



PASO ROBLES | CALIFORNIA  
**Economic Development Strategic Plan:**  
**FUNDING & IMPLEMENTATION**  
FY 2024/25-2028/29

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## I. Executive Summary

### Introduction & Background

El Paso de Robles, or "The Pass of the Oaks," is located halfway between San Francisco and Los Angeles, in San Luis Obispo County. Paso Robles is surrounded by scenic rolling hills and is considered one of the nation's premier wine regions. This thriving community of over 30,000 actively engaged citizens possesses the benefits of a suburban-rural community while retaining a small town feel and is one of California's best-kept secrets. With over 300 wineries in the region and a bustling Downtown with a variety of excellent restaurants and specialty retail shops, Paso Robles is fast becoming one of the most desirable places to live, work, and visit.

Paso Robles has a long history of agriculture and hospitality which have combined to create a strong work ethic and an enjoyable quality of life. Once hailed as the "Almond Capital of the World," Paso Robles is now known for top quality food, wine, beer, distilled spirits, and an annual calendar filled with events that celebrate everything from wine to pioneers to classic cars. Paso Robles has been the recipient of a long list of accolades bestowed by the national media, the most recent honor being named the country's top wine destination by USA Today.

### Paso Robles Economic Development Strategic Plan Mission Statement

To foster expanded economic diversity through strong strategic partnerships and effective pro-growth, business friendly development policies and programs

The City of Paso Robles ("the City") was incorporated in 1889 as a general law City that operates under the Council-Manager form of government. The five-member elected City Council provides policy direction to the City Manager, who acts as the Chief Executive Officer of the City and is responsible for implementing the direction of the Council. The City Council and staff have remained committed to being a business-friendly organization, striving to balance the demand for development while ensuring the authentic, community-centric fabric of Paso Robles is not lost.

As part of Fiscal Year 2020-21, the City Council approved reestablishing an Economic Development Division with the City Manager's Office. The Division is comprised of one full-time

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Economic Development Manager, overseen by the Assistant City Manager, and supported indirectly by all City departments. Although the City allocated resources and staffing toward this effort, the City's last economic development vision document was completed in 2006—prior to the Great Recession, the massive increase in tourism to Paso Robles, and the global coronavirus pandemic that shifted the global economy.

Notwithstanding this gap in strategic planning, Paso Robles has been bustling with growth. Developers continue to invest throughout the community initiating all types of residential, commercial, and industrial expansion. The City has taken great strides to support economic growth and logical development but had not generated a complete economic development game plan to further activate the potential of the Paso Robles economy.

In early 2022, the City Council updated and adopted new goals for fiscal years ending 2023 and 2024. The first adopted goal section focuses exclusively on advancing key economic development initiatives, specifically directing staff to complete an economic development strategic plan (“EDSP”) for City Council consideration.

In addition, the plan complements and augments other adopted economic development goals, including progressing the City's

spaceport license designation efforts, diversifying the City's economic base, and addressing workforce housing needs.

City Council and all departments play crucial roles in various stages of development, providing major policy directions, and ensuring infrastructure is constructed and maintained. This is reflected in the amount of investment being made in the local economy across various sectors, including hospitality, industrial development, and residential development. This document is intended to serve a broad spectrum of stakeholders and purposes, including:

- Setting clear, attainable, and measurable objectives for the plan's five-year duration
- Championing and harnessing the innovative vision the City Council has set for the community
- Providing direction to City staff in pursuit of economic development-related objectives
- Infusing economic development best practices into the City's economic development division
- Recognizing the input and roles of local partners as Paso Robles economic development champions, and
- Elevating the City's economic development profile with regional, state, and federal partners.



# Attachment 1

The City of Paso Robles is committed to being a business-friendly community that delivers attractive and safe neighborhoods to its residents and businesses while encouraging a vibrant economy. The health and prosperity of the local economy is determined by many factors, but foremost is the ability for businesses to thrive within the Paso Robles ecosystem and the City's ability to support these efforts while balancing the needs of the entire community.

This EDSP is meant to be a baseline for the evolution of economic development activities undertaken by the City in collaboration with community partners and stakeholders. It is imperative this document remain "off the shelf" and used to facilitate activities that are intended to achieve the objectives set forth herein. As conditions change and the local economy continues to evolve, so should the activities, action items, and metrics used to achieve the objectives of the City Council and the plan.

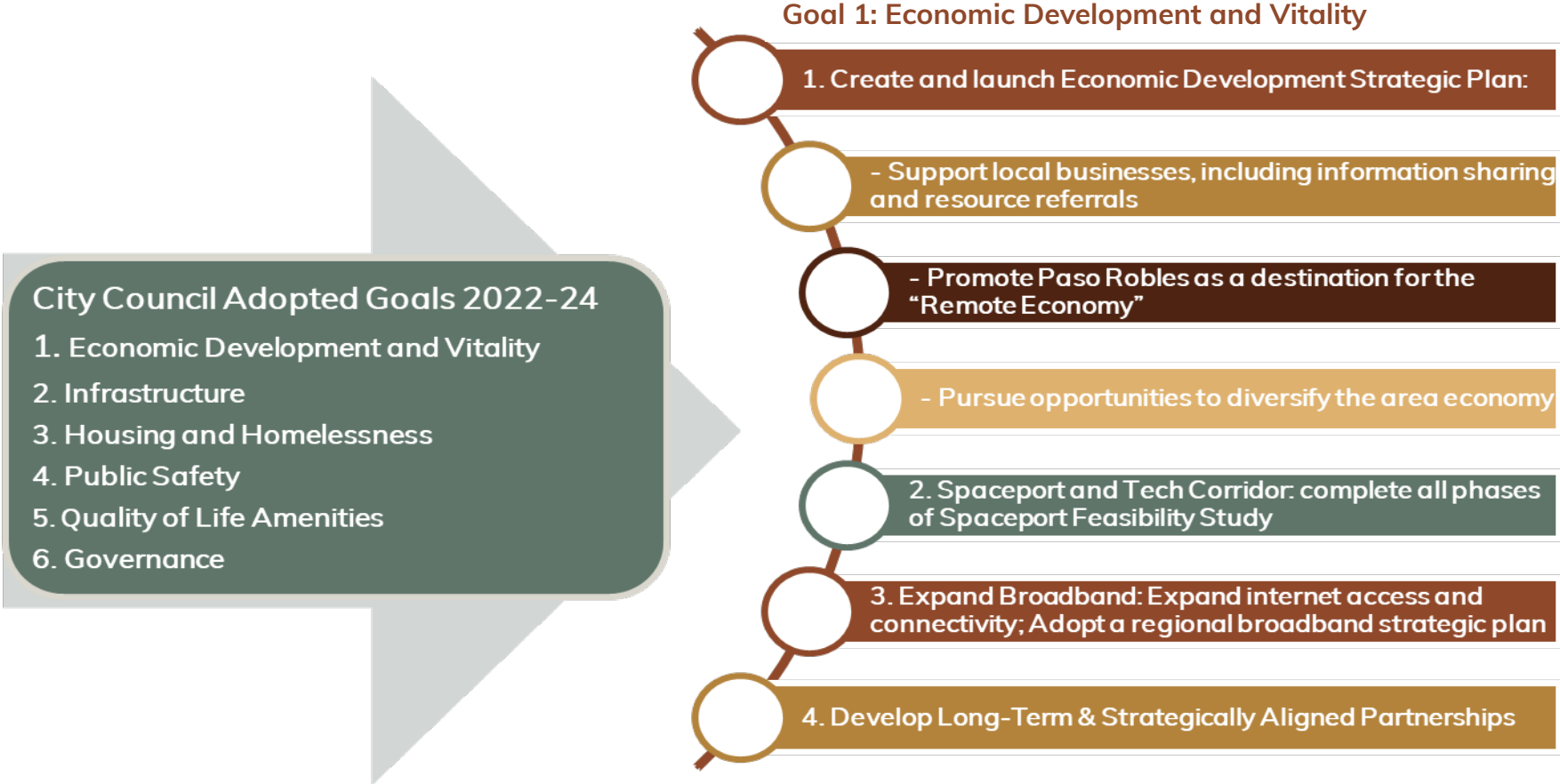
## **Economic Development as a Policy Directive**

The City of Paso Robles is a general law city with a "Council-Manager" form of government. The five-member City Council includes four Council members, elected by voters within their respective Districts, and a Mayor elected through an at-large

election model. The Council acts as the board of directors of the municipal corporation and meets in a public forum where citizens may participate in the governmental process. The Council passes legislation and sets policy for the City. They also appoint a City Manager who oversees the day-to-day operations of the City and carries out the initiatives and directives of the Council.

In April 2022, the City Council adopted six major goals for Fiscal Years 2022–23 and 2023–24. The goals serve as the policy direction document for City staff and a road map to allocate available resources within the City's budget. Of the six goals established the City Council, the first goal—Economic Development & Vitality—calls for a variety of initiatives that seek to leverage and protect the City's wine-oriented tourism assets while initiating best-practice strategies to diversify the local economy. This goal includes an action item to develop an updated economic development strategic plan to identify, prioritize, initiate, and measure these efforts. The Economic Development Strategic Plan is the culmination of the planning efforts to implement the policy direction of the City Council for this goal.

Figure 1: Paso Robles City Council Adopted Goals 2022-2024



Source: City of Paso Robles; Willdan, 2024

## Methodology & Approach

To create the EDSP, the Willdan Team, in collaboration with Paso Robles' Assistant City Manager and Economic Development Manager, undertook a series of market research and stakeholder engagement activities from June 2022 to August 2023.

Outputs that support the EDSP's recommendations and key initiatives include:

- Information Request and Stakeholder Outreach Tracker
- Demographic Profile
- Economic Base and Workforce Assessment
- Real Estate Market Analysis
- Industrial/Flex/Tech
- Retail/Dining Entertainment
- Lodging/Tourism Infrastructure
- Multifamily Residential
- Business Climate Survey drafted in collaboration with the Paso Robles Wine Country Alliance, Travel Paso, and Paso Robles Chamber of Commerce)
- Economic Development Workshops attended by Wine and Tourism Business Leaders
- Draft EDSP Recommendations
- Funding and Implementation Plan

A detailed timeline of these activities is provided in Figure 3 on the following page. The EDSP's broad participatory public engagement and market research process is the basis for the plan's

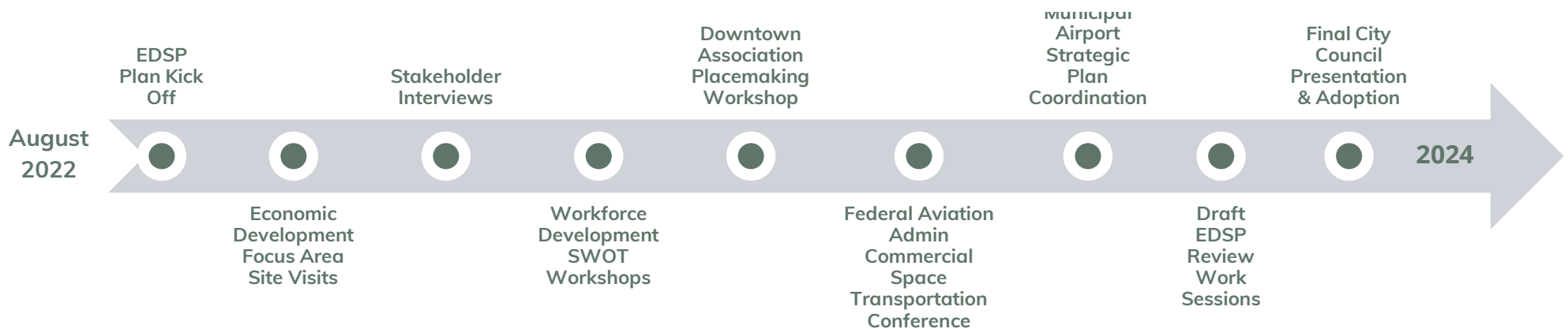
recommended initiatives. Stakeholder outreach included the City's following key strategic partners: Paso Robles Wine Country Alliance, Travel Paso, Paso Robles-Templeton Chamber of Commerce, Downtown Main Street Association, Hispanic Business Association, Rotary Club, property owners, and representatives from the real estate development community, amongst others. Input on the City's training and education resources was provided by Cuesta College and Cal Poly. A detailed list of stakeholders is provided in Appendix I.

Figure 2: Paso Robles Economic Development Strategic Partners



Figure 3: EDSP Timeline and Major Activities

## EDSP Stakeholder Engagement, Data Collection, Analysis & Consensus Building Process



The EDSP's recommendations for new policies, programs and key initiatives are the result of a broad and participatory public engagement process with:

- Business leaders and strategic partners in the wine and tourism industries
- College and university workforce training providers
- Regional economic development and housing partners
- Spaceport and Tech Park tenants

## Stakeholder Input Findings

Figure 4: Real Estate Market Constraints and Opportunities

Sector	Opportunities	Constraints
Retail	<ul style="list-style-type: none"> <li>• Historic levels for market rents and low vacancy rates indicate COVID recovery</li> <li>• Identified target commercial corridors for strategic investment and revitalization</li> </ul>	<ul style="list-style-type: none"> <li>• High construction/renovation costs</li> </ul>
Multifamily	<ul style="list-style-type: none"> <li>• Substantial demand for a variety of housing options</li> <li>• Mixed-use overlay and targeted zoning amendments help reduce barriers to production</li> </ul>	<ul style="list-style-type: none"> <li>• Housing construction costs, labor and material shortages, and inflation</li> <li>• Subsidies required for low- to moderate-income housing products are limited and highly competitive</li> </ul>
Industrial	<ul style="list-style-type: none"> <li>• Pent-up demand and existing businesses desire to expand</li> <li>• Spaceport development to catalyze growth at Municipal Airport</li> </ul>	<ul style="list-style-type: none"> <li>• Evolving industry standards for space requirements (lower ceiling heights, clear span floor plates, redundant power, and multi-use space co-locating R&amp;D, labs, office, manufacturing, and distribution)</li> </ul>
Commercial Office	<ul style="list-style-type: none"> <li>• Delivery of Class A office within Spaceport &amp; Tech Park</li> </ul>	<ul style="list-style-type: none"> <li>• Under-performance of office submarket caused by COVID, costs for highly amenitized spaces, and inflation</li> </ul>
Hotel/Hospitality	<ul style="list-style-type: none"> <li>• New upscale development within submarket signal opportunity for boutique product</li> <li>• Market occupancy growth is climbing, indicating COVID recovery</li> </ul>	<ul style="list-style-type: none"> <li>• Inflation and costs of travel are lowering consumer sentiment for tourism</li> </ul>

Source: City of Paso Robles; Stakeholder Interviews; CoStar; Esri Business Analyst; The Metts Group; Willdan, 2023-2024

Figure 5: Summary of Wine & Tourism Industry Stakeholder Input

Opportunities	
Wine Industry	Tourism Industry
<ul style="list-style-type: none"> <li>• Availability of Workforce Board Mentoring Programs (funds for internships)</li> <li>• Increased High School recruitment activity (Cal Poly, Cuesta College)</li> <li>• Industry naturally aligns with STEM job fields</li> <li>• Paid apprenticeships available that keep local youth within the region and working toward long-term employment within the industry</li> <li>• Healthy concentration of mid-to-upscale fine dining restaurants that attract visitors, businesses, and employees</li> <li>• Opportunity for a shuttle system to move tourists to various locations across the area (e.g., Santa Barbara Wine Tours &amp; Shuttle Service<sup>1</sup>)</li> <li>• Opportunity for on-site employee housing</li> </ul>	<ul style="list-style-type: none"> <li>• Valuable partnerships with Cal Poly &amp; Cuesta College</li> <li>• Growth in 4 to 5-star hotel product</li> <li>• Untapped training and pathways opportunities in the tourism sector through Paso Robles Culinary Academy</li> <li>• Abundance of entry-level employment opportunities</li> <li>• Paso Robles' Quality of Life amenities</li> <li>• 3-star hotels/small motels provide a trained labor pipeline for larger hotels</li> <li>• Calls for focused lobbying efforts for regulatory changes to allow for tasting room servers 18 years and older to reduce seasonal labor fluctuations</li> <li>• Opportunity for on-site employee housing</li> </ul>
Shared Challenges	
<ul style="list-style-type: none"> <li>• Lack of regular, reliable, and accessible transportation options (taxi/rideshare) to and from wineries</li> <li>• Lack of entry-level labor supply</li> <li>• Untapped custom high school training programs</li> <li>• Lack of available market rate multifamily housing</li> </ul>	<ul style="list-style-type: none"> <li>• Internship programs are slow to respond to immediate needs</li> <li>• Need for improved parking management system</li> <li>• Rising interest rates and inflation are accelerating wage pressures</li> </ul>

Source: City of Paso Robles; The Metts Group; Willdan, 2024

<sup>1</sup> <https://winetours-santabarbara.com/>

## Real Estate Market & Target Industry Findings

Stakeholder interviews with local brokers and developers focused primarily on their perspectives regarding what the City of Paso Robles can do to catalyze investment and development activity.

Consistent feedback from this targeted engagement revealed that the City of Paso Robles is considered an effective development partner. At the same time, the combination of COVID-19, building labor and materials supply chain disruptions, inflation, and rising interest rates all make development less financially feasible and exponentially riskier to undertake.

Looking back over the past ten years, Paso Robles has experienced slow or no residential building activity accompanied by population in-migration of seasonal residents in the retirement age cohort and displacement of service workers to less expensive housing markets outside of Paso Robles' city limits.

Paso Robles' business leaders uniformly identified housing availability and affordability as one of the most challenging constraints to attracting talent to open job opportunities.

Brokers also shared that multifamily, office, retail, and industrial rents have skyrocketed in recent years and continue to climb due

to historically low vacancy rates of less than 5%, depending on product type.

Brokers and space users are actively seeking available commercial land and buildings. Maintaining a competitive supply is further challenged by evolving industry standards for space requirements, including lower ceiling heights, clear span floor plates, redundant power, and multi-use space co-located with research and development, labs, office, manufacturing, and distribution.

These market conditions signal pent-up demand in high-value sectors like technology, R&D, and labs according to developers who expressed interest in doing business in Paso Robles.

While stakeholder interviews also validated evidence of pent-up demand, developers noted that new construction is constrained as building costs are at an all-time high due to a variety of factors. Costs of construction have climbed at a higher pace than corresponding lease and sales revenues, depressing yields.

These factors have substantially increased the risk to investors and developers who, in turn, are looking to City and County zoning and regulatory entities to do all they can to reduce entitlements and permitting time frames.

Figure 6: Paso Robles' Target Sector Recommendations

Potential Emerging	Important and Requiring Attention	Priority Growth Industry
<p><b>Professional Services</b></p> <p>Spaceport &amp; Tech Park-related support services, including:</p> <ul style="list-style-type: none"> <li>• Computer systems design services</li> <li>• Other computer-related services</li> <li>• Custom computer programming services</li> </ul> <p><b>R&amp;D/Testing Labs</b></p> <ul style="list-style-type: none"> <li>• Viticulture</li> <li>• Manufacturing (Spaceport and Wine)</li> </ul>	<p><b>Wine</b></p> <ul style="list-style-type: none"> <li>• Packaging</li> <li>• Wholesalers</li> <li>• Glass Product Manufacturing</li> <li>• Trucking</li> </ul> <p><b>Tourism</b></p> <ul style="list-style-type: none"> <li>• Accommodations &amp; Food Services-related supplies, materials, and products</li> </ul>	<p><b>Spaceport-Related Sectors</b></p> <ul style="list-style-type: none"> <li>• Guided Missile Manufacturing</li> <li>• Space Vehicle Manufacturing</li> <li>• Search, Detection, Navigation, Guidance, Aeronautical, and Nautical System and Instrument Manufacturing</li> <li>• Aircraft Manufacturing</li> <li>• Corporate, Subsidiary, and Regional Managing Offices</li> <li>• Legal Services (Private Sector)</li> <li>• Other Electronic Parts and Equipment Merchant Wholesalers</li> <li>• Metal Coating, Engraving (except Jewelry and Silverware), and Allied Services to Manufacturers</li> <li>• Electrical Apparatus and Equipment, Wiring Supplies, and Related Equipment Merchant Wholesalers</li> </ul>

Source: Lightcast.io; The Metts Group, 2023



## Existing Economic Assets & Opportunities

The City of Paso Robles has worked intentionally for more than 20 years to foster a competitive business climate with a track record of yielding positive return on both public and private investment.

The goal of the City's economic diversification strategy is to build upon the existing wine and tourism sector's economic base while diversifying the economy with new target sectors located in the Spaceport Innovation & Technology Park. The City's existing base is founded upon valuable business activity, invested owners/operators, exceptionally high quality of life amenities, and an innovative City government with a reputation for getting things done.

The following discussion provides the synthesis of the EDSP's stakeholder interviews, demographic, economic, and real estate market research collected throughout the EDSP's data collection phase. These findings are organized according to existing and targeted (new) economic development assets and serve as the foundation for the EDSP's recommended key initiatives.

## What Makes Paso Robles an Investable City?

- 1 City leadership's commitment to innovation and positive business climate
- 2 High quality of life and growing economic base
- 3 Diversified opportunity sites and target industries
- 4 Effective local/regional strategic partnerships
- 5 City appetite for public/private partnerships

Figure 7: Paso Robles Economic Development Assets

Existing Economic Assets & Opportunities	
Economic Base	Geographic Focus Areas
<ul style="list-style-type: none"> <li>• Wine</li> <li>• Tourism</li> <li>• Ag/Tech</li> <li>• Spaceport Industries</li> <li>• Construction</li> <li>• Transportation/ Logistics</li> </ul>	<ul style="list-style-type: none"> <li>• Spaceport Innovation &amp; Technology Park</li> <li>• Downtown Core</li> <li>• Commercial Centers</li> <li>• City Gateways</li> <li>• Multifamily Building Sites</li> <li>• Hotel/Resort Building Sites</li> </ul>
Economic Development Strategic Plan Targets	
Investment in New Economic Development Initiatives	Facilitated Production of Land & Buildings
<ul style="list-style-type: none"> <li>• Civic Innovation and concierge development services</li> <li>• Marketing, branding &amp; communications collateral</li> <li>• Business Retention &amp; Expansion Program</li> <li>• Workforce development, entrepreneurial networking, and support services</li> </ul>	<ul style="list-style-type: none"> <li>• Market Rate Multifamily Housing</li> <li>• Upscale Hotel Development</li> <li>• Industrial Land</li> <li>• Industrial Tech Incubation Space</li> </ul>

Source: City of Paso Robles; The Metts Group; Willdan, 2024

## Geographic Focus Areas

The City's proposed economic development "focus areas" represent existing assets with future economic opportunities. The sites or projects reflect diversity across diverse commercial sectors located strategically throughout Paso Robles (Figure 8). These opportunity sites also provide a clear message to developers and property owners that the City has made a proactive policy decision to serve in partnership with the private sector.

The focus areas represent sites or districts that have near-term opportunities for economic growth and, when viewed holistically, provide a snapshot of the EDSP's recommended priorities.

These focus areas are linked to the Implementation Plan's key initiatives. Redevelopment/repositioning of existing commercial centers and new development within the Spaceport Innovation & Technology Park would have a significant impact on expanding the tax base and increasing market demand for commercial and residential uses.

## Real Estate & Industry Sector Targets

One of the key functions of economic development is to facilitate the creation of competitive real estate products to accommodate

businesses, workers, and residents. City Leadership has established targets for commercial, industrial, and residential building stock that were further validated by the EDSP's market research and are an important component of the recommended key initiatives.

## New Economic Development Policies, Programs and Investments

The City's existing economic development capacity to attract target sectors and products could be strengthened with expanded staff capacity, workforce development programs, and business attraction tools.

The following Figure 8: Paso Robles Economic Development Focus Areas provides a current state and location-based snapshot of the EDSP's linkages to the findings of the market analysis and stakeholder outreach. This current state summary of market conditions and business/industry's feedback provides a solid starting point for plan implementation with flexibility built into the five-year performance evaluations to allow for changes-driven validation of the plan's policies and investments.

Figure 8: Paso Robles Economic Development Focus Areas



Source: City of Paso Robles; ESRI; LandDesign; Willdan, 2024

## II. Implementation Framework

### Introduction

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. 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 Economic Development Strategic Plan 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.

### Economic Development Action Plan

- 1.0 Civic Innovation Initiative
- 2.0 Business Retention & Expansion Program
- 3.0 Workforce Development Partnership Program
- 4.0 Placemaking & Infrastructure Program
- 5.0 Multifamily Rental Accelerator Program

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. The proposed action

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steps will be reevaluated on an annual basis according to funding availability as determined by the City’s established budget cycles.

Following the action plan, performance metric recommendations are presented in the form of a monitoring and reporting tool for

City staff to use from year to year to inform annual refinements to the funding plan.

The abbreviations below provide a key for decoding the Action Plan’s “Implementation Partners” in the summary EDSP Action Plan detailed on the following pages.

**Table 1: Implementation Partners (Key to Action Pan)**

Admin Services	City of Paso Robles Administrative Services (Finance)	PRTCC	Paso Robles/Templeton Chamber of Commerce
Airport	Paso Robles Municipal Airport	PW	City of Paso Robles Public Works
CALED	California Association of Local Economic Developers	PRWCA	Paso Robles Wine Country Alliance
CalTrans	California Department of Transportation	REACH	Regional Economic Action Coalition
CAPSLO	Community Action Partnership of San Luis Obispo	Rec Services	City of Paso Robles Recreation Services
CMO	City Manager's Office	SBDC	Small Business Development Centers
ComDev	Community Development	SCORE	Service Corps of Retired Executives
Cuesta	Cuesta College	SLO	San Luis Obispo
EDA	U.S. Economic Development Administration	SLO CAL Careers	Workforce Development Board of San Luis Obispo
HBA	Hispanic Business Association	SLOCOG	San Luis Obispo Council of Governments
IT	City of Paso Robles Information Technology	Sunstone	Sunstone Management
MCSC/WBC	Mission Community Services/ Women's Business Center	SVEN	Silicon Valley Executive Network
DT Main Street	Downtown Paso Robles Main Street Association	Travel Paso	Travel Paso
North County COC	North County Chambers of Commerce		

Source: City of Paso Robles; 2024

## EDSP Action Plan

1.0	Civic Innovation Initiative	Implementation Partners <sup>1</sup>	Implementation Timeframe <sup>2</sup>				
			Year 1	Year 2	Year 3	Year 4	Year 5
1.1	<b>Establish a City Innovation Fund</b>	CMO					
	Create a pipeline for innovation within the City organization	CMO					
	Fund pilot ideas that City staff bring forward through a competitive application process	CMO					
1.2	<b>Form City Staff "Innovation Team" with cross-departmental functionalities</b>	CMO					
	Implement innovative solutions that address goals, priorities and challenges	CMO					
1.3	<b>Explore establishing a modern permitting and development center in City Hall</b>	CMO, ComDev					
	Convene interdisciplinary working group to explore potential costs and implementation timeframe	CMO					

<sup>1</sup> Implementation Partners: If cell is blank, action step will be managed solely by the Economic Development Manager with support provided by City staff as needed.

<sup>2</sup> Proposed EDSP Implementation Plan policies, programs, investments, start date, and duration are subject to change according to availability of City of Paso funding.

The City of Paso Robles is investing in fostering a culture of innovation across all City departments through new and inclusive training opportunities, pilot programs, and leading by example.

To extend this culture to outward-facing communications with property and business owner, investors, and developers, it is recommended that the City establish a dedicated permitting and development center in City Hall. This investment will create a more efficient, professional space in which to conduct business. This investment will also support the provision of “concierge” general development services as the foundation of the City’s focused economic development strategy.

## EDSP Action Plan

2.0	Business Retention & Expansion Program	Implementation Partners	Implementation Timeframe				
			Year 1	Year 2	Year 3	Year 4	Year 5
2.1	<b>Develop marketing, branding &amp; communications collateral/tools</b>						
	Procure consumer data platform access						
	Develop tracking and reporting dashboard						
	Create "Pick Paso" pitch kit, standalone ED web site, and trade show booth materials	ComDev, IT					
	Create annual Paso Robles Market Guide						
	Integrate multifamily construction activity data	ComDev					
	Publicize local ED success stories and profiles via video/social media	CMO					
2.2	<b>Establish formal Business Retention &amp; Expansion ("BRE") Program</b>	PRTCC, Travel Paso, PRWCA, DT Main Street					
	Form BRE Program Working Group with strategic partners and business leaders	PRTCC, Travel Paso, PRWCA, DT Main Street					
	Conduct annual Business Climate Survey in collaboration with strategic partners	PRTCC, Travel Paso, PRWCA, DT Main Street					
	Conduct Business Climate Survey Follow Up, Findings, and Debrief	PRTCC, Travel Paso, PRWCA, DT Main Street					
	Create BRE target/opportunity list						
	Host annual Economic Development Summit event	GoBiz, REACH, PRTCC					
	Establish Rapid Response Business Assistance Program	PRTCC, SBDC					

Committing to undertaking an annual Business Climate Survey will strengthen the City's relationships with business leaders and strategic partners by creating a fluid feedback loop with accountabilities for Rapid Business Assistance follow up. Launching a new Business Attraction Strategy will provide agency to the City's economic development functions – a critical success factor for diversification of the City's economic base.



## EDSP Action Plan

2.0	Business Retention & Expansion Program	Implementation Partners	Implementation Timeframe				
			Year 1	Year 2	Year 3	Year 4	Year 5
<b>2.3</b>	<b>Launch Communications &amp; Business Attraction Strategy</b>						
	Implement Spaceport & Tech Park Development Strategy	Airport, Cal Poly, ComDev, REACH, CA STEP					
	Participate in target industry trade shows/conferences	Chamber, REACH					
	Conduct local consumer needs and wants survey (Citywide and Focus Areas)	Chamber, MS, HBA					
	Hold Paso Robles Economy Engagement Sessions	CALED, GoBiz, EDA					
<b>2.4</b>	<b>Launch Offsite Tourism Infrastructure Cost Sharing Program</b>	Travel Paso					
	Conduct feasibility study for offsite infrastructure cost sharing program for major hotel, event, and tourism related projects	CMO, ComDev, Admin Services, TP, Chamber					
	Initiate Event Center/Conference Center Feasibility and Funding Study	ComDev, CMO, TP, Chamber					

Scaling the new BRE Program to include scheduled activities focused on entrepreneurial networking, mentoring, and business incubation in partnership with Cal Poly, Cuesta College, SCORE, SVEN, and Sunstone will immediately address opportunities and weaknesses identified by stakeholders in the Economic Development SWOT Workshops. Together with intentional investments in civic innovation and tourism infrastructure, focusing City resources on BRE activities will demonstrate that the City is committed to protecting the City's existing economic base while expanding the tax base through increased TOT tax revenue.

## EDSP Action Plan

2.0	Business Retention & Expansion Program	Implementation Partners	Implementation Timeframe				
			Year 1	Year 2	Year 3	Year 4	Year 5
2.5	<b>Implement Commercial Center Revitalization Strategy</b>						
	Undertake outreach to the owner/operators of the Shopping Centers identified in the Economic Development Focus Areas	ComDev					
	Maintain an inventory of shopping centers with redevelopment potential						
	Integrate commercial center targets into annual BRE Program activities						

Including a strategy focused on commercial center revitalization is another example of an initiative that will both protect Paso Robles’ existing tax base while also investing in attracting new residents and businesses.

Neighborhood-serving retail that provides convenient access to goods and services needed for daily living is an invaluable quality of life asset. Some of the City’s commercial plazas are aging and could benefit from upgrades to signage and amenities. Other centers located on commercial corridors zoned for mixed-use development are in the path of future redevelopment that would benefit from sustained owner/broker/developer outreach to produce the highest and best use of the space. Paso Robles has a role in supporting these retail centers to ensure that the City remains competitive with other locations in the region.

## EDSP Action Plan

3.0	Workforce Development & Entrepreneurship Program	Implementation Partners	Implementation Timeframe				
			Year 1	Year 2	Year 3	Year 4	Year 5
3.1	<b>Expand Workforce Development Pathways &amp; Apprenticeship Programs</b>						
	Explore and establish Pathways Program Partnerships with Educational Institutions, Businesses & Workforce Board	Cuesta, SLO Partners, SLO CAL Careers					
	Market occupation certification and apprenticeship partnerships with Local Universities/Community Colleges with initial focus on trades in demand (i.e., plumbers and pipefitters)	Cuesta, SLO Partners, SLO CAL Careers					
	Co-Sponsor education and training workshops for Small, Women-owned, Minority and Disadvantaged Business Entities	MCSC/WBC, HBA					
3.2	<b>Engage and support an Entrepreneurial Networking and Mentoring Program</b>	CalPoly, Cuesta College, SCORE, SVEN, Sunstone					
	Engage Existing Incubator Programs	Cuesta College, Cal Poly					
	Establish a North County Tech Working Group	REACH, Cal Poly, North County COC, PRTCC					

City investment in and facilitation of creative and nimble workforce development assets is considered a core competency of any effective economic development organization.

Business leaders and strategic partners across the wine, tourism, and innovation technology industries clearly communicated the need for enhanced workforce development offerings to better compete in the regional market and advance the City's ambitious economic diversification goals.

## EDSP Action Plan

3.0	Workforce Development & Entrepreneurship Program	Implementation Partners	Implementation Timeframe				
			Year 1	Year 2	Year 3	Year 4	Year 5
3.3	<b>Implement the Lowe Foundation's "Economic Gardening Program" in Paso Robles</b>	Cuesta, SLO Partners, SLO CAL Careers					
	Participate in National Center for Economic Gardening Program certification training						
	Link program resources to Entrepreneurial Networking and Mentoring activities	Cuesta, SLO Partners, SLO CAL Careers					
3.4	<b>Develop a Childcare Provider Development Program</b>						
	Inventory supply and indicators of demand						
	Survey regional partners to identify creative regional models and training/funding resources	HBA, CAPSLO, ComDev					
	Establish a Childcare Provider Pathways Program to facilitate funding, permitting, licensing and training						

Economic gardening is an economic development model that embraces the fundamental idea that entrepreneurs drive local economies. The Ewing Kaufman Foundation created a program to train local economic development managers to integrate economic gardening principles into entrepreneurship programs.

Business leaders and strategic partners across the wine, tourism, and innovation technology industries identified a gap in childcare facilities. The City has decided to take the lead in facilitating further study of supply and demand, along with barriers to facility development with a long-term vision with the objective to facilitate increased childcare opportunities in the north county region.

## EDSP Action Plan

4.0	Placemaking & Infrastructure Program	Implementation Partners	Implementation Timeframe				
			Year 1	Year 2	Year 3	Year 4	Year 5
<b>4.1</b>	<b>Implement Gateway Beautification &amp; Infrastructure Improvement Program</b>	CalTrans, CMO, ComDev, PW, Airport, PRWCA, TP, SLOCOG					
	Implement gateway improvements:						
	US 101 Northern Gateway Monument	CalTrans, CMO, ComDev, TP, SLOCOG					
	US 101 Southern Gateway Monument	CalTrans, CMO, ComDev, TP, SLOCOG					
	Paso Robles Street at Offramp	ComDev, PW, Utilities					
	Paso Robles Street at 13th Street	ComDev, PW, Utilities					
	SR 46 East Gateway Monument	CMO, ComDev, PW, CalTrans, SLOCOG					
	SR 46 East Black Oak Monument	CMO, ComDev, PW, CalTrans					
	SR 46 West Gateway Monument	CMO, ComDev, PW, CalTrans					
	Paso Robles Train Station	Airport, Cal Poly, CMO, Amtrak, PW, TP, PRWCA					
	Paso Robles Municipal Airport	Airport, Cal Poly, CMO, Amtrak, PW, TP, PRWCA					
	Increase investments in local road maintenance program	ComDev, PW, Utilities					
	Capital improvement program alignment analysis	CMO, Admin Services					
<b>4.2</b>	<b>Implement Downtown Placemaking Pilot Projects</b>						
	Downtown Lighting Plan Review	Main Street, PRTCC, Travel Paso, ComDev, PW, Rec Svcs					
	Paso Robles Street Improvements						
	Railroad Street Plan Improvements						
	Downtown Alley Activation Strategy (Norma's Alley)						
	City Park Gathering Circle Plan						
	Public Art & Murals Program						
	Reconvene City's Outdoor Dining Working Group						

City investment in placemaking infrastructure is the greatest “low hanging fruit” opportunity in the proposed EDSP. Several low-capital/high visual impact improvements can be made in the near-term that serve cross-cutting purposes. Not only will adoption of a new Placemaking & Infrastructure Program support the Downtown Core through improved lighting, wayfinding, and sense of place, this targeted investment will also achieve important City branding objectives and business attraction activity. Together with previously planned roadway and gateway improvements, this program will communicate the City’s intentional investments in the public realm.

## EDSP Action Plan

5.0	Multifamily Accelerator Program	Implementation Partners	Implementation Timeframe				
			Year 1	Year 2	Year 3	Year 4	Year 5
<b>5.1</b>	<b>Establish Workforce Housing and General Development Engagement Program</b>						
	Convene a staff working group with ComDev and Public Works to create and implement a new "Concierge Development Services Program"	ComDev, Admin Services, CMO, PW					
	Evaluate a mixed-use overlay and targeted zoning amendments to reduce barriers to multifamily housing construction						
<b>5.2</b>	<b>Leverage regional housing partnership opportunities</b>	SLO					
	Actively participate in implementation of SLOCAL's regional housing and transportation plan						
<b>5.3</b>	<b>Widely publicize the City's expanded housing portfolio</b>						
	Track multifamily rental development and report metrics through ongoing communications and business attraction activities						
<b>5.4</b>	<b>Onboard dedicated staff resources</b>						
	Onboard a staff resource shared with Community Development to support the Workforce Housing and General Engagement Program and the Citywide Commercial Revitalization Strategy						

Source: City of Paso Robles; Paso Robles Wine Country Alliance; Travel Paso; Paso Robles Downtown Association; CalPoly; Cuesta College; The Metts Group; Willdan, 2024

City Council Adopted Goals 2022-2024 established Goal 3: Housing and Homelessness to address a critical shortage of the supply ranging from very low income to market rate "workforce" housing product.

## Estimated Implementation Costs

The total estimated five-year cost to implement the proposed EDSP is \$1.5 million, with most of the estimated costs associated with establishing a formal Business Retention and Expansion Program and funding the proposed Placemaking Infrastructure Program.

This figure is intended to augment or supplement the existing economic development budget. This plan does not propose to reduce or eliminate funding for any programs or contributions that are currently allocated within the Economic Development department budget.

The remaining costs are related to operating expenditures like training, marketing and event promotion, data licenses, and participation in conferences and trade shows.

The proposed costs take into consideration the need to augment existing staff in future years of the plan. However, additional work is needed to further define the job title, description, and salary range for a new full-time position based upon the objectives and work assignments at the time the position is proposed to be added (year 3).

The cost estimates will be further refined on an annual basis throughout the life of the EDSP based on:

- Findings of the performance metrics update
- The fiscal capacity of the City to allocate additional discretionary funding to the program is based on projected economic conditions
- Leveraging of external funding sources through grants and partnerships
- Response to local economic trends, business needs and City Council priorities.

Refer to Table 2 on the following pages for detailed cost assumptions.

Table 2: Estimated EDSP Implementation Costs, FY 2024 / 25 – FY 2028 / 29

	Year 1 2024	Year 2 2025	Year 3 2026	Year 4 2027	Year 5 2028	Total Cost	Description of Potential Funding Needs <sup>1</sup>
<b>1.0 Civic Innovation Initiative</b>							
Capital	\$-	\$-	\$-	\$-	\$-	\$-	Civic Innovation Fund for staff-initiated pilot projects and training, entrepreneurship incubation activities.
Operating	20,000	20,000	25,000	30,000	30,000	<b>\$125,000</b>	
Staffing <sup>2</sup>	-	-	-	-	-		
<b>Subtotal</b>	<b>\$20,000</b>	<b>\$20,000</b>	<b>\$25,000</b>	<b>\$30,000</b>	<b>\$30,000</b>	<b>\$125,000</b>	
<b>2.0 Business Retention &amp; Expansion Program</b>							
Capital	\$-	\$-	\$-	\$-	\$-	\$-	Event co-sponsorships with key strategic partners, annual Business Climate Survey, workforce training programs, conference and trade show participation, marketing and communications, contract staff support, data collection and tools.
Operating	100,000	150,000	175,000	175,000	175,000	<b>775,000</b>	
Staffing <sup>2</sup>	-	-	<b>1 FTE</b>	-	-		
<b>Subtotal</b>	<b>\$100,000</b>	<b>\$150,000</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$175,000</b>	<b>\$775,000</b>	

<sup>1</sup> Potential funding costs are planning factors subject to change according to City of Paso Robles' priorities and funding availability. Figures are rounded to reflect estimates.

<sup>2</sup> Staffing costs to be determined according to City Council approval of future budget requests.



## Estimated EDSP Implementation Costs, Continued

### 3.0 Workforce Development Partnership Program

Capital	\$-	\$-	\$-	\$-	\$-	\$-	Co-sponsor incubation events/programs to support a "Spaceport Learning & Implementation Lab" at the Municipal Airport's Micro Propulsion Systems Testing Site with tech-based stakeholders
Operating	10,000	10,000	25,000	25,000	25,000	95,000	
Staffing	-	-	-	-	-	-	
<b>Subtotal</b>	<b>\$10,000</b>	<b>\$10,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$25,000</b>	<b>\$95,000</b>	

### 4.0 Placemaking & Infrastructure Program

Capital	\$50,000	\$75,000	\$100,000	\$100,000	\$100,000	\$425,000	Gateway improvements, Downtown Placemaking, Municipal Airport signage and landscaping. Note: Lighting improvement costs accounted for in existing General Fund Budget.
Operating	-	-	-	-	-	-	
Staffing	-	-	-	-	-	-	
<b>Subtotal</b>	<b>\$50,000</b>	<b>\$75,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$100,000</b>	<b>\$425,000</b>	

<sup>1</sup> Potential funding costs are planning factors subject to change according to City of Paso Robles' priorities and funding availability. Figures are rounded to reflect estimates.

<sup>2</sup> Staffing costs to be determined according to City Council approval of future budget requests.

## Estimated EDSP Implementation Costs, Continued

### 5.0 Multifamily Accelerator Program

<b>Capital</b>	\$-	\$-	\$-	\$-	\$-	<b>\$-</b>	Target industry event co-sponsorship, developer engagement, economic development focus areas summit, Brownfields conference participation. 1 FTE accounted for in 2.0 BRE Program will also provide Developer outreach support.
<b>Operating</b>	10,000	10,000	20,000	20,000	20,000	<b>80,000</b>	
<b>Staffing</b>	-	-	-	-	-	-	
<b>Subtotal</b>	\$10,000	\$10,000	\$20,000	\$20,000	\$20,000	<b>\$80,000</b>	

### Total Economic Development Strategic Plan Implementation

<b>Capital</b>	\$50,000	\$75,000	\$100,000	\$100,000	\$100,000	<b>\$425,000</b>
<b>Operating</b>	\$140,000	\$190,000	\$245,000	\$250,000	\$250,000	<b>\$1,075,000</b>
<b>Staffing</b>	\$-	\$-		\$-	\$-	<b>\$-</b>
<b>Total</b>	<b>190,000</b>	<b>265,000</b>	<b>345,000</b>	<b>350,000</b>	<b>350,000</b>	<b>1,500,000</b>
<b>Cumulative 5-Year Costs</b>	<b>\$190,000</b>	<b>\$455,000</b>	<b>\$800,000</b>	<b>\$1,150,000</b>	<b>\$1,500,000</b>	

<sup>1</sup> Potential funding costs are planning factors subject to change according to City of Paso Robles' priorities and funding availability; figures are rounded to reflect estimates.

<sup>2</sup> Staffing costs to be determined according to City Council approval of future budget requests.

Source: City of Paso Robles, CA; Willdan, 2024

## Potential Funding Sources

The following Table 3 provides a description of existing and potential sources of funds to activate the plan, including:

- SB 1090 Funds
- General Fund
- Regional Partnerships
- State & Federal Grants

For the first year, it is recommended the City utilize any remaining Senate Bill 1090 funds to seed the various initiatives and action items contained within the plan. These funds were allocated to the City in 2018 due to the pending closure of the Diablo Canyon Power Plant and must be used for qualified economic development activity.

Following Year 1, City discretionary funds (General Fund) are anticipated for future year funding, absent receipt of outside grants or partnerships within community organizations.

All proposed funding shown in years 2 through 5 are for planning purposes only. Appropriation of future funding for this plan is dependent on fiscal circumstances and City Council approval.

In addition to the funding sources outlined in Table 3, this plan will rely on the collaboration and "in kind" contributions of City staff time and resources to achieve the key initiatives.

The Office of the City Manager should proactively direct existing staff resources to expand ongoing State and Federal grant writing efforts to pursue a wide range of infrastructure and placemaking funding opportunities. These existing internal resources could be diversified to target grants that would support implementation of the EDSP (e.g., Arts in America or Kresge Foundation placemaking grants, Federal Transit Authority funds for multimodal improvements).

Total estimated funding figures are rounded to reflect order-of-magnitude estimates and are subject to change according to funding availability.

A detailed programmatic overview of the Action Plan initiatives follows the implementation costs and funding plan. The economic development validation for each recommendation is profiled according to existing conditions, followed by desired outcomes that are linked to the City Council's Goals 2022-2024.

Table 3: Proposed EDSP Sources & Uses of Funding

Funding Source	Eligible Expenditures	Uses of Funding
<b>SB 1090</b>	SB 1090 funds are legally mandated to be spent on eligible economic development activities only. All expenditures proposed within this plan utilizing these funds are eligible.	Funds are proposed to activate all elements of additional economic development activities in year 1. This work predominately focuses on establishing a business retention and attraction program, developing marketing assets
<b>General Fund</b>	The City's General Fund is discretionary, and funds typically can be allocated by the City Council to almost any type of operations, service, or project.	The entirety of the plan for years two through five may be funded by General Fund dollars, absent receipt of external funding to offset costs. Typically, funding economic development activities results in additional development and investment within a community, which in turn increases General Fund and other revenues to the City. Funding for years 2 - 5 are subject to fiscal conditions and City Council approval.
<b>Regional Partnerships</b>	Eligible expenditures will be dependent on project objectives, funding source, partnership structure and other requirements. Regional Partners include San Luis Obispo County, REACH, Travel Paso, Paso Robles Wine Country Alliance, Chamber of Commerce, Main Street Association, Hispanic Business Association, Cal Poly San Luis Obispo, Cuesta College, Paso Robles Joint Unified School District, military installations, other cities, and others as determined.	Uses of funding will be dependent on specific objectives of partnerships, funding sources, and project type. It is recommended the City leverage these partnerships to focus on one-time capital funding for gateway, placemaking, marketing and major infrastructure projects that will result in economic development and tax base growth.
<b>State &amp; Federal Grants</b>	To Be Determined (Ongoing)	State and federal grant funding is typically allocated across a broad spectrum of programs, project categories, and geographic subsets. The City can leverage these funds based on availability and nexus to the economic development implementation plan and major capital project needs. The City utilizes a third-party grant writer to assist in identifying and applying for these grants.

Source: City of Paso Robles; Willdan, 2024

## III. Implementation Recommendations

### 1.0 Civic Innovation Initiative

#### Existing Conditions

As Paso Robles takes significant steps to establish a space innovation and technology park, the City seeks to position itself as an innovative beacon within the region.

Existing and new opportunities exist to grow, attract, and retain STEM-based entrepreneurs and companies within Paso Robles.

A further opportunity exists to empower City staff to bring forward innovative solutions to address community priorities and needs through leveraging strategic partnerships, encouraging employees to bring innovative ideas forward and reducing barriers for companies looking to test products in a real-world environment.

Paso Robles can position itself as an innovation hub of the region. This objective helps the City achieve its goals related to attracting head of household-type jobs, as well as diversification of the local economy.

#### Action Plan Initiatives

##### 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

#### 1.1 Establish a City Innovation Fund

It is recommended that the City Council approve funding to establish an innovation fund as part of the FY 24-25 budget cycle.

The fund will be used to pilot ideas that City staff bring forward that seek to implement innovative solutions that address City Council goals, community priorities and department challenges.

The main objective of the fund is to create a pipeline for innovation within the organization. The innovation funds will pilot and support programs and projects through a competitive application process to be established and facilitated by City staff. The innovation fund is not meant to support ongoing funding requests or full-time staff, but to fund one-time pilot projects that are limited in scope and scale.

## 1.2 Form City Staff "Innovation Team" with cross-departmental functionalities

Through participation and engagement, the City should seek opportunities to bring innovative ideas to life within Paso Robles through site selection assistance, permitting assistance, and promotion of an ecosystem that allows for the piloting of innovative ideas in real-world settings.

Staff should connect with individuals and start-ups that align with the City's broader economic development objectives. For example, exploring the potential to manage organic biomass waste (e.g., wastewater biosolids, food and yard waste) with the intention of generating renewable biogas energy such as electric, renewable natural gas, and green hydrogen.

## 1.3 Explore establishing a modern permitting and development center in City Hall

To improve the experience of developers and businesses conducting business at City Hall, it is recommended that the City convene a multidisciplinary staff working group to explore minor remodeling of City Hall to accommodate a modern permitting and development center within the next five years.

The current space does not adequately accommodate permitting counter review for complex plans or meeting space for

negotiations with investors, developers, and builders. The look and feel of professional local government office space directly shapes the opinions of decision makers about the prospect of investing in a city.

Beyond perceptions, the City should look ahead to the anticipated volume of projects envisioned by full buildout of the Spaceport Innovation & Technology Park and expand existing capacity accordingly.

Figure 9: City Permitting and Development Center – Existing Conditions



Source: City of Paso Robles, 2024

## 2.0 Business Retention & Expansion Program

### Existing Conditions

To achieve the City Council's economic diversification goals, there is a need to expand the resources and tools that drive the City of Paso Robles' existing economic development functions.

As a key element of any EDSP, the City of Paso Robles lacks a formal Business Retention & Expansion (BRE) program and comprehensive suite of branded marketing materials.

Implementation of a BRE Program with a focus on new business attraction activities will require investment of staff time and other resources in proactive outreach and the creation of important City marketing, branding, and communications collateral.

Workforce development capabilities are an important element of any BRE Program. While the City of Paso Robles has developed productive strategic partnerships with the Wine Alliance, Travel Paso, Chamber of Commerce, and Main Street Association, there is opportunity to further strengthen the City's value proposition to investors/developers/operators by formalizing those partnerships with custom training programs on demand.

## Action Plan Initiatives

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	Implement Tourism Infrastructure Development Strategy
2.5	Implement Commercial Revitalization Strategy

### 2.1 Develop Marketing, Branding & Communications Collateral/Tools

The City lacks an integrated, branded suite of marketing and communication materials to support economic development activities. Allocating resources to fully develop these assets is essential to activate most elements of the EDSP implementation plan.

Establishing these assets is in direct alignment with other City Council goals that seek to improve communication between the City and its stakeholders. The following is a sample of best-practice marketing, branding, and communications action steps the City should undertake as part of this plan:

# Attachment 1

- Procure consumer data platform access
- Develop tracking and reporting dashboard (infographics)
- Develop brand guidelines and standards around a “call to action” phrase
- Develop a standalone economic development web site
- Create a branded pitch kit for prospective business owners, developers, and investors
- Create a branded market overview video highlighting key attributes, vision, and opportunities within the City
- Create a Pick Paso video series highlighting business success stories, key partnerships, and the voices of market advocates
- Create annual Paso Robles Market Guide
- Utilize metric dashboard to keep all stakeholders apprised of ongoing economic development activities
- Emphasize the City's focus on affordable and workforce housing efforts as part of the communications plan

Paso Robles will benefit from investment in critical digital tools going forward for several reasons. Beyond measuring the delta of development and business formation activity, the City can concentrate resources on the methods that work best.

It is recommended that the City adopt a formal Visibility, Marketing, and Branding Strategy to create brand standards and consistency across all City media platforms, including websites and social media.

## 2.2 Establish a Formal Business Retention & Expansion ("BRE") Program

The purpose of a Business Retention & Expansion (BRE) Program is to identify local businesses' existing and anticipated needs and address those needs through coordinated resources, partnerships, and tools.

The City's future BRE Program action steps should include:

- Forming a BRE Program Working Group with strategic partners and business leaders
- Conducting an annual Business Climate Survey in collaboration with strategic partners
- Creating a BRE target/opportunity list
- Hosting annual Economic Development Summit events
- Establishing a Rapid Response Business Assistance Program
- Operating a small working group focused on identifying and resolving critical business needs
- Facilitating workforce training and pathways certification programs
- Monitoring and reporting progress against baseline data and performance metrics.



# Attachment 1

## Working Group Activities

Successful BRE Programs require strong strategic partnerships in the community. It is recommended that the City establish a small BRE working group comprised of key members of the business community including those to be identified after the EDSP is adopted.

The working group should review the findings of the Economic Development Strategic Plan's needs assessment to inform ongoing outreach to the business community. This group should be responsible for conducting triage on critical business needs, identifying solutions, and scheduling timely follow-up visits to confirm resolution of issues.

As an initial step, the working group should decide upon an organizational structure for future business outreach efforts (either entirely in-house, managed by a consultant team, or a hybrid of the two) and then create a shared schedule to monitor and report on the findings from business retention needs/trends, inbound business startup or relocation leads, and BRE Program successes (new business formations, jobs created, private investment dollars, or other wins).

The focus of the Working Group should be on collaboration and networking to address critical business needs related to:

- Business and construction permitting/licensing
- Retail inventory and technical assistance
- Export assistance
- Access to Utilities (water, sewer, refuse, electricity, gas, etc.)
- Infrastructure
- Talent attraction
- Financing and non-financial incentive
- Workforce training
- Land and buildings
- Retraining/Entrepreneurial Business Development
- Marketing and branding

## Business Climate Survey & Follow Up

As part of the EDSP process, the City and consultants engaged local business leaders in two economic development SWOT workshops. Following this feedback, a draft Business Climate Survey was prepared, tailored to the most pressing business needs of the wine and tourism industries.

The survey has been vetted by workshop participants and is ready for distribution in Fall 2024 through members of the Paso Robles Wine Country Alliance and Travel Paso. This survey represents one of the first formal outreach touchpoints established by adoption of the proposed BRE Program.

The Economic Development Manager should prioritize following up on the results of the annual Business Climate Survey. Any reported

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obstacles and challenges should be entered into a shared project management system, for coordinated follow-up. These activities should be assigned to staff with a sense of urgency and accountability.

As the City repeats the business climate survey year to year, the process will generate valuable data to evaluate performance metrics. Transparent reporting on the City's economic development performance metrics will create valuable messaging and goodwill for investors, developers, businesses, and their employees.

## 2.3 Launch Communications & Business Outreach Strategy

### Communications & Outreach

The City of Paso Robles has a tremendous toolbox of visually appealing assets and intriguing business success stories. The City has an opportunity to leverage these assets to reach business owners, investors and developers that are either unaware of Paso Robles or in need of qualitative information to supplement data.

To raise the profile of Paso Robles' target sector opportunities, the Economic Development Manager should link the BRE program's communications and outreach activities to business attraction efforts. This will require a multi-channel approach to reach the City's target sectors, including:

- Spaceport and Innovation Technology Park
- Wine/Tourism
- Hotel/Lodging
- Market Rate Multifamily Residential
- Retail

Connecting with stakeholders in each of these real estate sectors will require focused scheduling and timely follow up. It is recommended that the Economic Development Manager maintain an outreach tracker updated on a routine basis.

### Business Attraction Activities

The Economic Development Manager should focus their near-term business attraction activities on:

- Outward facing engagement such as organizing real estate redevelopment and/or industrial developer and operator consortiums hosted by the City.
- Target industry trade shows/conferences to network and draw attention to the City's Economic Development Focus Areas.

As the Spaceport & Tech Park buildout advances, these events will provide in-person exchanges about Paso Robles' success stories. This visibility will have a profound impact on regional recognition of the City's progress towards development goals and positive experience of doing business with the City.

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## 2.4 Launch Offsite Tourism Infrastructure Cost Sharing Program

To accelerate the production of new hotel offerings, the City should identify opportunities to engage private development partners in a City-funded offsite infrastructure cost sharing program for major hotel, event, and tourism related projects. This could include roadway improvements, landscaping, or other offsite support to be determined on a case-by-case basis. To start planning on a longer-term, larger-scale tourism support initiative, the City should consider initiating an Event Center/Conference Center Feasibility and Funding Study.

## 2.5 Implement Commercial Vitality Strategy

It is recommended that the City implement a citywide commercial revitalization strategy focused on owner/operator outreach for the commercial centers identified in the Economic Development Focus Areas including:

- Golden Hills Plaza
- Woodland Plaza I & II
- Crossings Plaza
- North Spring Street Corridor
- Williams Plaza
- Food 4 Less Shopping Center

Establishing productive working relationships between City Economic Development staff and center owner/operators can facilitate urban infill redevelopment over the long term. These relationships will also connect City staff to trending issues in the local, regional, and broader commercial center market.

An important first step in preparing for the outreach process is for the City's designated retail outreach manager to routinely participate in local/regional retail networking events like the International Council of Shopping Centers to identify retailer prospects.<sup>2</sup>

As a mid-to-long term recommendation, the City should undertake a commercial inventory of retail centers identified in the Economic Development Focus Areas. This process will create a communications channel for flagging retail closures and directing retail business interest to available properties. This activity will also create personal relationships between the Economic Development Manager and property owners, owner representatives, and tenants.

<sup>2</sup> <https://www.icsc.com/attend-and-learn/events/details/local-northern-california-august-2023>

## 3.0 Workforce Development & Entrepreneurship Program

### Existing Conditions

Industry best practices call for workforce development and entrepreneurial ecosystem support to be the foundation of any business attraction strategy. The City of Paso Robles has established strategic partnerships with several of the region's workforce development providers. However, feedback provided by business leaders and stakeholders throughout the EDSP process validates the need to improve existing workforce development program offerings across all target sectors.

In particular, the wine and tourism industries communicated an immediate need for life skills and technical training programs. Evaluation of Paso Robles' existing entrepreneurial business development activities revealed that the City is in the process of formalizing an ecosystem that allows for the fast flow of talent, information, and resources to support entrepreneurs at each stage of growth. There are several new partnerships and programs that will require staff time and attention over a sustained timeframe to achieve fully operationalized results.

Investment in a new Workforce Development and Entrepreneurship Program will demonstrate the City's

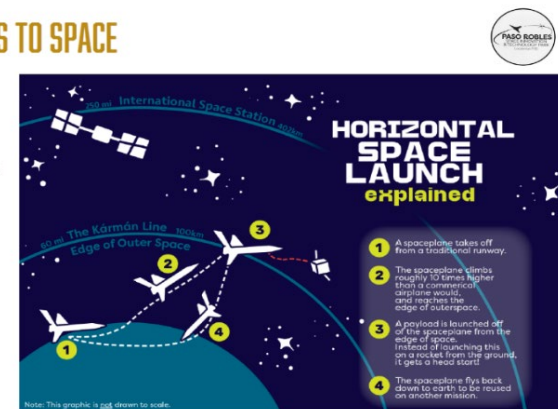
commitment to existing businesses in need of a reliable and qualified labor force. It also provides an unprecedented opportunity to formalize Paso Robles' rapidly expanding entrepreneurial ecosystem with dedicated resources and regional partnerships focused on Spaceport Innovation & Technology Park users.

A related critical workforce need is access to convenient and affordable childcare. As part of the Workforce Development Program, it is recommended that the City of Paso Robles dedicate resources to better define current gaps in supply and partner with Paso Robles stakeholder organizations to facilitate new childcare provider business development within the local economy.

Figure 10: Cal Poly K-20 Space Technology Pathways Program in Paso Robles

### EDUCATIONAL ACCESS TO SPACE

- ▶ Horizontal launch capabilities provide students with easier access to space
- ▶ With easier access to space, K-20 students can launch small satellites to study lower earth orbit
- ▶ The data from these satellites can monitor short-term weather events, long-term climate change, improve communications, etc.



## Action Plan Initiatives

<b>3.0</b>	<b>Workforce Development &amp; Entrepreneurship Program</b>
<b>3.1</b>	Expand Workforce Development Pathways & Apprenticeship Programs
<b>3.2</b>	Engage and Support an Entrepreneurial Networking and Mentoring Program
<b>3.3</b>	Explore implementation of an Economic Gardening Program
<b>3.4</b>	Develop a Childcare Provider Development Program

### 3.1 Expand Workforce Development & Pathways Apprenticeship Program

Comprehensive stakeholder engagement sessions identified workforce development as a key priority to maintaining a vibrant local economy.

Stakeholders noted the time and resources it takes to onboard, train, and retain employees across a spectrum of trades and industries. Stakeholders also lamented the lack of comprehensive workforce development and apprenticeship programs available in the Paso Robles area to assist in supporting local businesses.

A more robust workforce development ecosystem within Paso Robles has the potential to insulate existing businesses from employee turnover, support additional businesses by expanding the pool of qualified workforce, and provide skillsets necessary to diversify the local economy.

Figure 11: Regional Workforce Development Partners



Source: City of Paso Robles, 2023

While it is not traditionally the role of local government to administer workforce training programs, the City is in a strong

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position to advocate for existing programs delivered elsewhere in the region be brought to Paso Robles. By demonstrating the need for these services, the City should be able to expedite the implementation of those programs in Paso Robles.

As a timely next step, it is recommended that the Economic Development Manager spearhead the rollout of the following programs currently in demand by area businesses:

- In partnership with Cuesta College, Cal Poly, businesses, and the San Luis Obispo County Workforce Board, strengthen existing Pathways Programs and create new custom programs to diversify offerings related to Paso Robles' new sectors
- In partnership with local business leaders, create and market a Life Skills Training Program geared towards the wine, hospitality, and technology industries
- Market occupation certification and apprenticeship partnerships with Local Universities/Community Colleges with initial focus on trades in demand (e.g., plumbers and pipefitters)
- Together with MCSC/WBC, Hispanic Business Association, Co-Sponsor education and training workshops for Small,

Women-owned, Minority and Disadvantaged Business Entities

Examples of local workforce development and pathways program activities within the City are available from the Paso Robles & Templeton Chamber of Commerce website.

The Cal Poly K-20 Space Technology Pathways Program in Paso Robles is an important new resource that will link the K-12, Cuesta College, and Cal Poly systems to Spaceport Innovation & Technology Park users. It can be connected to other support systems, such as the proposed Economic Gardening Program.

## **3.2 Engage and Support an Entrepreneurial Networking and Mentoring Program**

Paso Robles is in a regional entrepreneurial ecosystem with established business incubation resources and market demand for such activities generated by the abundant supply of high-quality educational institutions.

In collaboration with REACH, Cuesta College, Cal Poly, the Chamber of Commerce, and local stakeholders, the City should establish a working group to advise the City on the challenges and needs associated with the City seeking to establish a tech innovation park.

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The City Council is very interested in leveraging the City's location and assets to draw high paying jobs across a diverse cross-section of tech-related industries. The City has established the vision for this objective but should begin to evaluate what private sector and community partners need in order to move the vision to reality.

This advisory body will provide expertise to assist/support staff in developing an inventory of technology-related resources. This entity will advise the Paso Robles Economic Development Manager in developing an operating framework to scale partnerships with established programs within the region, such as:

- Business and Entrepreneurship Center at Cuesta College
- REACH Uplift Central Coast
- Cal Poly Center for Innovation & Entrepreneurship

As one example, the Cal Poly Center for Innovation & Entrepreneurship<sup>3</sup> is an existing strategic partner already engaged in a variety of cutting-edge entrepreneurial business incubation activities:

- Elevator Pitch Competitions
- Startup Launch Weekends

- Student-Led Startups (The Hatchery)
- Idea competition with \$10,000-\$15,000 in prize money (Innovation Quest)
- Student-run, multidisciplinary hackathon (Camp PolyHacks)
- Agri-Tech Incubator program

While tech and innovation entrepreneurial development is the focus of Cal Poly's program, all industries are accepted and encouraged to apply. Specialty verticals include:

- Aerospace – located at The Launch Pad Grover Beach
- Ag Tech – located at THE SANDBOX Paso Robles
- Clean Tech – located in Morro Bay (coming soon)
- Med Tech – located at the CIE HotHouse

Entrepreneurial business incubators are typically organizations or programs that help startup companies and individuals to develop their business model by providing a full-scale range of services starting with management training, physical office space, and networking programming as the initial formation steps typically required for future venture capital financing.

<sup>3</sup> <https://cie.calpoly.edu/>

Participation in an incubator increases the chances of a firm surviving its formative years. A collaborative environment also adds value by maximizing the business' growth potential through parallel interactions with peers.

In turn, the City of Paso Robles will prioritize promoting these entrepreneurial development activities through the City's new communications program. Paso Robles has a unique opportunity to take a leadership role in entrepreneurial business incubation activity that will generate interest in the emerging Spaceport and Technology Innovation Park.

### **3.3 Implement an “Economic Gardening” Program to Amplify Entrepreneurship and Business Support**

The National Center for Economic Gardening Program is hosted by the Lowe Foundation to provide cities with training and certifications; database research, search engine optimization, geographic information systems, and listening posts to find new markets, provide competitive intelligence to support local “Stage 2” growth companies, and grow jobs locally.

The National Center for Economic Gardening provides both a certification for Program Administrators, as well as a national team to run a 5-company pilot.

It is recommended that the City initiate the program by participating in a webinar hosted by the Center. For more information: <https://economicgardening.org/training-and-certification/>.

Notably, this program is also supported by the Kauffman Foundation and a variety of grant funding programs are available.

For more information: <https://www.kauffman.org/resources/policy/economic-gardening/>.

### **3.4 Implement Childcare Provider Development Program**

As a first step, the City of Paso Robles in partnership with stakeholder organizations should undertake a Childcare Provider Market Analysis and Feasibility Study to establish a baseline of existing conditions. The study should explore:

- Inventory of existing supply of childcare providers
- Estimated future needs based on local housing production and business recruitment activities
- Defined next steps are needed to develop more childcare facilities (i.e., physical space, licensing, and training programs)
- Survey regional partners such as the Hispanic Business Association, the Community Action Partnership of San Luis



Obispo County (CAPSLO), and others to identify creative regional models and training/funding resources

Based on the results of the market and feasibility study, it is recommended that the Economic Development Manager include the following implementation activities:

- Survey regional partners to create a targeted Childcare Provider Pathways Program to evolve babysitters to licensed childcare provider/center owner/operator
- Collaborate with the Community Development Division to draft a “rapid permitting” checklist geared towards increasing the number of childcare facilities in Paso Robles
- Partner with the Paso Robles Hispanic Business Association to shepherd new childcare businesses through development and licensing
- Assign a City grant writing resource to conduct routine outreach for grants or other financial support to help convert residential home into childcare centers
- Connect childcare providers to resources and link the above to the City’s small and inclusive business development program’s resources and activities.

Figure 12: Paso Robles Childcare Center, 2024



## 4.0 Placemaking & Infrastructure Program

### Existing Conditions

The City of Paso Robles is widely recognized for its sense of place anchored by its historic Downtown, which contains over 300 businesses, City Park, City Hall, City Library, and is home to numerous community events throughout the year. The downtown area has a strong network of quality public spaces, private businesses, and robust infrastructure that creates a lively, vibrant area to shop, dine, recreate, and work. Adjacent residential neighborhoods and ease of access from two highways, bus, and train stations make downtown Paso Robles very accessible to locals and visitors.

The City Council continues to prioritize and reinvest resources into the downtown core. The adopted City Council Goals include several action items related to downtown, including:

- Developing strategically aligned partnership with the Main Street Association
- Improving street lighting
- Enhancing wayfinding signage
- Enhancing downtown parking lots
- Monitor and evaluate on-street parking program
- Develop standards and process for parklet installations

- Develop framework for public art funding
- Enhance pedestrian and bicycle infrastructure
- Activate Railroad Street Design Plan
- Develop pedestrian lighting improvement plans
- Develop alley and pedestrian accessibility improvement plans

Downtown is considered the heart of Paso Robles, and its small business community is supported by the Paso Robles Downtown Main Street Association and other stakeholders. Business activity, as measured by sales tax data remains strong, with approximately 13 percent of the City's overall sales tax revenue generated in the downtown core area annually. Net assessed property value in the downtown area totaled \$216 million for Fiscal Year 2023.

The downtown area is a successful example of placemaking, nevertheless there remain opportunities to further enhance the connection between people and public spaces.

City staff, community partners, and the public have been working collaboratively over several years to address many of these items, each in various stages of activation. City Councilmembers are active in a liaison capacity to the Main Street Association Board, while City staff act in a liaison capacity to the Main Street Association's Economic Vitality & Placemaking Subcommittee. The

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subcommittee has identified several items they believe will further improve the connection between people and places within the downtown area. These recommendations, combined with City-planned capital projects, and City staff-initiated ideas form the basis for several of the placemaking recommendations contained within this section.

The following graphic provides a snapshot of existing conditions to inform City Leadership’s evaluation of concept plans for several gateway and placemaking improvements

Figure 13: Signage, Banners & Gateways – Existing Conditions



Source: City of Paso Robles, 2024

While road signs in general indicate selected areas of improvement and updating, some signs are clearly in need of replacement. This lackluster branding extends into parts of the downtown core where weathered banners with dated messaging appear sporadically.

Beyond downtown, the City is traversed by two major highways – US 101 and State Route 46. These highways provide connectivity from all major population centers of the state to the City, with direct connections to Los Angeles and the Bay Area. Over 80,000 vehicles traverse US 101 at State Route 46 East and West on average each day. These two routes, along with other major transportation assets such as the City-owned airport and Amtrak Train Station provide significant opportunity to drive additional customers to local businesses by focusing on improving these key gateways.

The City has already begun to leverage these gateways through the installation of two monument signs (SR 46 East near Airport Road and US 101 at Spring Street), as well as several newer wayfinding signs primarily within the downtown core.

On December 5, 2023, the Paso Robles City Council proposed a new Wayfinding Signage Program. The EDSP will help facilitate

implementation of the new program through inclusion in the implementation and funding plan.

Figure 14: Paso Robles Wayfinding Signage Program



Source: City of Paso Robles, 2024

However, through partnerships with Caltrans, Amtrak, property owners, private businesses, and the City, there are several additional opportunities to enhance the City's front doors in support of economic development activities, including:

- US 101 Northern Gateway Monument
- US 101 Southern Gateway Monument
- Paso Robles Street at Offramp
- Paso Robles Street at 13th Street
- SR 46 East Gateway Monument
- SR 46 East Black Oak Monument
- SR 46 West Gateway Monument
- Paso Robles Train Station
- Paso Robles Municipal Airport
- Paso Robles Municipal Airport Terminal

## Action Plan Initiatives

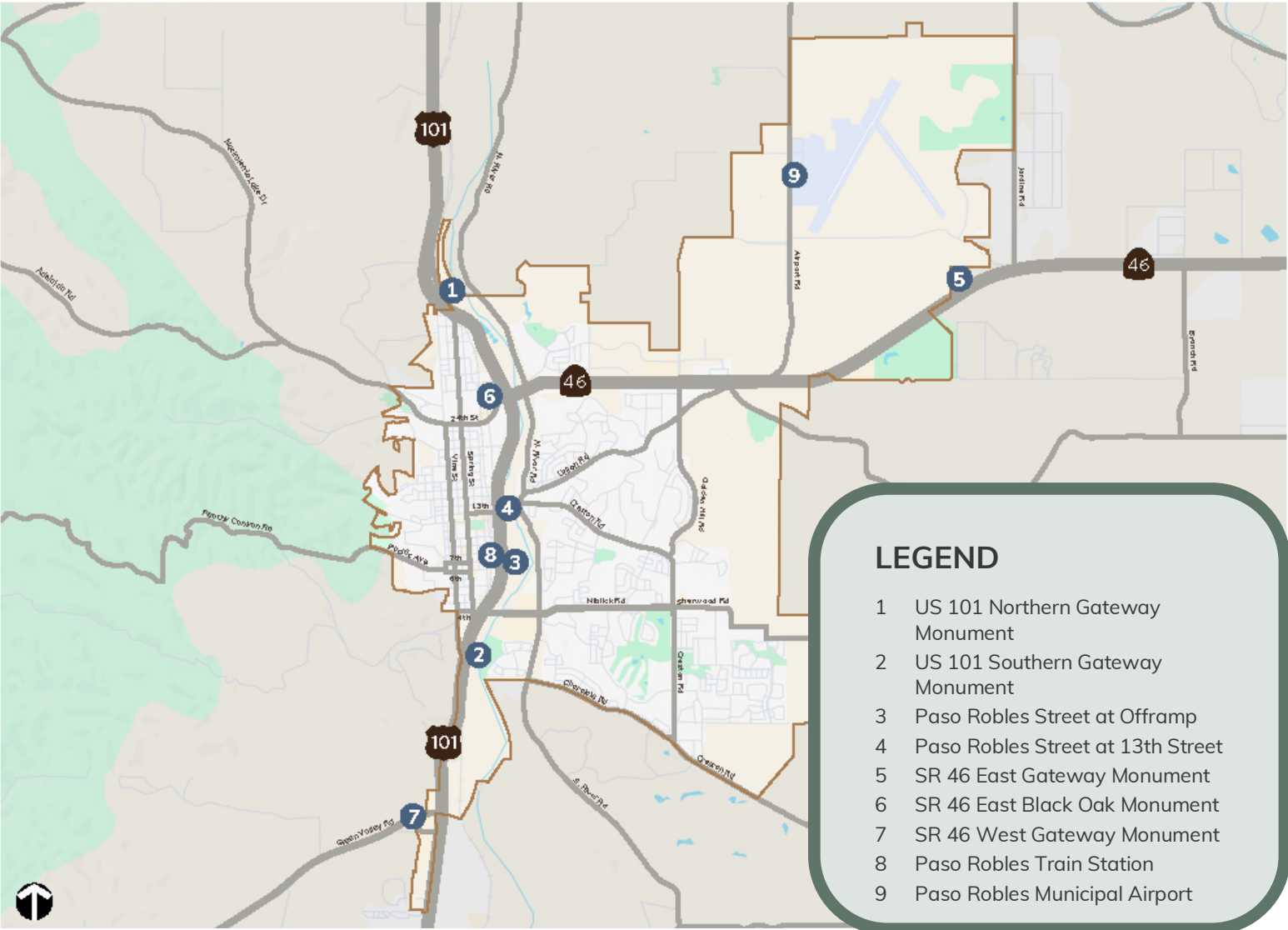
### 4.0 Placemaking & Infrastructure Program

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

### 4.1 Implement Gateway Beautification & Infrastructure Improvements

Through stakeholder input, nine major gateways have been identified for installation or improvements as detailed in the following map.

Figure 15: Paso Robles Gateways & Monuments Focus Areas, 2024



Source: City of Paso Robles, Esri; LandDesign; Willdan, 2024

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These areas offer the City with branding opportunities to clearly denote arrival to Paso Robles and convey a sense of place and identity. These areas offer highly visible first impression areas and can be the initial catalyst for economic development and a beacon to drive activity to local businesses.

The EDSP validates public investment in these improvements by linking these place-based recommendations to economic development objectives.

Additionally, the City has already initiated two major gateway and placemaking projects for Paso Robles Street and Railroad St, respectively. These two projects should continue to be prioritized within the City's capital improvement program as funding is available.

When completed, the Paso Robles Street project will completely transform a gateway off US 101 North into the downtown area. Improvements along Railroad Street will create a unique, pedestrian friendly corridor that will transform a historically industrial area to a retail-focused extension of downtown. Both projects are expected to increase property values and generate additional business activity.

Local streets act as a "red carpet" for residents, visitors and those interested in doing business within Paso Robles. Well-maintained

roadways reflect the City's fiscal stewardship, foresight, and economic prosperity. A robust transportation network encourages efficient goods movement and provides easy access for prospective customers.

The City continues to prioritize investment in local roadways, including repairs and maintenance activities, pedestrian improvements, and constructing new infrastructure to support new development. Since the passage of Measure E-12 in 2012, the City has invested over \$60 million in local road repair work.

Notwithstanding this significant investment, the condition of local roads remains top of mind for stakeholders. Specifically, commercial development stakeholders noted the conditions of local roads are an important factor when companies are considering expanding into a new market.

The latest report estimates the deferred maintenance costs of repairs for local streets within the City is \$250 million. With the pending sunset of Measure E-12, it is important to recognize the need for ongoing sources of funding to accelerate road repair work.

Prioritizing available resources for this infrastructure work will pay dividends for the economic vitality of the community and enhance business attraction efforts.

## 4.2 Implement Downtown Placemaking Pilot Project Program

Placemaking capitalizes on a local community's assets, inspiration, and potential, with the intention of creating public spaces that promote people's health, quality of life, and community engagement.

Placemaking is both a community process and a revitalization tool that makes use of smart growth urban design principles. It can be either government-led or community driven grassroots tactical urbanism, such as holding open street events and extending sidewalks with chalk, paint, and planters.

Relatively small investments that create gathering spaces such as outdoor dining areas, fountains, or small performance spaces for musicians have been proven to generate large returns on investment in placemaking with repeat visitation and increased sales.

Linking placemaking investments to the City's municipal branding and communications campaign is now considered a best practice of economic development as it strengthens private sector relationships and reinforces the City's reputation through an identifiable sense of place. A local example of this type of

municipal branding is the Paso Wine Fest "Instagram" installation in the following Figure 16.

Figure 16: Municipal Branding Example – Paso Robles, CA



Source: City of Paso Robles; The Metts Group; Willdan, 2024

The Placemaking Pilot Project Program is also an opportunity to leverage existing downtown events such as Concerts in the Park and Farmers Markets events through expanded municipal marketing and branding.

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Roadway conditions—especially in and around the downtown core—are also an important factor that should be prioritized as part of any business attraction strategy.

Street conditions are a direct reflection of the City and its ability to maintain key infrastructure. Properly maintained infrastructure creates a positive experience for customers and is an important factor for site selectors when reviewing communities for business expansion and relocation.

An Economic Development-focused placemaking workshop held in May 2023 with the Paso Robles Downtown Association's Economic Vitality & Placemaking Subcommittee identified existing downtown opportunities to enhance placemaking in downtown. City staff has reviewed the list with initial support noting that the improvements are consistent with the City's vision for Downtown vitality, including:

- Placemaking design guidelines and opportunities to collaborate with City Planning on guidance
- City-approved standards for privately funded improvements to public spaces (i.e., design guidelines and approved materials to install the proposed Gathering Circle in City Park)

- Priority locations for street lighting including the City Park, alleyways, and train station
- Collocating alleyway businesses' garbage receptacles in a screened area away from pedestrian foot traffic
- Update and/or remove obsolete and decaying wayfinding signage throughout downtown
- Enhancing node connectivity between areas of interest such as Paso Market Walk and the train station
- Funding strategies for priority projects including potential partnerships with solar companies
- Formalized mechanisms to expand placemaking contributions from businesses and building owners (i.e., naming rights and other potential partnerships).

Each of these placemaking recommendations offer near-term, low cost, and low intensity improvements that will deliver an improved sense of place in the community and high return on public investment. In particular, the Downtown Core would benefit from a combination of near-term improvements that would benefit residents, business owners and their employees, and visitors alike as illustrated in the following Map: Proposed Placemaking Pilot Program Improvements.



## Figure 17: Proposed Placemaking Pilot Program Improvements



Source: City of Paso Robles; Paso Robles Downtown Association; Willdan, 2024

In addition to these site-specific downtown core placemaking recommendations, retail and dining stakeholders suggested that City Leadership and staff should revisit the City's Outdoor Dining regulations.

During the pandemic, local governments like Paso Robles responded by relaxing restrictions for outdoor dining to facilitate socially distanced dining experiences and support small business resiliency. These relaxed restrictions served as a lifeline option for business, and business owners invested in expanding their operations to create “parklets” that converted curbside parking spaces into outdoor dining spaces. Several businesses in Paso Robles invested capital for building deck platforms, lighting, furniture, fixtures, and other equipment.

As regulations have now reverted to pre-pandemic policies, it is recommended that staff reconvene the City's outdoor dining working group to explore solutions to establish regulations for permanent outdoor dining.<sup>4</sup>

## Placemaking Pilot Program Summary Recommendations

- Activate Key Alleys
- Increase Downtown Lighting
- Increase Outdoor Dining Options
- Facilitate a Public Art & Murals Program
- Reimagine City Park Gathering Circle
- Pursue Railroad and Paso Robles Street Plans
- Expand Mid-Week Activation of Public Spaces
- Remove Unnecessary, Incorrect and Illegible Wayfinding Signs
- Design and Install New Street Banners
- Improve Roadway Conditions
- Explore Reconvening Outdoor Dining Working Group

<sup>4</sup> City Council Goal 5: Quality of Life Amenities → 4. Support a Thriving Downtown → Develop standards and process for parklet installations.

## 5.0 Multifamily Accelerator Program

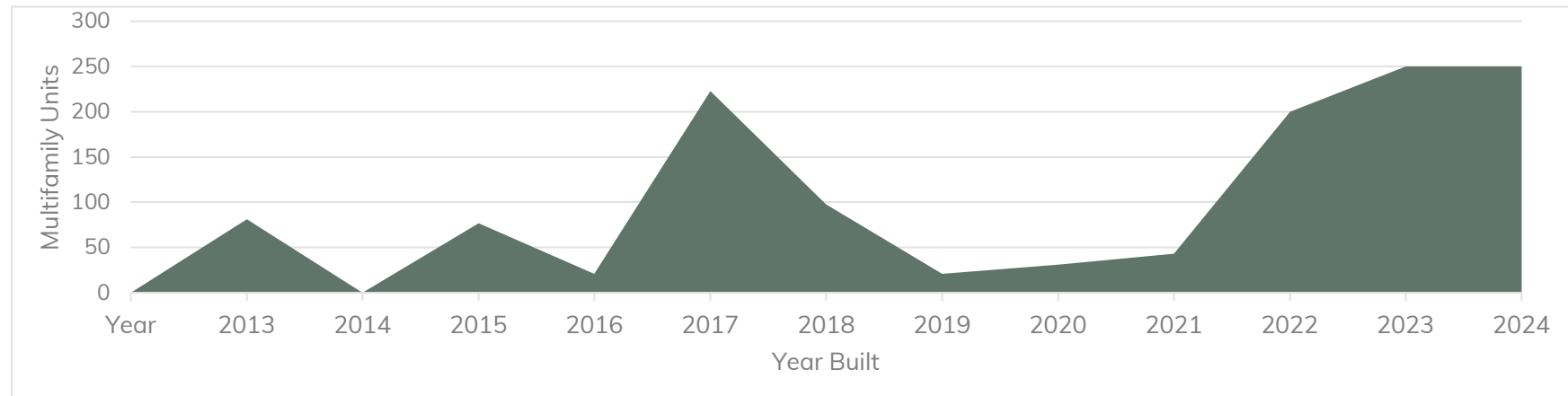
### Existing Conditions

The City Council has set robust goals and objectives to address housing demand across the spectrum of affordability. The City is currently facilitating the development of over 4,000 housing units through five specific plans and several individual multifamily developments.

These figures do not include accessory dwelling units that can be legally constructed within certain zoning districts as authorized under state law.

The City has established partnerships with affordable housing developers that have resulted in 148 units moving into the construction phase in Fiscal Year 2023. Historical multifamily building permit activity in the following Figure 18 illustrates the City's capacity to respond to building demand.

Figure 18: City of Paso Robles Multifamily Building Permit Trends, 2013-2024



Source: City of Paso Robles, 2024

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Although market rate housing development remains robust, the continuing imbalance between supply and demand validates a City-led role in facilitating production of attainable housing for the workforce supporting the wine, hospitality, and service industries.

This need was confirmed by input from stakeholders across most focus groups, industries, and sectors. With unemployment within the region below the national average and the median selling price for single family homes increasing by 25 percent over the past two fiscal years, this identified need is well-founded.

Conversely, as the City seeks to diversify the economy and increase the availability of high paying jobs, more demand will be placed on the existing housing stock. The ability to react to each of these unique demands will require the City to focus on production of several housing unit types, with a specific focus on multifamily development.

The City has laid a strong foundation in moving housing to the top of the priority list. The City of Paso Robles adopted the 6th Cycle Housing Element, which covers the planning period of December 31, 2020, through December 31, 2028. The Housing Element is a required Element of the City's General Plan and includes goals and objectives to achieve housing for all economic segments of the community, including affordable housing.

The City also established the Housing Constraints and Opportunities Committee (HCOC) to review housing issues and make recommendations to the City Council on ways to increase housing production. The Committee evaluates best practices, policies, and incentives from a variety of communities to inform their deliberations.

Finally, City staff is recognized by the development community as being approachable and helpful in facilitating land use, permitting, and building activities. There is always an opportunity to regularly review processes, procedures, and best practices to ensure the department is providing optimal service based on the needs of customers and in alignment with City Council priorities.

Moving forward, the City can further formalize support for housing construction by creating new a workforce housing with expanded authorities to undertake the following housing-focused activities:

- Establish workforce housing and general development engagement program
- Leverage regional housing partnership opportunities
- Widely publicize the city's expanded housing portfolio
- Onboard dedicated staff resources

The HCOC should consider creating a mixed-use overlay and targeted zoning amendments to reduce barriers to multifamily housing construction, especially on vacant properties, infill areas, and within underutilized commercial centers.

Furthermore, staff should review specific policies to determine where density can be increased, and costs to construct multifamily housing can be decreased (such as reviewing parking requirements).

## Action Plan Initiatives

<b>5.0</b>	<b>Multifamily Development Accelerator Program</b>
<b>5.1</b>	Establish Multifamily Development Accelerator Program
<b>5.2</b>	Leverage Regional Housing Partnership Opportunities
<b>5.3</b>	Widely Publicize the City's Expanded Housing Portfolio
<b>5.4</b>	Onboard Dedicated Staff Resources

## 5.1 Establish Multifamily Development Accelerator Program

It is recommended that a cross-functional internal working group be established to coordinate input from the Economic Development, Community Development, Public Works, and Utilities Departments to facilitate removal of regulatory barriers to multifamily housing development. This entity should also participate in the development of the City's annual business climate survey by drafting questions to engage housing developers.

Stakeholder interviews with local developers revealed that the costs of development today are driving up housing prices at a rate higher than wage appreciation. The public sector has limited tools to provide direct housing subsidies. The primary interventions available involve using planning and regulatory interventions (i.e., allowing for increased density or streamlining development and construction standards).

These tools may not be politically feasible in every case as the public sector has a responsibility to balance community benefit goals with developers' return on investment targets.

For example, reducing open space requirements or simplifying design standards can serve to reduce the project "carrying costs."

However, such allowances can result in built space inconsistent with community objectives.

## 5.2 Leverage Regional Housing Partnership Opportunities

Representatives from San Luis Obispo County, the county's seven cities, and the private development community recently launched an initiative to formulate a regional transportation and housing plan.

This unprecedented effort connects infrastructure barriers to housing on a regional scale. The collaborative effort is focused on identifying exactly what is holding back new housing development, such as lack of water or insufficient infrastructure (e.g., roads and highways). This draft plan was adopted by the SLO County Board of Supervisors in July 2023.

The City of Paso Robles has a unique opportunity to participate in the implementation of this regional housing partnership by leveraging the new resources established with the housing accelerator initiative. The City's housing liaison will be equipped with communications collateral and an expanded developer network. These resources will strengthen the City of Paso's regional positioning within the broader housing market. This

investment in regional activity will increase the City's involvement in securing grants and other funding alternatives.

## 5.3 Widely Publicize the City's Expanded Housing Portfolio

The availability of housing stock at a variety of price points is an extremely important economic development asset necessary to support the growth of all sectors.

It is recommended that the City's internal multifamily housing working group maintain an inventory of target multifamily infill sites on public and private land. The City should regularly track multifamily rental development and report metrics through ongoing communications and business attraction activities. Near-term outreach activities should include:

- Sponsor a developers' forum to educate the retail and multifamily residential development community about zoning changes. This should include developers, architects, land-use attorneys, the Urban Land Institute, the International Council of Shopping Centers, etc.
- Seek placement of general media stories in major newspapers, and association publications (ULI-Urban Land Institute, American Planning Association, American Institute of Architects, real estate broker organizations, or

other outlets) to advertise that Paso Robles is rising to the challenge of multifamily housing production and “open for business” with developers.

- Deliver presentations and participate in think tank panels at regional chapter events of targeted organizations that reach the developer community and/or their consultants and brokers. This could include the Urban Land Institute, American Planning Association, American Institute of Architects, and real estate brokerage or agent organizations.

Comprehensive implementation of these recommendations will create valuable partnerships with area developers while also establishing the City of Paso Robles as a regional leader in housing production.

## 5.4 Onboard Dedicated Resources

As a mid to long-term recommendation, implementation of the Multifamily Housing Accelerator Program would benefit from the support of dedicated staff resources. This role could be shared with Community Development to address a variety of tasks that would benefit both departments. This position could be part-time, full-time, or temporary contract labor to be determined according

to available funding (to be further evaluated during Year 3 of EDSP implementation).

## IV. Implementation Plan Success Factors Policies, Programs & Services

The recommended policies, programs, and services were designed with the perspective of the roles and functions of the Economic Development Manager and City Manager in mind.

While most of the proposed interventions would benefit the entire City of Paso Robles, there are certain policies and programs that are structured to achieve strategic objectives within designated Economic Development Focus areas.

Each policy, program, or service is based on industry best practices (Urban Land Institute, International Economic Development Council, American Planning Association), or case study research of successful economic development interventions in communities of a similar scale or context.

## Staffing and Resources

The recommended new programs and strategies are intended to be led by the City of Paso Robles' Economic Development Manager in collaboration with strategic partners.

From a staffing perspective, the existing approach to Economic Development can best be described as reactive, with pockets of proactive engagement on specific projects such as the spaceport and broadband. For example, the City's Economic Development Manager is charged with multiple concurrent roles such as:

- Collaborating with City departments, community organizations, other government agencies, private developers, and stakeholders to sustain and grow the City's economic base.
- acting as a liaison between developers, business owners, the general public, and the City as it pertains to economic-related activities
- serving as the City's primary staff contact with local, regional, and statewide organizations that focus on economic development activities.

The following table shows the current state of the Economic Development Manager activities as a percentage of annual work assignments, and the ideal future state of annual work assignments based on the action items contained within the plan.

This baseline assessment of the City's organizational capacity to provide economic development services immediately revealed the need to prioritize current staff assignments with a focus on activities that will yield a greater return for the City and its economy.

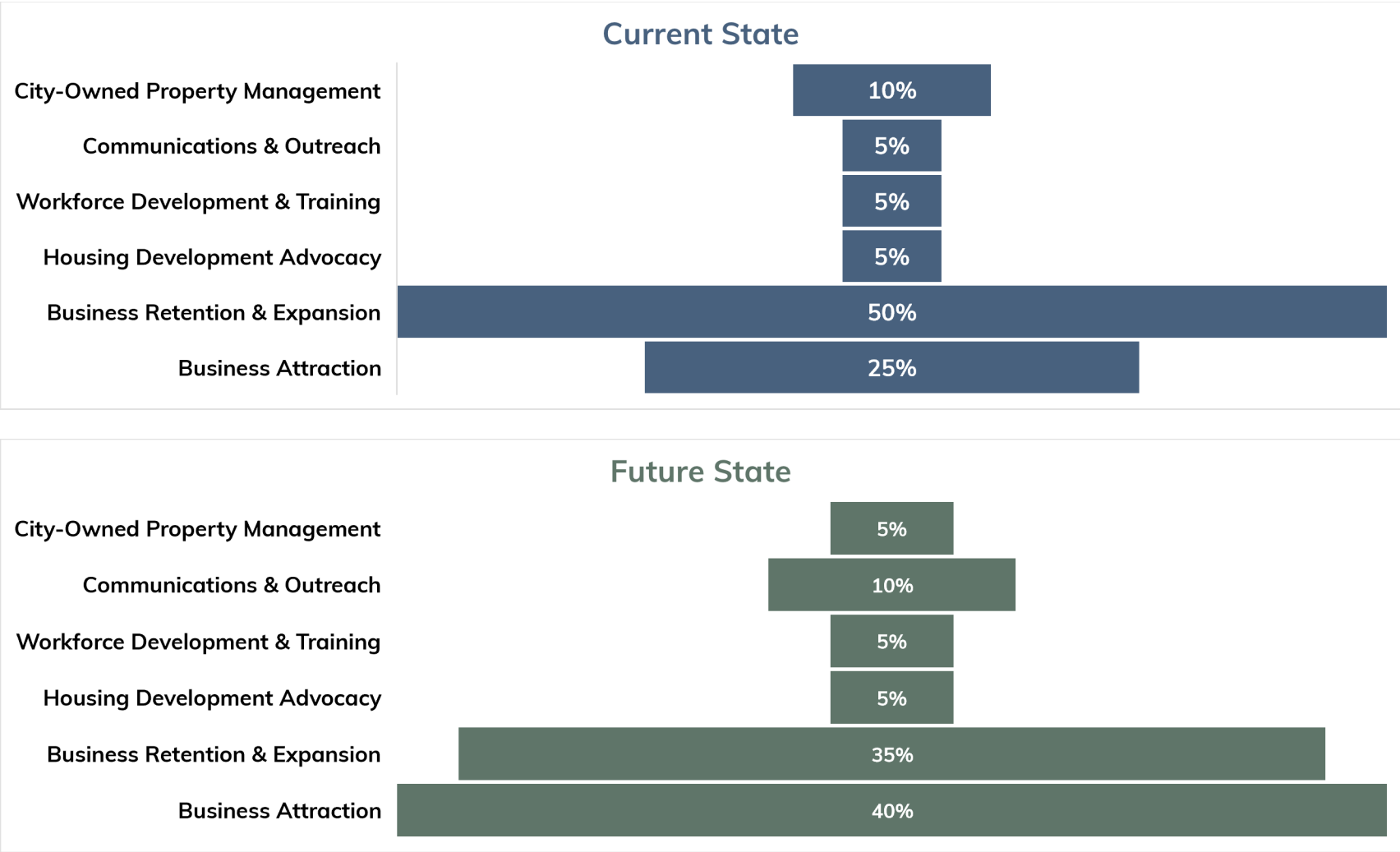
From a programmatic perspective, the City does not currently employ a best practices approach to business attraction, retention, and expansion activities.

Furthermore, the City's digital and print marketing material is done on an ad hoc basis, with minimal brand or messaging consistency across the material.

The Division does not currently have resources specifically dedicated to housing, workforce development or entrepreneur programs.



Figure 19: City Economic Development Staff Resource Allocation Recommendations, 2024



Source: City of Paso Robles; The Metts Group; Willdan, 2024

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These areas represent opportunities for the re-prioritization of staff time and augmentation of existing resources to align the workplan with the needs of the community, City Council directives, and industry best practices.

As we look to the future state of the Economic Development function, it must be emphasized that the proposed initiatives and action items are designed to be achieved over a five-year period and with collaboration from many internal and external stakeholders.

Additionally, the EDSP Implementation Plan includes a recommendation that a new position be added to the function in year three to expand the capacity and reach of economic development efforts.

## **Monitoring and Reporting**

The EDSP is a point-in-time plan intended to spur positive economic activity over the next five years. The City of Paso Robles places strong value on its strategic goals and its customer-focused approach.

An annual Business Climate Survey is recommended as part of the new Business Retention Program. Residents and businesses will

have an opportunity to identify and prioritize economic development needs in partnership with City Staff and Leadership.

It is recommended that the Economic Development Manager maintain an Economic Development Strategic Plan Dashboard to regularly disseminate success stories and ensure that implementation activities have the support that they need to stay on target.

An annual report will be provided to the City administration, businesses, and other key stakeholders in a State of the Economy event.

## Performance Measures

As the EDSP is implemented over the next five years, it is recommended that the City continuously monitor key metrics related to short-term economic performance to evaluate progress against goals.

In the early years of the EDSP implementation, it is important to collect readily available data that can help to measure progress against goals as defined by each economic development recommendation (i.e., increases or decreases in values according to a baseline year benchmark).

Given that the majority of the recommended performance indicators are aspirational at this time, it is reasonable to assume that each variable starts at zero and that the target of each variable is to increase over the next five to ten years.

The following recommended metrics are provided for general economic base measurement for:

- Citywide Economic Development Metrics
- Economic Development Department Metrics

These metrics are not intended to evaluate the performance of the Economic Development Department on its own. Instead, they should be evaluated according to the effort expended versus the

value of the outcomes. Where the metrics indicate a lag in progress, the City should reevaluate the implementation recommendations to determine if the same level of prioritization exists and the extent to which the resources came to fruition.

For those metrics that clearly indicate positive net change year-to-year, the City can decide whether to build on progress made or to reprioritize with other action plan initiatives that need more attention.

### Paso Robles Citywide Economic Base Metrics

- Sales Taxes
- Single Family Units Constructed
- Transient Occupancy Tax Revenues
- Multifamily Units Constructed
- Tourism Visitation

Table 4: Economic Development Performance Metrics

I. Citywide Economic Development Metrics	
Sales Taxes	Single Family Units Constructed
Transient Occupancy Tax Revenues	Multifamily Units Constructed
Tourism Visitation	
II. Economic Development Department Metrics	
1.0 Civic Innovation Initiative	
Yearly Priority Goals, Performance Benchmarks, and Evaluation Metrics	Formal Strategic Partnerships (Neighboring Jurisdictions, Regional Organizations)
2.0 Business Retention, Expansion, and Attraction Program	
Marketing, Branding & Communications Collateral/Tools developed	Target Business Contacts Established
Business Outreach Touchpoints	Partnerships Formed; Number of Program Participants
3.0 Workforce Development & Entrepreneurship Program	
Training Programs Developed	Number of Participants
\$ Value of Start Up Capital	Number of New Business Licenses Filed by Paso Robles Businesses
4.0 Placemaking and Infrastructure Program	
New Projects Related to Gateway Improvements	Placemaking Pilot Projects Implemented
5.0 Multifamily Rental Accelerator Program	
Number of Multifamily Units Proposed, Planned, and Under Construction	

Source: City of Paso Robles; International Economic Development Council; Willdan, 2024

## Appendix 1: Economic Development Stakeholder Outreach Materials

A broad and participatory public engagement process was utilized to inform the Economic Development Strategic Plan’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 two workshops.

Willdan and the Metts Group conducted two economic development Workshops to define market strengths, weaknesses, opportunities and threats (“SWOT”) with members of the boards of the Wine Alliance and Travel Paso on October 18, 2022. This in-person stakeholder engagement both validated the findings of market research and established a baseline for workforce development-related needs and wants. A sampling of the survey tool used to direct the workshop is provided for context

## Economic Development SWOT Survey Questions – Wine & Tourism Industries

1	Where do you want to see the industry in 5-10 years?
2	How big do you want to grow your business or the sector in the City of Paso Robles?
3	What are the obstacles (if any) in the way of that growth?
4	What are your current labor pipeline and training needs?
5	Describe the current state of your industry’s business attraction tactics. What is working? What aspects of your industry’s business/talent attraction initiatives need more focus or resources?
6	What can the City of Paso Robles do to support your industry? I.e., new economic development policies, funding for pathways/training programs, or strengthening regional and state strategic partnerships to support workforce development in Paso Robles.

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Appendix Table A-1: Paso Robles EDSF Stakeholder Outreach Participants

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 Strekas, 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
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	

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Appendix Table A-1: Paso Robles EDSP Stakeholder Outreach Participants, continued

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

City of Paso Robles; Willdan, 2024

## Appendix 2: Economic Development Best Practices

### BRE Program Recommendations

Following is a broad discussion of tips and tactics for launching a formal BRE Program and attracting private investment to new target sectors.<sup>5</sup>

#### Have a Dashboard

Create a dashboard showing critical objective metrics, update it regularly, and keep it in front of citizens, businesses, and investors. It will provide concise information about relevant factors like economic performance, well-being of the population, high school graduation rates, and where entrepreneurs are located. These metrics will be what attracts investment. They will also keep citizens and decision makers mindful of where improvements are needed. So, pay close attention to what is being reported and how it is being presented.

#### Use It to Create a Compelling Story

Paso Robles offers a strong baseline for business attraction. The data points most often deployed to showcase a community's

advantages are related to household incomes, educational attainment, and quality of life amenities.

The City of Paso Robles has a strong brand identity, specifically in the tourism sector. In leveraging this established awareness, the City should build its economic development marketing assets and communications strategy around its strong sense of community, collaboration, and diversity of experiences that are available to prospective business owners, investors, and employees.

Widely disseminating the City's newly adopted policies around fostering an affordable cost of living through workforce training programs and housing/homelessness will be very important for future municipal branding and attraction of head of household jobs and remote workers.

#### Manage Your Messaging

Stakeholder input regarding what it is like to live and work in Paso Robles is extremely positive and cohesive. Paso Robles businesses and residents are fiercely proud of the community. These "champions" of investment, development, and City volunteering

<sup>5</sup> Adapted from Quint Studer and the Studer Community Institute, *"Building a Vibrant Community: How Citizen-Powered Change Is Reshaping America,"* 2018.



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should be the foundation around why a prospective business owner or investor should "Pick Paso."

There are established ambassadors who should be at the forefront of the City's messaging around the benefits of working, investing, and being a part of the Paso Robles community. These personal experiences and messaging are opportunities to express the authenticity that defines Paso Robles.

## **Focus On Local Growth Through Attraction**

Cities without a formal BRE Program typically place a majority of staffing capacity and resources toward supporting existing industries. Although it is critical the City continues to support its major tourism and hospitality sectors, the City must balance this support with investment in activities that seek to aggressively attract new industries to diversify the local economy.

Outreach related to business attraction efforts requires innovation, trial and error, and best-in-class follow-up. This activity also requires investment in new marketing collateral, branding, and business-facing events like professional development conferences.

## **Foster a Positive Reputation in the Investment/Development Community**

The next step in scaling this existing "can do" culture means ensuring all guidelines, codes, and zoning rules make sense, are predictable, and are enforced within a reasonable timeframe.

The City's proposed "concierge" development services program is in demand by developers. However, this strategy comes with a price if developers engage in and are subsequently frustrated by delays. The first phase of the Spaceport and Tech Park development is the testing ground that will make or break future Phase II development and beyond.

City staff and leaders should be easily accessible and available to answer questions to assure that decisions about planning and developing are made quickly and efficiently and in the right order.

## **Make Workforce Development a Priority**

Do everything possible to offer training and support for the business community. When trying to attract new business to the city, it is important to provide some resources around workforce development. Getting a new business started is one thing; sustaining it is quite another.

The City of Paso Robles should formalize regular training and development sessions, small business roundtables, and other

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events for owners with contract support or co-sponsorship with strategic partners.

Paso Robles is positioned to grow Cuesta College and Cal Poly's university presence in the community. These are hugely valuable resources that will foster an educated population with clear training and employment pathways. This ecosystem tends to be important to investors.

## **Focus On Culture**

Show the business community that Paso Robles can do more to help them make a profit. Cultivating a collaborative, creative, appealing, and genuinely thriving community fuels hope and optimism. Creating a culture that businesses want to be a part of attracts talent.

Establish go-to sources for start-up capital. While Paso Robles currently "dabbles" in small business support by funding annual events and activities delivered by the Paso Robles Chamber of Commerce and the Downtown Association, there is not a one-stop shop for small businesses looking to grow their existing business or create start-ups in the area.

The City should explore establishing a "lending and learning" program that matches qualifying candidates with financial resources. Another example of direct local government support

for entrepreneurs is to create a rent subsidy program to bridge the gap in business incubation space lease revenue paid by startups (tied to monthly revenue for qualified participants).

## **Get Some Wealth Off the Sidelines**

Community philanthropy is an important source of investment. This is all about mobilizing capital with the goal of improving citizens' lives. Leverage the outreach collateral produced by the EDSP process to approach sources of benevolent wealth and invite them to invest in the community.

Examples of funding sources could be to create a naming rights program for quality-of-life assets such as parks or facilities, and then using those proceeds to reinvest in quality-of-life amenities. The satisfaction of helping to build a vibrant community is another form of return on public investment and tends to pay dividends over the long term.

## **Showcase Investment and Development Success Stories**

Consistent and strategic communications are imperative in developing a successful economic development ecosystem. Although data and metrics are primary starting points for business owners, investors and developers seeking entry into a market, it is actually compelling stories that provide the important information to these stakeholders that a financial proforma cannot.

## Appendix 3: Real Estate & Economic Development Consulting Support

### **WILLDAN FINANCIAL & ECONOMIC CONSULTING SERVICES**

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