

TO: James L. App, City Manager

FROM: Meg Williamson, Assistant City Manager  
Ed Gallagher, Community Development Director

SUBJECT: Economic Strategy – Progress Report

DATE: February 4, 2014

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Needs: For the City Council to receive a progress report on the Economic Strategy.

Facts:

1. A joint effort in 2006 of the Chamber of Commerce and the City of Paso Robles resulted in the adoption of an Economic Strategy for Paso Robles (see *“Attachment 1”*).
2. Twenty four accomplished individuals from business, commerce, finance, agriculture, education, government, tourism, publishing, entertainment, and economics lent their expertise and support in the drafting of the document. Their collective efforts produced a guiding vision referred to as the Economic Strategy.
3. Since its adoption, the Strategy’s four foundational elements (People, Place, Positioning, & Partnership) have become an integral part of the City’s policy framework and articulate the tenets of Community vitality.
4. Periodic progress reports have been presented to Council in conjunction with biennial goal setting and semiannual financial forecasts. Those presentations highlighted many community successes despite the volatile changes in the economy. The last report was presented in January 2011.
5. The Beacon Economics 2013 Central Coast Economic Forecast reported that San Luis Obispo County has been one of the fastest growing economies in California, attributable to strong Tourism and Agricultural sectors along with a housing market on the rebound. There are many examples of these business sector strengths in Paso Robles.
6. The tourism and agricultural industries have fueled both retail sales and transient occupancy tax (TOT) in Paso Robles. TOT has increased an average of 9% year over year since 2011.
7. The state and national economies are showing trending signs of modest and steady recovery.
8. Highlighted in this report is evidence of business vitality here in Paso Robles, in both private business and public infrastructure investment.

ANALYSIS &

CONCLUSION: A core premise of the Economic Strategy is that no single entity, private or public, can accomplish and sustain the community's economic health alone. Our community thrives because of a collective vision that increases opportunity, spurs investment, encourages local enterprise, serves the needs of its local residents, workers and business, promotes stable employment, reduces poverty, offers family and neighborhood life, and is both inclusive and sustainable. Paso Robles has plenty to celebrate. A status report on Economic Strategy efforts will be verbally presented to Council in conjunction with the attached presentation outline (*"Attachment 2"*).

POLICY

REFERENCE: Economic Strategy – 2006.

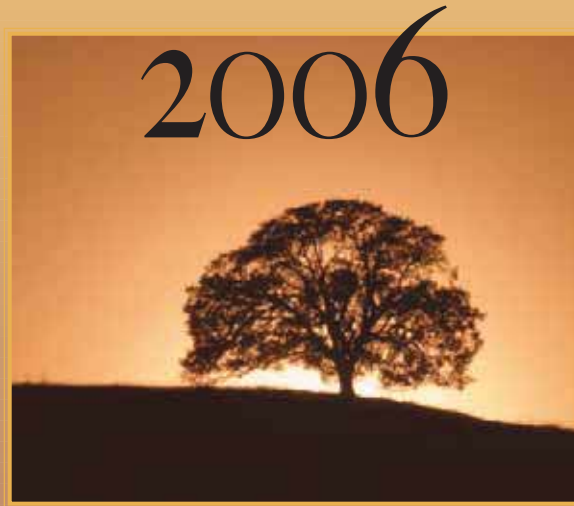
FISCAL

IMPACT: None identified.

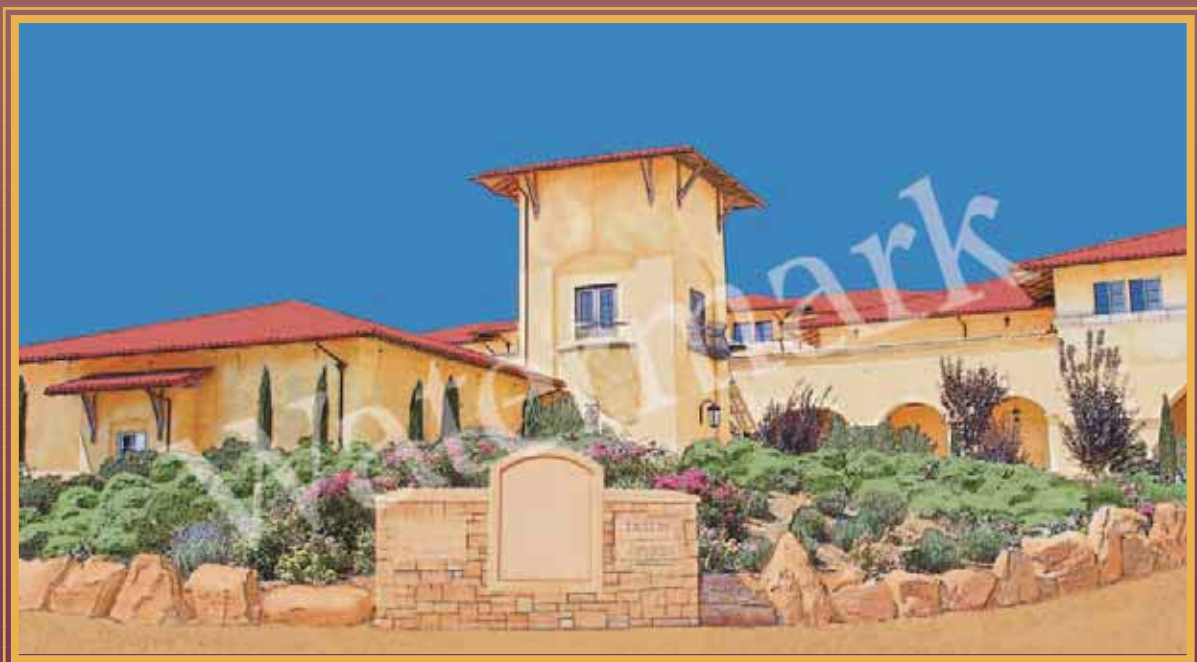
OPTIONS: Receive and file the Economic Strategy progress report.

Attachments:

1. Economic Strategy
2. Economic Strategy Progress Report Outline



# *Paso Robles Economic Strategy*



# ECONOMIC STRATEGY TASK FORCE

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## SAN LUIS OBISPO ECONOMIC VITALITY CORPORATION

President/CEO – John Dunn (Retired)

## AGRICULTURE / WINE INDUSTRY

Paso Robles Wine County Alliance Executive Director – Stacie Jacob

Viticulturist – Roberts Vineyard Services & Consulting Services Management – Neil Roberts

## MAIN STREET ASSOCIATION

Rose in the Woods/Chair of the Board – Jim Reed

## RETAIL

J. C. Penney Store Manager – Floyd Olsen

## EDUCATION

Paso Robles Public School District – Dr. Patrick Sayne

Cuesta College North County Campus Executive Dean – Sandee McLaughlin

Cal Poly Dean College of Architecture and Environmental Design – R. Thomas Jones, AIA

## DEVELOPMENT / CONSTRUCTION

North Coast Engineering, Inc. – Larry Werner

Estrella Associates, Inc. – Dick Willhoit

Developer – Rob Gilson

## BANKING

Heritage Oaks Banks Board Member – Dee Lacey

## HEALTH CARE

Twin Cities Hospital/Tenet Health Care – Sue Ellen Smith

Twin Cities Hospital/Tenet Health Care – President/CEO Rick Lyons

## MANUFACTURING

IQMS Software – Owner – Nancy Flamm

## REAL ESTATE

Peabody & Plum Realtor – Mike Ryan

## NEWSPAPER

The Tribune Publisher – Chip Visci

## TOURISM

River Oaks Golf Course & Seasons Restaurant General Manager – Pam Lyons

Paso Robles Event Center – Dee Lacey

## CHAMBER OF COMMERCE

President/CEO – Mike Gibson

## CITY OF PASO ROBLES / GOVERNMENT

Mayor – Frank Mecham

Council Member – Fred Strong

City Manager – Jim App

Assistant to the City Manager – Meg Williamson

## SPECIAL ADVISORS

UCSB Economic Forecast Project Executive Director – Dr. Bill Watkins

Economic Vitality Corporation of San Luis Obispo County – President/CEO Michael E. Manchak

# FORWARD

THERE HAS BEEN A MOUNTING SENSE OF ANTICIPATION AND APPREHENSION ABOUT THE FUTURE OF PASO ROBLES. AFTER A DECADE OF ECONOMIC AND POPULATION GROWTH, SOME WONDER WHAT IS NEXT FOR PASO ROBLES.

Is growth necessary or desired? What form might it take? Can or should there be an effort to encourage jobs and commerce, as well as accommodate housing? If so, how can small town character continue to thrive while promoting economic vitality and individual opportunity? Can a way of life distinct from suburbia and metropolis be sustained?

The effort to address these questions, to craft a wholly new economic strategy, evolved out of an interest on the part of many that care deeply about the future of Paso Robles. The City Council and the Chamber of Commerce have led the effort. They have drawn on the talents and expertise of accomplished individuals from the worlds of business, commerce, finance, agriculture, education, government, tourism, publishing, entertainment, and economics.

Their collective endeavor has produced a vision – a strategy for the future – presented here for consideration.



## A VISION FOR PASO ROBLES' ECONOMY

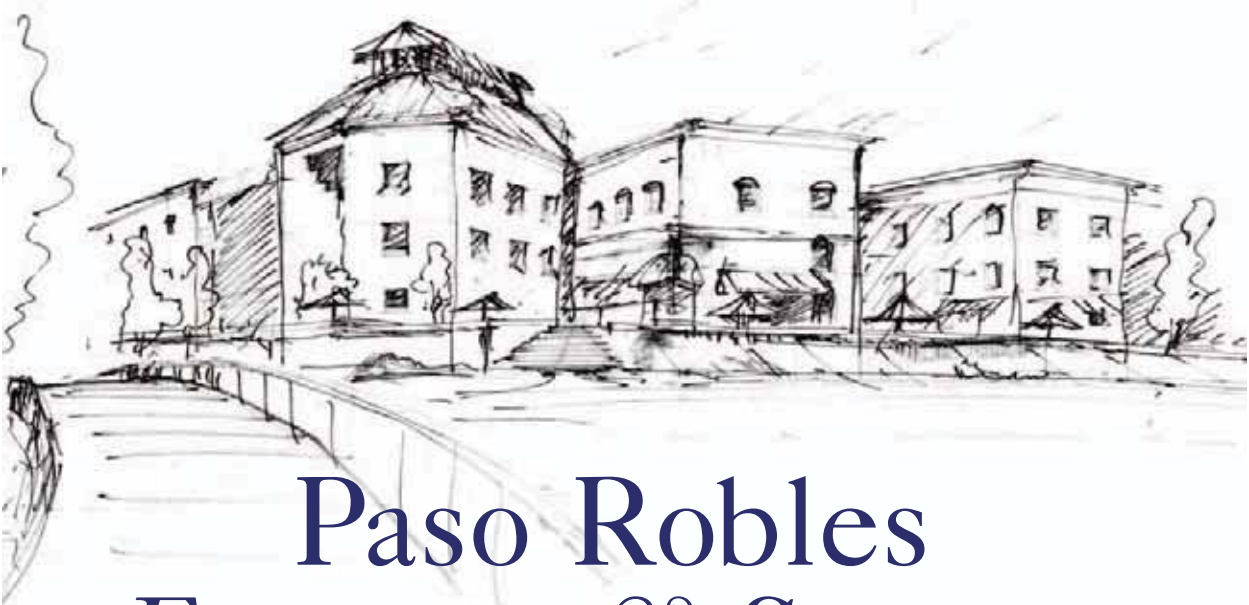
Paso Robles is at a crucial juncture. It faces significant change – in population, demographics, technological advancements, competition, and financial responsibilities – locally, regionally, and state-wide. A parallel transformation of approach to economic vitality is needed if the City is to maintain, even improve, quality of life for its residents.

When and how change is addressed will shape the economic future. A vision and strategy for economic and community development is called for – one that increases opportunity, spurs investment, encourages local enterprise, serves the needs of local residents, workers and businesses, promotes stable employment, reduces poverty, offers family and neighborhood life, and is both inclusive and sustainable.

The City Council has called for just such a reformation of the community's economic vision and strategy. This report lays out the rationale for a wholly new economic vision and strategy as it contains data and analysis that reveal community assets, challenges, and opportunity. And, most importantly, it offers a new vision, or strategy, for increasing and sustaining economic vitality.

Representatives of the City, Chamber of Commerce, and other key public and private stakeholders collaborated to develop this new strategy. Its principle goal is to improve livability and the quality of life in the City through economic growth. The strategies included in this new vision are fashioned to enhance the competitive position of individuals, local industry and commerce, the City, and the region as a whole, by building on and promoting community assets, addressing barriers to progress, and mobilizing public and private resources.





# Paso Robles *Economy & Strategy*

June 29th 2005 the community received a report concerning its economic performance and forecast for the near term. The conclusion: gross domestic product is experiencing real growth at a healthy and sustained rate. The growth is fueled by retail sales and services, construction, rising home values and sales, agriculture, and wine industry-related tourism. Industry mix is better balanced than other area communities, and a vibrant, distinctively identified community center (downtown) offers a range of commerce, dining, entertainment, and civic uses.

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**T**he forecast is a testament to the community's historical consensus and commitment to economic vitality. This result is earned – and good news.





## Challenges: Earnings Education Jobs

**In the midst of this good news, there are some challenges:**

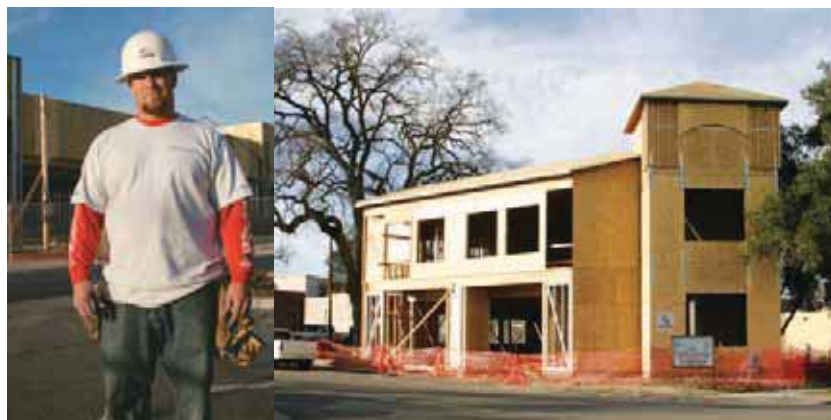
- Low average worker and household earnings,
- Low educational attainment of the community workforce,
- Projected job growth predominantly in unskilled positions in low paying industries.

**And, there are other factors that will impact the local community and its economic future:**

- Influx of “wealthy” and active retirees,
- Housing affordability (as measured against earnings),
- Location midway between major metropolitan areas,
- California population growth, especially in the Central Valley.

These issues and trends are not unique to Paso Robles, but are compelling in that they reflect greater California dynamics. When and how these challenges and issues are addressed will shape the economic future. A vision and strategy for economic and community development is called for – one that encourages local enterprise, serves the needs of local residents, workers and businesses, promotes stable employment, increases opportunity – individual, corporate and societal, reduces poverty, offers family and neighborhood life, and is both inclusive and sustainable.

The scope of tomorrow’s economic development strategy must be fashioned to achieve its own self-sustaining vitality. It would target **improvement of the livability and quality of life in the City through economic growth** – economic growth that stimulates investment, high quality jobs, and wealth.





To meet this challenge, successful cities across North America have modeled their economic development strategies upon principles for building prosperous and livable communities. These principles provide a common guide to promoting economic vitality. The principles are:

## *Vision and Inclusion*

Communities need a vision and strategy for economic development. Visioning, planning and implementation efforts should continually involve all sectors, including the voluntary civic sector.

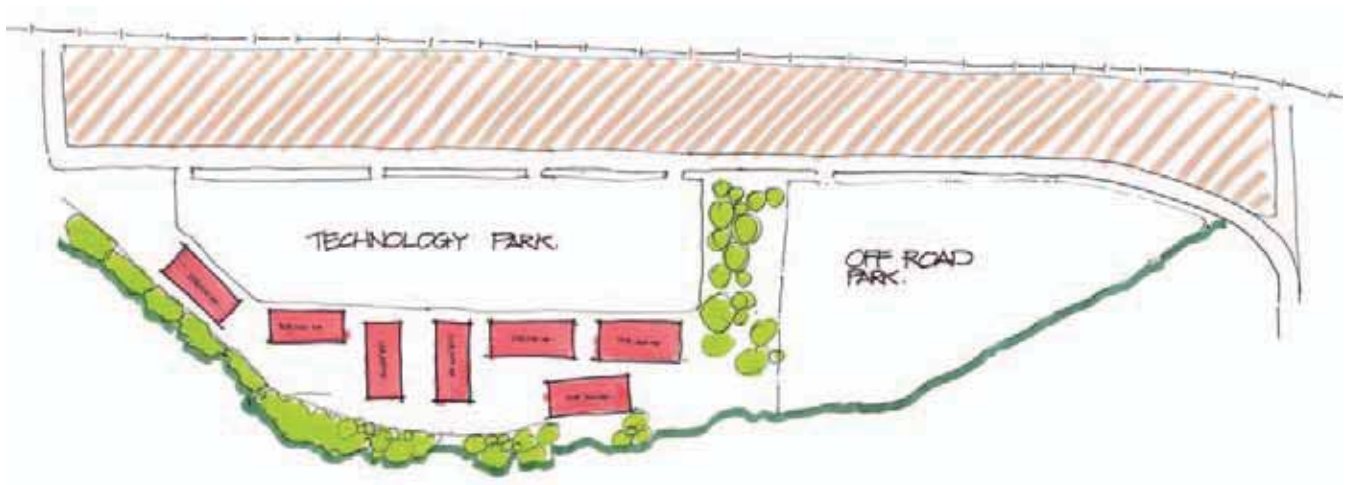
## *Human Investment*

Because human resources are so valuable in the information age, communities should provide life-long skills and learning opportunities by investing in excellent schools, post-secondary institutions, and opportunities for continuous education and training available to all.



## *Industry*

Communities should identify specific gaps and niches their economies can fill, and promote a diversified range of specialized industry clusters, drawing on local advantages to serve local and international markets.



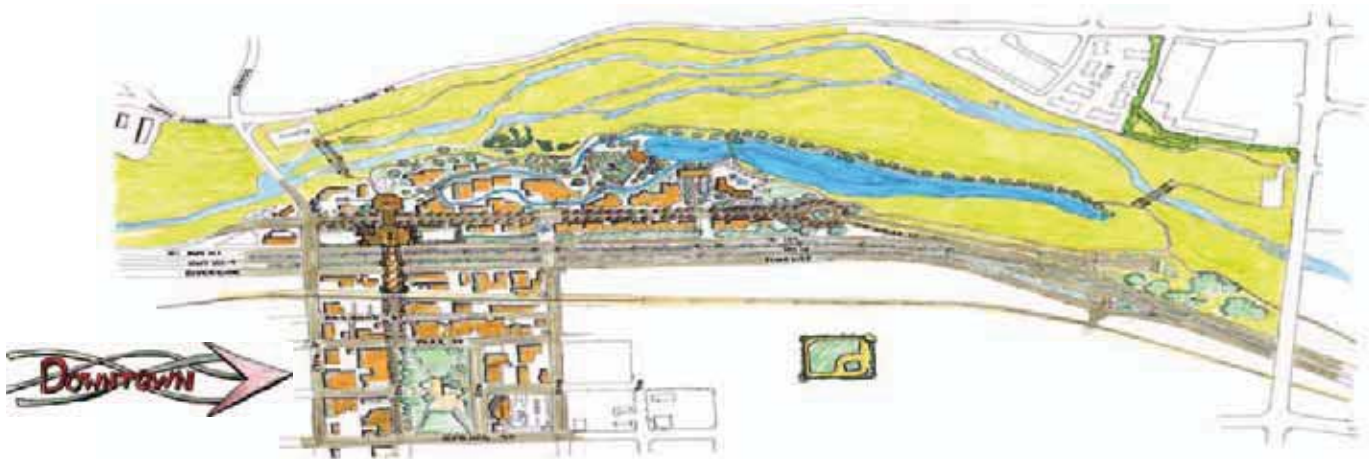
## Local Focus

Because a community's most valuable assets are the ones they already have, and existing businesses are already contributing to their home communities, economic development efforts should give first priority to supporting existing enterprises as the best source of business expansion and local job growth. Community economic development should focus on promoting local entrepreneurship to build locally based industries and businesses that can succeed among national and international competitors.



## Distinctive Communities

Having a distinctive identity will help communities create a quality of life that is attractive for business retention, future residents and private investment. Community economic development efforts should help to create and preserve each community's sense of uniqueness, attractiveness, history, cultural and social diversity, and include public gathering places and a strong local sense of place.

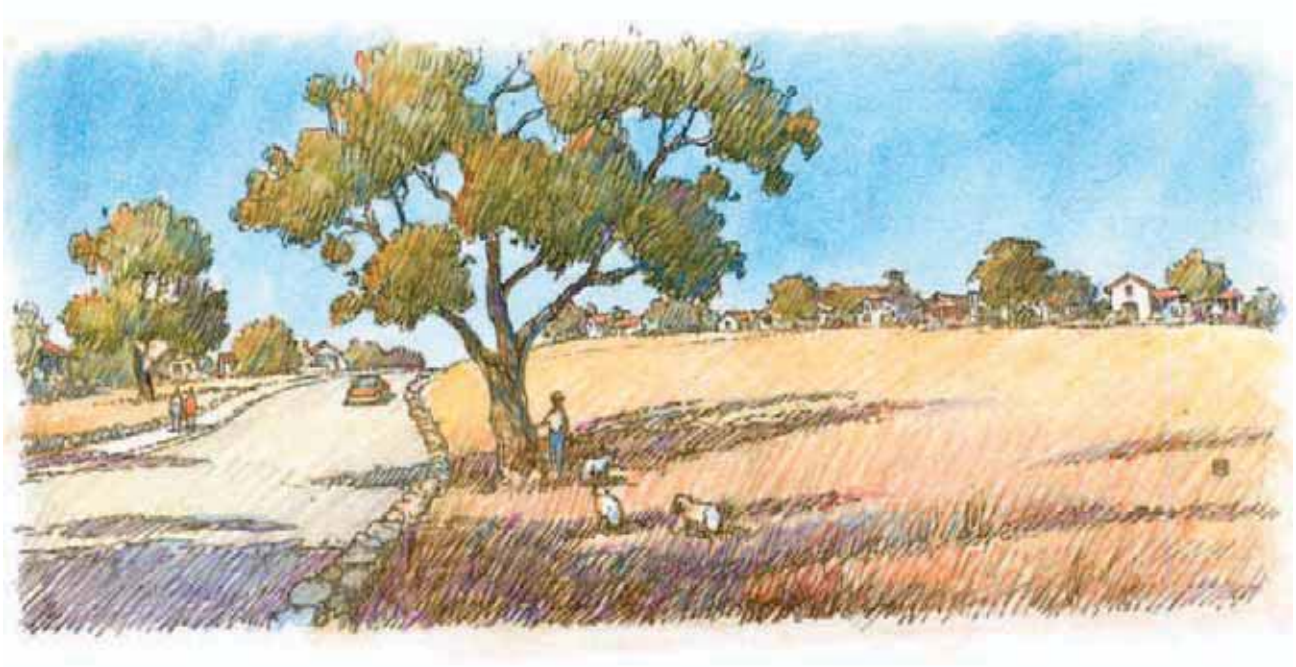


## Center Focus

Communities should have an appropriately scaled and economically healthy center focus. At the community level, a wide range of commercial, residential, cultural, civic, and recreational uses should be located in the town center or downtown. At the neighborhood level, neighborhood centers should contain local businesses that serve the daily needs of nearby residents.

## Compact Development

To minimize economic, social, and environmental costs and efficiently use resources and infrastructure, new development should take place in existing urbanized areas before using more agricultural land or open space.



## Livable Communities

To protect the natural environment and increase quality of life, neighborhoods and communities should have compact, multi-dimensional land use patterns that ensure a mix of uses, minimize the impact of cars, and promote walking, bicycling, and transit access to employment, education, recreation, entertainment, shopping, and services. Economic development and transportation investments should reinforce these land use patterns and the ability to move people and goods by non-automobile alternatives wherever possible.

## Wired Communities

Communities should use and invest in technology that supports the ability of local enterprises to succeed, improves civic life, and provides open access to information and resources.



## Poverty Reduction

Economic development efforts should be targeted to promote jobs that match the skills of existing residents, improve the skills of low-income individuals, and insure the availability of quality affordable transportation and housing.



## Environmental Responsibility

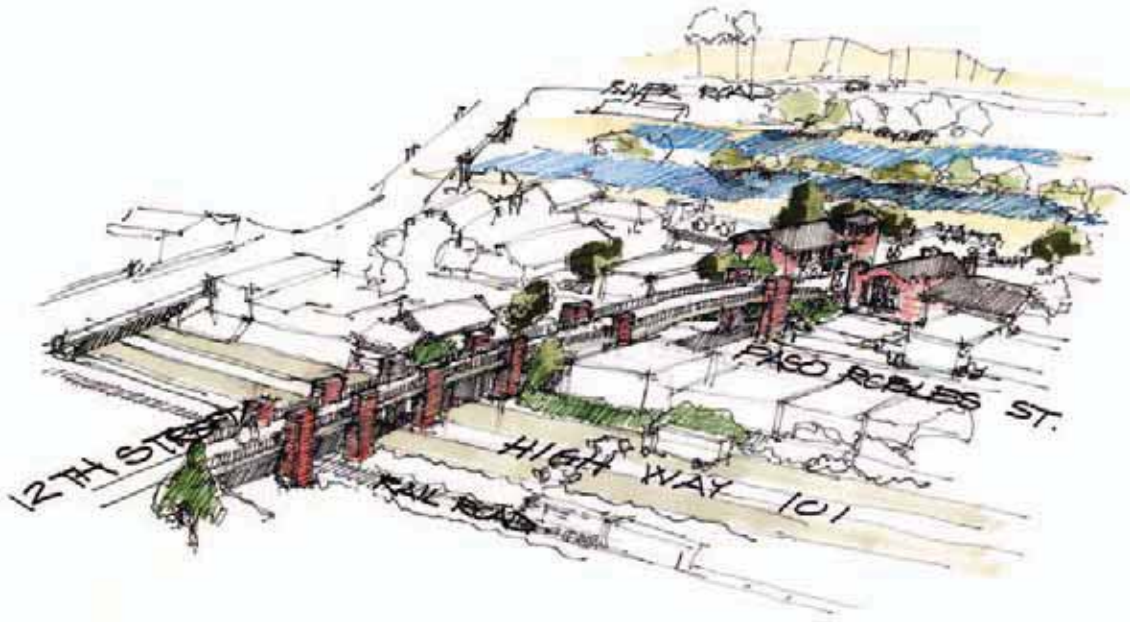
Communities should support and pursue economic development that maintains or improves, not harms, the environment and public health.



## Corporate Responsibility

Enterprises should work as civic partners, contributing to the communities where they operate, protecting the natural environment, and providing workers with good pay, benefits, opportunities for upward mobility, and a healthful work environment.





## Long-Term Investment

Publicly supported economic development programs and investments should be evaluated on their long-term benefits and impacts on the whole community, not on short-term job or revenue increases. Public investments should be equitable and targeted, support environmental and social goals, and prioritize infrastructure and supportive services that promote the vitality of all local enterprises instead of individual firms.



## Regional Collaboration

Since industries, transportation, land uses, natural resources, and other key elements of a healthy economy are regional in scope, communities and the private sector should cooperate to create regional structures that promote and respect local character and identity.



## Integrated Approach

Government, business, education, and the community should work together to create a vibrant local economy, through a long-term investment strategy that:

- encourages local enterprise,
- serves the needs of local residents, workers, and businesses,
- promotes stable employment and revenues by building on local competitive advantages,
- protects the natural environment,
- increases social equity,
- is capable of succeeding in the global marketplace.



Applying these principles to Paso Robles' challenges and opportunities, the economy needs to stimulate investment in high-value added activities – **high order, innovation based, high productivity activities** – often referred to as **the knowledge economy**. An economy based not so much on raw materials and cost containment, but on intellectual capital, technical know-how, innovation, flexibility, and entrepreneurship.

The source of these knowledge economy attributes is people. The generation of new ideas, and the translation of ideas into innovative products and services is the primary way to add value. Education, training, and opportunities for continuous learning must be created to feed the demand for innovation, the demand to add value. The new economy would, therefore, consist of not only a means of producing goods and services, but a way of life and civic culture that **embraces and fosters continuous learning**.



connect with the natural environment, are features that can spark creativity (the very features sought by knowledge workers). It follows therefore, that **quality of place attracts people, and what attracts people can attract investment**.

And this continuous learning must be promoted and pursued not only in established educational institutions, but other informal hubs of social interaction, expression and creativity. Places as diverse as restaurants, cafes, theaters, museums – art and culture, coupled with public and private places of exceptional design, and open spaces that inspire and



The quality of neighborhoods, parks, rivers, schools, theaters, museums, galleries, and urban design as well as industrial centers, roads, sidewalks, trails, telecommunications, utilities, and public transit also have a direct impact on this quality of place, as do the resources and programs that provide education, health, social and recreational services. These features are strategic assets that can be leveraged to support economic growth, or competitiveness – competitiveness to develop, attract and retain knowledge workers and high-value added activity investment.

One of the keys to making these desirable, attractive and needed quality infrastructure investments is to make them more efficient and cost-effective. Efficiency can be achieved by attracting and “housing” sufficient labor force and employment in a more compact urban form. Compact form can result in efficiencies in major infrastructure investments and enhance opportunities to house the labor force – **who will be needed to power the knowledge economy.**

Transition to a knowledge economy is a significant commitment, and to be realized, it must be communicated. More specifically, a community needs to actively **promote local industry, products, services and destinations to the world** – let them know what is here; let them know there is opportunity.



Such is the opportunity here and now. Economists suggest a move towards high-value added, specialty activities. High-value added specialty commerce is typically driven by knowledge and know-how, creativity and flexibility, entrepreneurship and strategic alliances. Producing, attracting and retaining knowledge investment, industry, commerce, and workers requires a strategy that promotes:

### **Quality of life Quality of place**

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- Create opportunities for personal and professional growth;
- Maintain safe, healthy and attractive physical environment;
- Encourage and enrich urban culture and center (downtown) focus;
- Establish cohesive, compact and livable community for individuals and families.



### **Human intellectual capital, creativity, and technical capabilities**

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- Focus on knowledge and skill development;
- Support for high-quality basic, advanced, and technical education.



### **Local institutions of innovation, learning, and networking**

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- Establish strategic alliances with institutions of higher learning and business associations;
- Encourage diverse informal centers of creativity, learning and interaction (theatres, galleries, museums, performing arts centers, restaurants, community centers, etc.).

## Built, natural, and social environment

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- Improve overall quality of built form (design/architecture);
- Preserve, enhance, and provide access to key natural features/places;
- Provide quality education, health, arts, culture, and recreation programs and services;
- Expand and maintain high quality transportation systems and facilities, public places and buildings, telecommunication systems, and utilities.

## Regional presence and profile

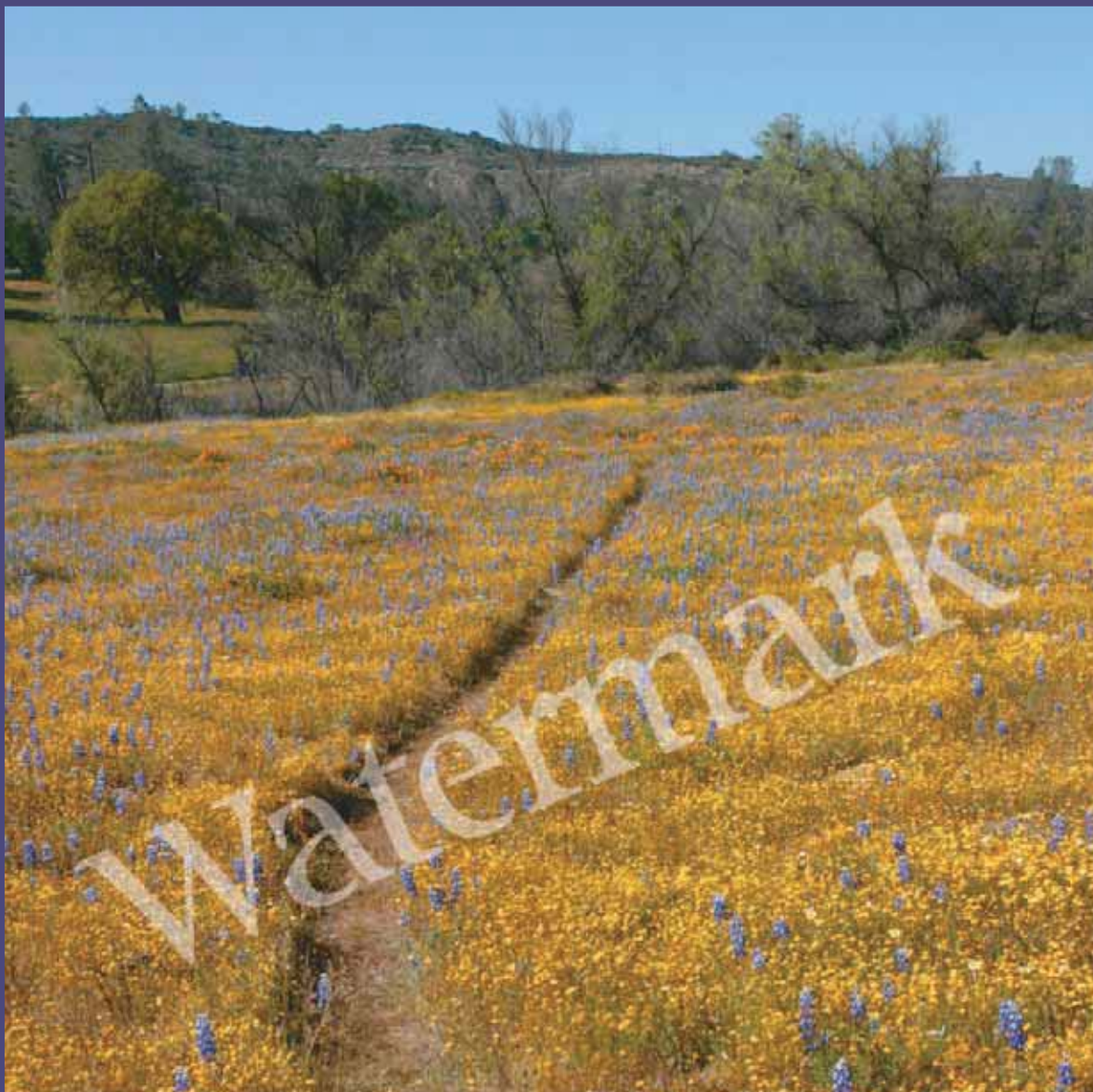
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- Brand Paso Robles locally and regionally;
- Promote local industry, products, services, and destinations regionally.

## Unity of vision

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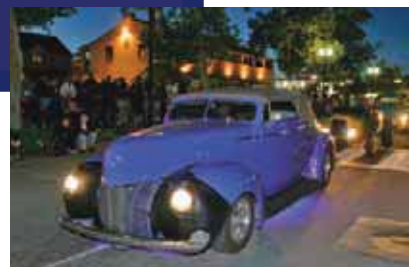
- Establish a common vision and broad base of public and private support;
- Mobilize public and private stakeholder resources toward improving competitive position.



*A  
strategy  
that promotes  
and charts  
a course  
to realize  
these ideals  
is offered.*



# *People Place Positioning Partnership*



# PEOPLE

Develop people to power the knowledge economy. Increase educational attainment and skills of, opportunities, and demand for local labor force.

## **Promote and support a full continuum of education opportunities.**

- Encourage bilingualism and honor cultural diversity;
- Support delivery of basic literacy and numeracy programs;
- Promote quality, relevant education and training programs;
- Recognize academic achievement (of individuals and institutions);
- Establish information clearinghouse of available education and training programs;
- Recognize and promote programs providing youth with relevant work experience.



## **Recognize and increase community and business investment in, and commitment to, education.**



## *ACTIONS*



- Support long-term education facility and program funding alternatives.

- Support development of specialized education/vocational training, baccalaureate, and graduate degree programs and facilities.



- Develop, implement, and promote bilingual learning programs for residents and businesses.

- Expand and promote basic literacy and numeracy programs to residents and businesses.



- Business and education jointly expand and develop work experience/apprentice programs.

- Establish joint City/business/labor endowment fund and scholarship program for all education levels.





Improve quality of place to attract investment and knowledge workers stimulate investment by establishing distinctive, quality, stable, safe and sustainable physical improvements and attractions that welcome industry, commerce, tourism, employment, and wealth necessary to maintain and enhance quality of life.

**Implement development policies to achieve more efficient use of infrastructure.**

- Encourage community development in live/work, mixed use, and compact, pedestrian oriented forms to accommodate all income levels and lifestyles;
- Prepare road, utility, and communications infrastructure to facilitate private investment;
- Establish stable, long-term funding for infrastructure;
- Increase labor force residents in the City.

**Develop distinctive design standards and invest in design excellence to:**

- Create inspiring and memorable places;
- Emphasize the appearance and qualities of the public realm;
- Create streetscapes, pathways, and public spaces of beauty, interest, and functional benefit to pedestrians;
- Encourage adaptive reuse of historic buildings;
- Preserve energy and natural resources.

**Stimulate investment in strategic areas and under-utilized sites.**

- Develop the Salinas River as a signature landscape and attraction;
- Enhance and expand the downtown to a mixed use dining, entertainment, culture and shopping destination featuring a new river front;
- Allocate public resources to support and promote arts, culture, and conferencing;
  - Develop a downtown center for the arts, culture and conferences,
  - Encourage and recognize business investment and involvement in the arts, culture and major events.
- Prepare the Airport for high quality business, transportation, and visitor investment and activity.

**Support agriculture as a viable industry and visitor attraction by featuring it as the distinguishing community environment.**

**Increase intensification, supply, and range of housing to attract and accommodate a skilled labor force.**

## *ACTIONS*



- Develop and implement form based code and architectural design, “green” building, and historic preservation/reuse standards.

- Prepare and implement target area vision/plans including Downtown Center – Salinas River Corridor Plan, Downtown Expansion Plan, Civic Center Plan, City Park Master Plan; and, Airport – Master Plan.

- Develop a Culture Plan to establish and support facilities for the arts and culture.

- Develop, fund and implement the “purple belt” plan.

- Identify and evaluate alternatives to increase the labor force resident in the City.

- Develop design for, and invest in, transportation and utility infrastructure for targeted areas – downtown/civic center/river front and Airport – to create development ready sites and attract private investment.

- Identify, evaluate and seek out long-term infrastructure funding alternatives.



# POSITIONING

Develop and market the unique character, heritage and special attributes of the community as the region's destination to visit, shop, invest, work and live.

## **Promote the City as a center of high value agriculture and industry.**

- Showcase the Paso Robles wine appellation and industry as the emerging center of world class wines;
- Promote viticulture investment/business opportunities in winery production, tasting, equipment research/design/production/sales/service, marketing and sales, and end-destination attractions;
- Develop and promote year-round and special events that highlight viticulture, olive oil, and equestrian attractions.

## **Market Paso Robles as an ideal setting for the emergence and convergence of value-added medical, health and wellness services.**

- Encourage public/private partnerships to develop integrated medical research/business/destination facilities – to host medical research and promote technology transfer/commercialization to specialized medical interventions, rehabilitation clinics, and health and wellness spas;
- Promote health and wellness service/facility investment/business opportunities in end destination medical and visitor attractions;
- Entice investment in, and showcase, natural hot springs as a unique Paso Robles asset and cornerstone to health and wellness visitor destination attractions.

## **Promote local industry, products, services and destinations.**

- Identify and feature the interests of industry clusters;
- Develop web-based links to local industry and commerce;
- Implement high visibility business recognition and appreciation programs;
- Attract major events and conferences that focus attention on Paso Robles' assets;
- Expand and diversify hotel products, including end destination full-service resorts;
- Encourage and expand tourism attractions that highlight Paso Robles' unique identity and heritage (agricultural/equestrian education and entertainment – Paso Robles Event Center, historical and cultural sites, collections, and events).



## *ACTIONS*



- Develop and advance cluster group common interests and action plans to address human resource needs, technical and professional development necessities, infrastructure requirements, supply chain gaps, research and development challenges, and business incubation opportunities.



- Develop and implement web-based industry cluster and business information system and linkages to attract investment, expand markets, and sell local goods.

- Develop trade shows to showcase industry clusters, investment opportunities, and expand their markets.



- Implement business retention program to showcase businesses and identify/link common industry needs.

- Develop high visibility business recognition program.



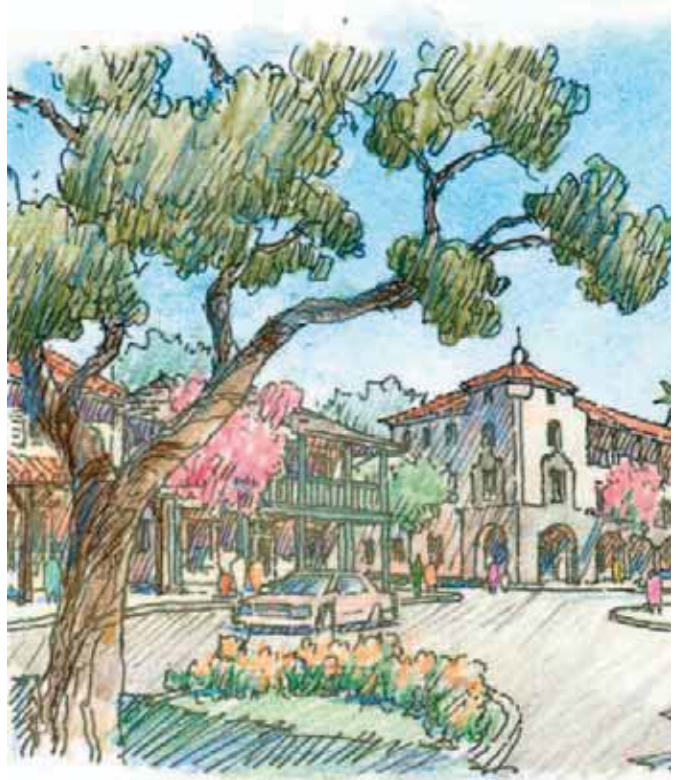
# PARTNERSHIP

Create an alignment of strategic intent to collectively foster economic growth and improve the quality of life.

**Establish a common economic vision with a broad base of support.**

**Mobilize public, private, and community resources to improve competitive position through partnership.**

- Continually forge closer working relations with Cal Poly, Cuesta College, and local schools for:
  - increased/improved educational opportunities,
  - innovations in technology, design, programs and services,
  - joint beneficial development and application of services and resources.
- Intensify public/private collaboration to expand and enhance the unique flavor of downtown.
- Support regional marketing efforts that recognize and promote Paso Robles':
  - unique assets, heritage and distinctive character,
  - as a great place to visit, shop, invest, work and live,
  - as a year round dining, entertainment, event and conference destination,
  - as an emerging center of entrepreneurial, commercial, and business opportunity.





## *ACTIONS*



- Establish community economic development roundtable to facilitate on-going public/private involvement in policy and program development, business outreach and recognition, and investment and market development.

- Improve linkages between industry clusters and education to address specialized labor requirements.

- Identify and encourage school and college joint development/use of education facilities and programs.



- Encourage synergy amongst and between, and reinvest in, attractions that showcase Paso Robles' unique identity and heritage including the Paso Robles Event Center, Pioneer and Historical Museums, historic buildings, agriculture, local artisans and culture, historic downtown, and the river front.



- Attract conventions that promote Paso Robles industry clusters and assets (to generate mid-week visitor demand, lure investment, and expand markets).

- Support regional cooperative marketing efforts and initiate joint marketing programs.

- Provide adequate, stable funding for tourism marketing and economic development.





## ACKNOWLEDGEMENTS

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University of California Santa Barbara – Economic Forecast Project –  
2005 Paso Robles Forecast

California State Employment Department/Development Department –  
Job Growth Projections for San Luis Obispo County

The Tribune – A Graphic of US Census Bureau Data –  
“How Education Levels Affect Income”

Public Policy Institute of California – “What Kind of California Do You Want?”

Regents of the University of California – Demographics

The Tribune – 11/28/05 – California Budget Project Report – “Population Expected to Grow  
Older, More Diverse”

The San Jose Mercury News – 11/25/05 – “Construction Trades Woo Younger Workers –  
Competing with College Cachet Not Easy for Industry”

Local Government Commisison – Ahwahnee Principles for Economic Development for the  
21st Century

Local Government Commmission – Ahwahnee Principles for Resource-Efficient Communities

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For Information Contact:

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Drawings and Architectural Renderings are from:

Olsen/Beechwood Specific Plan – Moule & Polyzoides  
Architects and Urbanists 180 East California Boulevard at Pitcher Alley  
Pasadena, California 91105

The Salinas River Design Workshop (2005)

Robert Hall Winery Photograph – Courtesy of Steve E. Miller  
Cuesta College Photographs – Courtesy of Cuesta College

Graphic Design and Stock Photography – Faye Baker [www.photogenics.biz](http://www.photogenics.biz)  
– Richard Baker [www.richardbaker.com](http://www.richardbaker.com)

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## Economic Strategy Progress Report

2011- 2014

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No single entity, private or public, can accomplish and sustain the community's economic health alone. Public investment in infrastructure and services set the stage, and through the community's trust and confidence to invest in business endeavors the economic goals are realized. The accomplishments reflected in this report are testimony to the community's resiliency and commitment to economic vitality.

### **The Paso Robles Economic Strategy was adopted in 2006** – *What is it?*

#### ***Vision Document ~***

Designed to be permissive & inclusive of many economic initiatives.

#### ***A Partnership ~***

Developed with industry experts & the Chamber of Commerce anticipating many hands contributing to community vitality

#### ***Commitment to Economic Vitality ~***

Council & Community's consensus on business development and quality of life in Paso Robles.

#### ***Policy Compass ~***

People, Place, Positioning & Partnership components are fundamental to policy making and community vigor.

#### ***Opportunity ~***

For the community to thrive & prosper based on a holistic collective vision.

Paso Robles' strengths are in its PEOPLE, PLACE, POSITIONING & PARTNERSHIPS.

### **Progress Illustrated** – *The past 3 years.*

Since we last reported out in 2011 there are many bright spots despite the sluggish economy. There are many examples of:

- Community investment
- Tourism Success stories
- Public Infrastructure work
- 3<sup>rd</sup> Party Accolades

Examples are noted within this report and will be further illustrated through a graphic presentation to the City Council at the February 4, 2014 meeting.

### **PARTNERSHIP** – *Working together to maximize impacts.*

Partnerships which unify limited resources amongst groups with common goals can result in increased returns on time/money invested. There are many examples of where the community joins forces to provide bigger more impactful outcomes for their missions.



## **Working together**

There are many organizations throughout this county and community who contribute significantly to the tenets of the economic strategy. A few samplings are listed here to illustrate the spectrum of support.

Hoteliers – *Tourism*  
PRWCA – *Tourism*  
Main Street – *Tourism / Events*  
Event Center – *Tourism / Ag Promotion*  
Chamber of Commerce – *Tourism / Business*  
PR Unified School District – *Education*  
Cuesta College – *Education*  
Studios on the Park – *Arts*  
Twin Cities Hospital – *Health*  
REC Foundation – *Recreation*  
Library Foundation – *Library Services*  
Friends of the Library – *Library Services*  
Senior Volunteer Services – *Senior Services*  
Regional Transit Authority – *Transportation*  
SLOCOG – *Transportation / Grants*

The successes described in this report are to a great extent based on these partnerships.

## **PEOPLE** – *We're investing in people and they are giving back.*

A key piece to economic readiness is to have a well prepared workforce that can support expanded and new business endeavors. Programs that fuel investment in human intellectual capital, creativity and technical capabilities are alive and well in Paso Robles. There are also many who choose to give/volunteer their time to deliver key services making this a better place to live.

## **Improved educational opportunities**

- Cuesta College/Dale & Mary Schwartz Learning Resource Center completed – 33,385 sf
- Skills USA Program – garnering national achievement awards for Paso Robles youth
- High School ROP & City Emergency Services – partner for career shadowing of firefighter/EMT
- First Five Uptown Family Park – enhanced environment for preschool education
- Beauty School in the River Oaks Center – offering educational programs in cosmetology

## **Volunteerism**

Many community groups give of their time and talent throughout our community and Paso Robles has a wonderful reputation for its community spirit and “can do” attitude. Public sector services are also enhanced with volunteer talent.

- On average, over 250 volunteers contribute over 29,000 hours to support city programs

### **More services for business**

Business supporting business is not a new concept, but there have been recent enhancements to programs offered within our community. Small businesses especially can benefit from the additional counseling and guidance offered by local business experts.

- North County Business Resource Center – Chamber program to assist small business owners
- North County Job Fair - connecting qualified workers with business' needs
- TravelPaso.com upgrades – helping visitor serving businesses connect with their customers

Developing and preparing people to serve an expanding job market will continue to be an important mission for economic success.

### **POSITIONING** – *Promoting local industry, products and services to attract investment.*

The wine, food and agricultural industries have been the main targets of active promotional efforts for Paso Robles. The promotional messaging for these industries mainly translates into the “visitor experience” one can expect of our region. Once here, the visitor’s *experience* includes all of what Paso Robles has to offer in terms of its setting, heritage, and destination qualities.

How is attracting visitors good for other industries? The tourism effort is not just about filling hotels and the first dollar returned through the visit, but also an opportunity to showcase the unique character, heritage and special attributes of the community as a place to *invest*. Through promoting the “Paso Robles destination” and all it has to offer ~ there is a secondary message of entrepreneurial opportunity.

We’re doing a better job of sharing what we have to offer evidenced by increased Transient Occupancy Tax (TOT) that has averaged an annual 9% growth rate over the past three years.

### **World class destination events**

Paso Robles as a destination location is reaching the eyes and ears of more and more people statewide, nationally and worldwide ~ as exhibited by new & returning high profile events:

- Sunset’s Savor the Central Coast – continuing to shine a spotlight on the County as a whole
- Firestone Walker Invitational Beer Festival – 2012 debut with 3200 tickets selling out in hours
- Pacific Coast Cutting Horse Association – March “Roundup” & October “Futurity”
- Paso Arts Festival over memorial day weekend – offering an art experience for all ages
- Garagiste Festival – debuted in 2011 celebrating artisanal wine making each year in November
- Wine Festival is a high-quality wine tasting event attracting over 4,500 tasters & 300+ wineries
- Mid State Fair in July/August attracting tens of thousands for agriculture & entertainment

### **Improved services to local industry**

The incoming 2014 Chamber of Commerce Board of Directors has recently approved a Business Plan for the coming year that has renewed focus on business development and visitor serving functions to better serve their membership and community. Reestablishing their Business Visit program and initiating a new Industry Roundtable program, the Chamber of Commerce is a partner to watch as these key programs roll out.

## **PLACE** - *We're a better place to live.*

The Strategy supports preservation of the community's unique sense of place ~ a place that is rooted in a rich agricultural and ranching history, nestled in a picturesque setting, and which is growing into a culturally diverse place of progressive influences and experiences.

### **A vibrant downtown**

The heart and core of the community, our downtown is bustling with daily commerce and social activity. It is the host to a diverse nightlife and weekend festivals that serve the locals and visitors alike.

- Brown Butter Cookie Co.
- Specialty foods (olive oil / cheese)
- 12+ Wine Tasting Rooms
- 20+ Restaurants
- 5 Art Galleries
- Specialty retail stores offer something for everyone (gifts, household, clothing, shoes, surf, etc.)

### **A culinary destination**

Culinary jewels continue to emerge as a compliment to the excellent wines that are produced from this region. There is no lack of choices for breakfast, lunch or dinner. Recent additions and enhancements:

- Artisan relocated to a larger space at 12<sup>th</sup> & Pine Streets
- Second Press recently opened renovated space along 11<sup>th</sup> Street
- La Cosecha adds variety along 12<sup>th</sup> Street
- Paso Robles Golf Club has fully renovated its bar & restaurant
- All in all – there are over a 100 culinary options to choose from now

### **A place to make wine**

The Paso Robles appellation is recognized not only for its wine quality, but its innovation and flair. This is an exciting place for growing grapes, making wine, and sharing the fruits of that labor with the rest of the world.

- Over 200 wineries to experience and explore
- Tasting Rooms downtown bring outlying wineries closer
- Justin Winery expanded production and barrel storage on Wisteria Lane in 2012

### **Celebrating authentic roots**

Ranching and agricultural are part of Paso Robles' heritage. These authentic roots are naturally showcased in year-round special events that highlight viticultural pioneers, olive oil, and equestrian activities.

- Pioneer Day celebration is going strong
- Olive Oil and Lavender Festivals in our downtown
- Farmers Markets – provide weekly farm to table choices
- Paderewski Festival is strengthening international recognition & visitation



### **Honoring our history**

Our rich and eclectic weave of older buildings date back to the City's founding in March of 1889. This year we celebrate 125 years as a city through a series of heritage centric events throughout the 2014 year.

- 125<sup>th</sup> year celebration has started with a bang - [www.paso125.com](http://www.paso125.com)
- Derby Winery has embraced a farming heritage with remodel of the Farm Alliance building
- Renewed life being brought to our historical residences – Chestnut Street (VanSteenwyk)
- Pioneer Museum Foundation formed for new 50-year lease with the City for Riverside property

### **A place to play**

The quality of places that we gather and play are features that enrich our community and support economic growth and investment.

- Uptown family park under construction at 36<sup>th</sup> and Spring Streets
- Paso Robles Sports Club expansion – 16,000 sf under roof is approved on Union Road
- New Equestrian (hunter/jumper) facility breaking ground near the airport
- Paso Robles Golf Club major remodeling and renewal
- Sherwood Dog Park opened on Scott Street

### **A growing art culture**

Creative talent abounds in Paso Robles and is recently emerging in the form of galleries and events that celebrate all facets of the arts. Our lives are richer for it.

- Festival of the Arts in 6<sup>th</sup> year is rebranding itself as the Paso Arts Festival
- Five art gallery choices are within walking distance in the downtown
- Art after Dark Paso program is held the first Saturday of every month
- Brushmarks Teen Art Show going strong supported by the Library Foundation
- Cattlemen's Western Art Show and Sale at the Event Center each April

### **Entertainment abounds**

There is no lack of places to go or people to see right here in Paso Robles.

- Event Center continues to attract world class entertainers to the Mid State Fair
- Vina Robles 3,300 seat Amphitheatre opened in summer of 2013 with big name artists

### **A place to visit**

Paso Robles has been discovered. When you get here, there are growing options of where to stay.

- Britain's *The Guardian* named Paso Robles #15 on its list of top 25 places to visit in the world
- Currently have 1,375 hotel rooms in Paso Robles
- Ayers Hotel with 225 rooms, spa, restaurant & winetasting is under construction
- Oxford Suites Hotel was just approved with 127 rooms at 4<sup>th</sup> & Pine Streets
- More hotel and resort options are proposed on the horizon

### **Others are recognizing us**

There is nothing like someone talking about you. When they're saying good things....there's nothing better. Through public relations efforts, travel and food writers are discovering and sharing the riches of our area.

- Named the International Wine region of the year by Wine Enthusiast Magazine
- Gallup index placed SLO/Paso Robles region as #10 for 'well-being' in the nation
- Ranked #25 metro area for "Best Performing Cities" by Milken Institute
- Standard and Poor's bond rating for Paso Robles raised to "AAA" status

### **New business investment**

Confidence to invest in Paso Robles has been demonstrated through new construction across varied business sectors.

- Oaks Hotel 61,500 sf (90 rooms) opened on Riverside Avenue in 2011
- New offices at 4<sup>th</sup> & Spring Street completed and occupied by County services
- New Oxford Hotel & Suites (127 rooms) approved at 4<sup>th</sup>/Pine Streets
- New Mullahey Chrysler auto dealership planned for Golden Hill at Tractor Way
- TJ Maxx Retail 25,000 sf at Lowe's Center
- Dentist Office - 6,100 sf on South Vine Street

### **Remodeling and expansion**

Business is alive and well, demonstrated through millions of dollars in capital investment to remodel existing space and/or expand to accommodate business growth.

- A&R furniture remodel / new home for Artisan restaurant and specialty retail
- The Pour House microbrewery & tavern on Pine Street - reuse of light industrial space
- Firestone Walker opened their Tap Room restaurant (2012) & 14,000 sf kegging hall (2013)
- Tractor Supply Company remodeled & occupies 23,400 s.f. of old KMart location
- Smart & Final on Spring Street – full renovation of grocery space

### **Industries are growing**

A diverse economic base has had its benefits for our community. Expansion and new investment continue to prove that Paso Robles is a viable place to do business and be in business.

- IQMS new 30,400 sf office building – 2<sup>nd</sup> building of campus project on Wisteria Lane
- Santa Cruz Biotech – 4<sup>th</sup> building of campus project on Dry Creek for total of 162,700 sf
- Scientific Drilling (aka Applied Technology) new 24,000 sf building at Airport
- Specialty Silicone Fabricators – new 102,000 sf building & clean rooms at Airport
- Mid Valley Pipe and Steel – new 32,000 sf building at Union Road

### **Continued commercial construction**

Over 450,000 square feet of retail/commercial/industrial space has been added since 2010. The valuation of that investment is \$32.3 million dollars over a 3 year period.

	<b>Floor Area Totals</b> (in square feet)			
<b>Type</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>3 Year Total</b>
Retail	0	12,200	0	12,200
Retail/Office	0	0	0	0
Office	13,900	12,900	36,100	62,900
Hotel	0	61,500	0	61,500
Entertainment *	0	0	20,000	20,000
Industrial	146,100	104,200	47,800	298,100
Totals	<b>160,000</b>	<b>190,800</b>	<b>103,900</b>	<b>454,700</b>
*Vina Robles Amphitheatre (3,300 seats)				

### **The Airport is busy**

The Municipal Airport is home to a thriving industrial park with almost 40 individual businesses who provide in excess of 700 jobs in the community. Both Applied Technology and Specialty Silicone Fabricators have constructed significant building expansions in the past three years. In addition, there is steady growth in aviation activity.

- Aviation Consultants Inc. (ACI) is providing excellent aviation support services
- Invigorated Air Show w/Estrella Warbirds Museum & Chino's Planes of Fame
- Business Improvement Plan adopted in 2013
- Military aircraft exercises are on the rise

### **Public investment in road infrastructure**

The City's Public Works Department has been in full swing to keep various road construction projects moving forward. Federal and State funds are utilized wherever possible, but local funding has recently become an additional resource to accomplish key roadway projects which set the stage for private investment.

- ½ cent sales tax passed by voters in 2012
- \$1.6 million collected since June 2013 – on track for \$3 million per year
- Citizen Tax Oversight Committee formed to aid Council in reporting
- Priority streets and roads chosen for repair – under design w/June 2014 construction starts
- Hot spot projects underway



### **Sewer & water facility upgrades**

Often “out of sight and out of mind” water and sewer infrastructures are key components of being ready to properly accommodate planned expansions of residential/commercial/industrial growth. Paso Robles has been proactive in planning for & financing needed expansions with upgrades underway.

- Waste Water Treatment plant upgrade broke ground in 2012 & on track for 2014 completion
- Water Treatment Plant to utilize Nacimiento surface water is out to bid for start this year

### **Beautification**

Public resources and community partnerships have allowed for recent investment in projects that beautify our public spaces.

- Public art installation – “Circle of Life” bench sculpture at the Charolais Trail head
- 21<sup>st</sup> Street – A “street greening” renovation to better handle storm water, bikes & walkers
- City park restrooms – New facilities that are worthy of the downtown park space
- Pioneer park renovations – Better accommodations for skaters & ballplayers
- Boatel mini storage demolition – Plans for new LID parking lot using transit funds

### **Easier to get around**

Under construction since 2011, these three road projects will provide much needed traffic flow relief when completed later this year. These road improvements are funded with a \$10 million grant through San Luis Obispo Council of Governments (SLOCOG).

- 13<sup>th</sup> Street bridge – Widening for better truck turning, added bike lanes & decorative railing
- 101 on/off ramps at 17<sup>th</sup> – New signalized southbound on & off ramps from Riverside Ave
- 46 East and 101 turn lanes – Replace single left turn with dual lanes onto southbound 101

### **Good management of natural resources**

The Strategy supports the preservation, enhancement and improved access to key natural features within the community. Quality of life enhancements make Paso Robles an attractive place to live and invest.

- Salinas River parkway trails grand opening – two new ½ mile trail segments completed
- 35 mile North County River Trail Master Plan – between San Miguel and Santa Margarita
- Creek clean up days attract hundreds of volunteers annually
- Climate Action strategies have been adopted
- Bicycle Friendly Community designation received in 2013

### **More housing**

Housing start-ups are slowly growing. While 2011 and 2012 saw 43 and 40 residential permits for a cumulative total of 88 dwelling units, 2013 saw 62 permits issued for an additional 128 dwelling units. The cumulative valuation of investment of new home construction in the past three years is \$49.5 million.

- The Cove - 51 single family units on Experimental Station Road under construction
- Montebello Oaks Neighborhood 61 energy efficient homes by Wathen-Castanos complete
- Hidden Creek Village apartments with 81 affordable housing units on Cary Street complete

- Oak Park public housing redevelopment (phase 1) adding 80 new affordable units underway
- Buena Vista Apartments by Arjun – 142 units on Experimental Station Road

### **Careful planning**

Long term focus and planning for the infrastructure needed to support quality development is a key function of government. The City is engaged in several planning efforts that will evaluate whether the community is capable of supporting new development, and to be sure that resources are readily available for business investment. These include an updated Sphere of Influence to reaffirm our future city limit boundaries and requiring Water Supply Evaluations of annexations and/or increased density proposals

### **Conclusion** – *We can't wait to see what the future holds.*

The initiatives identified within the Economic Strategy are working. The vision for a diverse and vital economic base are finding root even through the great recessionary years.

With the collective consensus that business development and quality of life are tied together, this vision and strategic approach can serve us well on into the future.