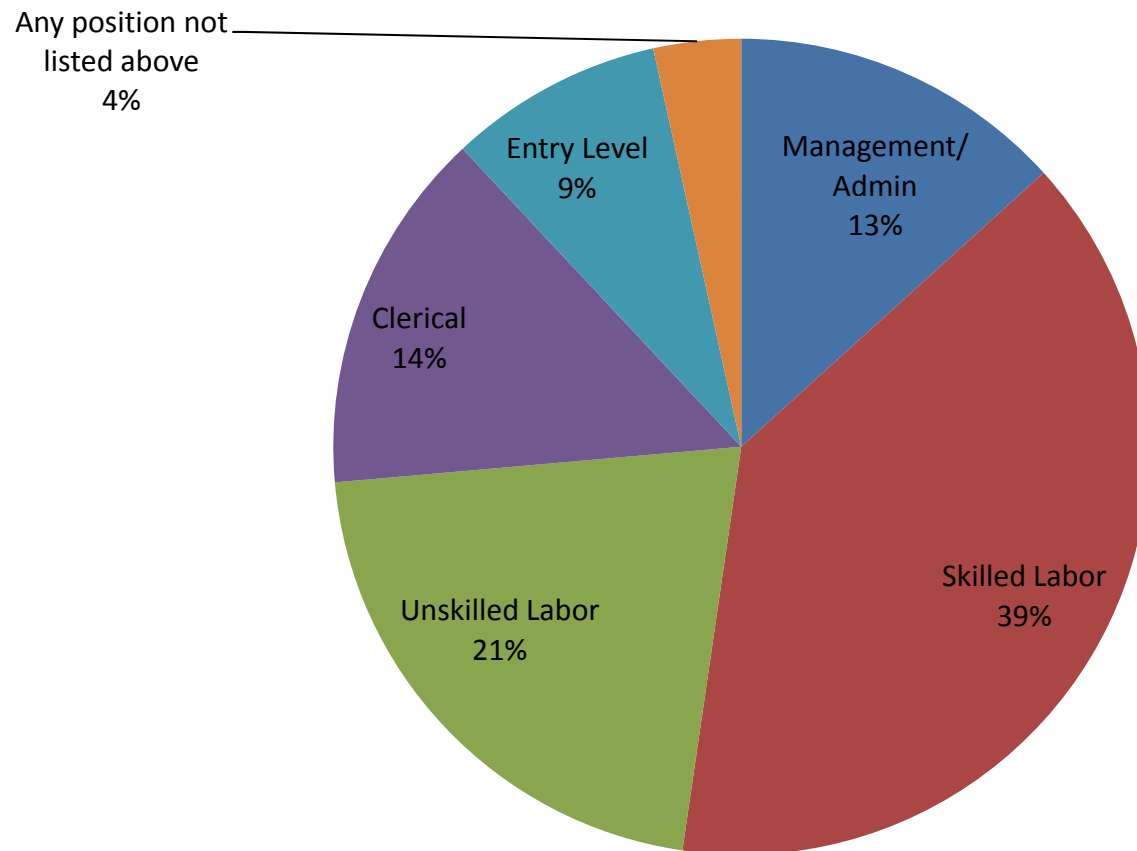
Construction & Development



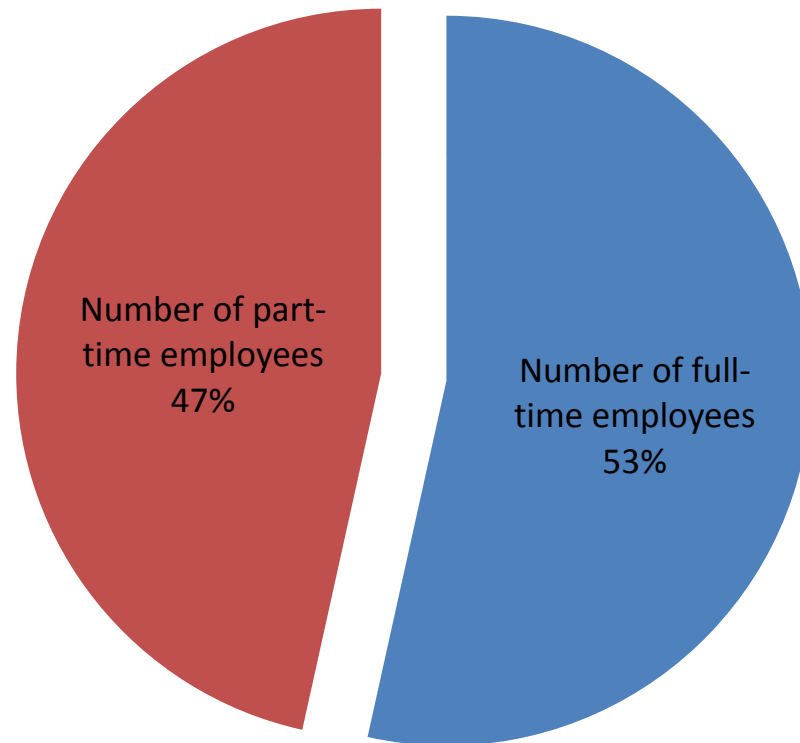
Cumulative



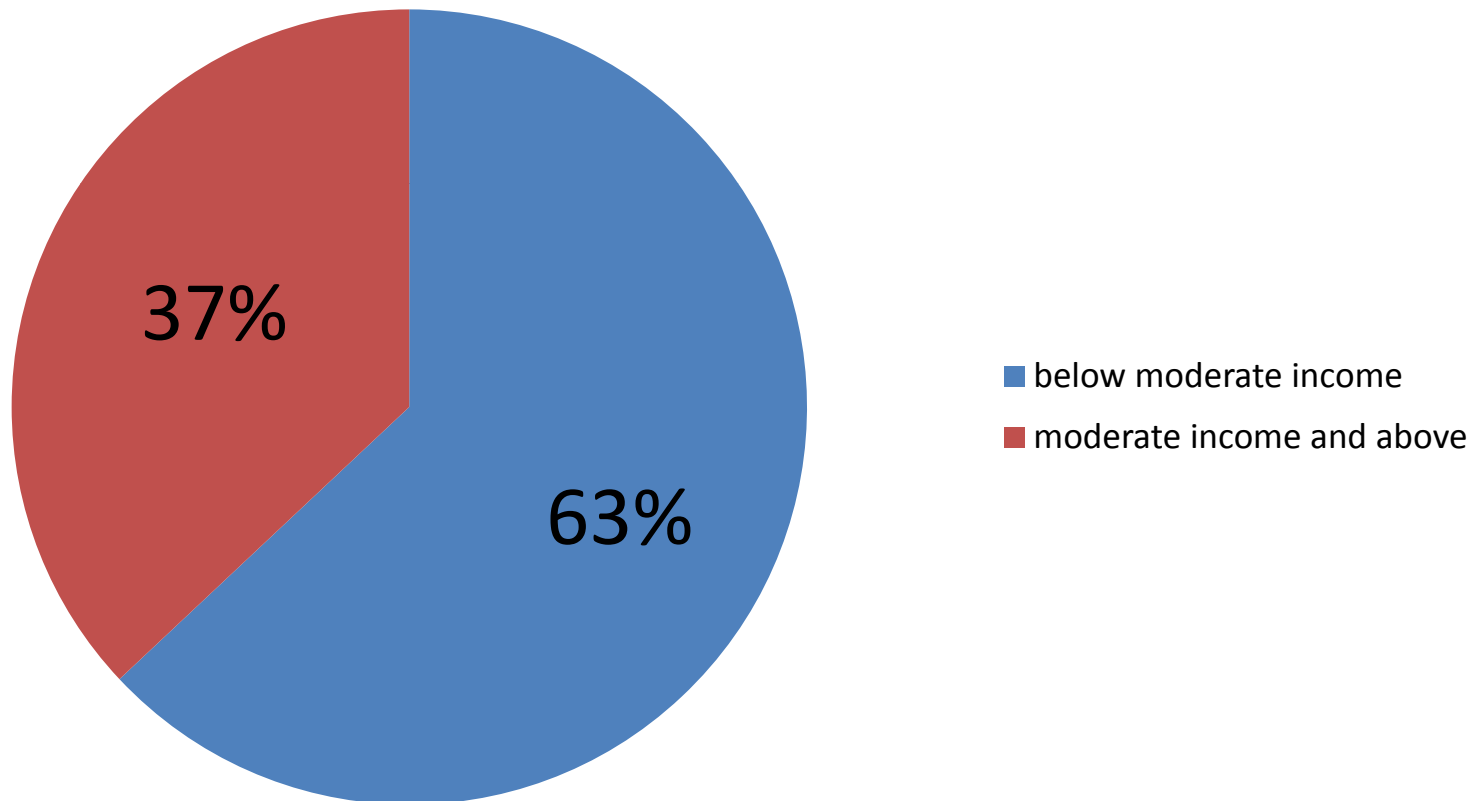
Employee Categories



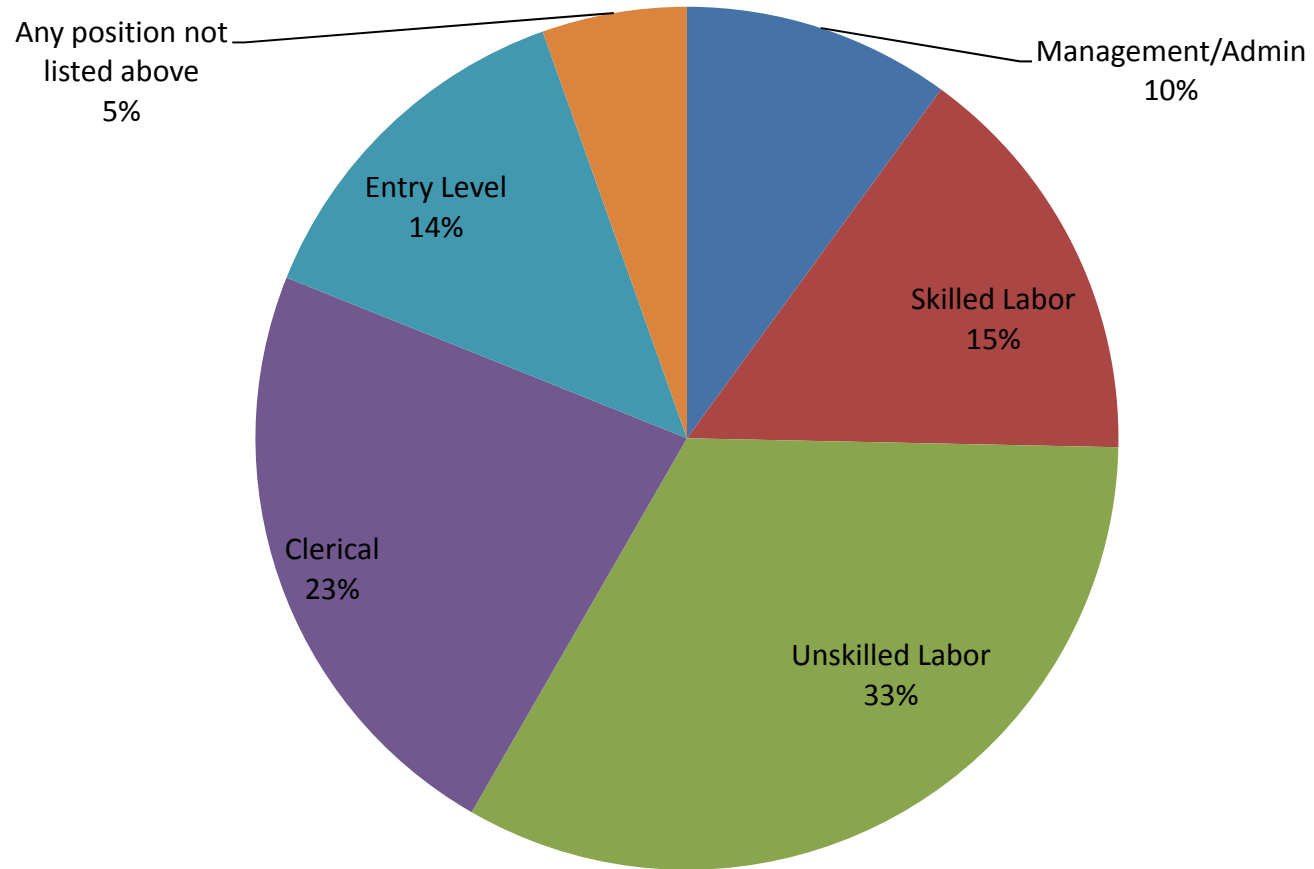
Part-time vs. Full-time employment

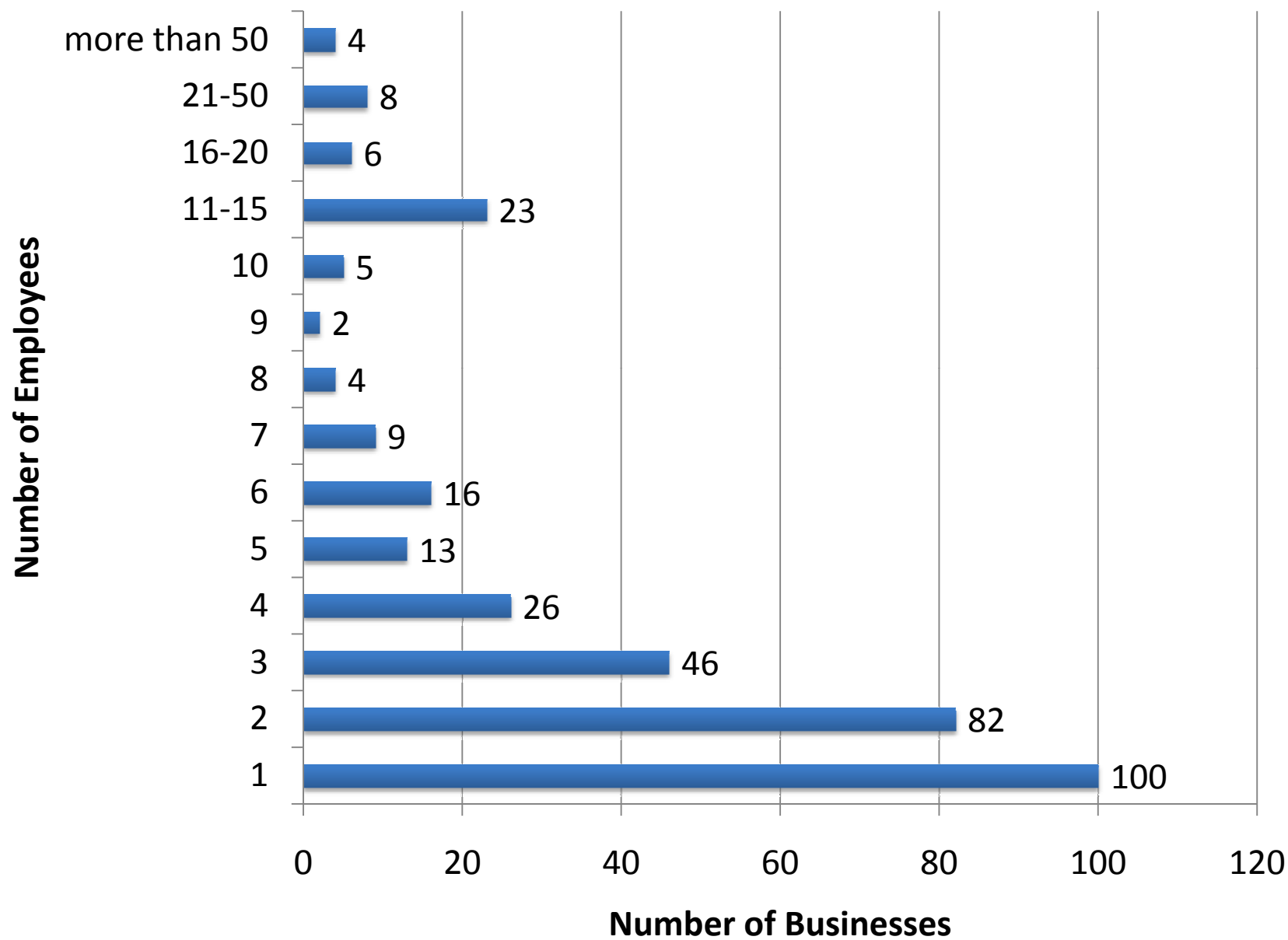


63% of the employees of those businesses who responded, are below the moderate income level (\$46,000 per year for family of 1)

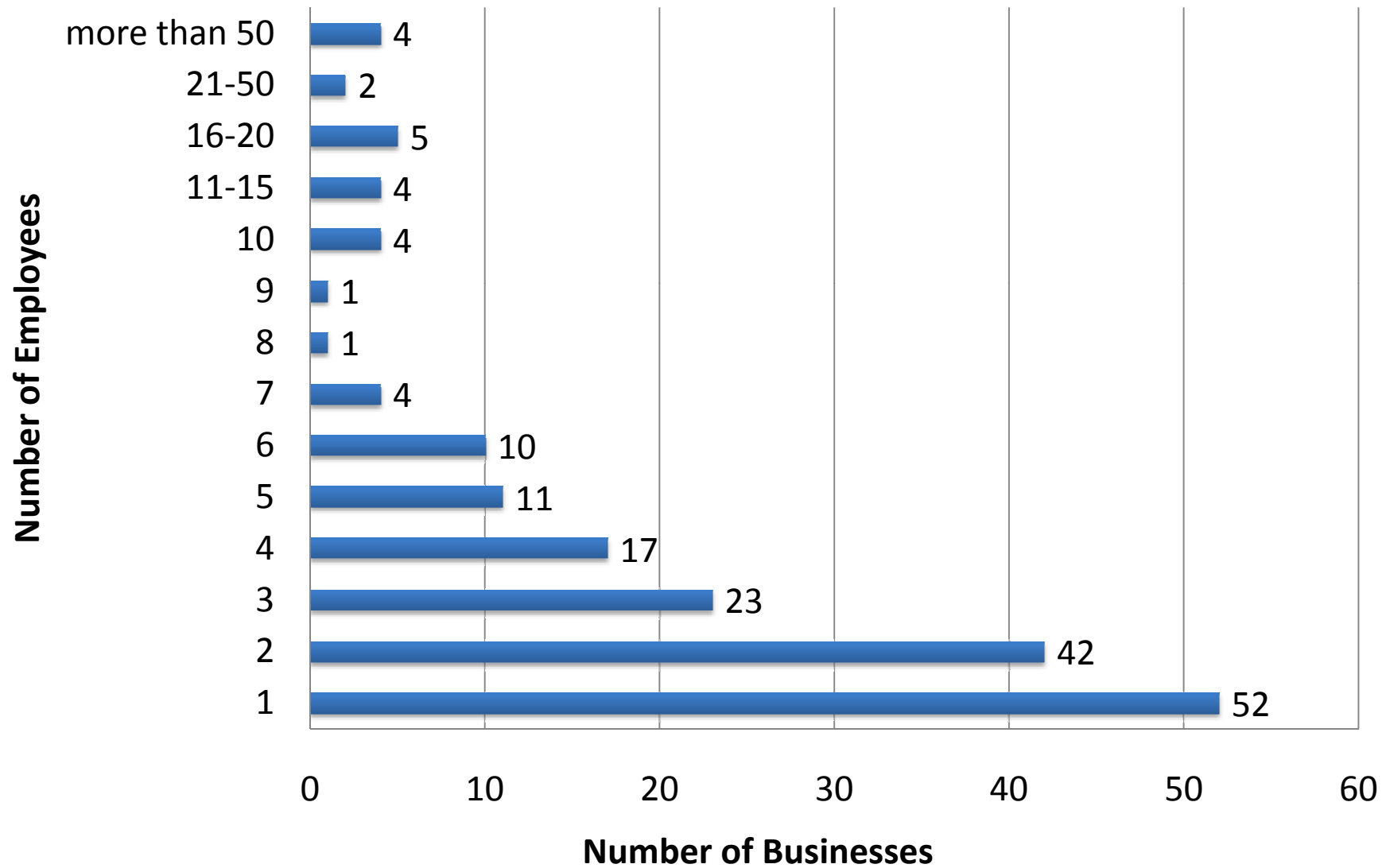


Below moderate income categories

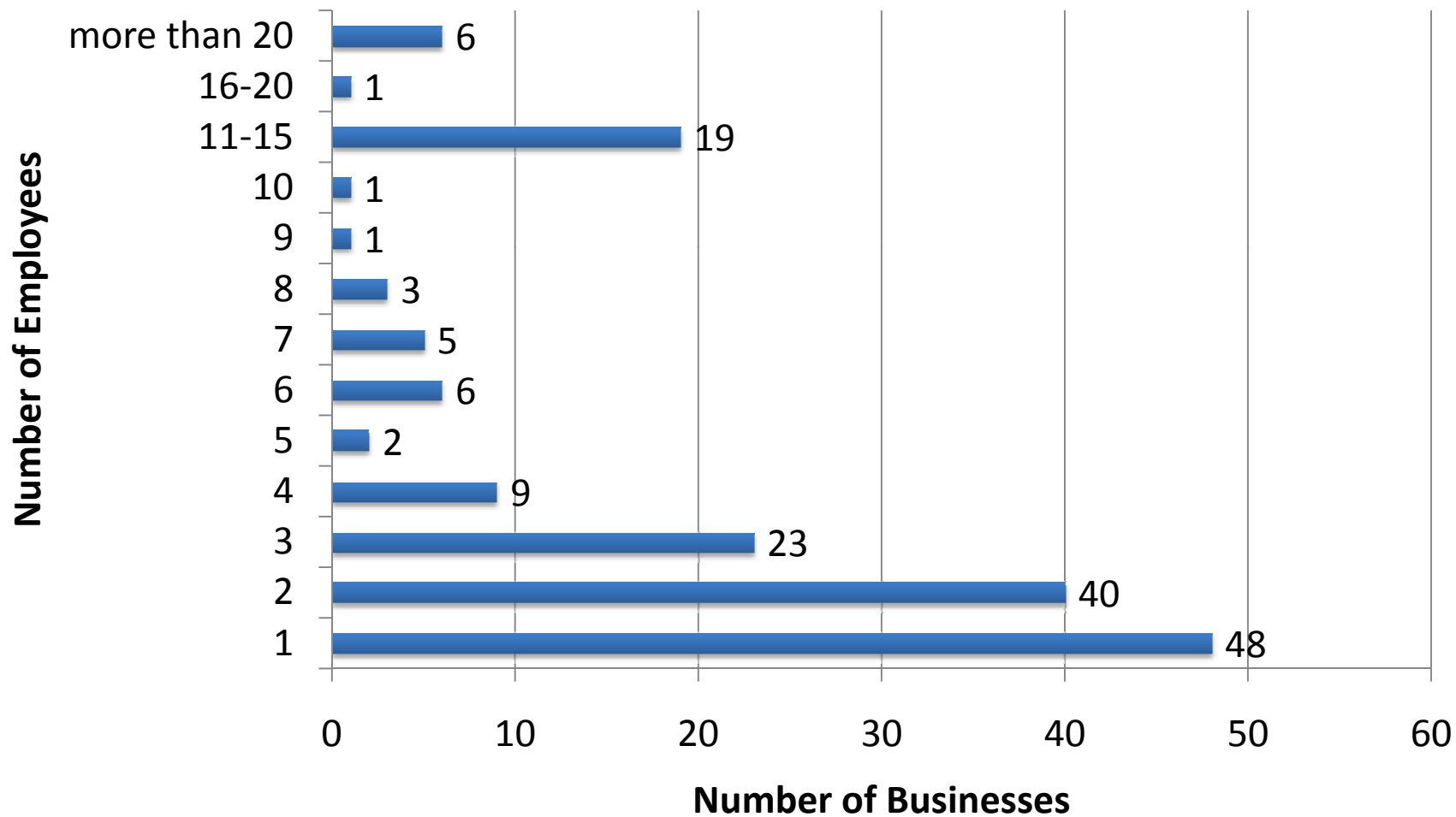




A large percentage of the businesses that responded have between 1-2 full time employees

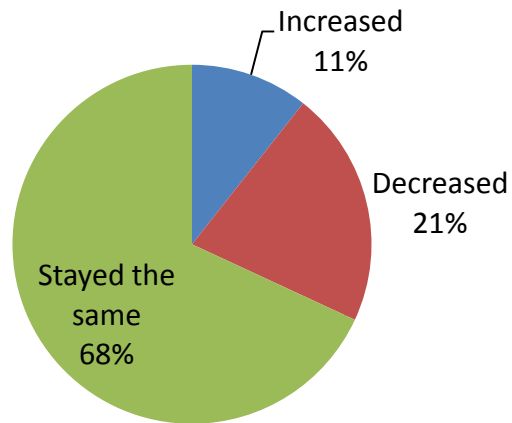


Most businesses that responded have between 1-3 part-time employees.

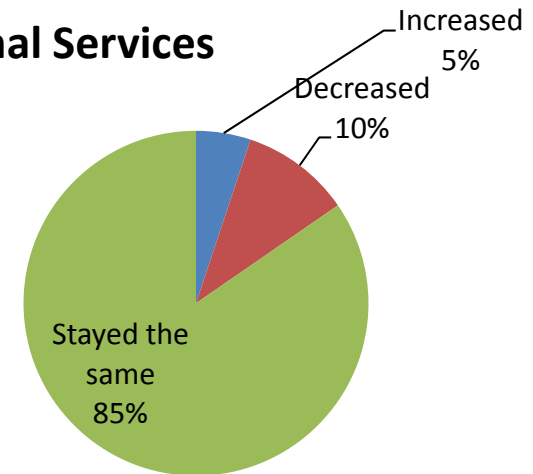


Over the past 12 months, have the number of people employed by your business increase, decreased, or stayed the same?

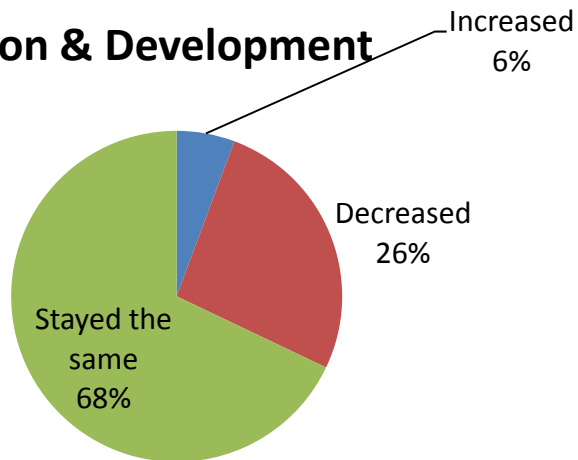
Retail



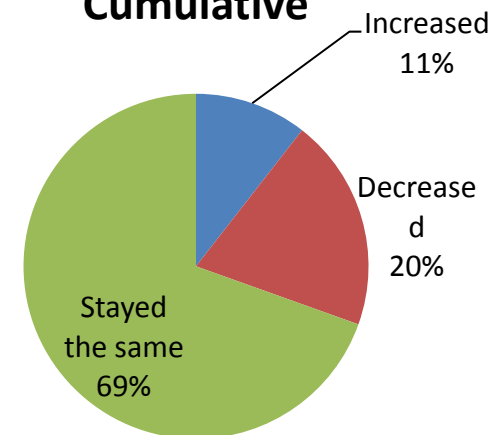
Professional Services



Construction & Development



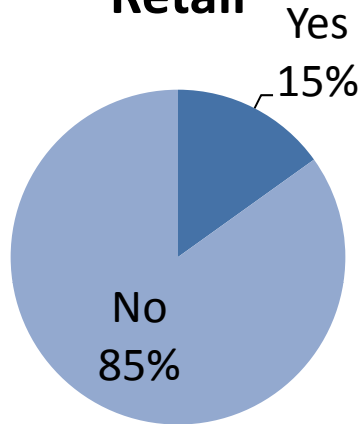
Cumulative



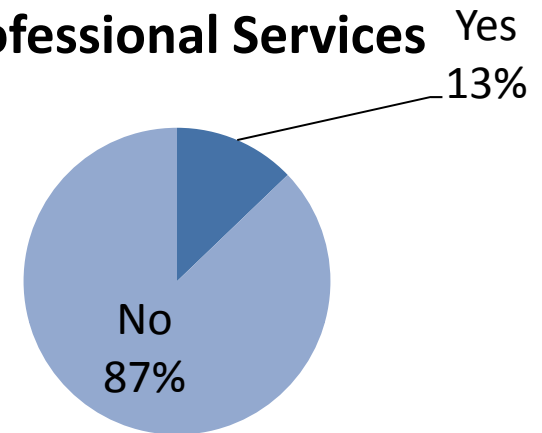
Businesses that responded indicated high percentage of those in all business categories maintaining their present levels of employees.

Businesses planning to hire in next 6 months

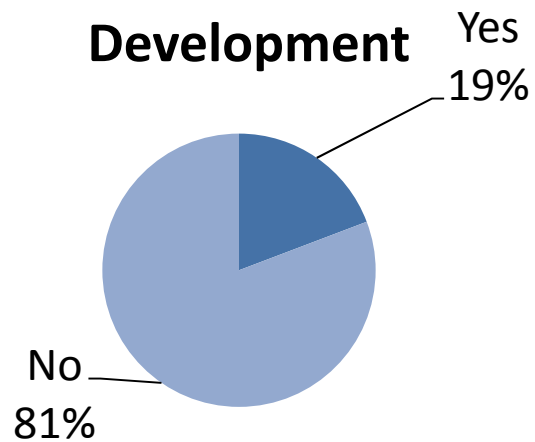
Retail



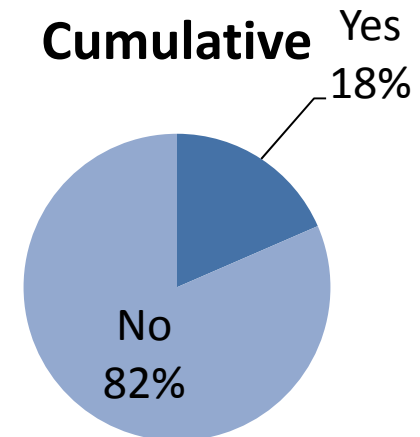
Professional Services



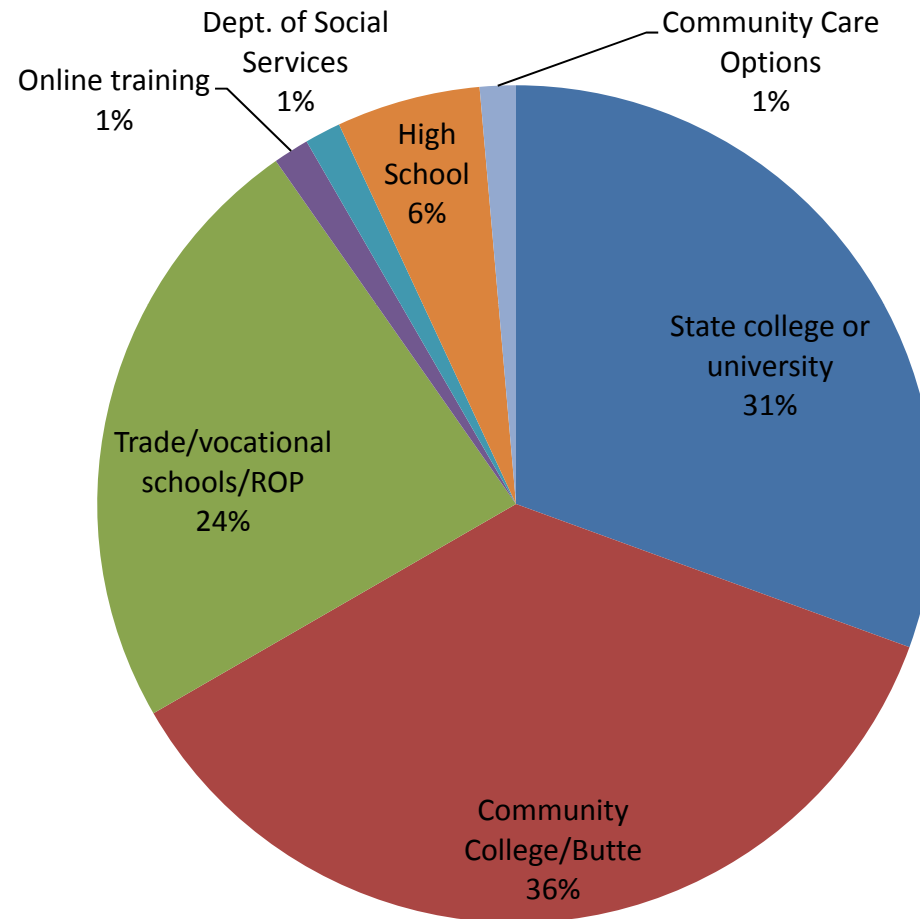
Construction & Development



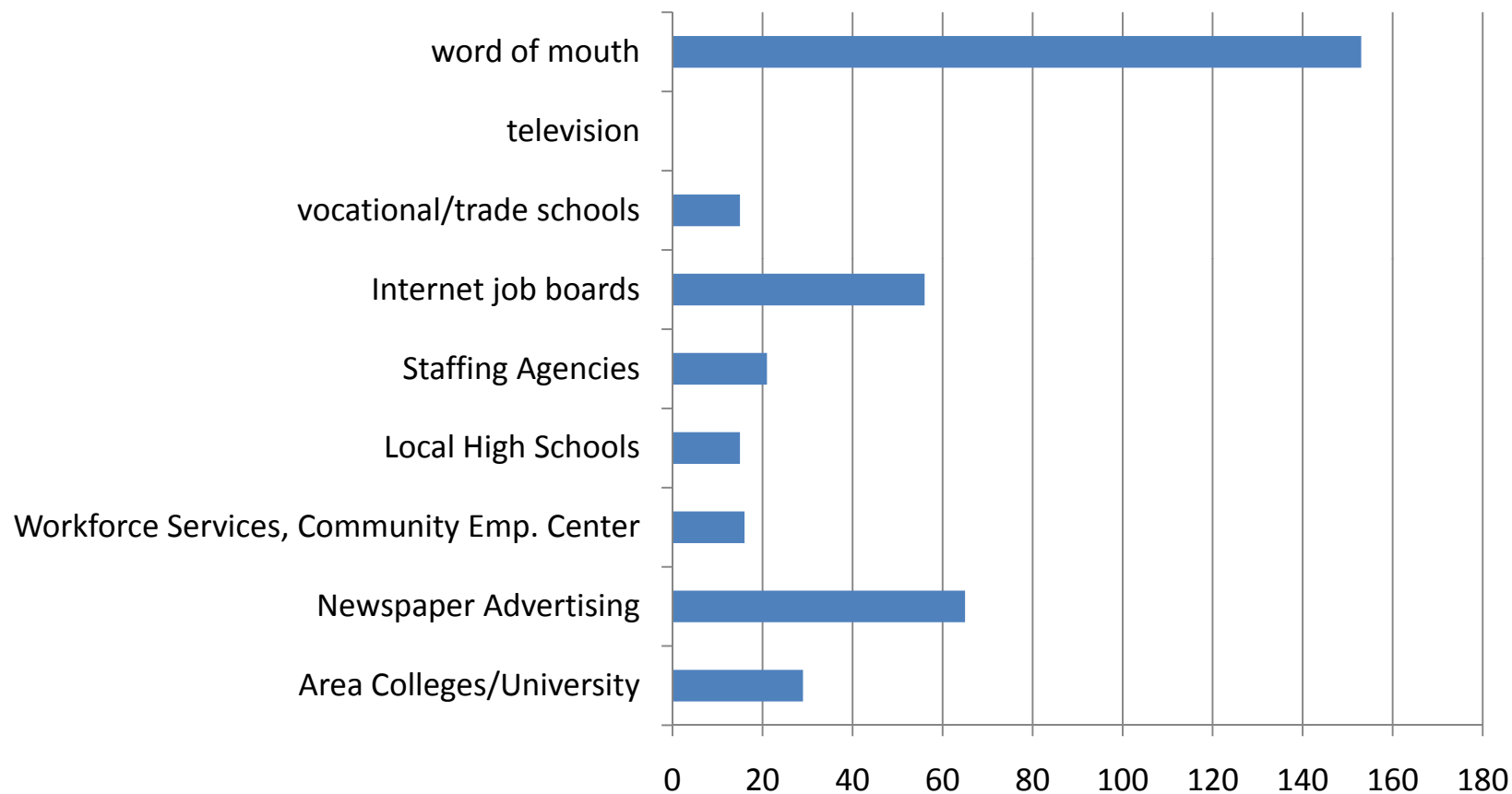
Cumulative



Which higher education institution provides better job training skills for the needs of your company?



Please indicate which of the following methods you use to obtain replacement/new employees



Summary

Employment/Jobs

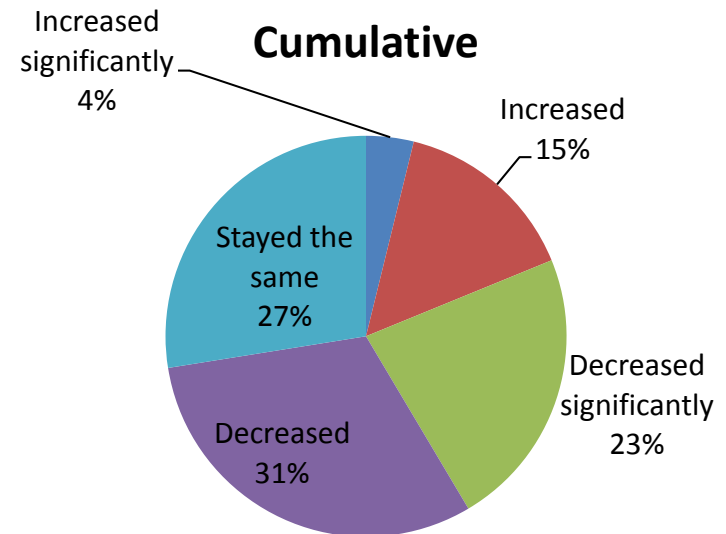
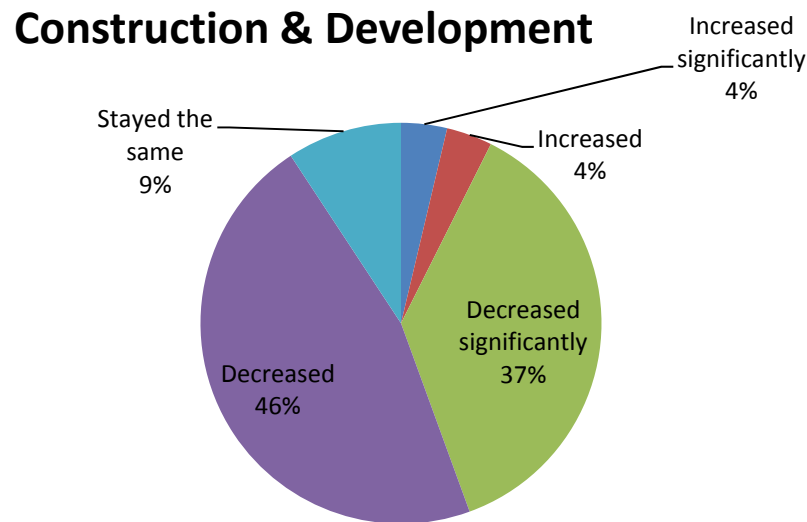
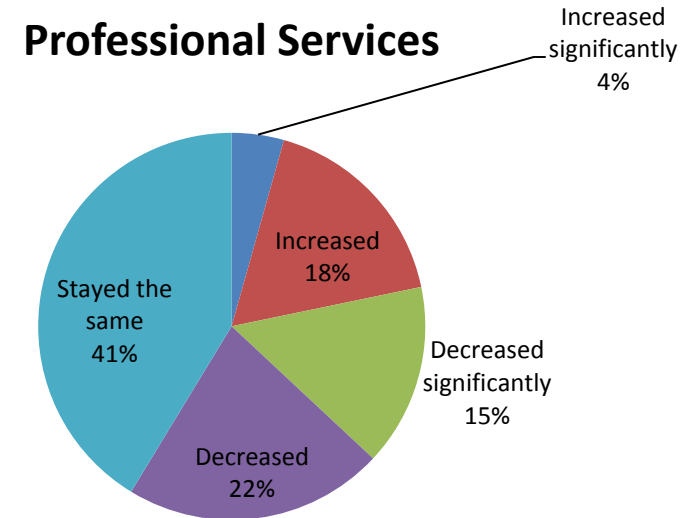
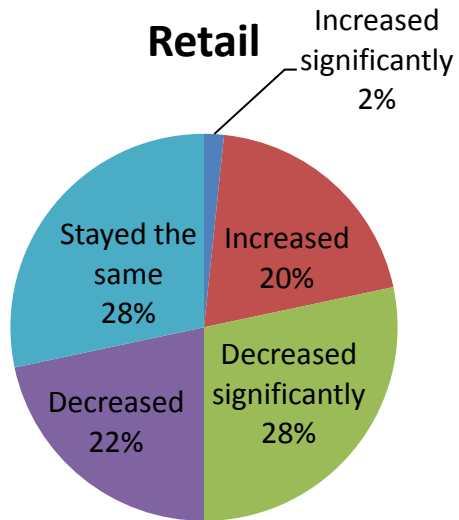
- The employee mix in Paradise shows a high level of skilled labor. The current business mix may indicate that other communities are benefitting from our pool of skilled labor.
- A combination of skilled and unskilled labor are assets for business attraction.
- Paradise businesses employ a relatively high number of part-time employees.
- Paradise has a large number of very small businesses with between 1-2 employees.

Summary

Employment/Jobs (Continued)

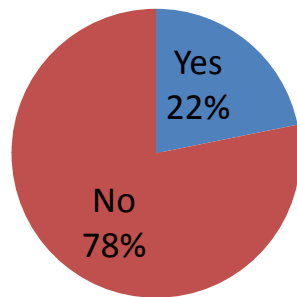
- The unemployment rate in Paradise is 10.9% while Butte County is 13.9% (EDD April, 2010)
- A large portion of businesses in Paradise are not planning to hire within the next 6 months.
- According to the 2008 American Community Survey, 89% of the Paradise workers commute to work. Because of this high commuter rate, County unemployment numbers offer a more accurate reflection of Paradise unemployment figures.

How have your gross revenues changed over the last 12 months?

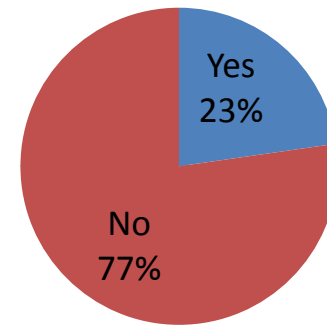


Most businesses responding are not considering relocating, selling or closing their business in the next five years.

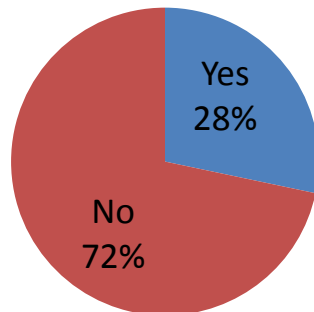
Retail



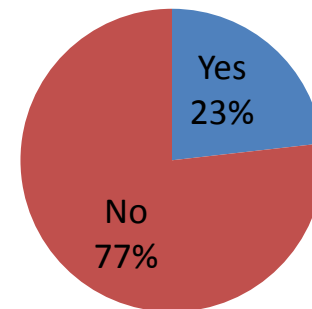
Professional Services



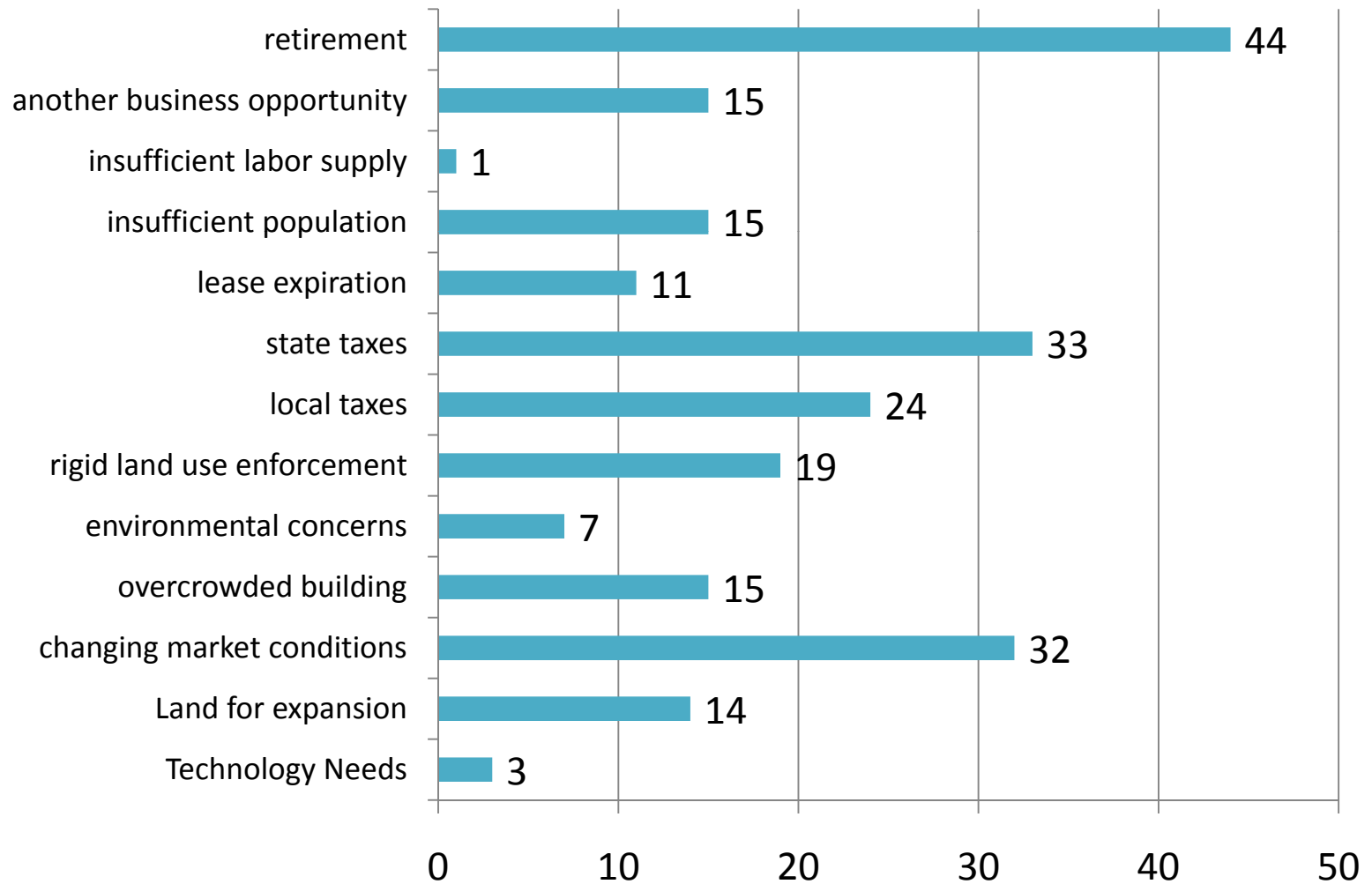
**Construction &
Development**



Cumulative



Retirement is the primary reason for businesses to relocate, sell or close. State taxes and changing market conditions were also the top responses.



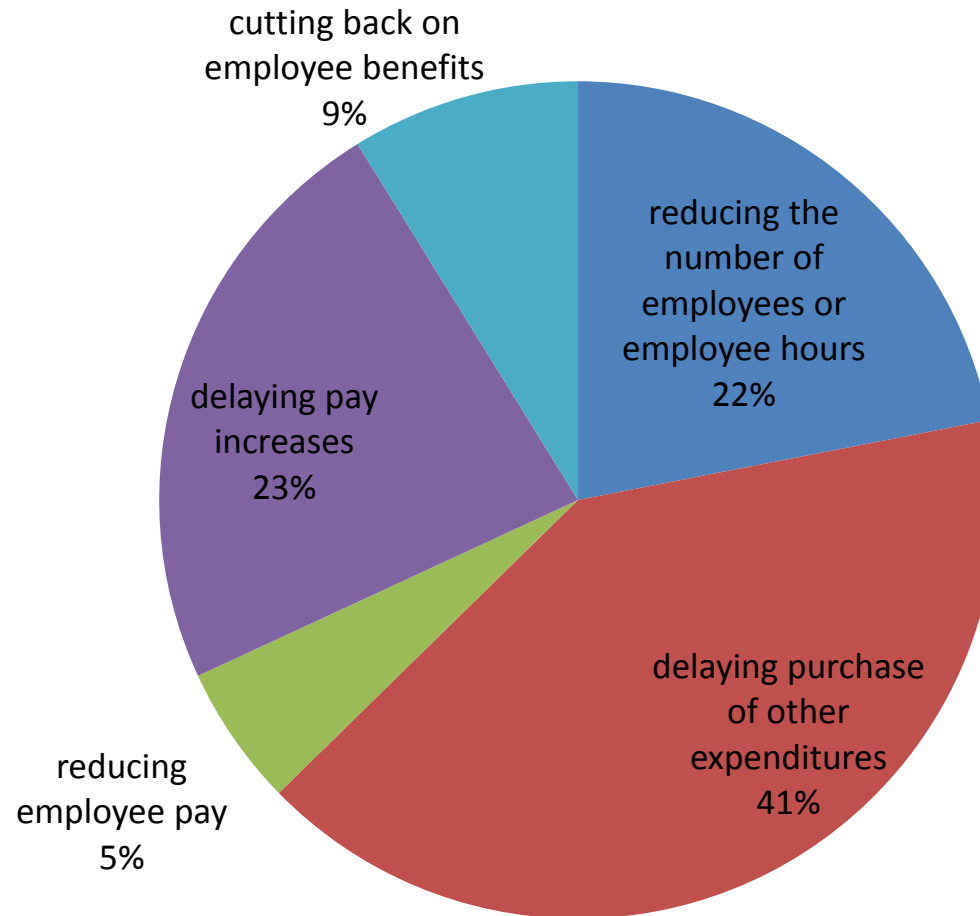
What economic factors have an impact on your business?

	Positive Effect	%	Negative Effect	%	0	%
internet business	82	37%	42	19%	95	43%
cost of materials	39	18%	140	63%	43	19%
fuel costs	30	13%	150	65%	51	22%
local competition	51	23%	94	42%	81	36%
distribution costs	16	8%	81	39%	112	54%
space availability	27	14%	39	20%	129	66%
big business moving in	20	10%	69	34%	113	56%
transportation	22	11%	45	23%	126	65%
dedication of employees	111	52%	19	9%	83	39%

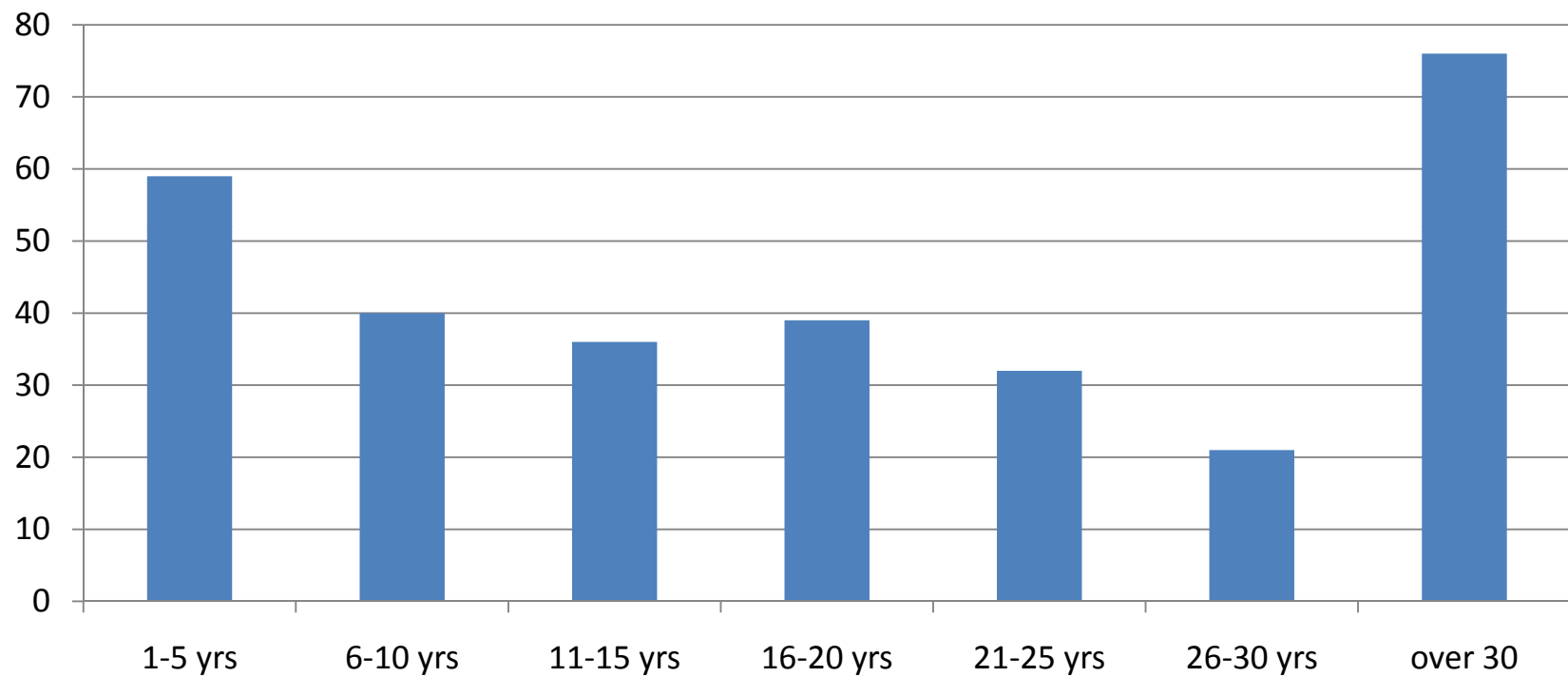
- Dedication of employees is the most positive factor impacting a business.
- Fuel costs and material costs have the most negative impact on a business.
- Space available and transportation were listed as most likely to have no impact on a business.

What steps are you taking to control or reduce costs for your business?

The majority of businesses responding are delaying pay increases and purchase of supplies, with 31% reducing employee hours or benefits to control the costs of doing business during this economic downturn.

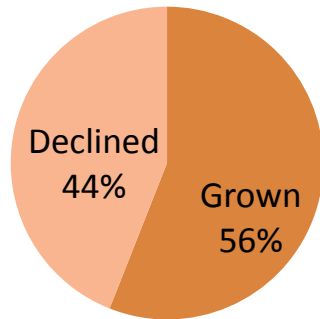


How long has your business been in Paradise?

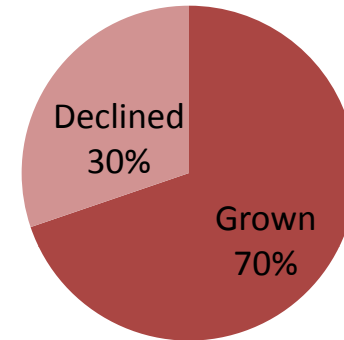


In past 5 years, has your business grown?

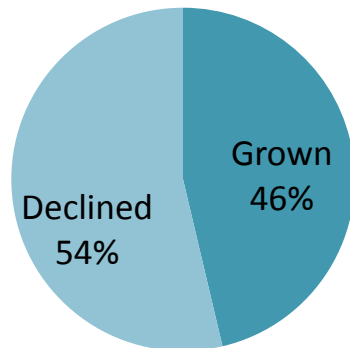
Retail



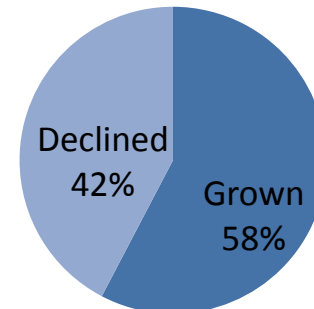
Professional Services



Construction & Development

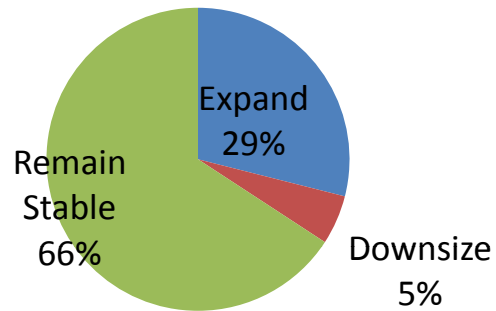


Cumulative

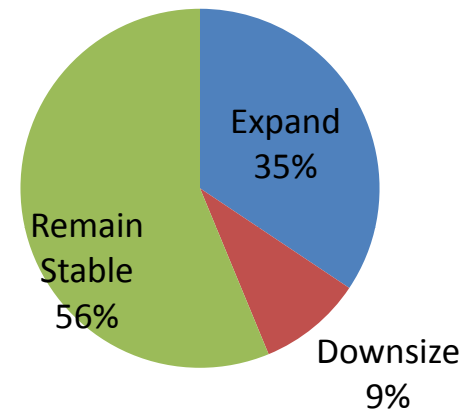


In the next 5 years, you plan to:

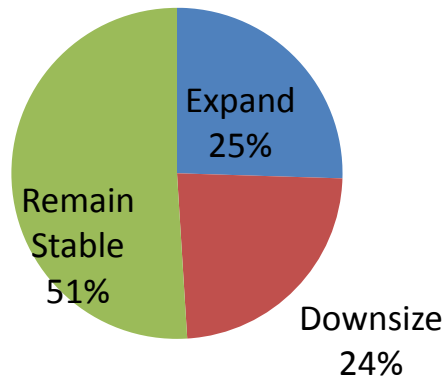
Retail



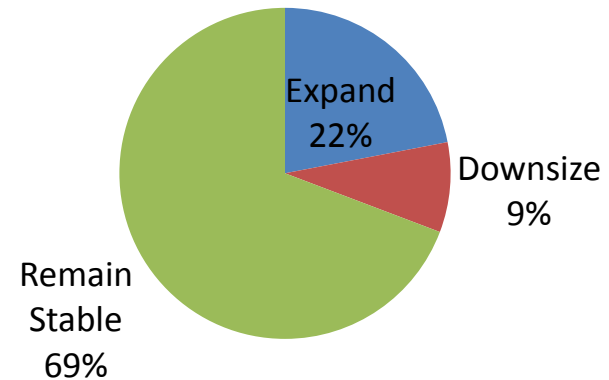
Professional Services



Construction & Development

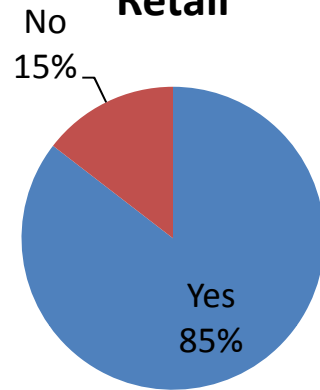


Cumulative

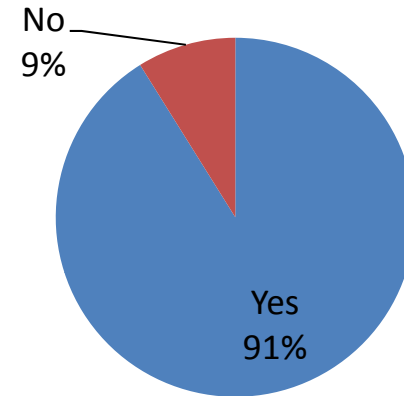


Do you see yourself in Paradise in the next 5 years?

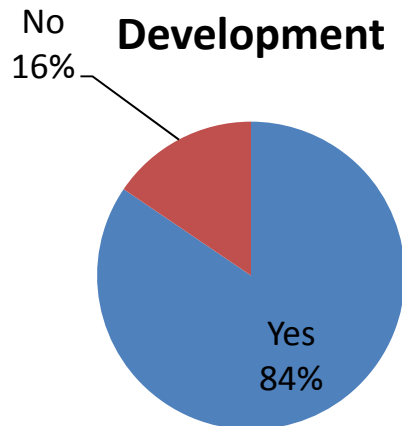
Retail



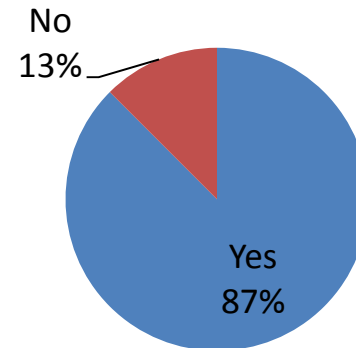
Professional Services



Construction & Development

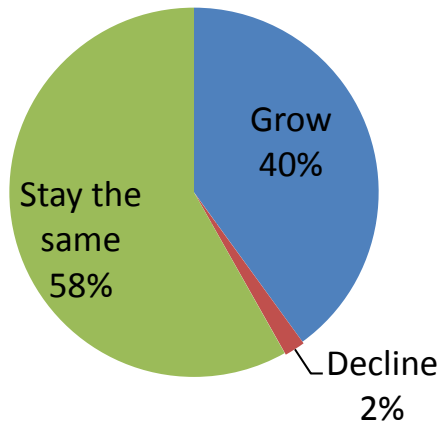


Cumulative

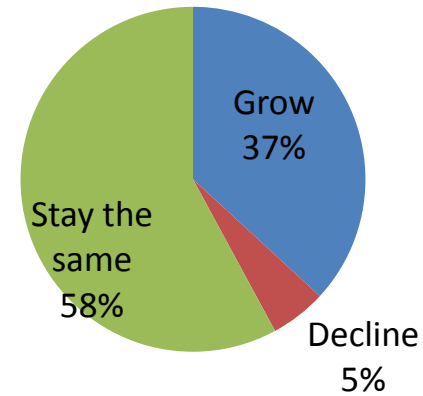


In the next 12 months, do you plan to expand your product line?

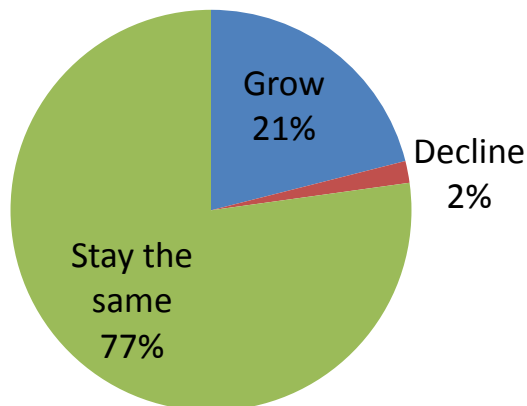
Retail



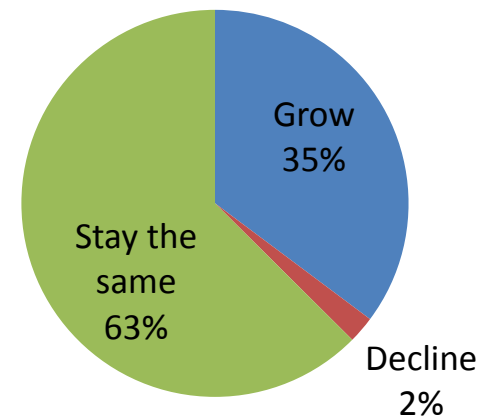
Professional Services



Construction & Development

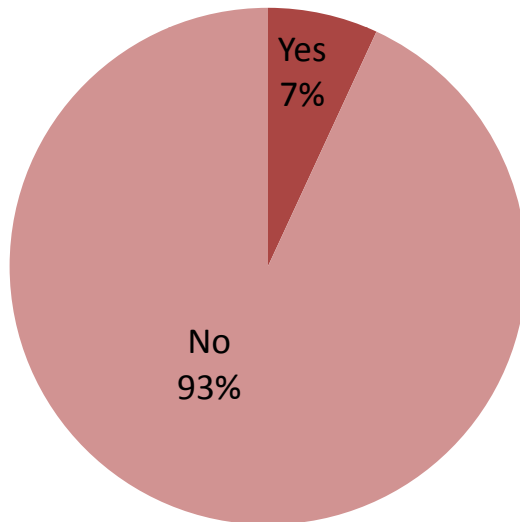


Cumulative

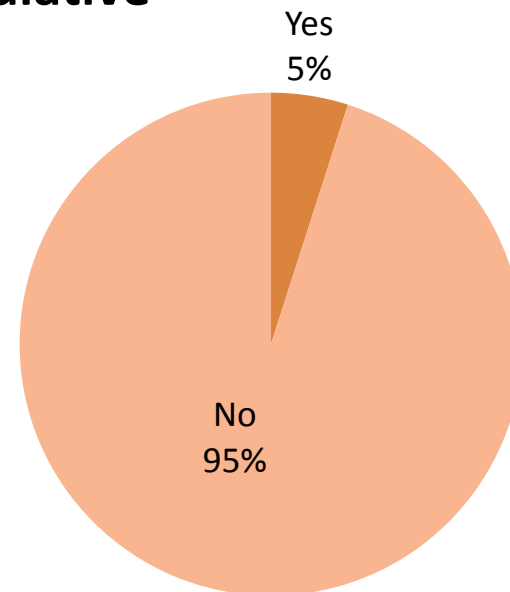


Over the next 12 months, do you seek a bigger building?

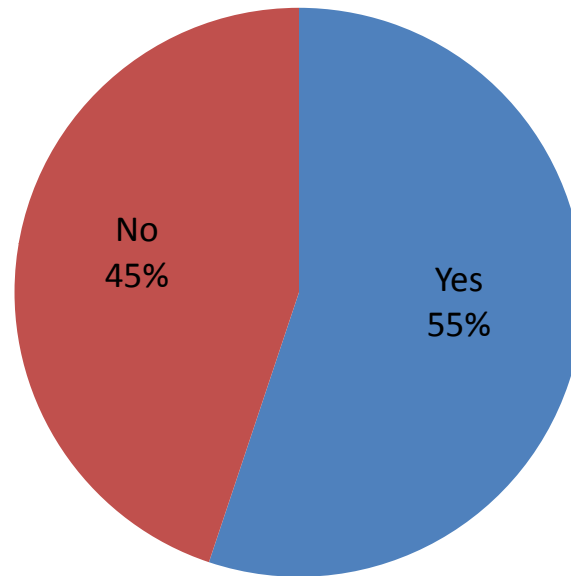
Retail



Cumulative



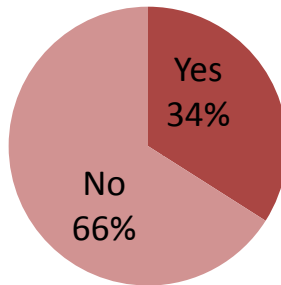
Room for expansion at current site?



Of the businesses that are planning to grow in the next 5 years, almost half of them have no room for expansion at their current site. This may mean that businesses will be looking to relocate to a larger building or parcels with more acreage.

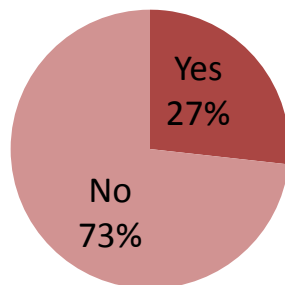
Do you see opportunities
for synergies or value-
added products?

Retail



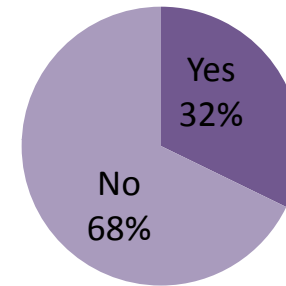
Retail is 7% more likely to use synergies or include value-added products into their inventory.

Cumulative



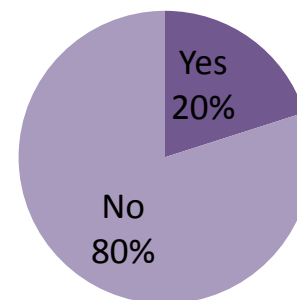
Have you combined
products or offered specials
with other merchants in
Town?

Retail



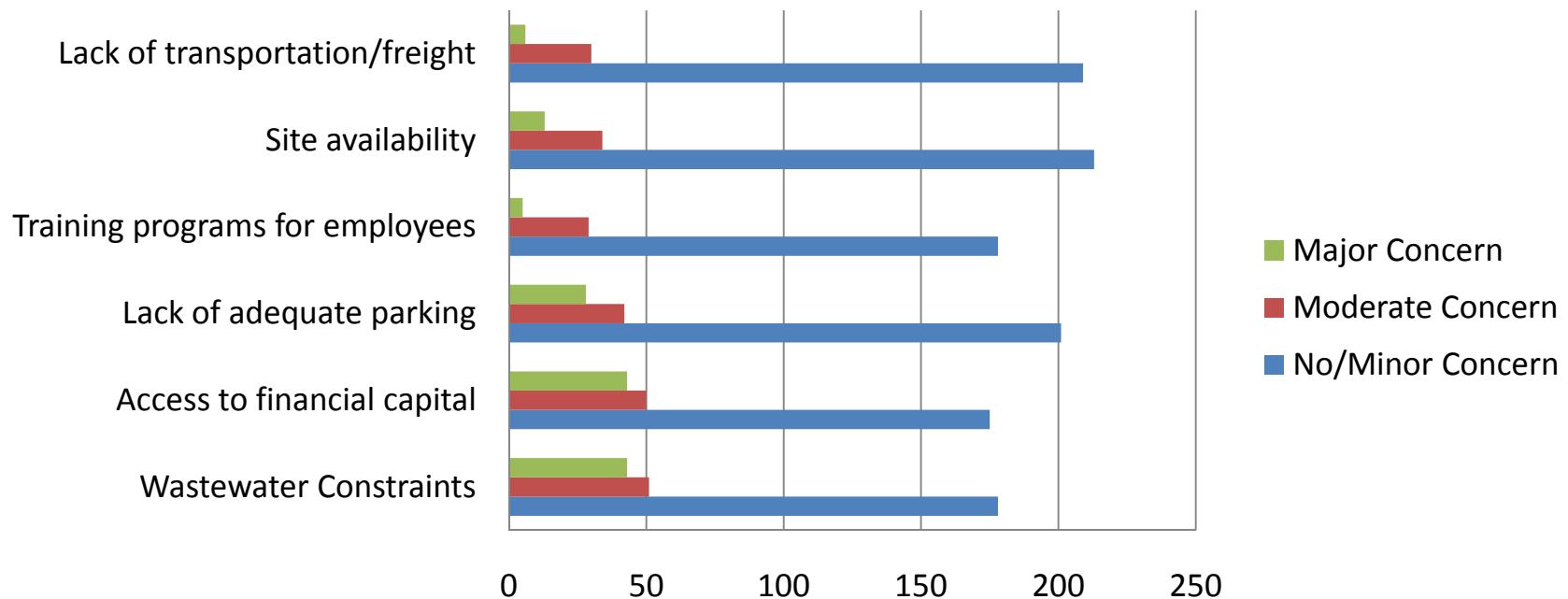
Retail is 12% more likely to combine products or offer specials in with other merchants in town.

Cumulative



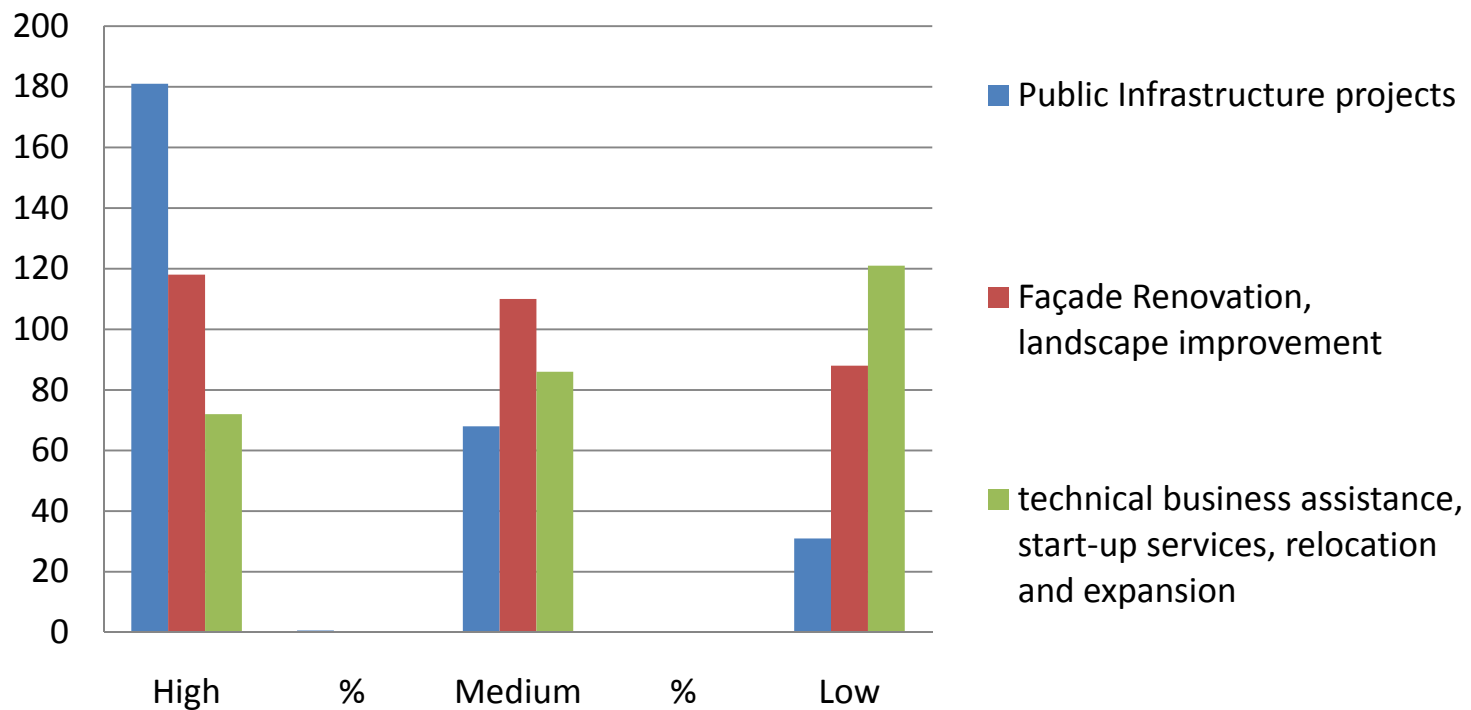
What impacts do of the following factors have on the operation of your business?

	No/Minor Concern	%	Moderate Concern	%	Major Concern	%
Wastewater Constraints	178	67%	51	19%	43	16%
Access to financial capital	175	65%	50	19%	43	16%
Lack of adequate parking	201	74%	42	15%	28	10%
Training programs for employees	178	84%	29	14%	5	2%
Site availability	213	82%	34	13%	13	5%
Lack of transportation/freight	209	85%	30	12%	6	2%



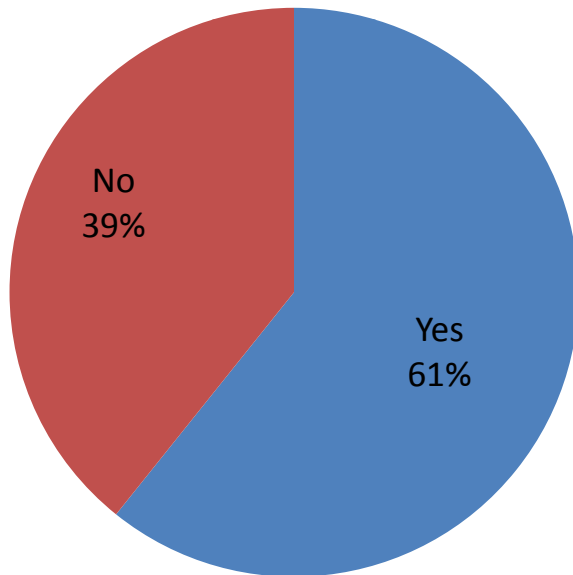
Rated importance of the following in the community

	High	%	Medium	%	Low	%
Public Infrastructure projects	181	65%	68	24%	31	11%
Façade Renovation, landscape improvement	118	37%	110	35%	88	28%
Technical business assistance, start-up services, relocation and expansion	72	26%	86	31%	121	43%

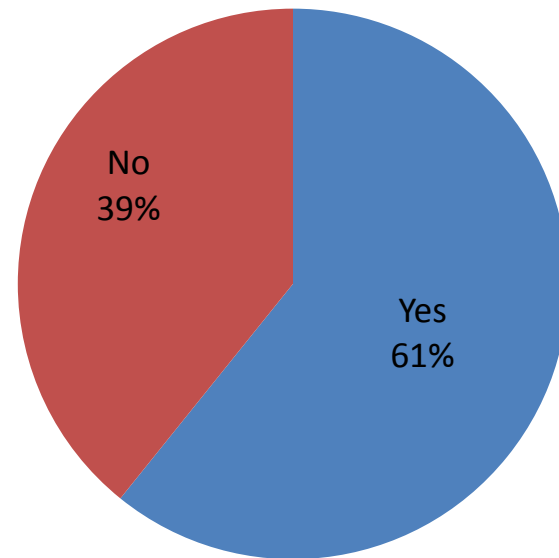


Internet Usage

Use internet to conduct business



Interested in listing business on town website – if capability existed



Summary

Business Projections

- The construction and development sector has taken the biggest hit economically over the past year, while professional services have been least affected by the economy. Retail in Paradise seems to be a mixed bag. Sales tax numbers show essential items and discount items doing the best in this economy.
- Of the businesses that plan to close within the next five years, a large portion is due to retirement, which shows the "graying" of business in Paradise. However, this opens markets to new entrepreneurs and other business people to those markets.
- State taxes and changing market conditions are also listed as reasons why businesses planning to close.

Summary

Business Projections - continued

- Most businesses see themselves remaining in Paradise in the next five years.
- 35% of professional services plan to expand. Retail businesses also plan for some expansion. Overall, only a small number of businesses plan to downsize in the next five years, while most plan to remain stable, with some expansion. It looks as though a trend is to remain in Paradise and remain stable, which shows some confidence in our local economy. This also holds true to our historic sales tax numbers which tend to hold stable and relatively flat.
- Of the various town services and projects, infrastructure, mainly streets and roads were listed as highest priorities.