



## Council Agenda Report

From: Paul Sloan, Economic Development Manager

Subject: Approval of Five-Year Economic Development Strategic Plan

CEQA Determination: The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

Date: July 16, 2024

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### Facts

1. In 2006, the City, in partnership with the Paso Robles Chamber of Commerce, created the [Paso Robles Economic Strategy](#). The 2006 Economic Strategy is a high level, aspirational document that sought to improve livability and the quality of life in the City through economic growth.
2. From 2018 to 2021, the City contracted with the Paso Robles Chamber of Commerce to advance economic development initiatives. In 2021, the City Council approved an Economic Development Manager position and brought those services in-house.
3. The Economic Development Manager (EDM) is tasked with coordinating and executing economic development initiatives, supporting local businesses, and seeking to expand and diversify the local economy. The EDM is also leading the City's Spaceport development project.
4. Although the position was added in 2021, there has not been an update to the City's Economic Development Strategy in over 18 years. Since then, the region has grown as a dynamic and innovative tourism destination, experienced the great recession, and endured the global COVID-19 pandemic.
5. On [April 19, 2022](#), City Council approved City Council Goals for Fiscal Years 2022-2024 with economic development and vitality a priority goal area, with direction to adopt an updated economic development strategic plan.
6. The City subsequently issued a Request for Proposal (RFP) to facilitate a comprehensive public process and prepare a Five-Year Economic Development Strategic Plan (EDSP) and, in response, received nine qualified proposals.
7. On [June 07, 2022](#), City Council approved the proposal received from Wildan Financial Services and allocated one-time funding to complete this project.
8. An updated EDSP not only offers a roadmap for allocating resources and leveraging staff expertise but also serves as a guiding framework for both the City and community stakeholders. By setting measurable objectives, it ensures that progress can be effectively monitored, and the success of the plan can be assessed over time.
9. The EDSP used data from Esri Business Analyst, Placer.ai, and other relevant sources to research and analyze key demographic and socioeconomic data, labor force characteristics, sales tax revenue, and other relevant economic data according to industry standards established by the International Economic Development Council (IEDC) and the Urban Land Institute (ULI).
10. Additionally, an extensive series of virtual and in-person interviews, focus groups, surveys, and workshops were conducted in the development and preparation of the EDSP in accordance with City Council Goals.
11. Staff and stakeholders participating in the input process included:

City Staff	City Council
Ty Lewis, City Manager	Steve Martin, Mayor
Warren Frace, Community Development Director	Steve Gregory, City Council
Chris Huot, Assistant City Manager	John Hamon, City Council
Ryan Cornell, Admin. Services Director	Fred Strong, City Council
Paul Sloan, Economic Development Manager	Maria Garcia, City Council
Jeff Legato, GIS Analyst	
Mark Scandalis, Manager, Paso Robles Municipal Airport	
Business Leaders & Strategic Partners	
Maria Garcia, Hispanic Business Association	Stacie Jacob, Travel Paso (DMO)
Gina Fitzpatrick, Chamber of Commerce	Norma Moye, Downtown Main Street Association
Joel Peterson, Paso Robles Wine Country Alliance	
Wine Industry Economic Development SWOT Workshop Participants	
Chloé Asseo-Fabre, PRWCA Director, L'Aventure Winery	Cris Cherry, PRWCA Vice Chairman, Maha Estate and Villa Creek Cellars
Joel Peterson, PRWCA Executive Director	Jeff Streckas, PRWCA Director, ONX Wines
Austin Hope, named "American Winery of the Year" By Wine Enthusiast	
Tourism Industry Economic Development SWOT Workshop Participants	
Alex Villicana (Travel Paso Chair), Villicana Winery and Re:Find Distillery	Stacie Jacob, Executive Director, Travel Paso
Angela McKee (Travel Paso Vice Chair), Best Western Plus Black Oak	Carole MacDonal, Owner/Managing Partner, Il Cortile (Restaurant Industry)
Victor Popp (Travel Paso Secretary), La Quinta Inn & Suites	Main Street Association Placemaking Subcommittee Members
Warren Frace, Community Development Director, City of Paso Robles	Colleen Bojorquez, Chief Executive Officer, Mid-State Fair
Paso Robles Municipal Airport Commission & Strategic Plan Consultants	
Benjamin Andros	Tony Gaspar
William J. ("Bill") Britton	Sarah Gipple
Phoebe Brown	Eric Cook
Marc Dart	
Education Providers	
Dr. Maria Escobedo, Dean, Cuesta College	Dr. Elise St. John, San Luis Obispo Campus, California Polytechnic State University
William Britton, Vice President & Chief Information Officer, California Polytechnic State University	
Local Developers & Brokers	
Bill Carpenter, Commercial Broker, Richardson/Sotheby's	Sunny Mullinax, CEO/Owner, Social Wellness
Jim Cogan, Managing Partner, Blue Regal Strategies	Paul Shannon, Agent, Pacifica Commercial Realty
Jeff Davenport, King Ventures	Nick Tompkins, Owner, NKT Commercial, LLC
John King, Owner, King Ventures	Paul Tompkins, CEO, NKT Commercial, LLC
Wine & Tourism Economic Impact Analysis - Data Contributors	
Audra Cooper, Director, Grape Brokerage & Partners, Turrentine Brokers	Chris Taranto, Communications Director, Paso Robles Wine Country Alliance
John Arnold, General Manager, Paso Robles Holiday Inn Express & Suites	Joel Peterson, Executive Director, Paso Robles Wine Country Alliance
Richard Verruni, General Manager, Allegretto Vineyard Resort	Stacie Jacob, Travel Paso (DMO)
Joe Irick, President, Independent Grape Growers - Paso Robles Area	
Other Strategic Partners	
David Cook, Paso Robles Housing Authority	Rotary Club of Paso Robles

## Options

1. Take no action;
2. Approve the Five-Year Economic Development Strategic Plan;
3. Provide alternative direction to staff.

## **Analysis and Conclusions**

In 2006, the City and the Chamber of Commerce collaborated on the development of an economic strategy document. The document included a broad range of high-level goals and objectives that were intended to drive economic growth within Paso Robles. Over the past 18 years, the document has remained the single plan solely focused on economic development activities.

Since 2006, the City has experienced the Great Recession, significant growth as tourism destination, and the COVID-19 pandemic. In 2021, the City added the Economic Development Manager (EDM) position, seeking to retain economic development as a City-led function. Since 2021, the EDM has coordinated and executed economic development initiatives, worked to attract new businesses, and has collaborated with regional, state and federal partners in an effort to expand and diversify the local economy. While integrating economic development into the City's operations, it became essential to craft a fresh economic development strategic plan. This project aims to modernize the City's outdated 2006 plan by incorporating innovative economic development strategies. It seeks to pinpoint opportunities and address the unique challenges our local economy faces.

The plan provides actionable recommendations for programs and policies that facilitate head-of-household job creation and identify target industries and clusters to expand and diversify the economy. The plan also aligns with work being done at the regional level through the Regional Economic Action Coalition (REACH) and other partner organizations.

A broad and participatory public engagement process was also utilized to inform the EDSP's findings and recommendations. More than sixty unique interviews were conducted with local and regional stakeholders through a variety of outreach activities including in-person interviews, focus groups, and economic development SWOT (Strengths, Weaknesses, Opportunities, and Threats) workshops with members of the boards of the Paso Robles Wine Country Alliance and Travel Paso, and with the Paso Robles Downtown Main Street Association's Economic Vitality Subcommittee.

This in-person stakeholder engagement both validated the findings of market research and established a baseline for workforce development-related needs and wants. For example, Paso Robles' business leaders uniformly identified housing availability and affordability as one of the most challenging constraints to attracting talent to open job opportunities, along with access to affordable, quality childcare that meets the needs and schedules of industry workers.

Consistent feedback from this targeted engagement revealed that the City is considered an effective development partner, and market conditions signal opportunities with pent-up demand in high-value sectors like technology, research and development (R&D), and labs according to developers who expressed interest in doing business in Paso Robles.

Based on the policy directives of the City Council, along with market research, stakeholder feedback, and City staff input, five key initiatives form the basis for the implementation of the EDSP. These initiatives and accompanying action items include:

### **1.0 Civic Innovation Initiative**

- 1.1 Establish a City Innovation Fund
- 1.2 Form City Staff "Innovation Team" with cross-departmental functionalities
- 1.3 Explore establishing a modern permitting and development center in City Hall

## **2.0 Business Retention & Expansion Program**

- 2.1 Develop Marketing, Branding & Communications Collateral/Tools
- 2.2 Establish a Formal Business Retention & Expansion ("BRE") Program
- 2.3 Launch Communications & Business Outreach Strategy
- 2.4 Launch Offsite Tourism Infrastructure Cost Sharing Program
- 2.5 Implement Commercial Center Revitalization Strategy

## **3.0 Workforce Development & Entrepreneurship Program**

- 3.1 Expand Workforce Development Pathways & Apprenticeship Programs
- 3.2 Engage and Support an Entrepreneurial Networking and Mentoring Program
- 3.3 Explore implementation of an Economic Gardening Program
- 3.4 Develop a Childcare Provider Development Program

## **4.0 Placemaking & Infrastructure Program**

- 4.1 Implement Major Gateway Beautification & Infrastructure Improvement Program
- 4.2 Implement Downtown Placemaking Pilot Projects

## **5.0 Multifamily Development Accelerator Program**

- 5.1 Establish Workforce Housing and General Development Engagement Program
- 5.2 Leverage Regional Housing Partnership Opportunities
- 5.3 Widely Publicize the City's Expanded Housing Portfolio
- 5.4 Onboard Dedicated Staff Resources

The initiatives and related action items provide a prioritized blueprint for City staff to meet economic development objectives over the next five years. Based on industry best-practices, these initiatives communicate a focused, targeted effort to support local businesses, increase the labor pool, and diversify the local economy.

The foundation for implementation of these initiatives is included within the action plan section of this document. The action plan provides defined implementation steps, identifies strategic partners and the resources needed to achieve objectives over the next five years.

Adoption of the EDSP will clearly communicate to investors and developers that the City is proactively facilitating public infrastructure investments, multifamily housing development, and new business activity in Paso Robles.

The recommendations supporting each proposed initiative will also market the City as a pro-business development partner who will provide clarity throughout the development process, thereby reducing risk and time during entitlements and construction.

The implementation timeline indicates the start year and duration of proposed activities. These targets and time frames are subject to change as the City's economic development priorities evolve over the life of the Implementation Plan.

### **Fiscal Impact**

In 2018, the City received funds under Senate Bill 1090, earmarked due to the impending closure of the Diablo Canyon Power Plant. These funds are legally bound for use in qualified economic development

activities. All proposed expenditures outlined in the EDSP utilizing SB 1090 funds are eligible. As of June 30, 2024, there is approximately \$260,000 of SB 1090 funds that remain unspent.

For the initial year, it is proposed that the City uses the remaining SB 1090 funds to kickstart various initiatives and action items detailed in the plan. Moving forward from the first year, the City anticipates funding subsequent years of the EDSP through discretionary funds from the General Fund, barring any new grants or partnerships with community organizations. As such, allocation of funding for Years 2 to 5 of the EDSP will depend on fiscal conditions and will require approval from the City Council at that time. The plan currently does not call for additional staffing, but it suggests a review of staff capacity in the third year to assess the potential need for a new staff member.

#### **CEQA**

The City finds that this action is not a project under the California Environmental Quality Act pursuant to State Guidelines Section State CEQA Guidelines, §§ 15060, subd. (c)(2)-(3), 15378.

#### **Recommendation (Option 2)**

Approve the Five-Year Economic Development Strategic Plan.

#### **Attachments**

1. Five-Year Economic Development Strategic Plan for the City of Paso Robles