



## **Economic Development Advisory Committee Report**

In August 2018, the City convened the Economic Development Advisory Committee (EDAC). The group consisted of business owners, community members, Winters Chamber of Commerce members and a representative from Winters School District to develop recommendations to advance the economics of the City of Winters. The Committee held several meetings which focused on a variety of topics, including the fundamentals of the Winters economy, zoning and land use, regional issues, collaborations and “idea building” to generate recommendations for economic development.

The following report provides recommendations, background and analysis to support suggested steps for the City Council to consider.

### **Summary:**

The EDAC has formulated recommendations for the City, which can bolster the local economy while maximizing the opportunities for smart, sustainable and prudent development. These recommendations propose to generate jobs, expand local investment, increase local revenues and allow needed growth to maximize local potential.

To accomplish this, the recommendations focus on:

- Collaborating with local and regional partners to create enhanced connections and synergy in developing business and economic opportunities for Winters.
- Generating “next steps” for the Central Business District and Downtown to maximize and advance existing planning and strategies.
- Exploring the expansion of some economic uses in strategic geographic locations.
- Planning and reconfiguration of some land use designations to increase opportunities for economic development, reduce development costs and provide better connectivity and access to business within the town.
- Seeking agricultural opportunities to develop local agricultural industries and provide for future opportunities through supportive zoning and operational practices.

The recommendations are broken down into two main categories Economic Strategy and Collaboration and Land Use, Developable Land and Flood Zone.

**Recommendations:**

**Economic Strategy and Collaboration:**

The need for a collaborative approach in expanding the Winters economy is seen as a critical step in attracting the development of quality business and industry. A combination of City, Chamber and business connections will be developed to seek and expand Winters economic base.

The recommendations include:

**1-A. Economic Development**

**Coordinator/Office:** The purpose will be to encourage collaboration between the City, Chamber and the business community to actively recruit new and desirable businesses to town. This would include the hiring of an Economic Development Coordinator who dedicates time and effort to economic recruitment. A dedicated office within the Downtown core will be established to serve as a hub for economic activity and a meeting place for prospective new businesses, property owners and investors. The office will develop marketing tools for recruitment to include web, print and video resources.

**1-B. Establish a local Economic Development**

**Advisory Board:** This group will consist of key community representatives available to meet and recruit prospective new businesses. The City Council, City Manager, Winters Chamber and business owners will appoint members to this group mainly from the private sector. The Economic Development Coordinator will facilitate the group.

**1-C. Economic Development Partnerships:** The Economic Development Coordinator and the Economic Development Advisory Board will work with regional collaborators such

as Solano College and the Solano Economic Development Corporation to maximize outreach and business development opportunities. Within the region, the most successful economic development has occurred when the private sector has taken the lead in bolstering the local economy with support from the cities. It is important to establish key partnerships to recruit and attract businesses. Additionally, collaboration with educational institutions that support industry is viewed as a key means of attracting and supporting businesses and economic growth.

**1-D. Economic Development Strategy:** The Economic Development Advisory Board will identify and recruit key businesses and industries to develop the City's economic base including those businesses that tie into Winters regional agricultural heritage.

**Land Use, Developable Land and Flood Zone:**

The City has very limited land zoned for economic and job development which reduces the overall area available for any significant development to occur. One of the key constraints to economic development is the existence of a flood zone, which limits development from both a physical and financial standpoint.

The Committee recommends that the City work with landowners to resolve key issues, strategically plan the area for the economic benefit of the City and to work in a manner that creates more developable land, which is economically feasible.

The recommendations are as follows:

**2-A. Diversify Zoning on Road 89 for**

**Business Development:** Rezone for a business district along Road 89 north from Anderson Street to include office and light industrial. This will allow the existing businesses to conform to zoning regulations.



*The importance of creating a more centralized light industrial/office park business district which combines both commercial and local serving businesses is seen as an opportunity for local entrepreneurs, contractors and businesses to enhance our local economy.*

**2-B. North Area Zoning and Planning:** The City will work collaboratively with north area property owners to plan and expand economic development zoning. Essentially a zoning clean up will add available land for economic



development purposes.

**2-C. Expand Light Industrial Zoning along**

**505:** The City will work with property owners to re-zone and modify the area along 505 to include additional light industrial zoning, a business park and agricultural support businesses.



**2-D. Downtown Plan implementation and Infill**

**Development:** The City will pursue infill and office development along the Railroad Avenue Corridor from Grant Ave to Putah Creek. This will fill the downtown with office, residential and commercial uses.

The Master Planning has essentially transformed the area, the Form Based Code/Development Standards gives tremendous latitude on uses throughout the area, the Alley Activation (Newt's Expressway) will enable Main Street to maximize all sides. The Historic Preservation study is a guide as to what is needed to activate the second floors in the downtown commercial area; and the Parking Master Plan addresses parking issues that will be associated with development of the second floors.

- [Downtown Master Plan](#) was adopted in 2006 and provided for the overall redevelopment of the City’s downtown. The plan includes: infrastructure, zoning, parking, building preservation/renovation and pedestrian and bike policies.
- [Form Based Code](#) (FBC) was adopted in 2009 and is a land use regulating plan for the Downtown Zoning District. The FBC is located within the [Downtown Master Plan Area](#) and consists of an overall [Regulating Plan](#) and includes [Development Standards](#).
- [Alley Activation Plan](#) is a sub-plan for the Downtown Master Plan and includes strategies and land allowances for the activation of a vibrant use of alleys in the downtown core. Currently, this only addresses Newt’s Expressway.
- Historic Preservation studies have been developed for the possible rehabilitation of key properties within the historic downtown core. These include the [Downtown Market Feasibility Study](#), which was completed in 2009 and evaluated the Devillibis Hotel, Putah Creek Café and Masonic Buildings with costs for seismic and functional retrofits.
- [Parking Master Plan](#) for Downtown Winters outlines the goals and plans to improve parking within the area.

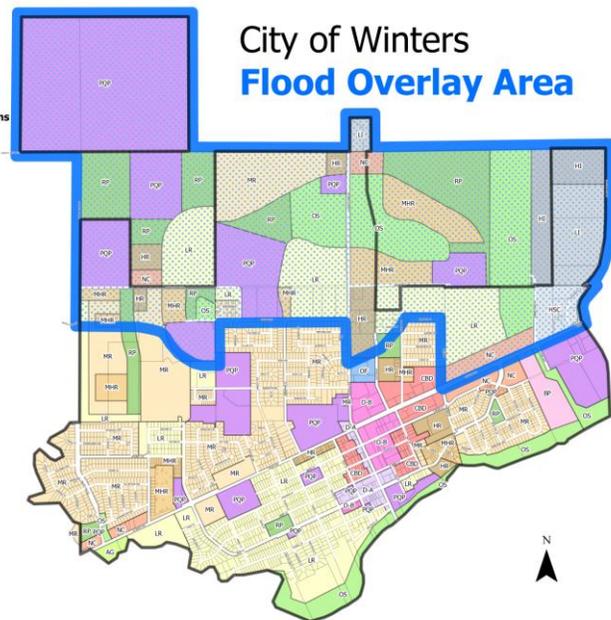
Utilization of the planning documents to promote and maximize office, commercial and higher density residential development within the core area will bring vitality and help the economics of the City.



**General Plan Land Use Designations**

- AG Agriculture
- BP Business/Industrial Park
- NC Neighborhood Commercial
- CBD Central Business District
- HSC Highway Service Commercial
- D-A Downtown A
- D-B Downtown B
- HI Heavy Industrial
- LI Light Industrial
- OF Office
- OS Open Space
- PR Parks and Recreation
- PQP Public/Quasi-Public
- LR Low Density Residential
- MR Medium Density Residential
- MHR Medium/High Density Residential
- HR High Density Residential
- RR Rural Residential

- Flood Overlay Area
- City Limits



**2-E. Expand Downtown Master Plan to include Russell Street:** This will include Russell Street between Railroad and First Street.

**2-F. Include Ag industry in Industrial Zoning:** Including agriculture in combination with manufacturing and processing will add value to local business. This would aid in the recruitment of Ag businesses and the potential for an agricultural “hub” in a single location.

**2-G. Resolve Flood Area Issues and make land more economically feasible for development:** The majority of property available for economic development activity is located within a flood zone that has significant impact fees making future development of this land costly. In order for economic activity to happen, the City must work with owners of these properties to develop a feasible solution, which could lower development costs.

*Recommendation H focuses on the key deterrent to local economic development, which*

*is the existence of a “flood area” which makes the development of business both practically and economically unfeasible. The need for a comprehensive flood solution that addresses issues while enabling development is needed for the overall fiscal sustainability of the City. The flood area includes 1,031 acres of land, of which only 465 acres (45%) are zoned for development uses. This means that 566 acres (55%) are exempted from impact fees making the balance carry the full cost load for the flood facilities that causes, in most cases, that the flood fees are higher than the actual value of the land.*

*The ability to find a solution along with expansion of land zoned for development will help reduce fees, increase the number of acres for job creation and make Winters more attractive for development.*

#### **Strengths, Weaknesses, Opportunities and Threats:**

##### **Strengths:**

- Location and Proximity to key regions (Sacramento, Bay Area, I80 and I5)
- Ag Economy
- Credibility and a relaxed environment
- Current and Future Housing Development
- Downtown and C-2 Zonings
- Downtown plans, zoning and infrastructure is in place.

##### **Weaknesses:**

- Lack of Overall Strategy to attract businesses
- Lack of commercially zoned land/properties

- Ratio of Industrial zoning to parks/other
- Flood Fees and the flood zone
- Not enough job producing land available.
- Lack of Office space
- Lack of light industrial/business park
- Availability of affordable market rate housing (apartments)

##### **Opportunities:**

- Cut red tape for new businesses
- Ag Business- Processing/Zoning/Manufacturing/Value adding
- Downtown second stories
- Small businesses
- USDA- Our size, location etc make us ripe for loans and grants
- Reputation- We have a positive reputation with large business- PG&E
- Solano College
- We can move some zoning west to increase light industrial zoning.
- Increase commercial up Rd 89
- Proximity to biotechnology, agricultural production and businesses like ICON Aircraft.

##### **Threats:**

- Losing small town feel.
- Lack of commercial zoning.
- Parking
- Market rate rentals.
- Vacaville- they already have everything in place.

***Addendum***  
***Land Use and Economics Review***

**Economic Analysis:**

**Revenues:**

The City of Winters is currently financed with the property and local taxes which make up the majority of the local economy (61% of all General Fund Revenues come from 3 sources). Top revenues funding general City services includes:

- Property Taxes/In Lieu- 28%
- Local Taxes (UUT and Muni Tax) 20%
- Sales Taxes 13%

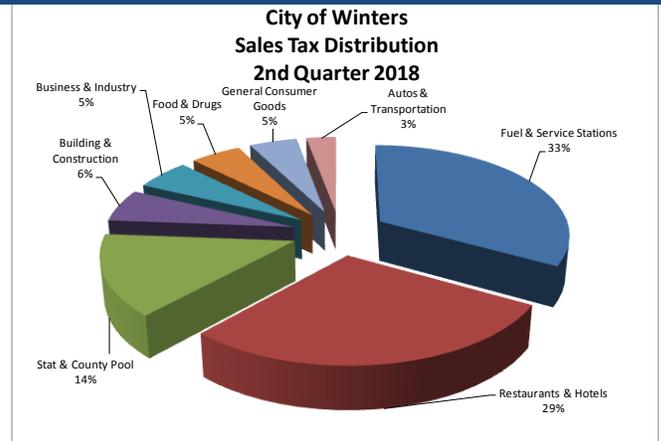
Below is a chart that shows the actual Revenues for the Year July 1, 2017 through June 30, 2018.

Source: 2017-2018 City of Winters Comprehensive Annual Financial Report (CAFR)

With the development of the projected hotels, the City anticipates that the revenue generated from these businesses will exceed \$600,000 annually and make the Transient Occupancy Tax (TOT) the number four revenue after the first year of operation.

**Sales Tax Overview:**

Community “sales taxes” become a reflection of both the economic vitality and diversity of the local economy because it includes the spending of both visitors and residents in support of local business. For Winters, it is clear that the visitor serving businesses provide the majority of sales within the community. The following is a breakdown of sales taxes:



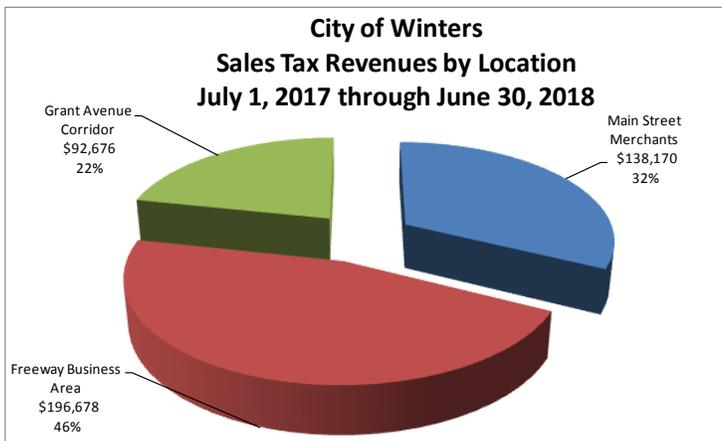
1. Fuel and Service Stations-33.1%
2. Restaurants- 28.7%
3. State and County Pools- 14.4%
4. Comparison Goods(General Consumer Goods)- 4.7%
5. Other- 19.1%

The most telling number that leakage is occurring is “comparison goods” which represents the most consumable purchases made by both residents and businesses (clothing, furniture, electronics, vehicles, etc). In a 2006 economic sustainability study, it was estimated that that 95% of all shopping by Winters residents is occurring outside the City. This is a reflection of both the lack of such businesses and the need to increase the “critical mass” of the population to support these types of enterprises opening within the City.

In the four quarter period July 1, 2017 through June 30, 2018, the City generated \$539,915. 79.2% of all sales tax is generated by 56 businesses, with 97 businesses generating the balance of sales tax (20.08%). The top sales tax generation is broken down geographically as follows:

- Freeway (36.4%)- 4 businesses
- Downtown (25.6%) 42 businesses
- Grant Avenue Corridor (17.2%) 10 businesses

Sales tax is viewed as a potential for significant revenue growth for the City with the potential to capture “local” spending by both residents and businesses.



### SALES PER CAPITA



Comparatively, the City of Winters receives approximately \$2,000 “per capita” in sales taxes compared to \$4,200 (average) of the other Yolo County cities and the \$4,000 average for the rest of jurisdictions within the State of California.

acres. The breakdown of total acreage and zoning is shown in the following table. The total General Plan area for the City includes 1,924 acres. Residential and Parks/Open Space make up 85% of the total zoning leaving less than 15% for economic purposes such as jobs and revenue production.

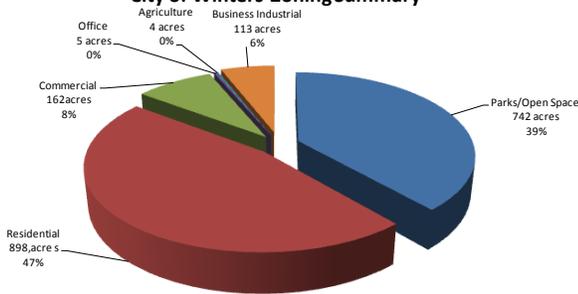
Zoning	Acres	% of Total
Residential	301	29%
Industrial	130	13%
Public Use	566	55%
Commercial	34	3%
<b>Total Flood Zone</b>	<b>1,031</b>	

#### Flood Area:

The Flood Area of the City encompasses approximately 1,031 acres or 53% of the total City and Sphere. Within this area, 55% of the land is zoned for “public uses” (parks, open space, PQP), 29% for residential, 13% for business/industrial and 3% for commercial.

From an economic development standpoint, the City has very little remaining land which is zoned for job producing uses. The light and heavy industrial uses are burdened by exorbitant flood fees which are caused by the predominance of public uses designated within the flood area.

City of Winters-Zoning Summary



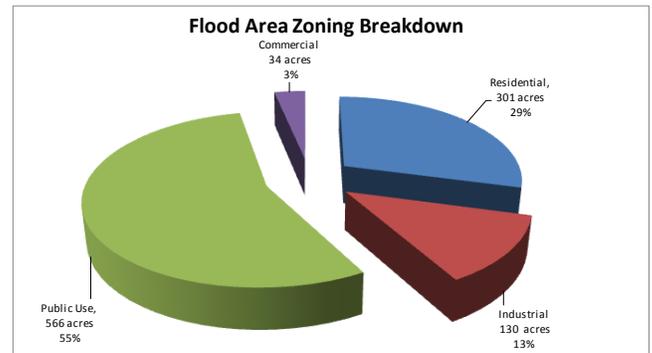
#### Land Use and the Flood Area:

The City of Winters General Plan and Sphere of Influence Area equals approximately 1,924

City of Winters-Zoning Summary

Description	Acres	% of Total
Parks/Open Space	742 acres	39%
Residential	898 acres	47%
Commercial	162 acres	8%
Office	5 acres	0%
Agriculture	4 acres	0%
Business Industrial	113 acres	6%
<b>Total</b>	<b>1,924</b>	

Flood Area Zoning Breakdown



Typical per acre flood fees for light and heavy industrially zoned properties are between \$59,000 and \$63,000 creating a huge cost burden causing the typical per acre combined cost for impact fees exceeding \$100,000, essentially pricing Winters out of the competitive market for development versus neighboring communities.

City of Winters						
Flood Zone Fees						
Zone	1	2	3	4	5	5A 5B
RR	\$47,432					
R-1	\$50,060	\$66,905		32,597		\$49,383 \$29,931
R-2		\$80,414		\$39,178		
R-3		\$78,102		\$38,052		
R-4		\$78,653		\$38,321		
NC		\$85,477		\$41,645		
HI		\$75,888	\$59,006			
LI			\$62,727		\$40,132	
HSC					\$41,186	
PC						\$61,107 \$ -
Com/BP						

