

PROPEL VALLEJO: General Plan Update

General Plan Working Group Meeting/
Economic Vitality Commission
Joint Study Session
26 January 2015



CONTENT



Overview

Review of ED Plans

2003 Economic Development Element

2012 Economic Development Strategic Plan

Questions & Answers

Economic & Market Trends Report

BAE Presentation

Questions & Answers

OVERVIEW



OVERVIEW: WHERE WE ARE NOW

- | | |
|---|---|
| <ul style="list-style-type: none"> ■ Guiding Principles <ul style="list-style-type: none"> ■ Community Workshops - GP | <p>Adopted 7/2014</p> <p>Completed</p> |
| <ul style="list-style-type: none"> ■ Existing Conditions Analysis | <p>In Progress</p> |
| <ul style="list-style-type: none"> ■ Alts Development <ul style="list-style-type: none"> ■ <u>Mobile App/Photo Contest</u> ■ <u>Community Workshops – LU Alts</u> | <p>In Progress</p> <p><u>Due Feb 13 2015</u></p> <p><u>Feb/March 2015</u></p> |
| <ul style="list-style-type: none"> ■ Alts Evaluation & Selection <ul style="list-style-type: none"> ■ Community Workshops – Alts Eval. | <p>Begins July 2015</p> <p>Sept 2015</p> |
| <ul style="list-style-type: none"> ■ Goals, Policies, Actions Develop. | <p>Begins Nov 2015</p> |
| <ul style="list-style-type: none"> ■ General Plan Preparation | <p>Begins Jan 2016</p> |

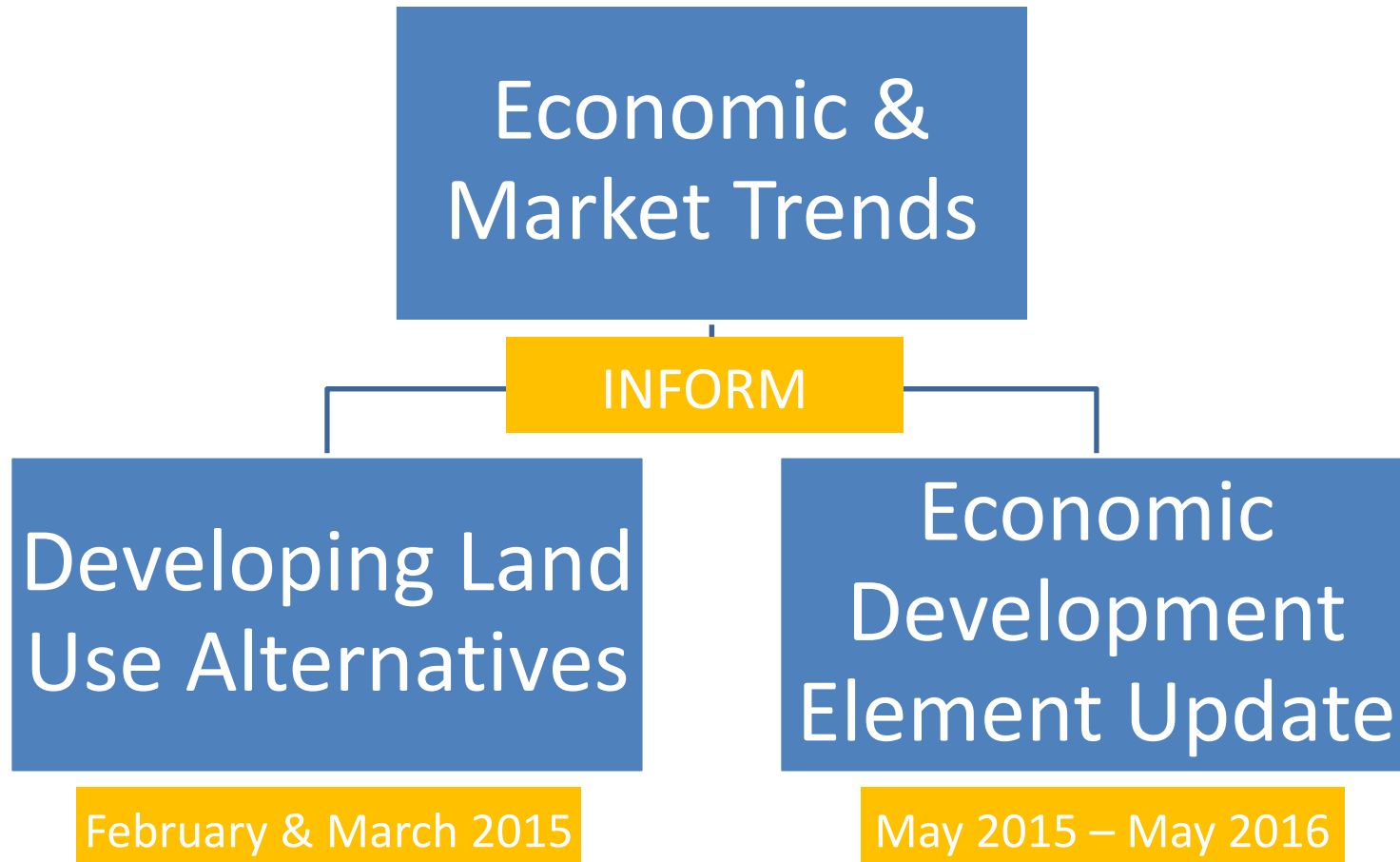
REVIEW OF ECONOMIC DEVELOPMENT PLANS

2003 Economic Development Element

2012 Economic Development Strategic Plan



RELATIONSHIP OF TRENDS TO GENERAL PLAN



ECONOMIC DEVELOPMENT ELEMENT (2003)

- Adopted into the General Plan by the City Council on May 3, 2003

- Purpose
 - Support economic vision
 - Guide Vallejo's economic growth
 - Goals & policy statements create framework for decision-making
 - Element suggests potential strategies, actual implementation through budgeted programs

2003 ECONOMIC DEVELOPMENT ELEMENT

- Goal 1: Attract new businesses offering high wage jobs
- Goal 2: Implement Vallejo's High Tech Readiness Strategy
- Goal 3: Encourage existing business retention & expansion
- Goal 4: Increase workforce preparedness of Vallejo residents
- Goal 5: Expand visitor attractions & services
- Goal 6: Enhance Vallejo's overall quality of life
- Goal 7: Leverage public investments to enhance fiscal vitality

2003 ECONOMIC DEVELOPMENT ELEMENT

- Goal 8: Develop historic Old Town & Waterfront Area into an integrated district
- Goal 9: Reuse Mare Island to stimulate citywide job creation
- Goal 10: Develop North Vallejo as a premier visitor & resident gateway
- Goal 11: Enhance commercial corridors to create a vibrant mix of uses: Sonoma Blvd, Tennessee St, Springs Rd
- Goal 12: Improve all city entryways to support positive image

ECONOMIC DEVELOPMENT STRATEGIC PLAN (2012)



Economic Analysis
Market Assessment
Primary Market Research

City of Vallejo
Economic Development Strategic Plan
And Strategic Marketing Plan

Prepared by:
RDA Global Inc.
In Partnership with
DCI – The Leader in Marketing Places

September 11th, 2012

- Prepared by RDA Global Inc.
- Adopted by City Council 10/30/12

■ Context

- In November 2011, the City was released from bankruptcy and embarked on a plan to improve the City's fiscal performance.
- In depth look at workforce and existing businesses, city-wide.
- Less focus on the real estate economy than the current work.

PRIORITIES GUIDING THE PLAN

- ❑ **Increase the City's tax revenues** and the capacity of the City to fund all city services
- ❑ **Improve the level of economic opportunity** and prosperity enjoyed by Vallejo residents through local job creation
- ❑ **Strengthen existing industry clusters** that are the engines of economic growth
- ❑ **Solve problems that discourage investment** and limit business growth



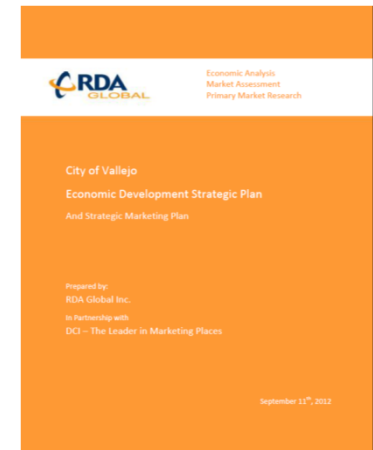
ECONOMIC DEVELOPMENT GOALS

Vallejo's Business Environment

1. Retain and expand existing businesses
2. Attract new business investment
3. A business-friendly government
4. Vibrant retail, shopping & dining
5. Highly-skilled workforce
6. Land development & redevelopment

Industry Cluster Strategies

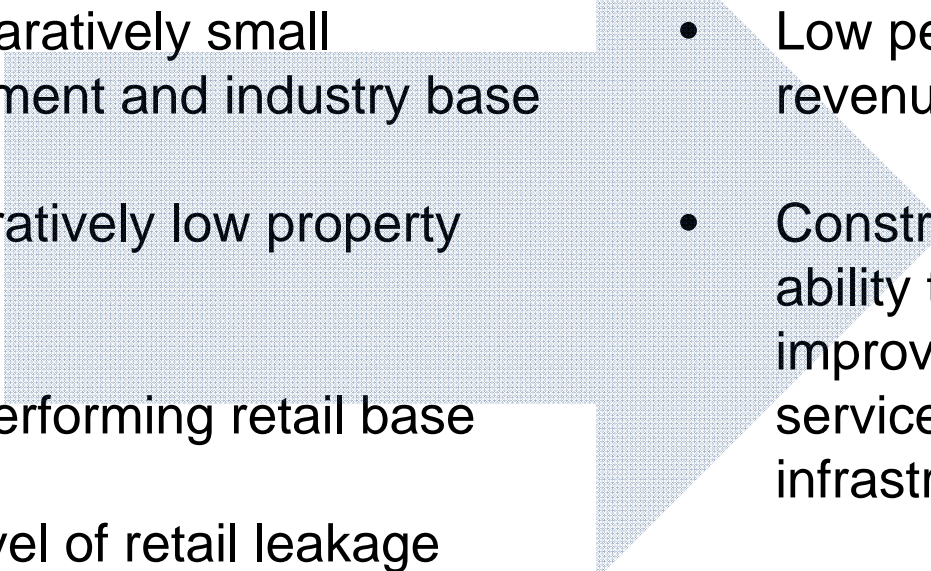
7. Manufacturing strategies
8. Tourism strategies
9. Health sector strategies
10. Higher education



VALLEJO'S STRATEGIC POSITIONING FOR INVESTMENT

Criteria	Is it a strength or weakness for Vallejo?	Are perceptions aligned with reality?
1. Availability of skilled labor	Strength	No
2. Business friendliness of government	Weakness	Yes
3. Overall operating costs	Strength	No
4. Favorable local tax policy and rates	Neutral	Unknown
5. Competitive incentives/tax exemptions	Weakness	Yes
6. Labor costs	Strength	No
7. Availability of transportation infrastructure for goods movement/shipping	Strength	No

FACTORS ADVERSELY AFFECTING GROWTH

- 
- A comparatively small employment and industry base
 - Comparatively low property values
 - Underperforming retail base
 - High level of retail leakage
- Low per-capita city tax revenues
 - Constraining the City's ability to make improvements to city services and infrastructure.

DETERMINING VALLEJO'S INDUSTRY CLUSTERS

Industry	Vallejo City Employment (2009)	Vallejo Location Quotient by Industry			
		US	California	Bay Area	Solano County
Agriculture	-	-	-	-	-
Mining, quarrying and oil and gas	30	0.23	1.04	2.99	0.91
Utilities	251	2.33	2.88	4.18	3.13
Construction	1,922	1.49	1.48	1.45	0.92
Manufacturing	529	0.21	0.22	0.25	0.23
Wholesale trade	779	0.61	0.49	0.47	0.72
Retail Trade	3,839	1.20	1.27	1.45	0.92
Transportation / Warehousing	603	0.68	0.72	0.87	0.72
Information	250	0.35	0.24	0.18	0.65
Finance / Insurance	480	0.36	0.41	0.37	0.59
Real Estate	330	0.75	0.60	0.65	0.78
Professional Services	841	0.49	0.39	0.29	0.91
Management of Companies	111	0.18	0.22	0.14	0.28
Administrative Support Services & Waste Mgt.	722	0.38	0.44	0.49	0.55
Education	586	0.88	0.89	0.75	1.54
Healthcare and Social Assistance	7,688	2.04	2.35	2.45	1.57
Arts, Entertainment and Recreation	1,839	4.26	3.19	3.90	2.71
Accommodation and Food Services	2,677	1.09	1.03	1.14	0.98
Other Services	1,089	0.96	1.01	1.06	1.11
Total	24,564	1.00	1.00	1.00	1.00

Manufacturing

Higher Education

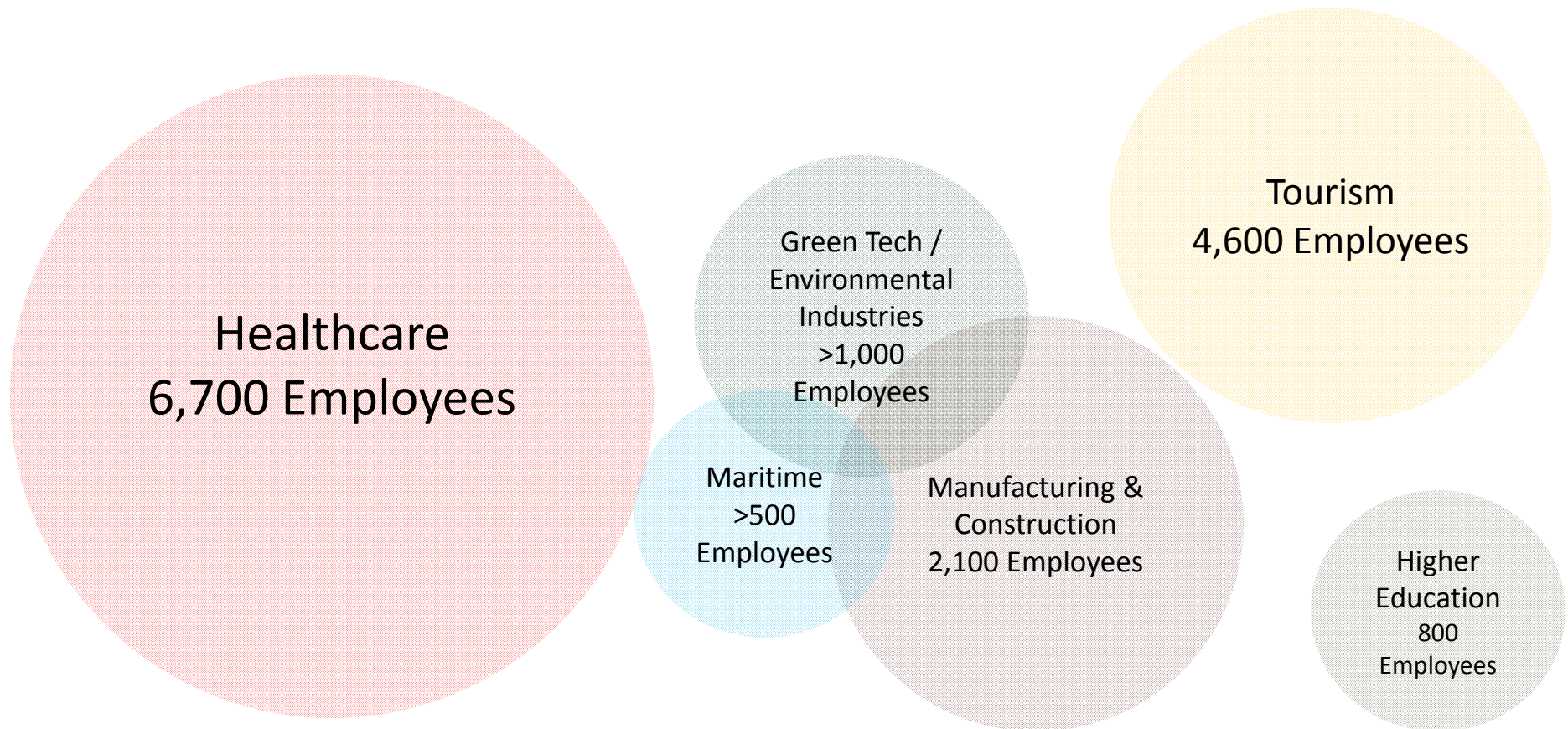
Health Care

Tourism

Note: Vallejo has a location advantage in industries shaded in green.

VALLEJO'S CURRENT INDUSTRY CLUSTERS

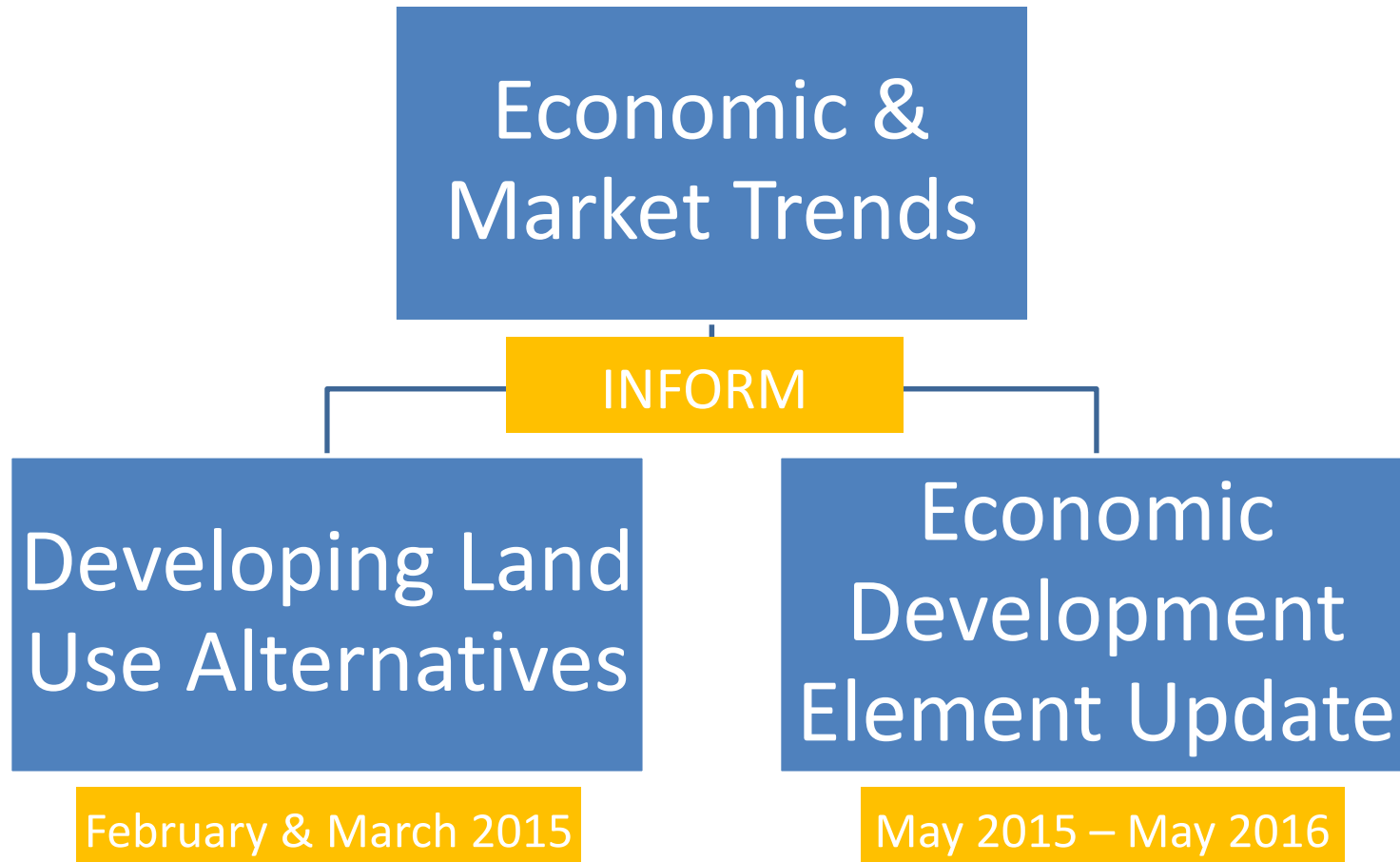
- There is some degree of industry overlap among some clusters because a particular business may be part of two or more clusters – e.g. marine construction is in the heavy manufacturing and construction cluster as well as maritime cluster.



VALLEJO'S INDUSTRY CLUSTERS

Cluster	Employment At Vallejo Businesses 2009	Share of Employment at Vallejo Businesses	Vallejo's Share of Bay Area Employment	Examples
1. Manufacturing & Related Industries	3,300	12%	1.2%	Blu Homes, Transfield Services, Earthquake Systems, Yolano Engineers, civil engineering construction, contractors, Alstom, ALCO Iron and Metal, F&M Fabricators, XKT Engineering, Carpenter Rigging, California Dry Dock Solutions, CS Marine Contractors, RE Staite, Jerico, Syar Industries, and related trucking, logistics, and wholesale distributors.
2. Tourism	4,600	18%	1.3%	Six Flags Discovery Kingdom, golf courses, museums, hotels and restaurants
3. Healthcare	6,700	27%	2.2%	Kaiser Permanente, Sutter, offices of physicians and other healthcare providers
4. Higher Education	At least 800	At least 3%	n.a.	Cal Maritime, Solano Community College, Touro University

RELATIONSHIP OF TRENDS TO GENERAL PLAN



QUESTIONS & ANSWERS





**PROPEL
VALLEJO** 
GENERAL PLAN UPDATE

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THANK YOU!