City of Grover Beach

Economic Development Strategy: An Introduction

Economic Development has been, and continues to be, a top priority for the City Council. The fact that the City has invested in the creation of two Redevelopment Project Areas (Improvement Areas One and Two) is a testament to the Council's commitment, interest and investment in moving the City forward. Use of the Improvement Agency provides a unique opportunity for the City to utilize Agency resources in an entrepreneurial fashion.

In recent years, the Council has initiated a focused effort on improving the economic well-being of the City. In 2004, the City completed a ***Visioning Project*** for the community, setting bench marks for the City's growth, investment and viability. Also, in 2005, the City completed the ***Buxton Study***, which analyzed the trade areas and specifically matched them to national retailers with possible interest in coming to Grover Beach. About that same time, the Council adopted the ***Ramona Specific Plan***, a first step toward defining a center for the downtown and community. Within the last three years, the City has made significant progress in its development of a resort lodge and conference center to be located along West Grand Avenue at the beach. During this same period the City completed the entitlement of the proposed 135 room Hilton Garden Inn on El Camino Real. Once completed the two lodging facilities will represent an estimated 45 million dollars in private sector investment.

More recently, the City conducted two sessions with community stakeholders to develop a consensus for moving economic development initiatives forward. The first meeting was held in November of 2006 with the assistance of the California Association for Economic Development CALED (please see the attached staff report) and a meeting held in August 2007 with the assistance of Ms. Pam Gibson, former City Manager for the City of Sonoma. During the past year, the City has undertaken a number of infrastructure projects that, once completed, will have a bearing on economic development, including the ***Meadow Creek Bridge*** and ***Grand Avenue Storm Drain Project***, the ***South County Transportation Hub Project*** and the ***South Industrial Sewer Trunk Line***.

For each city or community, the goal of economic development is different. A broadly stated goal for economic development in Grover Beach might read:

> "*The creation of a sound, vibrant and diversified local economy capable of providing the City and its residents with the resources necessary to achieve an improved quality of life that is further enhanced with an increased level of services from both the private and public sector.*"

It should be noted that all of the efforts undertaken by the City thus far will be useful in achieving this goal. The strategy will format how these efforts are pulled together to ensure the success of the City /Community in achieving its goal of a strong local economy. More importantly, the strategy will form the foundation for both the continued

commitment and investment of City resources to be made over an extended period of time.

As suggested in the Handbook for Economic Development, published by the League of California Cities:

An economic strategy is a decision making tool that is designed to help the city and community anticipate and respond to changes in the economy. It emphasizes the connection between public and private sector resources and actions, and helps to evaluate the strategic options for investing public resources. A strategy is action oriented and is intended to affect changes in behavior, decisions and conditions.

A sound economic development strategy can be expected to accomplish the following:

- Provide a sense of direction and purpose.
- Set an overall tone and framework.
- Link the future to the present.
- Build consensus.
- Create foundation for change.
- Promote action versus reaction.
- Help focus on the right things.
- Harness creativity.

Outlined in this report is the foundation of a plan that, if adopted, can be built upon.

It is hoped that the completion of this report will be the beginning of a new phase in economic development in the City of Grover Beach. This report should be shared with the Planning Commission, Chamber of Commerce, Economic Vitality Corporation, Visitors Convention Bureau and other partners that have a stake in the economic well-being of the community.

Economic Development Plan: A Framework for Consideration

I. Grover Beach - the Vision and Its Implementation Strategy

In 2004, the City completed and adopted a vision for the City to provide a framework for how Grover Beach will change over time. The Vision Statement and the Statement's adopted goals represent a foundation from which a variety of economic development initiatives will be launched:

- Revitalize the West Grand Avenue Corridor, particularly through new mixed use development.
- Create an active waterfront / beachfront that includes tourist amenities.
- Create defined gateways at the entrances to Grover Beach.

- Preserve and enhance the "beach community" feel of Grover Beach through the unique architectural style of the Central Coast.
- Increase and broaden the City's tax base.
- Foster a resort and destination community.

During the next two years, the following actions steps are recommended to be completed to implement this strategy:

1. Complete the Land Use Element Update - This project is already underway and is scheduled to be completed in February of 2009.

2. Actively promote the use of the recently approved Planned Development Overlay in the West Grand Avenue Corridor.

3. Complete downtown master plans for both the visitor-serving node at 4th Street and West Grand Avenue, and for the downtown core between 8th and 12th Streets. In the Vision Statement, the West Grand Avenue core area and the visitor-serving node at 4th Street is designated as pivotal to the City's economic development efforts. Completion of the master plans will guide developers with the development of these areas.

4. Immediately begin assessment of parcels in the vicinity of the downtown core and visitor node areas for parcel assimilation potential. With the use of available Improvement Area resources the assembly of these parcels will assist with the marketing of the areas to potential users.

5. Complete City Gateway Signage Program.

Staffing: The Improvement Agency will provide the staffing for this program under the auspices of the Community Development Department.

II. Business Development Implementation Strategy

The Business Development Implementation Strategy, including the necessary action steps, will focus both on retention and support of local existing businesses and the development and promotion of new businesses, regardless of size. Most of the businesses located in the commercial core, as well as those found in the industrial areas of the City, would be characterized as "small businesses". An important element of this strategy is the emphasis placed on supporting and growing existing businesses.

Just as important is the recognition that Grover Beach is well positioned to take advantage of recruiting businesses from outside the community. Grover Beach has one of the only industrial parks within the San Luis Obispo South County area that has vacant available space and buildings. Grover Beach also possesses the availability of providing business interests with fiber optic technology. These assets can be combined with ready

transportation access and an easy living environment that should be included in any marketing strategy associated with business development.

The following action steps are recommended for inclusion as a part of the Business Development Strategy:

1. Complete an outreach to existing businesses that includes an inventory of existing businesses in both the commercial and industrial areas.

2. Identify the needs of existing businesses in terms of space, employees, and resources.

3. Develop a support system for existing businesses, drawing on resources available from existing partners, including the Economic Vitality Corporation, Chamber of Commerce, Visitors and Convention Bureau, Cuesta College, and Cal Poly San Luis Obispo.

4. Develop financing partnerships with local and regional banks.

5. Develop a one-stop service center for business expansion, retention and development. "The center" is to include:
    - Assistance with the City's regulatory process
    - Assistance and counseling for business start ups
    - Assistance with financing options

6. Review and modify existing Improvement Agency Programs, including the Façade Improvement Program and the Business Loan Program, and initiate marketing efforts.

7. Complete an assessment of current technology infrastructure assets and liabilities.

8. Implement plan to improve technology access.

9. Complete an inventory of existing vacant land and buildings

10. Target and assist with assembly of parcels in the downtown and industrial area.

11. Use the Buxton Study and other resources to identify potential retail businesses for relocation.

12. Work with the Economic Vitality Corporation, Chamber of Commerce Visitors and Convention Bureau, and other organizations to identify local commercial, tourist, and industrial businesses that have an interest in expanding.

13. Develop an ongoing outreach program to recruit and facilitate the relocation of targeted businesses to Grover Beach.

14. Review existing zoning to improve and expedite project review procedures within the City.

Staffing: Staffing to implement the Business Development component should consist of the Community Development Director and agency contract staff. Community Development Department planning staff should assist the Economic Development Task Force and the Planning Commission in the review and improvement of the existing project processing procedures.

III. Grover Beach Lodge and Conference Center Implementation Strategy

Development of the Grover Beach Lodge and Conference Center is a significant component of the Grover Beach Economic Development Plan. As envisioned, the Lodge will consist of 135+ rooms in a flagship destination facility, located on a 7.5 acre site at the western end of West Grand Avenue. The facility is intended to blend with the surrounding environment while offering a variety of visitor-serving amenities. Completion of this facility is expected to encourage and set the tone for other visitor-serving and retail business opportunities moving eastward along the West Grand Avenue corridor.

A significant amount of progress has been made toward the development of the Lodge and Conference Center. In 2006, the City entered into a Joint Powers Agreement with the State of California Parks Department to make State-owned property available for the development of the Lodge and Conference Center. The City and State have jointly completed a Request for Proposal process to select a developer/concessionaire to construct and operate the facility. As a result of this effort, the City and State have identified Pacifica Companies and are in the process of completing a contract with Pacifica.

The following actions will need to be taken to implement this strategy:

1. Complete the contract with Pacifica Companies – *August, 2008*

2. Complete preliminary facility design - *August 2008*

3. Initiate entitlement and permitting phase - *September 2008*

4. Construction underway - *September 2009*

Staffing: Staffing will be provided for this strategy by the City Manager, Community Development Director, and Community Development Department staff members.

IV. Industrial Development Strategy

There are three industrial areas within the City. The primary area consists of approximately 135 acres and is encompassed by the Grover Beach Industrial Enhancement Project. That area is located south of Farroll Road, west of 13th Street, and is generally bounded on the west by Highway1. Inclusion of this area as a part of the redevelopment project increases opportunities to use Agency resources in order to assist in economic development. The area consists of a number of buildings that vary in size, construction type, and architecture. Several of the buildings are predominantly occupied by small businesses with 15-20 employees or less. Vacant and available industrial buildings are located throughout the area as are large vacant parcels, suitable for development, are also found in the project area.

The Grover Beach Industrial Enhancement Project Area represents a significant opportunity for the City to develop a diversified industrial base, capable of adding and sustaining a number of jobs to the local community. A backbone of fiber optic infrastructure is available but needs to be further developed. Available access to Highway I and US 101 are excellent. The area has a number of infrastructure constraints needing to be dealt with, including sewer, drainage, and the condition of interior streets.

Two additional, but much smaller, industrial areas are located in the western portion of the City. The first is located to the north of West Grand Avenue and is between 2nd Street and Front Street. The second is located south of the Train Depot, to the west of 4th Street and south of West Grand Avenue. Existing uses within these areas are mixed and include residential, light industrial, and some commercial uses. The Grover Beach Vision Statement indicates that these areas should be further evaluated during the Land Use Element Update.

The following actions are suggested to implement this strategy:

1. Incorporate the action steps outlined in the Business Development Strategy - *ongoing*

2. Develop and complete a master plan for the Industrial Area to include additional infrastructure as needed for streets, sewer and drainage. Signage and design statement should be included in master plan.

3. Complete the Land Use Element Update - *February 2009*

4. Complete all three phases of the South Industrial Sewer Trunk – *FY 2011*

5. Organize industry cluster networks, increase communication, and identify needs.

6. Pursue opportunities for targeted recruitment or businesses enhancing or complementing identified clusters.

7. Identify parcels suitable for assembly - *Ongoing*

8. Review options for pre-permitting vacant parcels - *Ongoing*

Staffing necessary to implement strategy: Community Development Department Director, Land Use Element Planning Consultant, Agency contract staff, and the Planning Manager.

V. Infrastructure Implementation Strategy

Updating, enlarging and adding to the existing infrastructure are essential components of plan implementation. Not only does a solid infrastructure program ensure that the City has the capacity and is prepared to actively participate in economic development, it also indicates to the outside world that the City cares and values and cares about the community. The City Council and staff have recognized the importance of revitalizing and preparing the City for the future. The improvements that resulted from the demonstration project completed on West Grand Avenue reflect this attitude and Commitment. The City/ Agency working with our funding partners, has taken on a number of projects recently, including the Meadow Creek Bridge and Grand Avenue Storm Drain Project, South County Transit Facility, and the South Industrial Sewer Trunk Project. The City and Agency have adopted a Capital Improvement Program that is a blueprint for infrastructure planning covering a five-year period. The Capital Improvement Program identifies infrastructure and focuses resources on projects that are beneficial to the economic health of the community.

The following projects have been identified as being important component of the City economy of the City and will need to be completed in order to implement this strategy:

1. **Local Street Rehabilitation Program** - *Ongoing resurfacing and rehabilitation of local streets - $800,000 annually*

2. **Meadow Creek Bridge and Grand Avenue Storm Drain Project** - Bridge replacement and installation of storm drain from Highway 1 to 4th Street. Estimated cost: $2,886,415. Estimated completion date - *September 2008*

3. **North 4th Street Rehabilitation Project** - Estimated cost $480,000. Estimated completion time - *September 2008*

4. **North 12th Street Rehabilitation Project** - Project will rehabilitate North 4th Street from El Camino Real to Atlantic City Avenue. Estimated cost is $400,000. Estimated completion time - *September 2008*

5. **West Grand Avenue Street Beautification Project, Phase I** - Project will enhance West Grand Avenue from Highway 1 to 4th Street. Estimated cost is $325,000. Estimated Completion time - *December 2008*

6. **South County Transit Facility** - Transit facility at Ramona Park, parking improvements on North 10th Street and Brighton Avenue, street improvement between 8th and 10th Streets. Estimated costs $785,175. Completion of first phase - *October 2008*

7. **West Grand Avenue Storm Drain Improvements** - Complete West Grand Avenue Storm Drain Improvements from 4th to 12th Streets. Project cost is estimated at $2,582,700. *Project design is to be completed in FY 2010 with project construction scheduled for FY 2011*

8. **West Grand Avenue Enhancement – Phase II** - Project will enhance West Grand Avenue from 4th Street to 9th Street. Estimated cost is $550,000. Estimated completion date is *FY 2011*

9. **Train Depot Improvements** - Project to include preparation of environmental documents for the "Preferred Alternative" - construction of improvements to the area south of the Train Depot. Estimated cost is $55,000. Estimated completion date - *Spring 2009*

Staffing to implement strategy: City Manager, Community Development Department staff, City Engineer, and consultant engineer as necessary.

Vl. Marketing Strategy

Grover Beach will need to develop a solid marketing program to ensure the success of the economic development effort. The marketing strategy should involve the use of multi media. Once developed the marketing program should tell the story of Grover Beach and communicate the story to a broad range of constituencies. A marketing program should be developed, maintained, and then updated and be able to address the changing needs of the economic development strategy.

The following action steps will be necessary to implement the marketing strategy:

1. Improve City website for use as part of marketing strategy for both commercial and industrial zones - *Fall 2008*

2. Develop database of available commercial and industrial properties - *Fall 2008*

3. Complete a City gateway and way-finding directional signage - *Spring 2009*

4. Establish ongoing linkages with community partners, including schools, Chamber of Commerce, Economic Vitality Corporation, VCB, and other community institutions - *As soon as possible*

5. Review branding opportunities.

6. Develop and implement a plan to educate the community regarding the economic development strategy – *Ongoing*

7. Develop materials for distribution associated with business retention, expansion and recruitment - *Ongoing*

VII. Economic Development Task Force

It is recommended that an Economic Development Task Force be formed. The purpose of the Task Force will be to work closely with City staff and the Council in the implementation of the Plan. The Task Force will represent a broad mixture of City partners and stakeholders with a keen interest in promoting a healthy local economy. As envisioned, the Task Force will monitor the implementation of this plan and make periodic reports to the Council. More importantly, the Task Force will act as a sounding board during the Plan's implementation. The Task Force should be ever alert for opportunities and make suggestions to staff, and ultimately to the Council, on program changes. The Task Force will take on the job of supporting the economic development effort and are not envisioned as a policy making body. From this perspective, the Task Force should review the plan continuously and make suggestions regarding the plan's augmentation.

It is suggested that the Task Force membership consist of twelve (12) members. Ten (10) of the members should be appointed by the Mayor from a list of nominees presented by the Council Members with each Council Member nominating a minimum of two (2) members. In making nominations, Council Members should take care to ensure that a collaborative team is formed with representation coming from a number of stakeholders, including residents, school, and business representatives.

Summary

The Economic Development Strategy outlined in these pages details the commitment of the City of Grover Beach and the Grover Beach Improvement Agency that is required to move the organization forward in an effort to secure the economic health and vitality for Grover Beach. The Strategy is also a living document with a focus on specific tasks and outcomes that can be directly tied to accountability and accomplishments. As such, the Strategy should be reviewed on a regular basis and augmented and changed based on evolving circumstances. Ultimately, the success of this effort will be tied directly to the City / Agency's ability to collaboratively lead the personnel and resources necessary to simply "get the job done".