

TO: City Council
FROM: James L. App, City Manager
SUBJECT: Economic & Airport Development
DATE: December 2, 2003

NEEDS: For the City Council to discuss options for furthering their goals to intensify and focus upon economic and airport development.

FACTS:

1. In the late 1980's, the City initiated a number of efforts to promote a positive business climate and stable economic base.
2. In 1987, the Redevelopment Agency was formed. In 1988, the Main Street Program was born. And, in 1989, the City's first Economic Development Manager was engaged.
3. These actions preceded and fed a community-wide redefinition of the City's vision - to become a place where residents could "live, work, and shop" - as documented in the 1991 Land Use Element of the General Plan.
4. Then, in 1993, the community forged an Economic Development Strategy to realize their vision through job attraction and retention, event and tourism promotion, retail/commercial development, and housing programs (the 1998 revised Strategy is attached as Exhibit 1).
5. By the mid-1990's, economic development evolved into a cross-departmental imperative. Organization priorities and effort focused upon actions necessary to promote and facilitate economic development. The Economic Development Manager was the point person for those efforts.
6. In 1997, the Economic Development Manager resigned and the position eliminated. The cross-departmental imperative remained as the driving force for economic development.
7. Substantial economic development has been realized, even since the departure of the City's Economic Development Manager (Exhibit 2).
8. In the mid to late 1990's, the City and Chamber of Commerce partnered to expand and intensify visitor, i.e. tourism, promotion (Exhibit 3).
9. In 2000, the City Council adopted a vision of the Airport (Exhibit 4) as a regional center for aviation and industry.
10. There have been recent advances towards the Airport Vision since (Exhibit 5).
11. In 2001, the City Council adopted a goal to re-establish an economic development staff position (Exhibit 6). Unfortunately, no resources were available to achieve that goal.
12. In 2003, the City Council adopted new goals to "intensify economic development" and "focus on airport development" (Exhibit 7). No resources have been allocated to add to the cross-departmental economic and airport development efforts.

ANALYSIS &

CONCLUSION: The City has a history of successful economic development (as evidenced in the exhibits to this report). And yet, much more can be done to further and sustain community prosperity.

The City Council recognized this fact when they adopted goals in 2003 to intensify economic development community-wide, and focus upon airport development. Unfortunately, many other community priorities stretched resources to the point that none were available to supplement the City's ongoing economic development commitment.

A more specific and proactive economic development posture may enhance overall efforts, and could be realized with the commitment of additional resources. Based on the experience of other agencies, it is likely that such an effort would involve (1) a seasoned professional experienced in identifying market opportunities, developing and leading business attraction and retention efforts, and aiding in relocation negotiations; (2) an analyst to collect, analyze, and present data for businesses considering relocation, develop and place marketing materials, and analyze impacts of business proposals; and (3) an administrative assistant to support marketing and analysis activities, handle business correspondence, provide office support, and the like. Alternatively, contracts and/or partnerships with other agencies or private firms could provide the targeted business outreach initiative.

From another perspective, economic development might also be enhanced through added investment in those City processes and attributes that serve as attractants to prospective businesses, or reasons for existing businesses to stay. Investment in improvements to development processing & permitting, transportation systems, public safety, education, and other quality of life factors important to efficient business functioning could prove to be effective economic development initiatives.

POLICY

REFERENCE: General Plan - Land Use Element; Economic Development Strategy; Council's Adopted Airport Vision; 2003 Council Goals

FISCAL IMPACT: Re-establishment of a formal economic and/or airport development unit would require allocation of recurring resources for compensation, marketing, and operations.

Based on the experience of other agencies, an effective unit would probably include a "director", analyst, and administrative assistant. Total compensation for the three, plus marketing, data collection, and operations support could cost \$500,000 per year.

OPTIONS: A. **City Council Provide Direction Regarding Implementation of Adopted Economic & Airport Development Goals.**

B. **Amend, Modify, or Reject the Option Above.**

- Exhibits: 1 - Economic Development Strategy
2 - Economic Development Activity 1997-2003
3 - City/Chamber Contract for Visitor & Conference Bureau Services.
4 - Airport Vision.
5 - Recent Airport Development Activity.
6 - 2001 City Council Goals.
7 - 2004 - 2007 City Council Goals.

2001 City Council Goals

ADOPTED GOALS (Adopted at 4/3/01 City Council Meeting)	
1.	Implement Emergency Services Plan and develop sources of financing program
2.	Identify and achieve new or expanded revenue sources for the City, complete review of development and user fees to cover impact and service costs, improve ongoing maintenance and fund-deferred maintenance/replacement of facilities and equipment (continue to do so every two years)
3.	Develop plan to have sufficient City staff, a retention/succession plan, and proper compensation for staff
4.	Review and update General Plan including hillside ordinance, annexation policy, Salinas River corridor plan and project fiscal impact model
5.	Upgrade sewer plant and Templeton sewer interceptor lift station/line
6.	Develop and implement Airport Business Plan, increase airport development and create longterm improvement plan
OTHER PRIORITIES	
7.	Strengthen Code enforcement
8.	Implement Information System Strategic Plan to increase public involvement
9.	Re-establish economic development staff position; re-evaluate program and incentives
10.	Pursue transportation/traffic improvement projects
11.	Investigate and pursue downtown parking improvements
12.	Review and document Council policies
13.	Develop additional/alternative water supplies
14.	Develop design guidelines and improved development standards and construction
15.	Develop a technology utility master plan (conduit for fiber optic)
16.	Select site/build Theatre Drive water reservoir
17.	Investigate alternate ways to general electricity

RECENT AIRPORT DEVELOPMENT ACTIVITY
(1999-2003)

- **Purchased Kyoto Building**
- **Purchased J Moore FBO business and building**
- **Landed major aviation tenant for Kyoto & Moore sites, including new gas retailer whose prices are fixed to market**
- **Completed 2nd floor and other major tenant improvements at/to Kyoto Building**
- **35 private hangers built and/or under construction since 2000, compared to 25 for all of the 1990's.**
- **CDF constructed new, permanent regional air tanker base & hanger**
- **CHP renewed lease/commitment as regional center**
- **\$3,000,000 airfield improvements over the last 3 years**
- **Recent business relocations to or near the Airport:**
 - **Santa Cruz BioTech**
 - **Yesterday's Sportswear**
 - **Greater American Financial**
- **New Airport Terminal and Airport entryway.**
- **Have agreed to a lease with a Terminal restaurant operator ("Matthew's" – former chef at Busi's).**
- **Prepared first comprehensive update to the Airport Master & Land Use Plans in 25 years.**

Airport Vision

The Paso Robles Municipal Airport is a regional airport supporting and promoting economic development and growth in tourism through service to both general aviation and regular commercial air service.

"Regional Airport" - serve California's central coast with facilities for landing, takeoff, taxiing, parking, and other aircraft operations, as well as services to support the carriage of persons, property, cargo and mail by aircraft.

Specifically, it will provide facilities and services to general aviation users (including operators of executive or business aircraft) and serve as a way port for aircraft requiring fuels and services while passing through the region. It will continue as a regional center for governmental aviation (such as the California Highway Patrol and California Department of Forestry Fire Service), and provide facilities and services to/for commercial aviation (including commuter, passenger, and cargo airlines) serving Northern California, Southern California, Arizona and Nevada.

Objectives:

To realize the Airport Vision, these objectives are recommended for the five-year future:

1. Increase the number of aircraft based at the Airport from approximately 130 to 250.
2. Increase the total annual number of aircraft operations from approximately 30,000 to 60,000.
3. Increase the number of jobs based at the Airport from approximately 700 to 1000.
4. Improve the appearance and presentation of the Airport and its access roadways comparable to "best practices" of *regional airports* situated in similar markets.

Action Program:

The following action program is recommended to accomplish the objectives above:

- Recruit fixed base operator(s) and certain specialty operators to provide competitively priced fuel, aircraft maintenance services, and flight training.
- Develop a business plan that integrates airport master planning and development with an airport financial plan. The business plan will provide guidance for the operation and development of the Airport and establish goals for transitioning the Airport to profitable operations. The business plan will have the following elements: operations and organizational development, finance, planning-capital development-standards, business/revenue development-property management, Airport marketing, and air service development.
- Prepare an Airport master (development) plan update. The Airport master plan will provide guidance for the development of the Airport and identify the off Airport land areas that should be zoned for uses that are compatible with the Airport.
- Prepare immediate action plan designed to improve the appearance and general maintenance of the Airport -- the overall objective is to improve the Airport's functionality, appearance, safety, security, and environmental status.
- Initiate an Airport market and air service study. This market study should develop baseline market and air service information for the development of a marketing and air service promotional program.

AGREEMENT BETWEEN THE CITY OF PASO ROBLES AND THE PASO ROBLES
CHAMBER OF COMMERCE INC., FOR THE PROVISION OF
TOURISM PROMOTION SERVICES

THIS AGREEMENT, effective July 1, 2002, is made and entered into this 1st day of October 2002 by and between the City of Paso Robles, hereafter referred to as the "CITY", and the Paso Robles Chamber of Commerce, Inc., hereinafter referred to as "Chamber," through its Visitors and Conference Bureau, hereinafter referred to as the "VCB".

WHEREAS, the VCB has special knowledge and experience together with available facilities to provide tourism promotion necessary to enhance the economic vitality of Paso Robles; and

WHEREAS, the CITY desires to have the VCB provide these services in order to facilitate economic development throughout the City; and

WHEREAS, the VCB is willing to provide services hereinafter set forth on behalf of the CITY in the manner and for the purpose hereinafter provided.

The City of Paso Robles hereby enters into an agreement for tourism marketing services to be provided by the Paso Robles Chamber of Commerce via its Visitors and Conference Bureau.

1. VCB RESPONSIBILITIES. The VCB's efforts under this agreement shall include, but are not limited to:
 - a. Visitors and Conference Bureau Marketing
 - Maintain and enlarge Paso Robles' market share of the California tourism market
 - Coordinate individuals, organizations, agencies and other tourism-related resources in the community
 - Increase mid-week and off-season tourism
 - Build group and conference business
 - Educate the public as to the importance of tourism in the local economy
 - b. Visitors and Conference Bureau Promotions
 - Coordinate advertising efforts and media relations
 - Develop promotional materials
 - Participate in tourist promotion trade shows
 - Staff and operate 2 visitor centers (downtown and train station) and establish a visitor information center at the Paso Robles Airport
 - Provide marketing support for special events, Barney Schwartz Park, and attracting a new air show
 - Provide research to track visitors and related economic impacts

- c. Local Event Promotion
 - Support local events sponsored by the Mid-State Fair, Paso Robles Main Street, and Paso Robles Vintners and Growers Association
 - Identify and maintain board liaison to the Main Street Board and invite same from Main Street to the Chamber of Commerce/Visitors and Conference Bureau Board

2. COMPENSATION. In consideration of the services performed by the Chamber through its VCB, the CITY will make payments as follows:

- a. Commencing with the Agency's fiscal year beginning July 1, 2002, the Agency shall disburse to Chamber annual amounts as indicated below in equal payments each calendar quarter:

Fiscal Year 2003	\$159,000
Fiscal Year 2004	\$213,700
Fiscal Year 2005	\$218,300

- b. In addition to compensation in 3(a) above, VCB shall be eligible to receive incentive compensation based upon transient occupancy tax revenue collection. Said compensation shall be paid at the rate of \$.10 per \$1.00 in excess of the amounts indicated below:

Fiscal Year 2003	\$1,075,000
Fiscal Year 2004	\$1,253,000

Any incentive payments due under this provision shall be paid on or before September 30th of the following fiscal year.

- c. In the event that the City Council is compelled to reduce General Fund budget expenditures in any given year during the term of this agreement, the base contract shall be reduced by the same percentage as the overall General Fund budget reduction. The CITY recognizes that the base contract reductions may result in a reduction of the services provided by the VCB.
 - d. This agreement shall not prevent CITY from appropriating additional sums for specific projects, which the CITY may desire to have performed by the CHAMBER through its VCB.
3. VCB'S ANNUAL BUDGET. The Chamber shall, by the first of April each year, submit to the CITY for review by the City Council, a proposed budget and Tourism Marketing Plan for the Visitors and Conference Bureau for each the coming fiscal year covered by this AGREEMENT. This budget shall include all funds proposed to be received from the CITY and how those funds will be spent:

The VCB will also provide an annual and mid-year report of their implementation of the Marketing Plan.

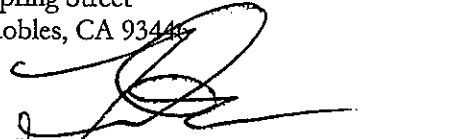
4. VCB'S FINANCIAL RECORDKEEPING AND REPORTING. The CITY shall have the right to audit the books, records, and accounts of the VCB at any reasonable time in the VCB's offices.
5. POLITICAL ACTIVITY. The Chamber shall not use any monies received under this agreement for the endorsement, opposition or participation in any public office campaign or other political or lobbyist activity.
6. HOLD HARMLESS. The Chamber shall defend and hold the CITY, its members, officers, agents and employees free and harmless from any and all liability for any damages whatever arising out of the acts of the Chamber, its officers, employees or agents in carrying out the terms of the agreement.
7. LIABILITY INSURANCE. The Chamber and its VCB agrees to maintain in full force and effect during the term of the agreement public liability insurance in the sum of not less than Five Hundred Thousand Dollars (\$500,000) for death or injury of one or more persons in any one accident; property and products damage insurance in a sum of not less than Twenty-Five Thousand Dollars (\$25,000). All such insurance shall be carried with insurance companies satisfactory to the CITY and shall name the CITY, its officers, agents, and employees as additional insured. The Chamber and its VCB shall cause to be furnished to the CITY certificates of insurance stating that such insurance is in full force and effect; that the premiums thereon have been paid; and that the insurance carrier will give the CITY at least ten (10) days prior written notice of cancellation, termination or modification. The CITY is not liable for the payment of premiums or assessments on this policy.
8. INDEPENDENT CONTRACTOR. Notwithstanding any other representation, oral or written, between the parties, including any and all agents or representatives thereof, the Chamber and its VCB is at all times acting as a free and independent contractor, not as an agent of the CITY.
9. REVERSION OF FUNDS AND PROPERTY. During the term of this agreement should the VCB be dissolved, disbanded, or otherwise cease to function in a manner described in this agreement, all funds attributable to the CITY, and equipment purchased out of funds provided by the CITY, shall revert to ownership of the CITY. For the purpose of this provision, the VCB shall maintain a written record of, and include as part of each annual report, a listing of capital equipment that has been purchased with the funds provided by the CITY.
10. TERM. The term of this agreement shall be for a three-year period, expiring on June 30, 2005, unless terminated earlier in accordance with Section 11 below.
11. NOTICE. This agreement may be terminated in whole or in part at any time by either party hereto upon one year's written notice to the other as identified below, whereupon all rights and obligations of both parties hereto shall terminate, and the payments from the CITY to the Chamber hereunder shall be adjusted on a pro rata basis to the date of the termination.

12. FULL AGREEMENT AND AMENDMENT. This document represents the entire understanding between the parties and supersedes all prior negotiations, representations or agreements, either written or oral. This agreement may only be amended by a writing signed by both parties.

IN WITNESS WHEREOF, this agreement is hereby executed as of the day and year first hereinabove written.

THE CITY OF PASO ROBLES
1000 Spring Street
Paso Robles, CA 93446

By



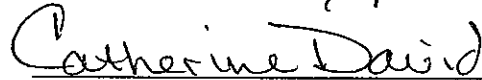
Frank R. Mecham, Mayor

PASO ROBLES CHAMBER OF COMMERCE, INC.
1225 Park Street
Paso Robles, CA 93446

By



By



Economic Development Progress Report

[1997 ~ 2003]

Since January of 1997, the City's economic progress has been robust. The purpose of this Economic Development Progress Report is to summarize these accomplishments.

Paso Robles has experienced economic growth and development in each area targeted in its Economic Development Strategy: Manufacturing, Tourism, Retail/Commercial, Housing, and Development Review.

Manufacturing:

Completed Projects

a. Major New Facilities / Significant Employment / Sales Tax:

- Treana Winery Facility, 60,000 square feet at Paso Robles Municipal Airport
- Advance Adapters, 36,000 square foot new building in Aerotech Center
- SLO Brew, 15,000 square feet on Ramada Drive
- Life-Fitness major expansion into 108,000 square feet on Riverside Avenue
- Flight Environments in Linne Industrial Park, 25,000 square feet at 40 employees
- Holmes Industrial Building, 15,000 square feet at Linne & Airport Roads
- D&P Distributors (Cuesta Equipment) & Davis Boats; 21,000 sq. ft. (point-of-sale)
- Cal West Rain Irrigation Company, 4,000 square feet on Tuley Road (point-of-sale)
- Santa Cruz Biotech facility opened at 3598 Dry Creek Road (67,000 sq ft)
- Two commercial/light industrial buildings at NWC of Tractor Street & Germaine Way, 10,500 square foot
- Manufacturing space (11,440 sq ft UC) at 448 Sherwood Road, 20,000 sq ft
- Industrial building at 580 Linne Road, 32,530 sq ft
- Multi-tenant industrial building at 2323 Tuley Road, 13,700 sq ft
- Industrial building at 1650 Ramada Drive (Paris Precision), 233,440 sq ft.
- Manufacturing facility at 2139 Vanderlip Court, 5,000 sq ft
- Addition to industrial building at 1601 Fontana Road (JIT), 30,000 sq ft
- Nanometer (2 industrial buildings: 16,320 sq ft) at 2501 Golden Hill Rd.
- Industrial bldg. With office at 2139 Vanderlip Dr., 5,000 sq ft.

b. Expansions of Existing Facilities / Modest Gains in Employment:

- Horn Family Trust, 11,000 square feet of manufacturing on Sherwood Road
- JIT 7,000 square foot facility expansion, Commerce Way
- Morro Bay Cabinets, 5,000 square foot facility expansion, Commerce Way
- Tom Schultz Industrial Space/Airplane Hangar, 45,000 sq. ft. at Municipal Airport
- Harry & John Reed Airplane Hangar / Shop Building, 4,000 square feet
- Addition to manufacturing facility at 1720 Commerce Way, 11,200 sq ft.

c. Warehouse and Storage:

- Durnbaugh Warehouse / Storage Facility, 4,000 square feet on North River Road
- Nerelli Mini Storage, 50 units / 18,000 square feet on Golden Hill Road
- Cypress Equities Mini Storage, 56,000 square feet on Union Road
- Mini-storage: 55,630 square feet at 2935 Union Road
- Wine storage building at 4820 Secondwind Wy. 39,000 sq ft
- Mini storage w/office and res. unit 2338 Prospect Ave, 26,390 sq ft
- Mini storage 1420 Ramada Dr., 26,390 sq ft.
- Mini-storage at 2941 Union Rd, 60,376 sq ft

Pending Applications

- Industrial complex at 3500 Dry Creek Road, 60,376 sq ft
- Facility proposed by Central Coast Wine Storage at the NW corner of Airport Road, and Buena Vista Drive, 60,376 sq ft.
- Self-Storage Facility at 2501 Theatre Dr.

Tourism:

Completed Projects

- Park Cinemas, six screen movie theater at 11th and Pine Streets
- Holiday Inn Express, 60 Room Hotel, Riverside Avenue
- North County Transportation Center
- Villa Creek Café, 12th and Pine Streets (Phase I of III)
- Martin-Weyrich Wine Tasting Room, 1,600 square foot Expansion
- Classic American Theater, 12th Street
- ARCO Station, major remodel at Black Oak Corner
- Carnegie Library Opened as Museum by Historical Society
- Estrella Warbirds facility expansion, Dry Creek Road
- Holiday Inn Express Hotel: 60 rooms at 2525 Riverside Ave.

- Hot Springs Spa (4,600 sq ft) at 3720 North River Rd.
- Renovate Train Station (1,100 sq ft) and add 6,830 sq ft of commercial space at 702-744 Pine Street
- Paso Robles Inn: add 18 rooms at 1103 Spring Street.
- Paso Robles Inn: Ballroom renovation plus 12 new rooms above the ballroom.
- 14 room addition to Budget Inn at 2745 Spring Street.
- Hampton Inn Motel (81 rooms; 48,110 sq ft) at 212 Alexa Court.

Approved Developments and Pending Applications:

- **Paso Robles Hot Springs:** The City has approved an application for the 255 acre Paso Robles Hot Springs project, including a 223 room resort hotel and conference facility proposed on property located between Buena Vista Drive and North River Road. This is a multi-phase project that is anticipated to be developed over approximately 8 to 10 years.
- **French Village Resort:** The City Council has approved an 80-room resort hotel / spa with related facilities and a cluster of 17 homes on a 21 acre property located at the northeast corner of Buena Vista Drive and Experimental Station Road. The project may be developed in phases. The architecture would be a “Provence” theme.
- **Vina Robles** is the name of an 80 room resort development planned for 28 acres on the south side of Highway 46 East, near the Mill Road intersection. The project includes vineyards, a tasting room, and entertainment facilities. The project is anticipated to proceed in three phases, with the hotel being in a later phase. Planning Commission approved the project March 11, 2003.
- The “**Palazzo Paso Robles**” hotel project was approved by the Planning Commission and City Council in May / June 2003. The four-story, 130 room hotel is proposed for property located south of 1st Street and east of South Vine Street, adjacent to the Highway 101 southbound on-ramp.
- The **Adelaide Inn** has building plans being reviewed for a 42 room expansion of their existing hotel located near the intersection of Santa Ynez and 24th Street.
- **Black Ranch:** Applicants have filed a Development Plan for a new resort on approximately 350 acres on the north side of Highway 46 East, opposite the Hunter Ranch Golf Course. The project includes 280 hotel rooms and cottages, and a new golf course. Planning Commission consideration will be scheduled as soon as environmental documentation and draft mitigation measures are completed.

- **La Quinta:** 71 rooms (61,000 sq ft), 5,000 sq ft restaurant, NE corner of Hwy 46 and Buena Vista.
- **La Bellasera:** 61 room (52,216 sq ft), Hwy 46W/101.

Other Hotel Projects: There are three (3) other hotel projects in various stages of discussion, which do not have applications, filed with the City.

Retail Commercial Projects:

Completed Projects:

- Big 5, Staples, Shops, & JC Penney Co., 156,000 square feet at Woodland Plaza II
- Target Store, The Crossings at Paso Robles
- San Luis Bay Motors, 15,000 square feet on Theater Drive
- Ross, 30,000 square foot building in The Crossings at Paso Robles
- Retail Store with 4,000 square feet, The Crossings at Paso Robles
- Office Max, 24,000 square foot store in The Crossings at Paso Robles
- Chevron Service Station - Car Wash, Woodland Plaza II
- Kragens Store, Woodland Plaza II
- Dzida Tile Store, 3,700 square feet on Riverside Avenue
- Carl's Jr., The Crossings at Paso Robles
- Jaime Corvera Professional Office conversion of residence, Pine Street
- Carls Jr. (3,050 sq ft); Ross Dress for Less (30,190 sq ft); Office Max (23,530 sq ft); USA Sleep Center (4,000 sq ft) at SWC of Theater Drive and Gahan Place.
- Martin Bros Winetasting Room: 1,600 sq ft addition at 2610 Buena Vista Rd.
- Jack-in-the-Box restaurant, convenience market and gasoline sales at 1900 Ramada Drive.
- New car dealership (14,980 sq ft) at 2700 Theater Drive.
- Wendy's drive thru restaurant (2,930 sq ft) at 141 Niblick Road.
- Orchard Supply Hardware (45,690 sq ft) at 2005 Theater Drive.
- Car Wash: 5 bay, self-serve at 2840 Spring Street..
- Reneau Chrysler, Plymouth & Dodge: 7,125 sq ft additions at 2235 Spring Street.
- Welding supply store at 1120 Ramada Drive.
- Michael's Art Supplies (19,290 sq ft) and 2 clothing retail spaces (19,420 sq ft) at 2169 Theater Drive.
- Add 3 movie screens (8,790 sq ft) to Park Cinemas; build 8,000 sq ft retail space at 1100 Pine Street.
- Addition to truck repair facility at 2348 Golden Hill Rd, 6,300 sq ft.
- Big Bubba's Bad BBQ restaurant (4,660 sq ft) at 1125 24th Street.
- McDonalds restaurant (5,720 sq ft) at 2715 Black Oak Drive.
- "Panolivo" Gourmet Deli, French Bakery, and Restaurant, 1344 Park Street
- "Wilmot Market", 13th Street between Park and Spring
- DiRiamondo's Cheese Shop, 822 13th Street

- “Cuggini’s”, 13th and Spring Street
- “Dining With Andre,” 1032 Pine Street
- “Coldstone Creamery,” 834 11th Street
- “Lomardos” 832 11th Street (plans underway)
- “Thai Restaurant,” 836 11th Street (plans underway)
- 19,421 Retail Bldg at 2075 Theatre Dr.
- New RV dealership 6,760 sq ft 2501 Theatre Dr. (Sky River)
- Food For Less 52,400 sq ft
- Weyrich Dev. railroad project, Riverside Dr., 11,982 sq ft.

Pending Projects

- Estrella Assoc. mixed use commercial, Buena Vista Dr., 11,982 sq ft.
- Woodland Plaza II, phase III (Department Store), 87,755 sq ft.

Pending Applications:

- Target Shopping Center: Potential addition of 17,000 sq ft of new retail/services to be added (discussions underway).
- Commercial developments in the Ramada & Theatre Drive areas: a number of projects have been proposed and are pending implementation of traffic mitigation measures in that geographic area.
- Potential new restaurant adjacent to the New McDonalds at Black Oak Drive.
- Potential 7,500 sq ft commercial center at the corner of 24th and Isabel.
- Neighborhood shopping center of 5.8 acres near Cuesta College.
- Commercial development on vacant property in the downtown area along Spring Street south of 9th Street.
- Railroad Square, a 12,500 sq ft commercial center at 1429 Riverside Avenue has building permits ready to be issued.
- A Shell Service Station and convenience store, with a total of 8,300 sq ft is proposed for the northwest corner of Golden Hill Road at Highway 46 East.

Housing:

Permits Issued:

- Residential Permits in 2002: 315 dwelling units
- Residential Permits in 2001: 428 dwelling units
- Residential Permits in 2000: 385 dwelling units
- Single Family Residential in 1999: 231 dwelling units
- Single Family Residential in 1998: 269 dwelling units
- Single Family Residential in 1997: 117 dwelling units

Single Family Recorded Tract Activity

- Recorded vacant Single Family Residential Lots: 468
- Tentatively Approved Single Family Residential Lots: 1,401

Projects Pending

a. Single Family Tract Maps

- Tract 2521, 9 lots
- Tract 2571, 33 lots

b. Single Family Tentative Parcel Maps

- Five separate applications for a total of 14 lots

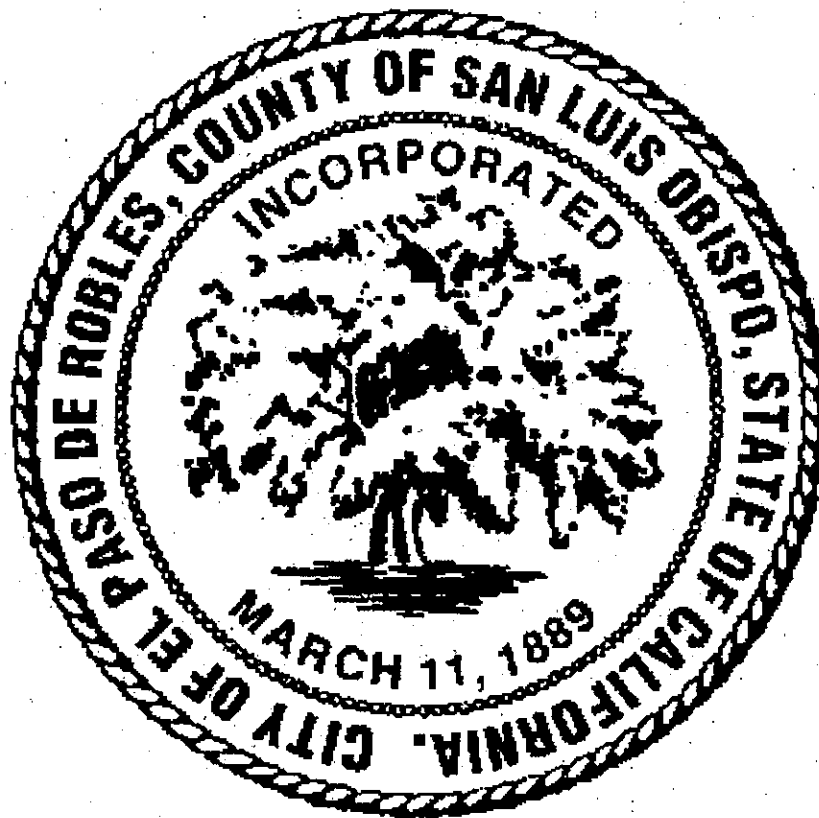
c. Pending Multi-Family Projects

- PD 03-004 (5 units)

d. Redevelopment Agency Assisted Housing Projects:

- Creekside Gardens: 29 unit housing complex for low-income seniors (Peoples' Self-Help Housing Corporation)- Under Construction
- Canyon Creek Apartments: 68 unit multi-family housing development (Peoples' Self-Help Housing Corporation)- tax credits approved and project expected to move forward.
- Paso Robles Non-Profit Housing Corporation: 40 unit housing complex for low income seniors located within the Robles Housing Authority Property.

ECONOMIC STRATEGY



City of El Paso de Robles

1998 ECONOMIC TASK FORCE

Chairman.....Steve Sylvester
Vice Chairman.....Gwen Pelfrey

COMMITTEE MEMBERS

Ed Anshen.....General Manager, Paso Robles Golf Club
Bob Burgess.....Owner/General Manager, Paso Robles Ford-Lincoln-Mercury
Jeanette Duncan.....Executive Director, People's Self-Help Housing Corporation
Tom Erskine.....Owner/Broker, Country Real Estate
Morgan Howard.....Operations Manager, Zurn/Wilkins Industries
Linda Janzen.....Director-Career Education, Paso Robles Public Schools
Tom Martin.....President, Martin Outdoor/Martin Media
Matt Masia.....Manager, Adelaide Inn
Norma Moye.....Executive Director, Paso Robles Main Street Association
John Partridge.....President, Advance Adapters
Gwen Pelfrey.....Executive Vice President/Chief Administrative Officer, Heritage Oaks Bank
Carlos Reynoso.....Owner, Carlos J. Reynoso, C.P.A.
Ed Steinbeck.....Planning Commissioner/Broker Associate, Prudential Hallmark Realty
Steve Sylvester.....President, North Coast Engineering

CITY STAFF

James L. App.....City Manager
Dennis Fansler.....Management Analyst
Robert Lata.....Community Development Director
Melissa Myers.....Economic Development Office

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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. The City developed Sherwood Industrial Park to provide jobs to residents in the 1960s and 1970s and established the County's first Redevelopment Project Area in 1987. 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 for 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, 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' Roundtable:** A one-day meeting of community leaders permitted 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' Roundtable and individual meetings with local business leaders.
3. **Paso Robles Community Strategic Planning Conference:** A one-day communitywide conference was held, including 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 through 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

Recognizing that this *Economic Strategy* is a work in progress, the Paso Robles City Council commissioned a new task force in early 1998 to prepare a comprehensive update of the document. The Council appointed the 14-member Economic Task Force in 1998, 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. This average of 153.3 new jobs per year exceeded the recommended number (120) of new jobs to be created in the previous *Economic Strategy*.

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, 50% of which 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 DIPLOMA 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 create significant tourism potential. Therefore, it is important that Paso Robles pursue 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 Visitors and Conference Bureau (VCB) 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 Huelo 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 40 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 and 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
 - 10. Viognier Celebration
 - 11. California Mid-State Fair
 - 12. Basil Festival
 - 13. West Coast Kustoms Hot Rod Reunion

- | | |
|--------------------------------------|------------------------------------|
| 5. Paso Robles Wine Festival Weekend | 14. Pioneer Day |
| 6. West Coast Customs Car Show | 15. Harvest Wine Affair |
| 7. Great Western Bicycle Rally | 16. A Paso Gathering |
| 8. Wildflower Triathlon | 17. Vine Street Victorian Showcase |
| 9. Paso Robles Air Show | |

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 the Year 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 Paso Robles 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 Farmers' 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 associated sunset clause expiring 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; 1st Street to 24th Street).
- IV. Create a marketing theme consistent with future uses 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).
 - 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 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*. (*See charts on Paso Robles Purchase Trends)

The previous *Economic Strategy* encouraged rental housing production, which has not occurred. At present, there are very low vacancy rates in the available rental housing stock. The projected growth in the agriculture industry, tourist-related jobs. In addition, 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.

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, daycare 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, childcare 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 if 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, if 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 2 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, setbacks, 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, 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 Development Review Committee (DRC) review of projects.

IMPLEMENTATION

- I. Establish DRC 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 by December 1999, rather than having individual reports for each project. 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 Paso Robles’ consistency 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 intersection of Golden Hill Road and Highway 46E, to 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 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

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 120 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 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, 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, 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 in prior years. 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 to perform functions specifically focused on marketing outreach, outside sales, and business/industry recruitment regardless of other budgetary or hiring restrictions that may be in effect. 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.

City Council Goals for Fiscal Years 2004-2007

MAJOR GOALS	
1.	Develop new source(s) of water
2.	Complete the General Plan & Chandler Ranch Specific Plan (including affordable housing, Salinas River Corridor Plan, and Pedestrian Circulation – safety and trails)
3.	Intensify economic development
4.	Focus on airport development
5.	Continue implementation of the Emergency Services Growth Management Plan
6.	Implement Downtown Parking and Circulation Plan
7.	Improve transportation system/traffic flow
OTHER IMPORTANT GOALS	
8.	Complete Sherwood Park Master Plan
9.	Continue key staff succession planning/preparation
10.	Continue updating sewer facilities
11.	Develop emergency/disaster response plans
12.	Plan for a new City Hall
13.	Upgrade the Municipal Pool
14.	Sell or develop City-owned property at 4 th and Pine Streets
15.	Plan east side Police and Fire presence
16.	Expand code enforcement program
17.	Support local schools
18.	Enhance City entrances
19.	Continue clearing the Salinas River
20.	Improve communications with citizens (including web site and regular meetings with advisory bodies and staff)
21.	Develop new revenue
GOALS TO ADDRESS AS RESOURCES PERMIT	
22.	Plan for an aquatic facility
23.	Better utilize Mid State Fair facilities
24.	Add special interest programs (BSP, library, teen, senior, Native American, early childhood education and public art)
25.	Focus on blighted areas
26.	Hire line level staff
27.	Acquire alternate-fuel public transit vehicles