

DATE: 2/02/99 AGENDA ITEM # 14
() APPROVED () DENIED
() CONTINUED

TO: JAMES L. APP, CITY MANAGER
FROM: BOB LATA, COMMUNITY DEVELOPMENT DIRECTOR *BL*
SUBJECT: ECONOMIC DEVELOPMENT STRATEGY
DATE: FEBRUARY 2, 1999

Needs: For the City Council to consider adoption of the Economic Development Strategy up-date that has been recommended by the Council's Economic Development Task Force, and for the City Council to provide staff direction regarding related follow-up actions.

- Facts:
1. On January 13, 1999, the City Council held a Workshop to review the proposed Economic Development Strategy.
 2. Each of the five component parts of the Strategy were reviewed (Manufacturing, Tourism, Retail Commercial, Housing, and the Development Review Process).
 3. Members of the Economic Development Task Force participated in the discussion.
 4. Whether or not to include an Economic Development Manager (or an equivalent functioning component) in the Fiscal Year 1999-2000 budget was an actively discussed option.

Analysis and Conclusion: The Economic Development Strategy provides a "blueprint" for the City's efforts to improve the local economy in each of the component areas (Manufacturing, Tourism, Retail Commercial, Housing, and the Development Review Process).

RIMC CODE: Community Development Department
FILE/CAT: Advance Planning
DATE: January 25, 1999
SUBJECT: Economic Development Strategy Up-Date
RETENTION: Permanent

From its adoption in 1993 through 1998, the Economic Development Strategy has been a cornerstone of efforts by both elected and appointed officials and the City staff.

Adoption of an up-dated Economic Development Strategy will provide a valuable tool to focus both policy and resources during the coming years.

Certain of the Task Force recommendations have fiscal impacts / budget implications for Fiscal Year 1999-2000 and subsequent budget years.

Policy

Reference: General Plan, Redevelopment Plan, Economic Development Strategy

Fiscal

Impact: Adoption and implementation of the Economic Development Strategy entails financial commitments. The fiscal impact of these commitments depends upon the scope, timing and nature of the policies, objectives, and programs.

A phased implementation of the Strategy over the coming years can be considered as part of the Annual Budget process. The following fiscal impact analysis focuses on those recommendations that are suggested for the current and coming fiscal year (FY 1999-2000).

The recommended Strategy includes certain objectives and programs that are to be completed during the current or next Fiscal Year (1999-2000). Depending upon the scope of these commitments, there would be a significant impact on the Fiscal Year 1999-2000 Budget. The Committee's recommended commitments include:

- Economic Development Manager or equivalent functional component (along with related support services, materials, and operational expenses).
- Conducting a Technology Roundtable regarding use of geothermal water by April 30, 1999.
- Up-date the Zoning Code to be consistent with the General Plan by December 1999. Depending on how this is implemented (City staff versus consultant assistance), the impact would be either a substantial reallocation of project priorities, or the significant cost of consultant assistance to make the necessary changes in this time frame. This project would involve noticed public hearings for all zoning changes, likely resulting in considerable public involvement.

Options:

Subject to consideration of public testimony, that the City Council:

- a. By passage of the attached Resolution, approve and adopt the recommended Economic Development Strategy as presented by the Economic Development Task Force, including the Task Force's recommended deletion of the part calling for a revision to the General Plan regarding regional commercial sites (page 14, Objective A, Item II). Further:

- Direct staff to propose a Code Amendment to eliminate the "Ghost Map" process, and to offer options regarding Vesting Tentative Maps, at the earliest feasible date.

Provide staff with direction regarding the status of the Economic Development Manager (or equivalent function) in terms of preparing the FY 1999-2000 annual budget.

- b. By passage of the attached Resolution, approve and adopt the recommended Economic Development Strategy, incorporating the possible further modifications reflected on the attached exhibit labeled "Option B". These modifications would reflect the impacts of recent Planning Commission and City Council decisions, and lessen the fiscal impact during budget FY 1999-2000. Further:

- Direct staff to propose a Code Amendment to eliminate the "Ghost Map" process, and to offer options regarding Vesting Tentative Maps, at the earliest feasible date.
- Provide staff with direction regarding the status of the Economic Development Manager (or equivalent function) in terms of preparing the FY 1999-2000 annual budget.

- c. Amend, modify or reject the foregoing options.

RESOLUTION NO.: _____

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF PASO ROBLES
APPROVING AND ADOPTING AN UP-DATE TO THE CITY'S
ECONOMIC DEVELOPMENT STRATEGY

WHEREAS, in 1993, following a substantial effort by many interested citizens and representatives of various community interests, the City of Paso Robles adopted an Economic Development Strategy that focused on five subject areas (Manufacturing, Tourism, Retail Development, Housing, and the Development Review Process); and

WHEREAS, as part of a review of the status of the Economic Development Strategy in 1998, it was recommended that the City Council consider a comprehensive update to the document; and

WHEREAS, the City Council concurred with the recommendation to up-date the Economic Development Strategy and appointed a 15-member Economic Development Task Force to prepare recommendations for the up-dating of the Economic Development Strategy; the Task Force conducted a series of public meetings and workshops, including interviews with community representatives speaking on each of the five topic areas addressed in the Economic Development Strategy; and

WHEREAS, based on considerable public participation and analysis, the Economic Development Task Force has recommended an up-date to the City's Economic Development Strategy.

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED by the City Council of the City of Paso Robles that the up-date to the City's Economic Development Strategy that is attached and labeled "Exhibit A" is hereby approved and adopted.

PASSED AND ADOPTED THIS 2nd day of February, 1999 by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

MAYOR DUANE PICANCO

ATTEST:

CITY CLERK MADELYN PAASCH

h:\bob\eco dev\edtf99\cc res 25 Jan 99

4

Economic Development Strategy Up-Date

Modifications for City Council Consideration

Attached are possible modifications / refinements to the Economic Development Strategy that has been recommended by the Economic Development Task Force. These changes would accomplish the following:

- a. Reflect recent development proposals that would seem to negate the need for the City to undertake technical studies related to the feasibility of utilizing geothermal water.
- b. Amend the recommendation regarding the extension of the downtown parking / development incentives, since the City Council approved the extension in December 1998.
- c. Delete the deadline for bringing the Zoning Map into conformance with the General Plan, based on the following considerations:

To undertake this work in calendar year 1999 would substantially interrupt other City Council priorities and the processing of pending development applications (or, alternatively, be a considerable expense to hire a consultant to do the same work);

The current process is to incrementally change the Zoning Map to bring it into conformity with the General Plan at the request of property owners / applicants. This process seems to function and provides needed changes on a case by case basis.

In light of the Council's stated interest in reviewing / up-dating the General Plan, it may be premature to undertake a widespread change in Zoning at this time.

- d. An alternative to comparing Paso Robles staffing to the staffing of other agencies is offered for Council consideration.

OPTION B

GOALS AND OBJECTIVES

GOAL #1: DEVELOP PASO ROBLES INTO AN "END DESTINATION" TOURIST ATTRACTION

OBJECTIVE A

- o Increase hotel/motel TOT in Paso Robles from its current level of \$583,147 in 1997/98 to over \$1 million by 2005, and attract one new quality restaurant every other year beginning in 1998 (net).

IMPLEMENTATION

- I. Paso Robles needs to have a unique feature that singles it out from among all other competing tourist destinations within the state and region. This unique feature needs to be one that is based on both Paso Robles geography and history.

The historic Paso Robles hot baths fit the criteria perfectly. On a high priority basis, investigate the re-establishment of the baths.

~~A. Conduct a technology roundtable by April 30, 1999 to determine the economic/ environmental impact and cost of re-establishing the hot baths, and invite guests from other areas that have similar assets.~~

~~B. A. If the roundtable is successful in supporting the re-establishment of the baths, then develop a complete plan for doing so, namely: Encourage the following uses of geothermal water:~~

1. Addition of hot bath/spa feature to existing hotels.
2. Development of an all new spa/resort.
3. Reopening of the hot springs at the north end of town as a hotel or RV park & spa.
4. Development of municipal baths.

~~C. B. If the re-establishment of the hot bath feature is successful, then develop a full marketing plan for Paso Robles with the baths as the City's "signature feature".~~

- II. Continue aggressive "event marketing" of Paso Robles' activities, especially in the off season. Some of the events are:

- | | |
|--------------------------------------|--|
| 1. Zinfandel Festival | 10. Viognier Celebration |
| 2. Paderewski Festival | 11. California Mid-State Fair |
| 3. Chevy/GMC Truckin' Nationals | 12. Basil Festival |
| 4. Antique Show | 13. West Coast Kustoms Hot Rod Reunion |
| 5. Paso Robles Wine Festival Weekend | 14. Pioneer Day |

- II. Develop financial incentives.

OBJECTIVE B

- o Continue to create an atmosphere of entertainment and enjoyment in the downtown.

IMPLEMENTATION

- I. Facilitate the establishment of downtown wine tasting venues which will feature the local wines and wine industry.
- II. Support Farmer's Markets in the downtown.
- III. Facilitate the development of more entertainment opportunities downtown, and continue to support CAT Theater, encourage development of other entertainment venues, and support the renovation of the International Order of Odd Fellows (IOOF) Ballroom.
- IV. Develop the historic Railroad Station into a commercial center.

OBJECTIVE C

- o Generate new investment in the downtown to create constant pedestrian activities and events that will attract youth and families to the downtown. Encourage the use of the second floor of downtown buildings.

IMPLEMENTATION

- I. Seek local, state and federal funds that can be used to finance necessary repairs and facade improvements, and facilitate greater usage of CDBG funds for seismic retrofit, ADA compliance, etc.
- II. Develop and implement plans to optimize parking, and develop a parking plan for downtown.
 - A. ~~Strongly support the "eased" parking restrictions for an additional five (5) years with regard to the development of upstairs buildings and restaurants within downtown, and request the City Council review the off-street parking ordinance and grant an extension of the sunset clause associated with it that is due to expire in December 1998.~~
 - B. Begin planning for a city parking facility.
- III. Develop a detailed circulation plan based on a City-wide traffic study for the Westside and retail core (i.e. Vine Street to Riverside; First Street to Twenty-fourth Street).
- IV. Create a marketing theme that will include entrance/gateway signage, and historic lighting and landscaping in the downtown (i.e. Pine Street to Spring Street and 6th Street to 16th Street) which is consistent with future uses.

- 6) Review General Plan assumptions as to public facilities necessary for projected build-out. Consider growth rates and funds available from sources such as Measure D to determine proper impact fees.
- 7) Update and/or implement master plan improvements for sewer, water, storm drainage and street systems.

GOAL #1: SIMPLIFY AND STREAMLINE THE ENTITLEMENT APPROVAL PROCESS FOR DISCRETIONARY* COMMERCIAL, INDUSTRIAL AND RESIDENTIAL PROJECTS

OBJECTIVE A

- o Update the Zoning Ordinance and Map to conform to the General Plan, as required by the General Plan. Provide proper zoning for parcels that have had zoning changes due to the last General Plan update. ~~This update should be completed by December, 1999.~~

IMPLEMENTATION

- I. Allocate sufficient funds to provide the necessary staff to complete the update of the Zoning Ordinance and Map or to contract with an outside consultant to complete this task ~~by December, 1999~~

OBJECTIVE B

- o Provide clear development standards for residential uses.

IMPLEMENTATION

- I. Revise the Zoning Ordinance to include parameters for cluster developments.
- II. Revise the Plan Development and Zoning Ordinances to reconsider existing standards for parking, set backs, street and site design.

OBJECTIVE C

- o Simplify the Vesting Tentative Map process.

IMPLEMENTATION

- I. Revise and rewrite vesting tentative map ordinance to allow for easier filing and consideration of vesting tentative maps, to be consistent with other entities such as San Luis Obispo County.

* *Discretionary projects are those projects that are subject to the approval of the City Council or the Planning Commission.*

8

OBJECTIVE C

- o Eliminate “ghost map” process.

IMPLEMENTATION

- I. Replace with a density calculation approach.

GOAL #3: FACILITATE COMPLETION OF CONSTRUCTION PROJECTS

OBJECTIVE A

- o Avoid “bottlenecks” in the permitting and inspection process.

IMPLEMENTATION

- I. Review staffing levels based on yearly trends, perhaps during budget preparation.
- II. Develop sources for contract staffing.
- III. Audit staffing levels in Planning and Engineering to determine if Paso Robles is consistent with other comparable cities. the city has sufficient resources to provide desired services.

GOAL # 4: SUPPORT THE CITY COUNCIL'S EFFORTS TO ESTABLISH A REASONABLE UNIFORM DEVELOPMENT IMPACT FEE PROGRAM

OBJECTIVE A

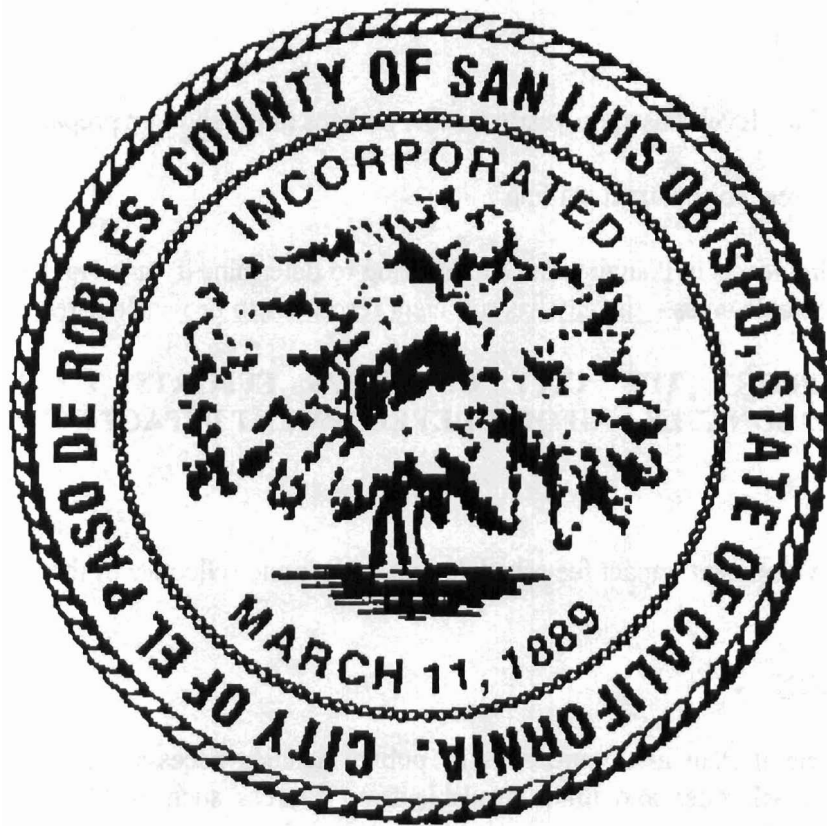
- o Create a development impact fee schedule that is clear and reflective of the City Council's policy.

IMPLEMENTATION

- I. Review General Plan assumptions as to public facilities necessary for projected build-out. Consider growth rates and funds available from sources such as Measure D to determine proper impact fees.
- II. Consider delay or offer financing of impact fees where it is consistent with achieving public policy objectives and the law.

GOAL #5: PLAN FOR AND PROVIDE ADEQUATE INFRASTRUCTURE TO ACCOMMODATE EXPECTED GENERAL PLAN GROWTH

ECONOMIC STRATEGY



CITY OF EL PASO DE ROBLES

INTRODUCTION

Simply stated, the mission of the City Council of the City of Paso Robles is to develop a balanced community where the great majority of the population can live, work and shop. Critical to this mission is the development and support of a healthy economic environment for the citizens of Paso Robles. This includes the creation of an employment base which has a balance of entry level, semi-skilled and skilled jobs for residents, development of the tourism/visitor market, expanded retail/commercial development, provision of housing options for all income levels, and improvement of the City's development process. The economic vitality must come without reducing the quality of the community's environment. The following Economic Strategy for the City of El Paso de Robles has been prepared in order to achieve the City's mission.

Why Maintain an Economic Strategy for the City of El Paso de Robles?

Paso Robles is a community with a history of innovative economic development programs and activities. In the 1960's and 1970's, the City developed Sherwood Industrial Park to provide jobs to residents, and in 1987 established the County's first Redevelopment Project Area. In the 1980's, the City began to develop the Airport Industrial Park. For many years, Paso Robles was able to attract and retain manufacturers with its low cost of living, high quality of life, and competitively priced manufacturing land. Paso Robles benefited from its ready access to urban California's booming manufacturing economy.

In the late 1980's, the state and local economy began to change. Paso Robles was not successful in attracting enough new manufacturing jobs to keep pace with a rapidly growing population. Housing (and land) prices grew so rapidly as to put the average home out of reach of much of the labor force. Additionally, the community experienced plant closures by three major employers, which eventually resulted in the laying off of over 450 manufacturing employees.

By December 1991, Paso Robles had 340,000 square feet of vacant manufacturing space. City General Fund revenues were off over \$800,000, primarily from lost retail sales and construction fees. Compounding the conditions of the local economy, California was in the midst of the worst recession in half a century. It was within this context that the City Council made the decision to facilitate the development of an Economic Strategy for the City.

The process would help the City Council and the community to identify those issues which are critical to revitalizing the local economy, and which would allocate limited financial resources toward solving problems. City Council recognized the potential benefits of a successful economic development program, but without an economic strategy which defines expectations, could not document the return being received for the City's investment.

Development of the Original Economic Strategy

Early February 1992, the City Council and the Paso Robles Chamber of Commerce announced the initiation of a jointly sponsored, year long, Economic Summit. The goal of the unique partnership was the initiation of a strategic planning process which included business and civic leaders, city officials, and the community at large. The process included three activities:

1. **Community Leaders' Round Table:** A one-day meeting of community leaders permitted the more than 70 attendees to give specific input on the community's opportunities for, and barriers to, economic development.
2. **Economic Task Force:** A nine member task force, developed by the Chamber of Commerce and the City Council, prepared a draft Economic Strategy based on the input from the Community Leaders' Round Table and individual meetings with local business leaders.
3. **Paso Robles Community Strategic Planning Conference:** A one-day community wide conference was held, and included a presentation by the Economic Task Force of the draft Economic Strategy.

The original **Economic Strategy** was adopted by the Paso Robles City Council on May 18, 1993.

Economic Progress, 1993-1998

In the five years since the adoption of this economic strategy, the economic progress in the City has been nothing short of dramatic! The combined factors of a quality environment and climate, centralized location between major metropolitan areas, availability of adequate land and resources, accessibility to major tourist and recreational attractions, and a solid commitment by the City, Chamber of Commerce, Main Street and the community to implement this strategy, have all facilitated these developments:

- Manufacturing job growth has exceeded the target rate of 120 new jobs per year (net).
- The wine industry has expanded significantly, providing the Paso Robles area statewide recognition for quality wines and tasting/touring facilities.
- Two new championship golf courses have been constructed, establishing the area as a developing golfing destination.
- The downtown area has been reinvigorated, aided by the addition of a number of high quality restaurants, a new multi-screen theater, and the new City Hall/Library complex.
- Two regional commercial shopping centers have been constructed, establishing Paso Robles as the commercial center of the North County.
- The housing construction industry has recovered from the recession of the early 90's and is thriving.

- Bond Measure D98, providing \$38 million for infrastructure improvements, was passed by the electorate.
- Cuesta College opened the first phase of its North County Campus within the City limits.
- The North County Transportation Center was completed.

Continuing the Effort – The 1998 Update

In early 1998, the Paso Robles City Council, recognizing that this Economic Strategy is a work in progress, commissioned a new task force to prepare a comprehensive update of the document. The Council appointed the fourteen member 1998 Economic Task Force, consisting of entrepreneurs, realtors, civic leaders, educator, and business managers. Over a six-month period, the group reviewed the opportunities and barriers to development in four of the City's key economic sectors, namely: manufacturing, tourism, retail/commercial services and housing, and examined the City's development process.

The Task Force's efforts included holding individual public hearings for each of the five study areas, combined with separate working sessions to review progress on all components of the strategy, as well as to identify new areas of focus. A public workshop was held on October 8, 1998 to receive further input on the draft document. Based upon this group's collective wisdom and efforts, the 1998 Economic Strategy was developed.

I. MANUFACTURING DEVELOPMENT

Since the inception of the original Economic Strategy five years ago, the City has made major progress in assisting manufacturers by streamlining the application process for plant expansion including the permit process, adopting favorable conditions of approval to facilitate and expedite the issuance of CUP's, and providing economic incentive funding. Also, the City has developed and maintained an inventory of existing manufacturing land that is zoned and serviced.

Industrial/manufacturing jobs created during the years 1994, 1995, and 1996, were 179, 103, and 178, respectively, which is an average of 153.3 new jobs per year. That average exceeded the recommended number (120) of new jobs to be created per year in the previous Economic Strategy Plan.

Both airport identity and manufacturing expansion can be promoted as a result of the implementation of the recommendations in the Parsons Study, i.e. new terminal, and the necessary infrastructure needed for the development of the available acreage at the airport. Because manufacturing is vital to the City's economy, substantial support for continued retention and future expansion is imperative. Therefore, the following goals address manufacturing development.

GOALS AND OBJECTIVES

GOAL #1: INCREASE THE NUMBER OF MANUFACTURING JOBS

OBJECTIVE A

- o Continue to create an average of 120 new manufacturing jobs annually, of which it is assumed that 50% will be for residents of the City of Paso Robles.
- o Increase the average gross square footage of new space by at least 50,000 square feet per year.
- o Create skilled jobs.

IMPLEMENTATION

- I. Pursue the completion of the Parsons Corporation study for the airport area.
 - A. Implement the study's recommendations as determined appropriate by the City Council.
- II. Designate the entire city as an economic development zone.
- III. Provide increased incentives to manufacturers who create skilled jobs with annual salaries above the county average of \$28,250 or \$13.88 per hour*.

**Based on data from UCSB 1998 Economic Outlook for average salary per worker for 1997 for durable and non-durable manufacturing.*

- IV. Continue other current financial incentives, with an emphasis on both the communication and promotion of the incentives.
 - A. Apply financial incentives city-wide with no time limits.
- V. Promote manufacturing retention and expansion.
 - A. Calendar annual, one-on-one meetings with interested manufacturers and the City Manager or his designee for the purpose of discussing retention or expansion strategies.
 - B. Request City staff to participate in the quarterly Chamber of Commerce meetings with manufacturers, and key personnel from other industries and businesses operating in the community.

GOAL #2: PROMOTE MANUFACTURING EXPANSION

OBJECTIVE A

- o Facilitate and speed up expansion.

IMPLEMENTATION

- I. Employ an Economic Development Director and/or private firms to perform functions specifically focused on marketing outreach, outside sales, and business/industry recruitment.
- II. Designate a City point person to follow and communicate a clearly defined written plan to oversee new manufacturing company relocation requests and to give special attention to the handling of procedures for those manufacturers considering expansion.
- III. Maximize the use of city-owned property for resale or lease to attract manufacturers.
 - A. Actively pursue the development of the infrastructure of the airport.
 - B. Implement the usage of available Measure D bond funds and establish an implementation as soon as possible.
- IV. Develop an incentive package to maximize industrially zoned property and property adjacent to city-owned land within the City limits.

GOAL #3: SUPPORT THE PASO ROBLES PUBLIC SCHOOLS' AND CUESTA COLLEGE'S DEVELOPMENT OF EMPLOYMENT OPPORTUNITIES FOR PASO ROBLES RESIDENTS WHO POSSESS A HIGH SCHOOL DISPLOMA OR LESS

OBJECTIVE A

- o Create job training, vocational, and educational programs which will increase the employability and household median incomes of the city's population.

IMPLEMENTATION

- I. Utilize a working task force comprised of city staff, educators, manufacturers, members of the Chamber, and other members of the community to determine needs.
- II. Promote and support efforts of Cuesta Community College, especially, the North Campus, the Paso Robles School District, the Private Industry Council, and P.R.O.B.E., in the development of educational programs which are specific to the employment needs of local manufacturers.

GOAL #4: PROJECT A UNIFIED TEAM EFFORT TO PROMOTE MANUFACTURING

OBJECTIVE A

- o Actively participate in the efforts of the Chamber of Commerce's Economic Support Committee.

IMPLEMENTATION

- I. Develop and implement a plan for ongoing staff interaction with the members of the Economic Support Committee.
- II. Support the development of a manufacturers' directory on the Chamber's web site.

II. TOURISM

Tourism is a very important sector of the Paso Robles economy. Paso Robles' strategic location between two large metropolitan cities, Los Angeles and San Francisco, as well as its proximity to a multitude of tourist opportunities such as the ocean, mountains, recreational lakes, Hearst Castle, and premium wineries, creates significant tourism potential. Therefore, it is important that Paso Robles pursues its share of the tourism market in the State of California. Paso Robles can more fully capture its share of the tourist dollar by further developing itself into an "end destination" City and taking advantage of its proximity to Highways 46 and 101.

During the past five (5) years since the original Economic Strategy was adopted, many of the tourism goals and objectives have been realized. These objectives have been deleted from this update of the Strategy, but should be referenced from time to time so that we may continue to build upon them and support actions that have already been put into place.

To successfully increase tourism, the City must communicate the attractiveness of the community to as many potential visitors as possible. A vital tool created to achieve this goal is the Visitor's and Conference Bureau through the Chamber of Commerce. With the VCB in place, a positive increase in the transient occupancy tax (TOT) has occurred, and a budding interest by the film industry to come to Paso Robles has developed. Many new upscale restaurants have opened, and new hotel units and additions to existing accommodations are in the planning stages. There are now three existing local championship golf courses, The Links Course at Paso Robles, Hunter Ranch, and Paso Robles Golf Club. Additionally, the approved Huer Huer Golf Club and the proposed Black Ranch Course, when completed, will further enhance the golfing environment. The new Transportation Center has been built, and AMTRAK now stops in Paso Robles twice a day. The wine industry has experienced an incredible explosion of growth in its vineyards and wineries, many achieving worldwide recognition. There are now over forty wineries that are, and will continue to be, the major tourist draw for the Paso Robles area.

Two of Paso Robles' largest tourist draws are Lake Nacimiento and Lake San Antonio. Water recreation is an issue for growth in the North County, and it is important to monitor all issues that may affect the use of water for recreation in our area.

With all that has been accomplished by implementing the original Economic Strategy, it is important not to become complacent. New goals and objectives should be established and pursued as was done over the past five years. These new goals must include building new accommodations, re-establishment of the Hot Springs, use of the Airport to bring in tourists, and a downtown Conference Center. Individual businesses can advertise their product, but the city must continue to commit financially to promote Paso Robles as a tourist destination area with something for everyone.

GOALS AND OBJECTIVES

GOAL #1: DEVELOP PASO ROBLES INTO AN "END DESTINATION" TOURIST ATTRACTION

OBJECTIVE A

- o Increase hotel/motel TOT in Paso Robles from its current level of \$583,147 in 1997/98 to over \$1 million by 2005, and attract one new quality restaurant every other year beginning in 1998 (net).

IMPLEMENTATION

- I. Paso Robles needs to have a unique feature that singles it out from among all other competing tourist destinations within the state and region. This unique feature needs to be one that is based on both Paso Robles geography and history.

The historic Paso Robles hot baths fit the criteria perfectly. On a high priority basis, investigate the re-establishment of the baths.

- A. Conduct a technology roundtable by April 30, 1999 to determine the economic/ environmental impact and cost of re-establishing the hot baths, and invite guests from other areas that have similar assets.
 - B. If the roundtable is successful in supporting the re-establishment of the baths, then develop a complete plan for doing so, namely:
 - 1. Addition of hot bath/spa feature to existing hotels.
 - 2. Development of an all new spa/resort.
 - 3. Reopening of the hot springs at the north end of town as a hotel or RV park & spa.
 - 4. Development of municipal baths.
 - C. If the re-establishment of the hot bath feature is successful, then develop a full marketing plan for Paso Robles with the baths as the City's "signature feature".
- II. Continue aggressive "event marketing" of Paso Robles' activities, especially in the off season. Some of the events are:
 - 1. Zinfandel Festival
 - 2. Paderewski Festival
 - 3. Chevy/GMC Truckin' Nationals
 - 4. Antique Show
 - 5. Paso Robles Wine Festival Weekend
 - 6. West Coast Kustoms Car Show
 - 10. Viognier Celebration
 - 11. California Mid-State Fair
 - 12. Basil Festival
 - 13. West Coast Kustoms Hot Rod Reunion
 - 14. Pioneer Day
 - 15. Harvest Wine Affair

7. Great Western Bicycle Rally
8. Wildflower Triathlon
9. Paso Robles Air Show

16. A Paso Gathering
17. Vine Street Victorian Showcase

Others:

1. Aerobatics Competition
2. Cinco de Mayo
3. Golden Oak Festival & Classic Cars
4. Taste of Downtown/Art in the Park

- III. Continue to support the growth of a variety of quality restaurants in Paso Robles.
 - A. Encourage wine dinners and other wine related activities, dine arounds, etc. (i.e. A Taste of Downtown), a sit-down dinner from all restaurants, and other marketing ideas.
- IV. Encourage and support the development of "resort-quality" golf courses in Paso Robles.
 - A. Continue to pursue the annexation of all Highway 46 corridors to include existing golf courses and wineries that are in the City's sphere of influence.
 - B. Support golf projects and developments that would be compatible to our area, i.e. Huer Huero and Black Ranch. Establish Paso Robles as the Central Coast Golf destination.
- V. Continue to use a portion of the TOT to financially support the Visitors & Convention Bureau within the Chamber of Commerce that will have a special focus on:
 - A. Developing an aggressive promotional program now that the City has elements necessary to promote the assets of our community. This marketing program should serve to maximize the use of Lake Nacimiento and Lake San Antonio, the North County horse industry, the Mid-State Fair and Fairgrounds, the Paso Robles Vintners & Growers Association, quality restaurants, championship golf courses, and the accessibility to the film/commercial industry. This list is not inclusive. This marketing plan will maximize the tourism benefit through the VCB.
 - B. Continue marketing and sales efforts to increase the occupancy and utilization of existing motel/hotel facilities within the City.
 - C. Build end-destination tour packages with/for Amtrak and/or other providers of transportation.
- VI. Encourage the Pioneer Museum Board to open the Pioneer Museum on an on-going, five-day-a-week basis and to develop a marketing plan to draw regional tourists and highway travelers. Also expand the hours of the Carnegie Library (Historical Society) when possible.

- VII. Fund and implement the plan of the approved "image enhancement" in the City, i.e. entrance monuments, new logo, standardizing the City's name, and consideration in establishing a City theme.

OBJECTIVE B

- o Support the development of additional visitor services.

IMPLEMENTATION

- I. Encourage the expansion and improvement of existing facilities and/or new hotel development.
 - A. Create incentives to encourage existing hotels to construct additional rooms and meeting/convention facilities.
 - 1. Offer fee reduction, waiver, off-site improvement assistance.
 - 2. Provide assistance from the Agency.
 - B. Facilitate the construction of a hotel with a convention center in the following area:
 - 1. Within walking distance to the downtown.
 - 2. Promote and encourage use of the Library/City Hall Conference facility at a market driven fee to compliment these facilities.
- II. Develop a trolley transportation system connecting downtown, lodging, and other tourist destinations within the City limits.
- III. Support the expansion of air operations and scheduled air service at the Paso Robles Municipal Airport. Encourage the San Luis Obispo County Council of Governments to investigate, at the next "Unmet Transit Needs" hearing, the feasibility of an airport shuttle transit program between Paso Robles and the SLO Airport.
- IV. Work in cooperation with the fairgrounds to improve and upgrade the facilities for year-around tourists events.

GOAL #2: IMPROVE THE PASO ROBLES MARKET SHARE OF THE SAN LUIS OBISPO COUNTY HIGHWAY COMMERCIAL TOURISM BUSINESS

OBJECTIVE A

- o Take advantage of the accessibility to two well-traveled highways, i.e. Highways 46 and 101, by increasing the sales of highway commercial oriented businesses. Encourage additional businesses to build in these areas by increasing their numbers and sales.

IMPLEMENTATION

- I. Develop a scenic corridor into the downtown from all Highway 101 exits complete with monuments, landscaping and large plantings for visual barriers where appropriate.
- II. Develop the Golden Hill/Highway 46E commercial intersection into a major "crossroads" complete with a gas station, hotel, restaurant, and truck services.
- III. Support the development of recreational vehicle parks/campgrounds within the City of Paso Robles that have highway visibility. Consider annexing property which would fit this criteria.
- IV. Develop better signage.
 - A. Work with CalTrans to improve highway signage to direct travelers/visitors to the downtown area.
 - B. Develop signage on Highway 46E for Airport activities.
 - C. Work with the fairgrounds to promote tourist activities on the electronic marquee sign.
- V. Conduct a traffic study to look at improving on/off ramps with the widening of the river and 13th Street Bridge and overpass directly from Highway 101 to 13th Street or nearby streets to the immediate downtown area.
- VI. Continue to support and evolve the uses of the Welcome Center at the Paso Robles Transportation Center.

III. RETAIL/COMMERCIAL DEVELOPMENT

Since the original Economic Strategy was adopted, there have been a great many accomplishments. Walmart has opened, and the store is reported to be exceeding original sales projections. Phase II of the Woodland Plaza II project has begun, and the store openings are having a similar success story. Target has opened in the Target Center at Highway 101 and 46 West. Development of these shopping centers has established Paso Robles as a regional commercial center.

The Paso Robles downtown area has experienced a revitalization and is thriving. The City Hall/Library has opened. A new multi-screen movie theater has opened. The North County Transportation Center has been constructed. A number of quality restaurants have opened in the downtown. All this has helped reinvigorate the downtown into a vibrant and "happening" place.

One of the prior Strategy's goals was to achieve a 60% increase in sales tax by 2010. With the success already achieved, this goal is close to being achieved in a five to six year period. The annual sales tax revenue generated by the retail commercial businesses remains a vital part of the city's overall revenue and needs to remain healthy by aggressive marketing and retention programs. The regional shopping centers that have begun within the city are not yet fully developed. Attracting good quality businesses to these centers is important not only to increase the sales tax revenues, but to diversify the options available in the centers while remaining competitive with surrounding areas.

The downtown area still needs to have additional professional office space, and commercial areas need to be built or the second floors of buildings need to be utilized for commercial or residential purposes.

The City needs to seriously consider a revision of its General Plan in order to build a blueprint of what Paso Robles will be like by the year 2010. An updated traffic circulation plan should be a major part of this process along with planning for additional shopping centers.

GOALS AND OBJECTIVES

GOAL #1: CONTINUE TO REVITALIZE DOWNTOWN PASO ROBLES AS A COMMERCIAL/ENTERTAINMENT CENTER THAT ACCOMMODATES A GOVERNMENT CENTER (e.g. PUBLIC SAFETY CENTER, COUNTY COURTS, ETC.), CATERS TO THE TOURISTS, AND PROVIDES PROFESSIONAL OFFICE SPACE

OBJECTIVE A

- o Seek to retain and expand the North County Municipal Courts in the downtown.

IMPLEMENTATION

- I. Work with the County to find a suitable site for the courts in the vicinity of the new Public Safety Center.

II. Develop financial incentives.

OBJECTIVE B

- o Continue to create an atmosphere of entertainment and enjoyment in the downtown.

IMPLEMENTATION

- I. Facilitate the establishment of downtown wine tasting venues which will feature the local wines and wine industry.
- II. Support Farmer's Markets in the downtown.
- III. Facilitate the development of more entertainment opportunities downtown, and continue to support CAT Theater, encourage development of other entertainment venues, and support the renovation of the International Order of Odd Fellows (IOOF) Ballroom.
- IV. Develop the historic Railroad Station into a commercial center.

OBJECTIVE C

- o Generate new investment in the downtown to create constant pedestrian activities and events that will attract youth and families to the downtown. Encourage the use of the second floor of downtown buildings.

IMPLEMENTATION

- I. Seek local, state and federal funds that can be used to finance necessary repairs and facade improvements, and facilitate greater usage of CDBG funds for seismic retrofit, ADA compliance, etc.
- II. Develop and implement plans to optimize parking, and develop a parking plan for downtown.
 - A. Strongly support the "eased" parking restrictions for an additional five (5) years with regard to the development of upstairs buildings and restaurants within downtown, and request the City Council review the off-street parking ordinance and grant an extension of the sunset clause associated with it that is due to expire in December 1998.
 - B. Begin planning for a city parking facility.
- III. Develop a detailed circulation plan based on a City-wide traffic study for the Westside and retail core (i.e. Vine Street to Riverside; First Street to Twenty-fourth Street).
- IV. Create a marketing theme that will include entrance/gateway signage, and historic lighting and landscaping in the downtown (i.e. Pine Street to Spring Street and 6th Street to 16th Street) which is consistent with future uses.

- A. Develop a downtown vision plan which provides consistency with developed guidelines.
 - B. Support working with Main Street Design Committee, Project Area Committee (PAC), and Planning Commission to adopt guidelines for Historic Districts A, B, Spring Street, Vine Street and Riverside Avenue.
 - C. Continue financial support of the Main Street Program in planning promotions and improving/revitalizing the downtown.
- V. Explore the feasibility of establishing a permanent European-styled open-air marketplace with ongoing activities. Become one of the first in California to establish.
 - VI. Promote the establishment of art galleries in the downtown.
 - VII. Encourage and provide financial incentives for professional office space.

GOAL #2: DIRECT AND INCREASE THE NUMBER OF SITES FOR RETAIL OUTLETS AND COMMERCIAL SPACE WITHIN THE CITY LIMITS TO PROVIDE AN INCREASE IN SALES TAX REVENUES.

OBJECTIVE A

- o Create additional regional commercial centers along the Highway 46W corridor, Theater Drive, Ramada Drive, and along Highway 46E.

IMPLEMENTATION

- I. Annexations of property at both the southeast and northwest corridors of Highway 101/46W in order to assemble the necessary acreage.

OBJECTIVE B

- o Provide for neighborhood shopping in residential areas.

IMPLEMENTATION

- I. Encourage establishment of businesses (i.e. neighborhood markets) in neighborhoods which will serve the surrounding residents.
- II. Revise the City's General Plan to identify areas where businesses could locate.

OBJECTIVE C

- o Establish an Economic Development Director within the city to develop business areas in conjunction with the revision of the General Plan.

IMPLEMENTATION

- I. Identify areas within the city in need of regional commercial development.
- II. Identify the type of business which will work in a specific area and then actively solicit such businesses to come to Paso Robles.

IV. HOUSING

Historically, the majority of Paso Robles residents have had incomes below \$35,000. The manufacturing, retail/commercial and tourism development urged by this report confirms a continuation of this wage scale predominating.

The brief real estate price escalation that was experienced in 1989 and 1990 was primarily due to a heavy influx of retirees from the Los Angeles and Bay Area cities who had benefited from a tremendous increase in property values. Although the current robust economy indicates housing prices are increasing, the majority of existing housing and new construction is primarily addressing the demand for lower priced and entry level housing. The few areas available for higher price homes such as El Dorado Estates and Meadowlark Farms have been absorbed creating a need for sites for this type of housing.* The General Plan for the City of El Paso de Robles provides for population growth of up to 3.5 percent average annual growth between 1991 and the year 2010. It is important to provide a housing stock that will accommodate both affordable and higher priced units. To accomplish this task, the previous Economic Strategy urged the city to be aggressive in securing and allocating funds to assist lower income households with their housing needs, and promoting the use of sweat equity and resources of private and non-profit sponsors. Certification of an updated Housing Element of the General Plan was recommended, as well as creation of programs to assist first-time homebuyers. The City has implemented successful, first-time homebuyer programs, and a non-profit sponsor utilizing sweat equity assisted 71 low and very low income households working in manufacturing, retail/commercial, and other city occupations to build their own homes. Recommendations, to include more upscale housing opportunities, are also included in this chapter of the report. The combination of favorable interest rates, lower down payment requirements, and an increase in entry level housing production does not appear to require the City to continue to prioritize its resources for first-time homebuyers as part of its new economic strategy.

The previous economic strategy encouraged rental housing production, which has not occurred, and at present there are very low vacancy rates in the available rental housing stock. The projected growth in the agriculture industry, tourist related jobs, and North County Cuesta College creates an anticipated need for more rental production for many households, which will require innovative financing and incentives to be developed. Additionally, guidelines should be developed for tax credit developments, and said guidelines should consider aesthetics, local management, providing child care, etc.

This chapter of the report outlines methods and resources that can be utilized to best meet the needs of the residents and support the residential construction industry in Paso Robles. The construction and housing industry is a valuable component of the city's economy, both through its job base and multiplier effect, in particular, the generation of sales tax revenues.

**See charts on Paso Robles Purchase Trends*

GOALS AND OBJECTIVES

GOAL #1: MEET THE GENERAL PLAN GOAL OF PROVIDING A BALANCED HOUSING STOCK THAT IS AVAILABLE FOR ALL PASO ROBLES RESIDENTS

MAINTAIN A PUBLIC POLICY THAT WILL ENCOURAGE THE CONSISTENT CONSTRUCTION OF HOUSING TO MEET THE NEEDS OF PEOPLE AT ALL INCOME LEVELS

OBJECTIVE A

- o Provide incentives to create sufficient rental housing production needed to meet anticipated demand of growth in the agriculture industry, manufacturing, tourism, and Cuesta College North County Campus.

IMPLEMENTATION

- I. Prioritize City Community Development Block Grants (CDBG), Redevelopment Agency (RDA), Home Investment Partnership Program (HOME), and other resources to multi-family rental housing developments that provide after school programs, day care facilities and other on-site services.
- II. Propose the City Council establish guidelines that will require all developers, proposing the use of low income tax credit financing or other financing, which will have property tax exemptions, to have a local non-profit or public entity with a proven track record in ownership or management be the managing general partner or controlling ownership interest in the project. They also should require this development to provide adequate recreation, child care facilities, and after school programs with the guarantee for their long-term financial viability.
- III. Provide fast track processing, fee waivers, and other City incentives.
- IV. Obtain State certification of the Housing Element as soon as possible to finalize density required to accommodate projected rental housing needs. State certification should ensure consistency with the desired quality of neighborhoods of the city.
- V. The City should encourage the County to provide adequate housing for the agricultural labor force.
- VI. If sites suitable for rental housing development are not available, provide in the next General Plan update, sufficient sites with adequate zoning.

OBJECTIVE B

- o Promote revitalization of the North Spring Street corridor (24th - 36th Streets).

IMPLEMENTATION

- I. Encourage investment in renovating or replacing substandard housing and commercial structures by utilizing density bonuses, fee waivers, and assistance with off-site improvement requirements.
- II. Encourage development of vacant commercial or residential zoned property by utilizing density bonuses, fee waivers, and assistance with off-site improvement requirements.

OBJECTIVE C

- o Create both smaller lots and larger acreage parcels with rural standards within the City that are suitable for higher priced housing.

IMPLEMENTATION

- I. Designate areas within the City that are suitable for upscale neighborhoods and make land use decisions that enhance these neighborhoods.
- II. Do not subdivide these properties so small that it would encourage lower priced housing.
- III. Allow septic systems, private driveways, and wells or community water systems on larger parcels.

V. DEVELOPMENT PROCESS

An efficient, streamlined and responsive development application process and permitting procedure is necessary to the implementation of the goals and objectives of this Economic Strategy. The manner in which the City projects its willingness to assist industrial/commercial and residential developers in the approval process may be the deciding factor in whether a project goes forward. The anticipation of a rapid process that minimizes development costs will encourage the type of development envisioned by this plan. Also, development impact fees must be reasonable so as not to deter development.

Although the City's priorities are directed towards industrial and commercial development, the housing industry must also be recognized for its important contribution to the overall economic vitality of the community. The processing of housing applications and permits must also be treated with priority, whether from a single-unit builder or the developer of a large tract.

Many objectives of the previous plan have been met, and therefore have been deleted from this revised plan. However, it is important that these items continue to be accomplished over the coming years. Some of those items were:

- 1) Eliminate the Conditional Use Permit requirements where unnecessary.
- 2) Encourage early comprehensive review of project proposals.
- 3) Expedite the completeness determination time for submitted applications.
- 4) Reduce plan check turnaround time, costs and/or fees.
- 5) Provide adequate staffing (or outside consultants) and procedures to complete and return plan checks **no longer than 4 weeks** after first submittal for all types of projects. Second plan checks should be returned within two weeks.

New objectives and implementation measures based on committee input and the current economic climate have been added. Highlights of those items are:

- 1) Simplify the Vesting Tentative Map process.
- 2) Identify and obtain technology needed to enhance the City's ability to communicate and provide information to the public.
- 3) Establish a G.I.S. (Geographical Information System) and related database.
- 4) Create a City web page to provide for agendas, minutes, forms, permit applications and the like.
- 5) Eliminate "ghost map" process.

- 6) Review General Plan assumptions as to public facilities necessary for projected build-out. Consider growth rates and funds available from sources such as Measure D to determine proper impact fees.
- 7) Update and/or implement master plan improvements for sewer, water, storm drainage and street systems.

GOAL #1: SIMPLIFY AND STREAMLINE THE ENTITLEMENT APPROVAL PROCESS FOR DISCRETIONARY* COMMERCIAL, INDUSTRIAL AND RESIDENTIAL PROJECTS

OBJECTIVE A

- o Update the Zoning Ordinance and Map to conform to the General Plan, as required by the General Plan. Provide proper zoning for parcels that have had zoning changes due to the last General Plan update. This update should be completed by December, 1999.

IMPLEMENTATION

- I. Allocate sufficient funds to provide the necessary staff to complete the update of the Zoning Ordinance and Map or to contract with an outside consultant to complete this task by December, 1999.

OBJECTIVE B

- o Provide clear development standards for residential uses.

IMPLEMENTATION

- I. Revise the Zoning Ordinance to include parameters for cluster developments.
- II. Revise the Plan Development and Zoning Ordinances to reconsider existing standards for parking, set backs, street and site design.

OBJECTIVE C

- o Simplify the Vesting Tentative Map process.

IMPLEMENTATION

- I. Revise and rewrite vesting tentative map ordinance to allow for easier filing and consideration of vesting tentative maps, to be consistent with other entities such as San Luis Obispo County.

* *Discretionary projects are those projects that are subject to the approval of the City Council or the Planning Commission.*

OBJECTIVE D

- o Identify and obtain technology needed to enhance the City's ability to communicate and provide information to the public.

IMPLEMENTATION

- I. Establish G.I.S. (Geographical Information System) and related database.
- II. Create a City web page to provide for agendas, minutes, forms, permit applications and the like.

OBJECTIVE E

- o Provide uniform DRC (Development Review Committee) review of projects.

IMPLEMENTATION

- I. Establish DRC (Development Review Committee) guidelines for residential, commercial and industrial development.

OBJECTIVE F

- o Simplify the development review process in the airport area.

IMPLEMENTATION

- I. Either complete or discard the Airport Specific Plan in order to eliminate needless hearing processes.

GOAL #2: STREAMLINE AND MAKE CONSISTENT THE PLAN CHECK AND PERMIT PROCESS

OBJECTIVE A

- o Provide consistent environmental review treatment for all projects.

IMPLEMENTATION

- I. Fund and prepare an overall City traffic analysis to be used for conditioning development projects, rather than having individual reports for each project, by December, 1999. The study should consider Level of Service "D" as a minimum criteria for traffic improvements where the cost/benefit is justified.

OBJECTIVE C

- o Eliminate “ghost map” process.

IMPLEMENTATION

- I. Replace with a density calculation approach.

GOAL #3: FACILITATE COMPLETION OF CONSTRUCTION PROJECTS

OBJECTIVE A

- o Avoid “bottlenecks” in the permitting and inspection process.

IMPLEMENTATION

- I. Review staffing levels based on yearly trends, perhaps during budget preparation.
- II. Develop sources for contract staffing.
- III. Audit staffing levels in Planning and Engineering to determine if Paso Robles is consistent with other comparable cities.

GOAL # 4: SUPPORT THE CITY COUNCIL'S EFFORTS TO ESTABLISH A REASONABLE UNIFORM DEVELOPMENT IMPACT FEE PROGRAM

OBJECTIVE A

- o Create a development impact fee schedule that is clear and reflective of the City Council's policy.

IMPLEMENTATION

- I. Review General Plan assumptions as to public facilities necessary for projected build-out. Consider growth rates and funds available from sources such as Measure D to determine proper impact fees.
- II. Consider delay or offer financing of impact fees where it is consistent with achieving public policy objectives and the law.

GOAL #5: PLAN FOR AND PROVIDE ADEQUATE INFRASTRUCTURE TO ACCOMMODATE EXPECTED GENERAL PLAN GROWTH

OBJECTIVE A

- o Update and or implement master plan improvements for sewer, water, storm drainage and street systems.

IMPLEMENTATION

- I. Utilize updated plans as basis for Capital Improvement Program.
- II. Extend Capital Improvement Program to coincide with General Plan dates.
- III. The following projects should have priority in the Capital Improvement Program:
 - a. Improve the intersection of Golden Hill Road and Highway 46E, and include a road connection with the North County Campus of Cuesta College.
 - b. Improve South River Road between 13th Street and Niblick Road.
 - c. Improve the aesthetics and safety of the Paso Robles Street entrance into the City.
 - d. Add two additional travel lanes to the Niblick bridge immediately. Eliminate on-street parking on northbound Spring Street between 1st Street and 4th Street to provide for additional traffic lanes.
 - e. Finalize plans and develop funding sources for additional travel lanes on the 13th Street bridge.
- IV. Complete a project study report for a new Salinas River crossing southerly of Niblick Road crossing. Include the new recommended project in the Capital Improvement Program.

CONCLUSION

This new Strategy focused on the five previously defined areas of the original Economic Strategy for the City of Paso Robles as adopted May 18, 1993. During the 1998 update, the committee evaluated and refined the existing document. The evaluation consisted of reviewing the success/accomplishments of the Economic Development Strategy of 1993 with a "report card". The committee evaluated the City's current economic conditions and emerging trends, and refined the five focus areas. The refinement and evaluation process included interviewing professionals in each focus area and holding public workshops for each focus area to validate information. The updated Economic Strategy is a broad based program which identifies several new strategies and reiterates others which were recommended, but not implemented.

The first area of focus was manufacturing. Manufacturing is vital to the City's economy, and substantial support for continued retention and expansion is imperative. The number one goal of the manufacturing section is to create one hundred twenty new jobs per year. This can be accomplished by offering financial incentives to expanding or new manufacturers, and working with the public schools and Cuesta College to provide education programs which are specific to the employment needs of local manufacturers. In addition, a major boost for the expansion of manufacturing can result from the completion of the recommendations in the Parsons Study, i.e. a new terminal, and completion of the necessary infrastructure needed for the development of available acreage at the airport.

The primary goal of tourism is still to make Paso Robles an "end destination" location. The City must be a leader in the effort to enhance Paso Robles' image in the tourism market. The increase in the number of wineries, golf courses, and restaurants is a positive for our City. Lake Nacimiento and San Antonio are large tourist draws, and the City must do all it can to "protect and promote" these recreational areas. The City must continue and expand its financial commitment to promote tourism, work hard to revive the Hot Springs, and encourage a downtown Conference Center.

The retail/commercial component continues to emphasize the importance of downtown Paso Robles. The new Public Safety Center will be built downtown in the near future, and the City should work with the County to retain and expand the North County Municipal Courts. New investments in the downtown should encourage use of second floors of existing buildings with the goal being to create constant pedestrian activities and events that will attract youth and families to the downtown. The City should focus on increasing the number of sites for retail outlets and commercial space within the city limits to provide the potential for increasing sales tax revenues.

The overall goal of the housing component is to provide housing for all Paso Robles residents. The City should provide incentives for rental housing production. Special consideration should be

given to new investment and revitalization of the North Spring Street area. In the next General Plan Update we must assure adequate sites for rental and upscale housing. The housing component of the Strategy also encourages flexibility on the City's development standards for upscale housing. Finally, the committee recommends the City should pursue State Certification of the Housing Element if the State's requirements are consistent with City policies.

The City is recognized as the leader in the county in permit streamlining. The development processing component recommends further advances such as simplifying the vesting tentative map process and eliminating the ghost map. A key recommendation is to upgrade and keep current a City web page and establish a G.I.S. system and related data base which will enhance the City's ability to communicate and provide information to the public.

Finally, this Economic Strategy relies heavily on the City of Paso Robles to take the proper steps to implement the course of action outlined. Although it is the City Council that sets policy for such an undertaking, in prior years it had been the responsibility of the Economic Development Manager, working through the City Manager, to implement many of the recruitment-based efforts that the City has undertaken. With the ambitious programs recommended in this Strategy, it is imperative that the position of Economic Development Manager be reinstated and/or private firms hired, regardless of other budgetary or hiring restrictions that may be in effect, to perform functions specifically focused on marketing outreach, outside sales, and business/industry recruitment. The Task Force views this position as an investment in our City's economic future, the rewards of which will far outweigh the cost of maintaining the position.

As presented, the Economic Strategy is an integrated program of strategies which focus the resources of Paso Robles on the economic betterment of the community. As such, the strategy identifies goals and objectives which the Task Force believes to be achievable. Although some items may appear to be a "stretch" for a community of 22,000 residents, the group clearly understands this community's history as a "can do" City, and placed its faith in that tradition.

The Task Force must leave the implementation of this document in the collective hands of the City Council. It is the Council's responsibility to direct staff to budget for and develop the programs required to reach the specific goals adopted by the Council.

APPENDIX C

Economic Resource Information

Introduction:

The following tables, graphs and statistics are designed to supplement the 1999 Economic Development Strategy. The information is gathered from the most current sources, including:

- U.S. Federal Census Data, 1990
- University of California, Santa Barbara (UCSB), Economic Forecast Project, 1998
- Administrative Services Department, City of Paso Robles, 1998
- Community Development Department, City of Paso Robles, 1998

Please direct any questions regarding this information to the Community Development Department, City of Paso Robles, at (805) 237-3970.

Summary of County-Wide Economic Activity:

According to the UCSB Economic Forecast Project, the northern region of San Luis Obispo County is currently subject to more growth than other areas of the County. The fastest growing sectors in the northern region are education, retail trade, and manufacturing.

The tables, graphs and statistics in this Appendix focus on the demographic composition of both the County of San Luis Obispo and the City of Paso Robles. For further information and statistics from their 1999 San Luis Obispo County Economic Outlook, please contact the UCSB Economic Forecast Project at (805) 893-2600.

City of Paso Robles New Development Up-Date:

Residential: As of October 1998, there were fifty-six (56) residential developments (approved and pending phases of Tracts, Tentative Tracts and Parcel Maps) that were active in the City of Paso Robles. These 56 developments included a total of 1,567 single family residential parcels.

For calendar year 1998, the City had issued 269 permits for new single family homes. By comparison:

- 1997: 117
- 1996: 107
- 1995: 159

Commercial and Industrial: Since the approval of the first Economic Development Strategy in 1993, the City of Paso Robles has experienced substantial growth and development in both the retail and manufacturing sectors. Representative projects include:

- Woodland Plaza II, Phase 2: Tenants include J C Penney, Staples, and Big 5
- The Crossings at Paso Robles: Tenants include Target, Ross, and Office Max (the latter two were under construction in December 1998)
- Park Cinemas opened with six (6) movie screens in the Downtown Paso Robles area in December 1997. Expansion plans to add three more screens and commercial space were pending in December 1998
- Treana Winery completed a 30,000 square foot facility just south of the Municipal Airport in 1998
- Advance Adapters completed a 36,000 square foot manufacturing plant east of the Municipal Airport in 1998

- SLO Brewery completed a 13,000 square foot production and bottling plant in 1998 at a location along Highway 101, south of the Downtown Area
- A 15,300 square foot manufacturing building (Phase I of a 58,400 square foot facility) was completed in 1998 at the corner of Linne Road and Airport Road
- Plans for a 72 acre Industrial Park were approved for a Golden Hill Road location in 1997

Other Pending and Approved Projects:

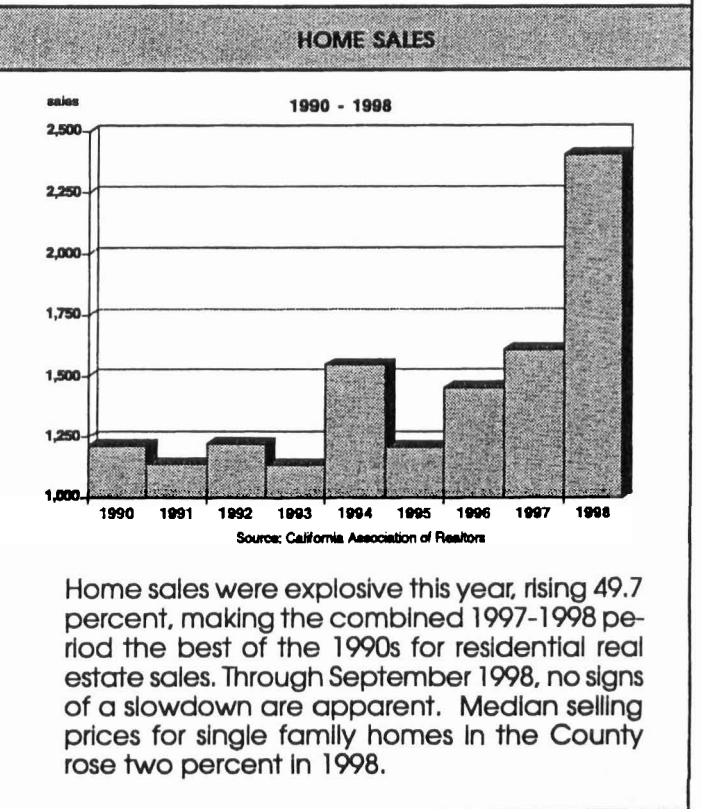
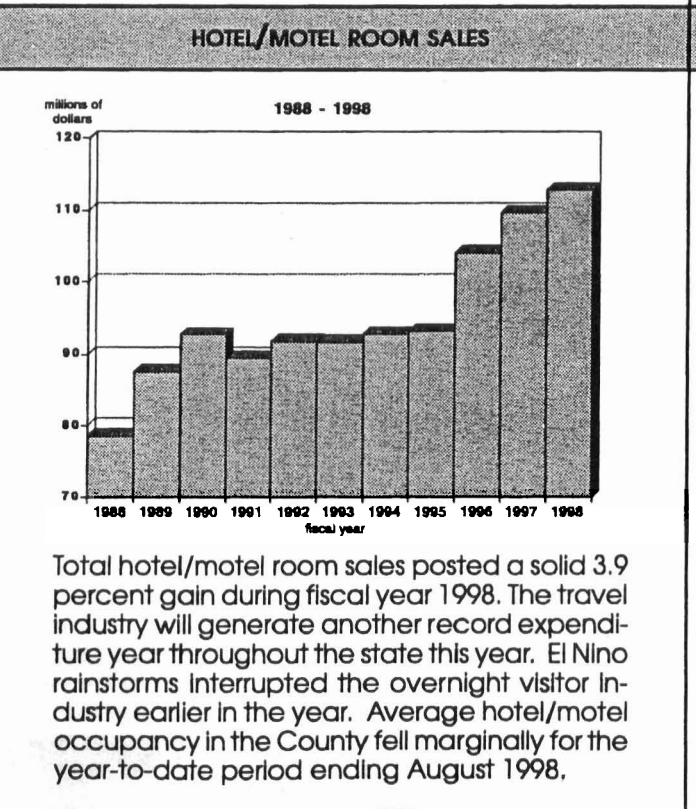
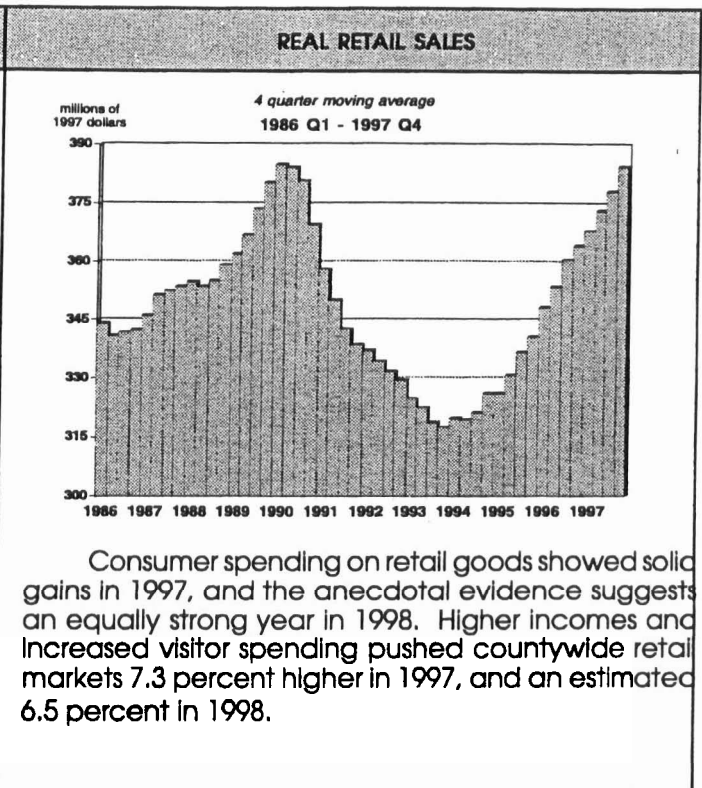
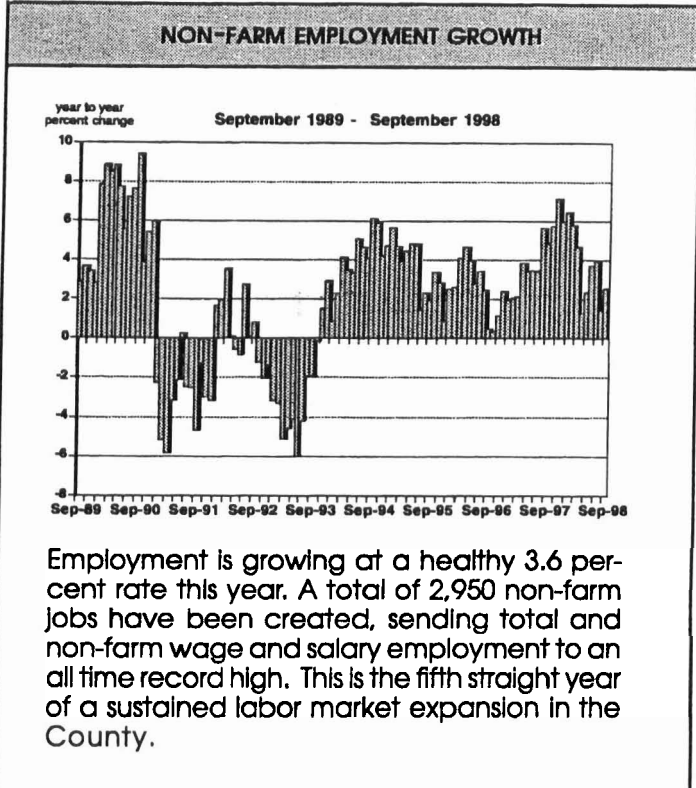
- In December 1998 the City Council approved a General Plan Amendment and Rezone to accommodate a 315 acre site for an “end-destination” resort on the Black Ranch property; development plans are pending annexation to the City. The concept for the project includes a golf course, 150 room resort and spa, Vintners Resource Center, meeting space, and other ancillary facilities.
- The Huer Huero Golf Course was approved by the City in 1997 for a site northwest of the intersection of Highway 46 East and Airport Road.
- In August 1998, Cuesta College opened their North County Campus on Buena Vista Drive, north of Highway 46 East in Paso Robles. The initial phase opened with 1300 students in the first semester. The 82-acre campus is designed to eventually accommodate between 8,000 and 10,000 students.

Public Infrastructure and Facilities:

- In 1995, the City dedicated a new Public Library and City Hall with conference facilities, facing on City Park in the Downtown Area.
- In June of 1998, the voters of Paso Robles approved a \$38 million General Obligation Bond Issue providing for the following public infrastructure and facilities designed to accommodate growth and development:
 - a. Widening of the Niblick Bridge to 4 lanes
 - b. Widening of the 13th Street Bridge to 4 lanes
 - c. A new Public Safety (Fire and Police) Center
 - d. Senior Citizen and Veterans Facilities
 - e. Barney Schwartz Park development
 - f. Cuesta College improvements
 - g. Municipal Airport area infrastructure

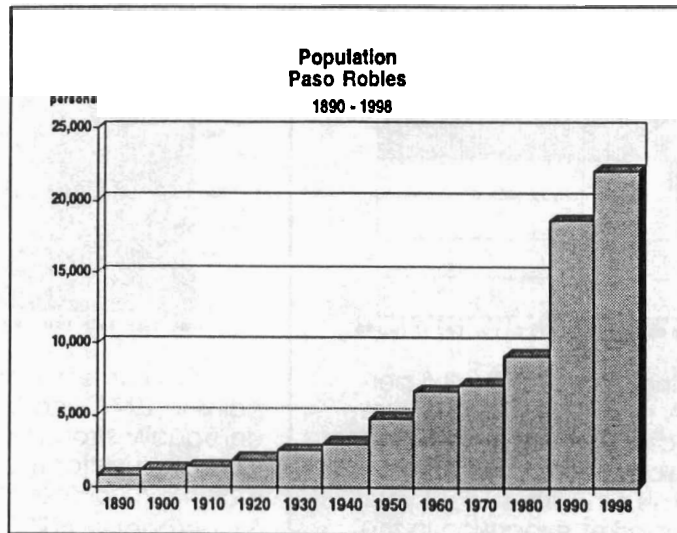
Economic Activity in San Luis Obispo County:

The following four graphs are from the 1999 San Luis Obispo County Economic Outlook, published in November 1998.



Population Growth / Demographic Composition:

Paso Robles' population growth and the composition of the community in ethnic terms are illustrated in the next graph and table:

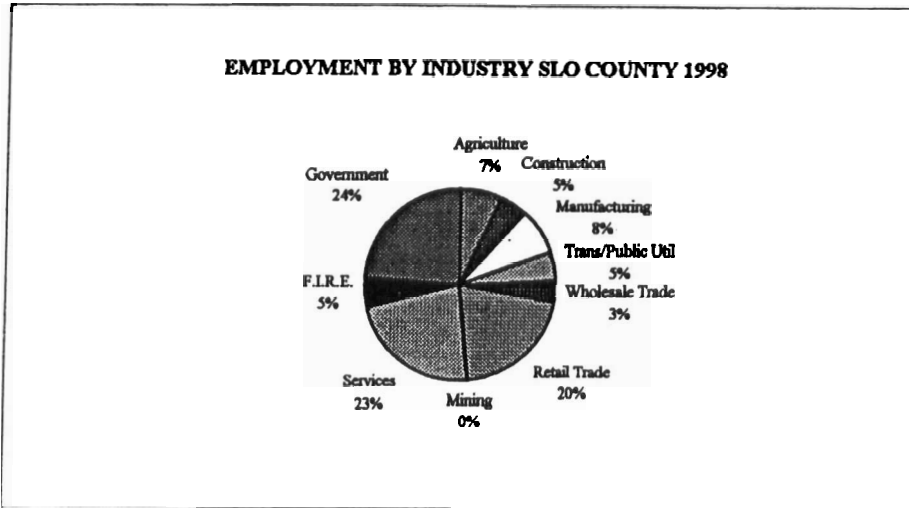


PASO ROBLES POPULATION DISTRIBUTION BY ETHNICITY				
		1990		1980
Caucasian	15,759	84.8%	8,035	87.7%
Native Amer/Esk/Aleut	260	1.4%	144	1.6%
Afro-American	655	3.5%	300	3.3%
Asian/Pacific Islander	342	1.8%	116	1.3%
Hispanic*	3,367	18.2%	1,063	11.6%
Other	1,567	8.4%	568	6.2%

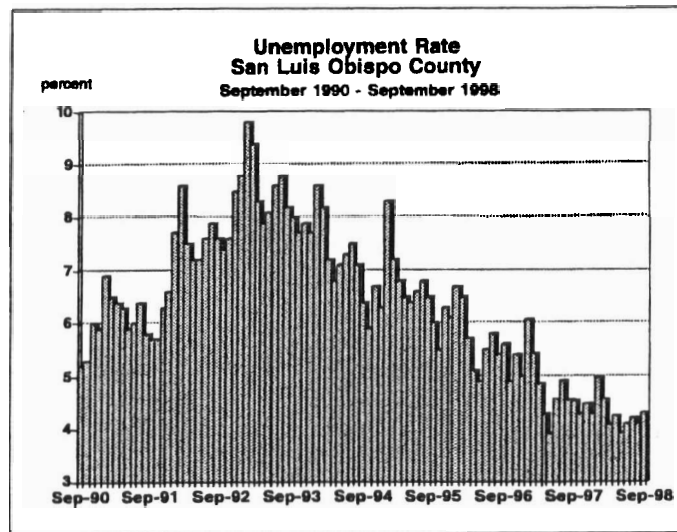
*Persons of Hispanic origin may also be included in any of the four ethnic categories
 Source: 1990 and 1980 U.S. Census Bureau

Employment and Unemployment:

Employment in the County of San Luis Obispo is largely concentrated in the areas of personal services, retail trade, and government with approximately 61,691 (67%) of the County's residents employed in these areas in 1998.



The unemployment rate in the County has been in a general decline since 1992.



Household Income:

The median household income of Paso Robles residents is \$42,950, based on a four (4) person household.

1998 INCOME LIMITS PASO ROBLES								
HOUSEHOLD SIZE (# of persons) and INCOME (\$)								
Income Group (% of Median Income)	1	2	3	4	5	6	7	8
Very Low (50%)	15,050	17,200	19,350	21,500	23,200	24,950	26,650	28,400
Low (80%)	24,100	27,500	30,950	34,350	37,100	39,900	42,650	45,400
Median (100%)	30,100	34,350	38,700	42,950	46,400	49,850	53,300	56,750
Moderate (120%)	36,100	41,200	46,450	51,550	55,700	59,800	63,950	68,100

Source/Assumption: The above figures were calculated by adjusting the 1998 income limits published by the Federal Department of Housing and Urban Development for San Luis Obispo County by 93%, which was the correlation between City and County median incomes per the 1990 U.S. Census. (Median income in Paso Robles in 1989 was \$29,054 and median income in San Luis Obispo County in 1989 was \$31,164.)

Housing:

The following chart illustrates the relationship between income and the ability to purchase a home, based on the assumption of a seven (7) percent interest rate and different down payment options.

HOME AFFORDABILITY BASED ON INCOME

CONVENTIONAL FINANCING

Annual Income	Mortgage Amount	Purchase Price
\$15,000	\$46,400	\$58,000
\$20,000	\$61,600	\$77,000
\$25,000	\$76,800	\$96,000
\$30,000	\$92,000	\$115,000
\$35,000	\$107,200	\$134,000
\$40,000	\$122,400	\$153,000
\$45,000	\$137,600	\$172,000
\$50,000	\$152,000	\$190,000
\$55,000	\$167,200	\$209,000
\$60,000	\$182,400	\$228,000
\$65,000	\$197,600	\$247,000
\$70,000	\$212,800	\$266,000

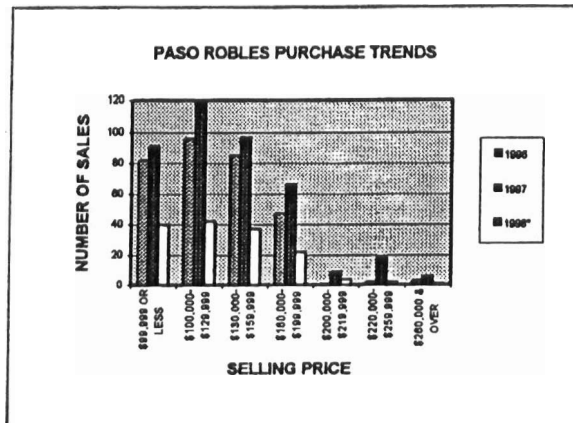
GOVERNMENT FINANCING (VA/FHA/CHFA/FNMA)

Annual Income	Mortgage Amount	Purchase Price
\$15,000	\$45,600	\$48,000
\$20,000	\$60,800	\$64,000
\$25,000	\$75,000	\$79,000
\$30,000	\$90,200	\$95,000
\$35,000	\$104,500	\$110,000
\$40,000	\$119,700	\$126,000
\$45,000	\$134,900	\$142,000
\$50,000	\$149,100	\$157,000
\$55,000	\$164,300	\$173,000
\$60,000	\$179,500	\$189,000
\$65,000	\$193,800	\$204,000
\$70,000	\$209,000	\$220,000

Assumptions:

1. Down Payment: 20% for Conventional Financing; 5% for Government Financing.
2. Annual interest rate is 7.0% fixed; term of the mortgage is 30 years.
3. Maximum monthly payment for Principle, Interest, Taxes and Hazard Insurance (PITI) is 30%.
4. Property tax is calculated as 1.3666% of the purchase price minus a \$7,000 Homeowner's Exemption.
5. Hazard insurance rate is 0.25% of the value of the house, which is assumed to be 70% of the purchase price.
6. Mortgage insurance rate is 0.5% of the loan amount (Government Financing Only).

Housing sales activity during the period 1996 through 1998 in Paso Robles is summarized as follows:

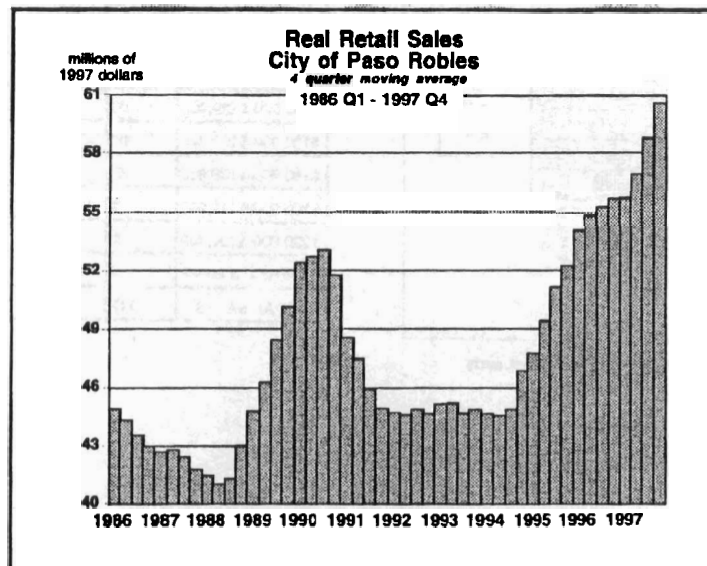
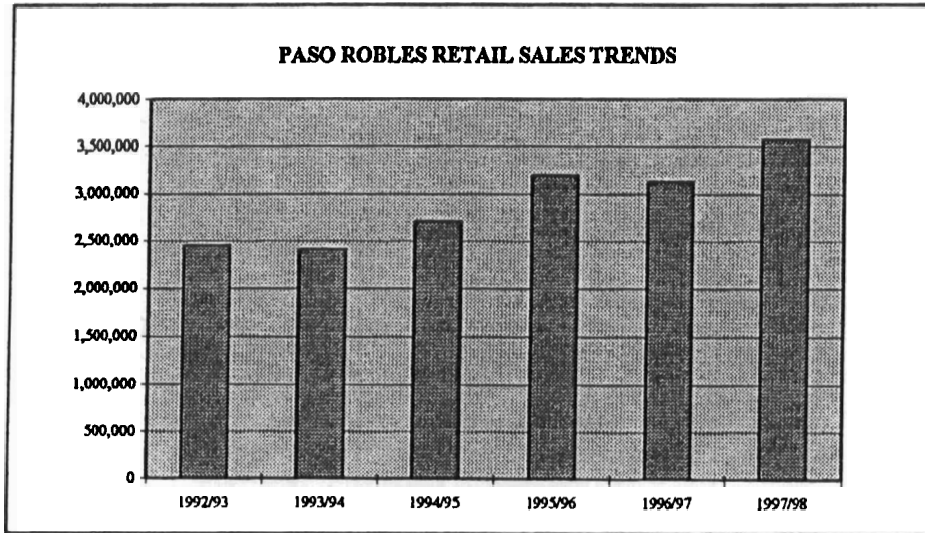


SELLING PRICE	1996		1997		1998*	
	# OF SALES	% OF TOTAL	# OF SALES	% OF TOTAL	# OF SALES	% OF TOTAL
\$99,999 OR LESS	82	26%	91	22%	40	27%
\$100,000-\$129,999	96	30%	119	29%	42	28%
\$130,000-\$159,999	85	27%	97	24%	37	25%
\$160,000-\$199,999	47	15%	66	16%	22	15%
\$200,000-\$219,999	1	0%	9	2%	4	3%
\$220,000-\$259,999	2	1%	18	4%	2	1%
\$260,000 & OVER	4	1%	6	1%	1	1%
TOTAL SALES	317		406		148	

*Represents January 1 through June 15, 1998 sales only

Retail Sales:

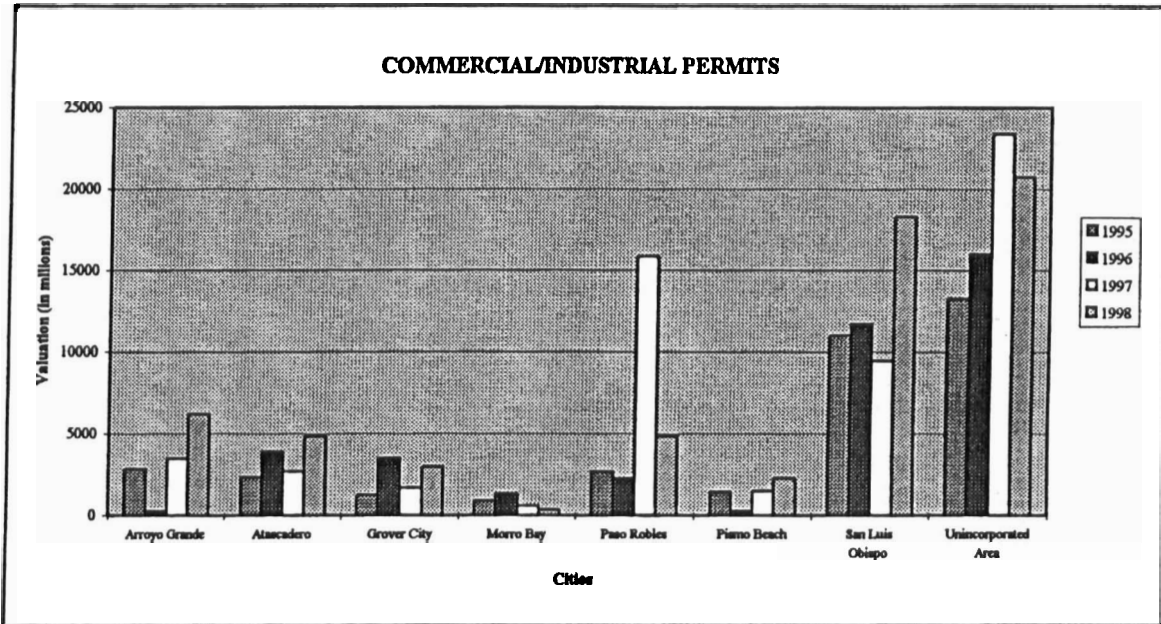
The City's net retail sales have grown from \$2.5 million in 1993 to \$3.6 million in 1998, reflecting an increase of 69% in a five year period. Significant new retail developments have influenced this strong growth, including Downtown Paso Robles, the two Woodland Plaza shopping centers and The Crossings at Paso Robles (Target) shopping center. Retail stores in Paso Robles serve local, North County, and larger market areas, depending upon the nature of the goods or services.



HH

Industrial / Commercial Construction:

Commercial and industrial building permit value for the various jurisdictions in San Luis Obispo County, for the period 1995 through 1998 is summarized as follows:



Tourism / Hotel and Motel Occupancy:

The following table summarizes hotel and motel room capacity for each of the cities in San Luis Obispo County. A table reflecting hotel and motel room sales from 1990 through 1998 is also provided, along with a graph illustrating total visitor expenditures for the period 1993-1998.

HOTEL/MOTEL ROOM CAPACITY BY CITY SAN LUIS OBISPO COUNTY			
Location	number of hotel/motel establishments	number of hotel/motel rooms	median number of rooms per hotel/motel
Pismo Beach	38	2,378	50
San Luis Obispo	37	2,272	43
San Simeon	15	995	63
Morro Bay	35	963	25
Cambria	22	579	20
Paso Robles	13	528	19
Arroyo Grande	6	293	29
Atascadero	5	279	30
Grover Beach	3	129	45
Cayucos	8	117	12
Avila Beach	2	83	42
other	4	46	13
total	187	8,662	30

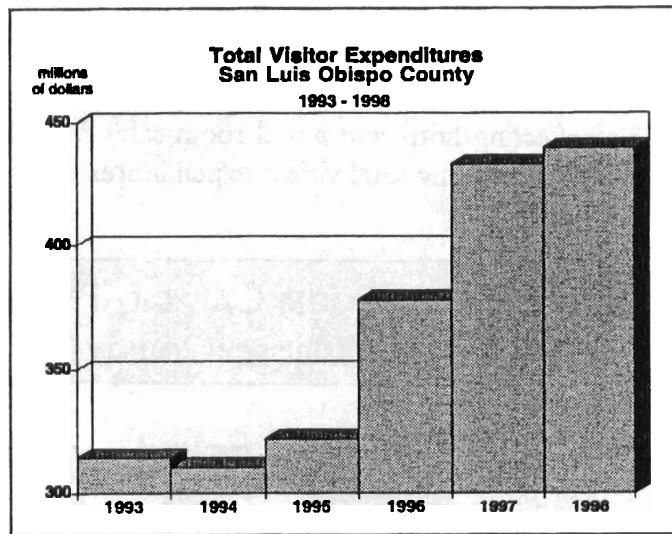
Source: Economic Forecast Project, September 1997

45

HOTEL/MOTEL ROOM SALES SAN LUIS OBISPO COUNTY 1990 - 1998*

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
Cities	<i>—thousands of dollars—</i>								
San Luis Obispo	24,251	24,137	24,144	24,597	24,150	24,621	26,461	28,214	30,029
Pismo Beach	23,884	24,717	25,454	26,434	26,617	26,074	29,179	29,870	29,703
Morro Bay	11,099	11,295	11,099	11,295	10,988	10,860	11,860	11,752	11,989
Paso Robles	4,117	4,153	4,226	4,200	4,480	5,033	4,757	5,272	5,831
Arroyo Grande	2,105	2,010	2,045	2,178	2,200	1,702	2,234	2,741	2,010
Atascadero	1,908	1,717	1,750	1,302	1,762	1,754	1,975	1,969	2,122
Grover Beach	623	323	302	346	416	448	619	1,094	1,252
County Unincorporated Area	23,386	21,507	24,456	23,546	25,305	25,509	29,635	31,998	33,124
San Luis Obispo County Total	91,277	89,858	93,366	93,572	95,649	96,002	106,720	112,909	116,060
percent change	8.4	-1.6	3.9	0.2	2.2	0.4	11.2	5.8	2.8
San Luis Obispo County Total In 1998 Dollars	108,773	102,870	103,159	100,833	101,677	100,470	109,806	114,271	116,060
percent change	2.4	-5.4	0.3	-2.3	0.8	-1.2	9.3	4.1	1.6

* fiscal years



Conclusion:

The foregoing charts, tables, and information are intended to provide economic resources to persons seeking to invest in Paso Robles. The most current available information has been utilized. Please contact the Community Development Department of the City of Paso Robles at (805) 237-3970 / ed@prcity.com to confirm whether or not more recent information has become available.

46