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Economic Development

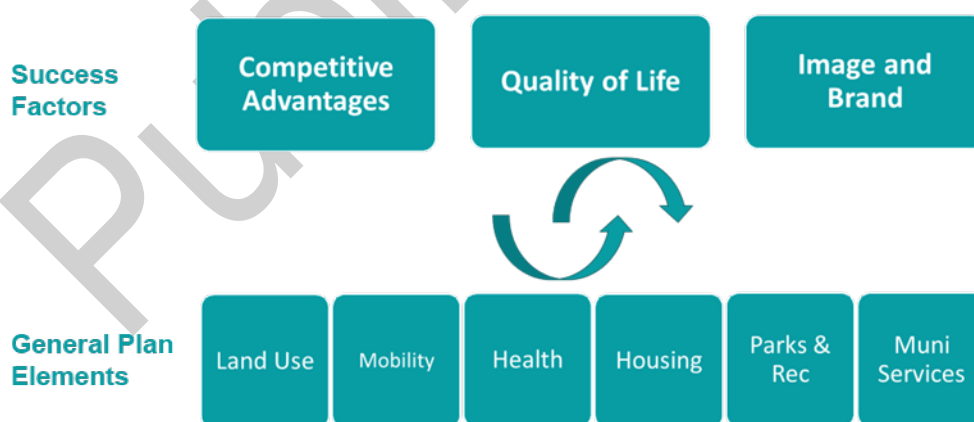
Introduction to Economic Development

Economic Development Element is intended to guide the City's future policy decisions to support growing and strengthening the local economy. The Economic Development Element is not a required element for a General Plan, but the City has decided to include it in recognition that promoting economic vibrancy and resiliency is a central aspect of planning for San Jacinto's future. While presented as a separate chapter, the policies contained within the Economic Development Element are intertwined with those found in the other Elements of the General Plan. Decisions designed to advance other elements, such as land use, housing, mobility, open space, and health and wellness, necessarily impact economic development, and vice-versa.

Contents:

- + Support For Business Community
- + Economic Diversification & Business
- + Enhanced Activity Corridors & Nodes
- + Revitalization of Main Street
- + Promotion of Visitor-Serving Business Sector
- + Workforce Development
- + Fiscal Diversity & Sustainability

Economic Development Paradigm



Key Opportunities and Challenges

The Economic Development Element has been informed by community and stakeholder input gathered through outreach efforts, and builds on research and analysis contained in the Economic, Demographic, and Real Estate Profile report completed in 2019 as part of the General Plan process. Given San Jacinto’s regional position as well as market conditions and trends, the Profile report identified several key opportunities that could drive economic growth and development in the City. These include the following:

- The City’s existing land use assets have positioned it to capture regional growth in industrial sectors, particularly ag-tech and cannabis cultivation, and in hospitality, particularly related to the new Soboba Casino Resort.
- Regional transportation infrastructure initiatives, including the Route 79 realignment and the Mid-County Parkway, will improve access to the City and increase its attractiveness to residents, businesses, and visitors.
- Despite a high level of out-commute by residents, there is a relatively strong match between jobs held by residents and those available in the City. The City can leverage this match to drive economic development by continuing to promote the City’s resident workforce to businesses who may consider relocating or opening a location in San Jacinto, as well as providing support for local entrepreneurship and small business creation.
- While much of the City’s working population has relatively low educational attainment, high graduation rates at the City’s public high schools and the continued growth of Mount San Jacinto College suggest that the City’s future workforce may be higher-educated and higher-skilled, providing more opportunities for local economic development.
- The City’s relatively low accessibility is a disadvantage for the development of destination retail centers. However, current trends in retail shopping centered on experiential businesses—small and local shops, dining and drinking establishments, and entertainment venues. This trend can be well-suited for San Jacinto, particularly as the City looks to invest in its Downtown area. While some of these trends have been slowed by the COVID-19 pandemic, the outlook for effective and well-designed “place-based” commercial activity remains strong.

Organization of Element

Given market conditions and trends in San Jacinto and its location in the region, there are a number of key areas in which the City has the greatest opportunity for economic growth and development. The goals and policies identified in the Economic Development Element are focused on these areas of opportunity, and underscore the City’s commitment to being a place where workers, residents, visitors, and businesses can thrive, today and into the future. The Element is organized into seven topics, as follows:

- *Support for Business Community*
- *Economic Diversification and Business*
- *Enhanced Activity Corridors and Nodes*
- *Revitalization of Main Street*
- *Promotion of Visitor-Serving Business Sector*
- *Workforce Development*
- *Fiscal Diversity and Sustainability*

GOAL ED-1 SUPPORT FOR BUSINESS COMMUNITY

A City that supports and promotes local business development.

One of the City’s most important assets in promoting economic growth is its existing economic base. Supporting existing local businesses so that they can thrive, grow, and adapt to changing economic conditions will not only help those businesses and their employees, but also demonstrate to other businesses that the City is a desirable place to locate. This support extends to residents, workers, and students who may be looking to establish or grow a business in the City.

ED-1 Policies

- ED-1.1 **Support Businesses.** Implement policies and programs that are responsive to the business community and ease the process of doing business with the City.
- ED-1.2 **Incentives and Services.** Maintain an easily-accessible menu of incentives and City services available to existing businesses to help facilitate growth and expansion.
- ED-1.3 **Business Investment.** Support local property and business owners to reinvest in, and revitalize, commercial properties, including through incentives and streamlined processes.
- ED-1.4 **Partnerships.** Develop and strengthen City partnerships with local and regional business organizations, such as chambers of commerce and industry associations.
- ED-1.5 **Opportunity.** Encourage opportunities for training, access to capital, and networking for existing and prospective local business owners and entrepreneurs.

ED-1 Actions

- ED-1a Regularly review and solicit input from business community on existing incentives for business creation and property re-investment and update as appropriate.
- ED-1b Establish and maintain partnership with Riverside County Workforce Development Center and Mount San Jacinto College to offer entrepreneurship training programs and business development resources.
- ED-1c Maintain and expand business engagement efforts, including roundtable events, surveys, and awards and recognition events, in partnership with local chambers of commerce and other business associations in Riverside County and Inland Empire.
- ED-1d Maintain a Development Code that supports investment and innovation in the City.
- ED-1e Identify ways of simplifying the Business License and renewal process.
- ED-1f Identify opportunities to leverage technology to simplify and speed up the entitlement and permit processes.

GOAL ED-2 ECONOMIC DIVERSIFICATION AND BUSINESS

A community with a diversified economic base to promote job growth and resiliency.

A diversified economy makes cities stronger and more resilient in the face of changing economic trends. Businesses in today’s economy are highly mobile, and firms consider a variety of factors when deciding where to locate or re-locate. These factors include the ease with which a firm can get established and operate in a city, and the level of the city’s investment in and responsiveness to its business community. San Jacinto has endeavored to distinguish itself as such a place. These trends, City efforts, and planned regional transportation infrastructure initiatives can help the City better attract a variety of industries and promote the development of a mixed economic base.

ED-2 Policies

- ED-2.1 **Targeted Development.** Encourage the development of office parks and other commercial building formats serving the space needs of target industries, including retail, agricultural and high technology, manufacturing, and professional services.
- ED-2.2 **Support New Businesses.** Develop and maintain policies and incentive programs available to support new businesses locating in the City.
- ED-2.3 **Medical Facilities.** Continue to promote the establishment of local and regional serving medical facilities in San Jacinto to diversify economic activity and better serve the healthcare needs of San Jacinto Valley residents and businesses.
- ED-2.4 **Marketing.** Continue to participate in marketing activities to educate employers about the City’s resident workforce, and promote opportunities available for new businesses.

ED-2 Actions

- ED-2a Identify undeveloped, underdeveloped, or unoccupied sites and buildings that present opportunities for business attraction, as well as City actions to improve marketability of sites.
- ED-2b Develop marketing strategy to attract healthcare facilities, including identification of appropriate sites and of regional healthcare systems with potential interest in locating in City.
- ED-2c Research and identify targeted industry events and marketing publications for City to participate in over next 2-3 years and update the strategy periodically thereafter.
- ED-2d Work with regional partners to explore coordinated regional business attraction effort that will leverage individual city’s assets and allow for greater overall investment in attraction initiatives.

GOAL ED-3 ENHANCED ACTIVITY CORRIDORS AND NODES

A City that plans for enhanced activity corridors and nodes to drive synergistic commercial development.

New commercial development benefits from locating in areas with high visibility and good access. Relatedly, creating clusters of a mix of uses—such as office, retail, and multifamily residential—serves to drive activity and growth in an area and create efficiencies in travel behavior. As part of the Land Use Plan, the City is promoting commercial and mixed-use development along several of its major circulation routes, at major intersections, and in proximity to activity centers, in order to support this focused location of new higher intensity uses.

ED-3 Policies

- ED-3.1 **Transportation Corridors.** Encourage and incentivize new retail, hospitality, and commercial development clusters along major transportation corridors, including the Ramona Expressway and State Route 79 and at major highway interchanges, leveraging locational assets and synergies.
- ED-3.2 **Higher Intensity Development.** Encourage higher density housing and higher intensity employment space to locate in mixed-use formats along the City’s commercial corridors, near transit nodes, and in areas well-served by the City’s multimodal transportation network.
- ED-3.3 **Regional Coordination.** Coordinate local infrastructure investments and initiatives with regional transportation improvements that enhance major corridors and nodes.

ED-3 Actions

- ED-3a Maintain easily-accessible inventory of available commercial property sites, with focus on key corridors and nodes.
- ED-3b Study the establishment of an Enhanced Infrastructure Financing District (EIFD) to support financing of targeted infrastructure investments in key development areas.
- ED-3c Research state and federal grant programs with available funding to support infrastructure investments in key development areas.

GOAL ED-4 REVITALIZATION OF MAIN STREET

A community with a vibrant and active Main Street.

San Jacinto’s Main Street has many assets that could position it as a major focal point of activity in the City. While changes in market economics and public health priorities have presented challenges to the type of experiential commercial development associated with downtown neighborhoods, the trend towards place-based mixed-use activity centers is expected to continue in the future. Main Street’s mix of walkability and central location all lend themselves to becoming a more vibrant live/work/play center within the City.

ED-4 Policies

- ED-4.1 **Main Street Development.** Position development and infrastructure on Main Street to be oriented towards pedestrians, local businesses, and special programming, providing a unique and attractive experience for visitors, residents, and workers.
- ED-4.2 **Invest in Main Street.** Encourage City investment in catalytic Main Street projects.
- ED-4.3 **Mixed-Use.** Encourage the development and integration of a mix of uses in a “main street” setting that includes retail anchored stores, entertainment, office, retail, residential at various densities, and transit-oriented development and/or mix uses that provide regional draw.
- ED-4.4 **Character.** Encourage economic development activities that support and preserve the unique character of Main Street area and its existing building stock.
- ED-4.5 **Walkable.** Support efforts to create a safe walkable environment where visitors to Main Street can “park once” and visit multiple destinations

ED-4 Actions

- ED-4a Complete development of Civic Center complex centered on Vossberg Hotel and redevelopment of the former Virginia Lee site.
- ED-4b Develop public-private partnership strategy, including marketing plan for development outreach, for other City-owned properties on Main Street that represent catalyst development opportunities.
- ED-4c Collaborate with San Jacinto Valley Museum Association and other historic preservation organizations to develop a menu of incentives (local, county, state, and federal) available for the preservation of historic properties.
- ED-4d Prepare Main Street-specific retail attraction/retention analysis to inform strategies on attracting tenants and business investment to Main Street.

GOAL ED-5 PROMOTION OF VISITOR-SERVING BUSINESS SECTOR

A City that promotes the hospitality and visitor-serving business sector.

The tourism sector presents significant fiscal and economic opportunity for San Jacinto. Looking ahead, the City can build upon several existing assets to grow jobs and activity in the hospitality and visitor-serving industry—in particular, the newly-opened Soboba Casino Resort and Golf Course, which has created a new major attraction that will draw visitors to the San Jacinto Valley region. Investment in complementary accommodations, businesses, marketing, and infrastructure can position San Jacinto as a connected destination for area visitors.

ED-5 Policies

- ED-5.1 **Visitor-serving.** Support the development and promotion of visitor-oriented activities and businesses, with a focus on family-oriented activities, that build upon the attractions provided by the Soboba Casino Resort and Golf Course and regional outdoor activities, such as hiking trails in the San Jacinto Mountains.
- ED-5.2 **Hotels.** Encourage the development of new hotel facilities in San Jacinto, especially at key corridors and nodes in the City best-positioned to serve the regional visitor population.
- ED-5.3 **Marketing.** Promote San Jacinto’s historic and recreational attractions to area visitors through marketing and wayfinding investments

ED-5 Actions

- ED-5a Develop marketing strategy to attract new hotel uses, including identification of appropriate sites and study of visitor demographics.
- ED-5b Collaborate with San Jacinto Museum and other major local attractions to develop tourism marketing strategy and associated materials.
- ED-5c Develop a wayfinding plan to improve visitor attraction to and experience in Downtown and elsewhere in the City.

GOAL ED-6 WORKFORCE DEVELOPMENT

A City that invests in workforce development.

The presence of a workforce suited to the needs of the local economy, particularly growth sectors, is a major component in business retention and expansion. Resident workers in San Jacinto today are overrepresented in the retail trade and healthcare industries as compared to the region, and underrepresented in industries that typically require higher levels of education and training, such as finance and insurance, and professional, scientific, and technical services. Aligning the resident workforce’s skills with the needs of the businesses of today and tomorrow will have a critical impact on expansion and diversification of the City’s economy.

ED-6 Policies

- ED-6.1 **Workforce Development.** Promote training, education, and labor support programs that enhance the quality of the City’s labor force, and assist them in obtaining new employment opportunities.
- ED-6.2 **Coordination.** Develop collaborative relationships between private and public entities to affect and maintain a comprehensive and coordinated economic development process.
- ED-6.3 **Vocational Training.** Coordinate with Mount San Jacinto College to enhance, expand, and promote vocational training programs offered at the local campus.

ED-6 Actions

- ED-6a Partner with Mount San Jacinto College, the San Jacinto Unified School District, Hemet Unified School District, and Riverside County Workforce Development Center to develop entrepreneurship training program and small business incubator for area high school students.
- ED-6b In partnership with Mount San Jacinto College, solicit input from current and prospective business owners regarding needed workforce skills and develop strategies for offering related educational and vocational programs locally

GOAL ED-7 FISCAL DIVERSITY AND SUSTAINABILITY

A City with improved fiscal diversity and sustainability.

Diversity in economic sectors helps to create resiliency and guard cities against the impacts of changes in commercial trends. Similarly, diversity in public revenue sources helps to protect a city’s budget against downturns in revenue-generating activities. Like most cities in California, San Jacinto is primarily dependent on property and sales tax to fund day-to-day municipal operations. Attracting a range of real estate development and business types can lead to more sustainable revenues that are not overly dependent on any one sector of the market or economy. Supporting the growth of sales tax generating uses, such as retail establishments, that also serve community needs will continue to be a critical piece of the City’s fiscal health. At the same time, there are additional tax- and fee-generating uses that are underdeveloped in the City and could provide a wider range of revenue sources to support future public investments in the community.

Additionally, while new residential development and new residents may require additional costs related to City services, increases in population can also drive growth in property tax and other General Fund revenues, as well as demand for new sales-tax generating business. Municipal costs related to residential growth will also be impacted by the location of that growth – for example, infill development utilizing existing service infrastructure will typically require lower levels of new capital investments and operations costs as compared to development of the periphery of the existing service area.

ED-7 Policies

- ED-7.1 **Full Utilization.** Actively seek to replace or fill vacated businesses with users capable of generating fiscal revenue streams and necessary amenities to support the surrounding residents.
- ED-7.2 **Retail Support.** Support additional retail development to increase sales tax revenues and expand retail amenities available to community and to visitors.
- ED-7.3 **Cannabis Industry.** Consider the development of facilities that serve the needs of the cannabis industry in defined areas of the City.
- ED-7.4 **Hotels.** Support the development of new hotels that will serve the regional visitor population and generate additional transient occupancy tax.
- ED-7.5 **Funding.** Pursue a variety of public, private, and non-profit funding sources to fund community revitalization and economic development activities.
- ED-7.6 **Monitor New Development.** Monitor fiscal implications of new development and consider strategies that ensure new development adequately and fairly mitigates impacts on City infrastructure and services costs.

ED-7 Actions

- ED-7a Maintain easily-accessible inventory of vacant and available commercial properties, organized by use type.
- ED-7b Conduct regular study and update of City’s current development impact fee levels, to ensure that fees on new development are adequate to cover fair share of costs for future infrastructure needs.
- ED-7c



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Public Draft