



STAFF REPORT

TO: Economic Development Advisory Committee
DATE: February 7, 2011
FROM: John W. Donlevy, Jr., City Manager
SUBJECT: Economic Development Program

DISCUSSION:

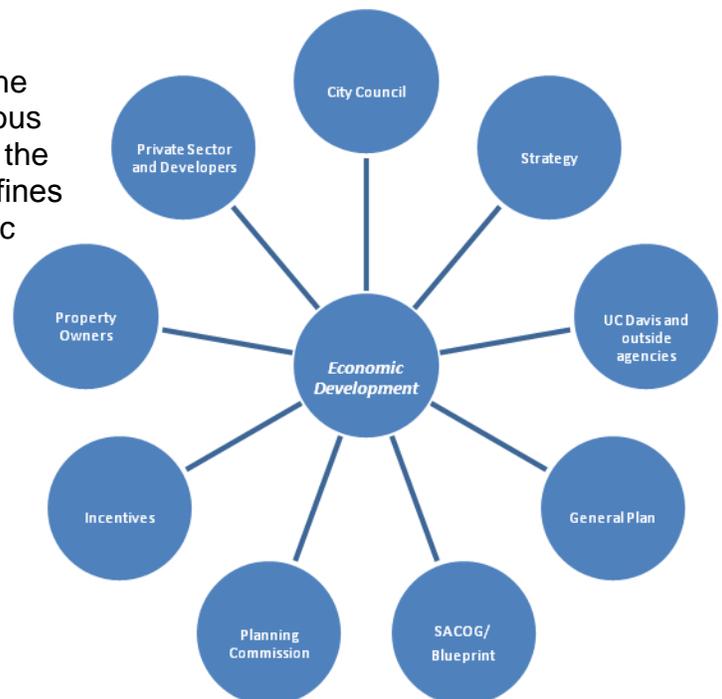
As we enter 2011, the City faces a considerable structural deficit and the potential for similar financial issues for the coming future. Economists are predicting that the Sacramento region may not recover from the current recession until 2016.

In order to advance and build our local economy, the City's ability to attract emerging industries will define our fiscal future and invariably translate into either prosperity or a continuance of fiscal struggles.

Economic Development:

Successful economic development starts with the recognition of the interconnection between various elements that have the same goal. The base of the community is the City's General Plan, which defines the overall goals for the City, including economic development. Related influences then include:

- Property Owners
- Developers
- Strategy
- Outside influences including UC Davis, SACOG and State initiatives.
- Planning
- Incentives for investment
- Public Process



The success of any economic development program also will rely on the receptiveness of a community to the prospects of new industry or commerce.

A cold reality of the present economy is the fact that potential businesses will rely on minimal capital risk in pursuing expansion. Localities will be required to lessen the investment risk for potential businesses in order to gain even a first consideration for the citing of a business.

Concepts for Winters Economic Development:

A key to the success of a program in Winters will include embracing local initiatives and strengths, along with the ability to take regional opportunities and make them adjunct to Winters.

Staff recommends the following concepts::

- Sustainable jobs, where people can earn salaries that support families, mortgages and the local economy.
- “Green” jobs which realize advancements of an environmentally friendly economy within emerging technologies.
- Working with UC Davis and other groups to receive collateral benefits from research, grants and educational initiatives.
- Coordinating with groups such as the Apollo Alliance and Valley Vision, bringing capital and emerging industries together to grow jobs and industry.
- Agricultural jobs and research.
- Bio-tech and medical which collaborates with the work being accomplished in Solano County.
- Service Sector including business support, call centers and direct business support functions to adjacent industry.

Potential Uses and Businesses:

The ability to define (or identify) the “types” of businesses or industry that will come to Winters is impossible and probably implausible. The advancement of new business sectors changes rapidly and the idea that we might define a specific sector will short change the City’s potential for receiving new business.

Regardless, some key indicators for business recruitment include:

- UC Davis advancements and research initiatives.
- Solano County growth areas including biotechnology and pharmaceuticals.
- Agricultural advancements and business opportunities.
- Local innovation.

The concept of “technology transfer” is the idea that the research and educational arms of universities fuel local business and industry. Much like Stanford University helped advance the boon in Silicon Valley, UC Davis could serve as a catalyst for “green” or other industrial sectors in our area.

The key will be the ability of Winters to adequately position itself to receive the spin-offs from the technology transfer from UC Davis and the region. The window of opportunity for the greatest amount of benefits will most likely be small and the rewards considerable. The ability to act quickly and decisively could determine the winners and losers in the competition to land major businesses and jobs.

Some of the main use categories which can be expected for Winters will include:

- Research/Technology Parks
- Manufacturing
- Biotechnology
- University related business
- Agricultural (Technology)
- Office/Professional
- Meeting/Conference Facilities
- Call/Service Centers

An important task will include defining certain zoning to allow a broad cross section of business opportunities within the scope of previously approved environmental assessments. This may simply include updates to some zoning definitions to recognize emerging business classifications and removal of antiquated categories.

Locations:

The focus of the economic development efforts will be as follows:

- Downtown Master Plan Area
- Jordan Property
- McClish Property
- Skreden Properties
- Robada
- Mariani
- Monticello
- CDA Properties

These properties are identified based purely on expressed interest of the property owners to initiate future uses or they are included in recently approved master plans.

Process:

In order to adequately position the City to achieve desired economic development, it will be critical that a clear and definable course for development to occur be defined.

The national recession has redefined how financial markets evaluate investment in real estate. The ability for developers to gain financing for “planning” or speculation of “potential” development is virtually gone. Business now requires more certainty in

considering locations. This means that the City must utilize current planning documents or develop such to allow development a clearer path toward locating within the community.

In order to be successful, the City will need to establish a process for the various locations within the City which includes the following:

1. Define the vision of the current General Plan for the above-referenced properties. This will also include a review of environmental documentation already completed and development levels which have been approved.
2. Assessment of current General Plan Land Use designations and Zoning categories.
3. Project Processing Guidelines including critical path elements to help define how projects can proceed.
4. Design Guidelines which include building and energy requirements for development.

These documents are in development and will be brought back to the City Council at a later workshop.

Networking:

A critical success factor will be the City's ability to appear welcoming and desirous of investment within the community. It is also important that the City immediately begin working with potential partners within the region who play key roles in connecting business and industry to localities the business community. These contacts should include but not be limited to the following:

- UC Davis
- Valley Vision
- SACOG Rural Urban Connection Strategy
- Solano Economic Development Corp.
- Sacramento Area Regional Technology Alliance (SARTA)

The ability for the City of Winters to "be at the table" in the discussions on strategy and opportunity will be critical. Absent participation, the City may find itself left out of important opportunities within the region.

Summary:

A successful strategy requires a realization that accomplishing local goals will necessitate working within a broader region of interests and opportunities. It will not require that local standards or desired be comprised; however, it will entail setting higher standards and allowing development to occur that benefits both Winters and the Sacramento region..

ATTACHMENTS:

1. **Exhibit A:** Economic Development Strategy and Direction from February 16, 2010 on Economic Development.
2. **Exhibit B:** Strategic Action Plan for Economic Development.