



7. Economic Development and Downtown

A. Overview

1. Purpose and Legal Requirements

Local governments in California have primary responsibility for essential public services such as police and fire protection, streets and highways, domestic water supply, wastewater treatment, parks and recreation, libraries, solid waste disposal, and regulation of land use and development. Limitations have been placed on local revenues through voter initiatives such as Proposition 13 and the budgetary policies of State and Federal governments. In addition, since the State’s dissolution of local redevelopment agencies in 2012, a significant source of funding for capital improvements and affordable housing has been lost.

In most cities it is a constant struggle to provide the desired level of public services with available resources. Santa Paula’s fiscal stability is dependent upon generating sufficient revenues to pay for the services desired by the community. While the local economy is affected by many factors beyond the City’s control, it is essential that the City use its administrative powers to ensure that revenues are sufficient to support public services. The purpose of this Economic Development and Downtown Element is to establish a policy framework to guide future actions that will promote the City’s long-term fiscal sustainability.

Under California law, Economic Development is an optional element of the General Plan. Because economic development is a high priority for Santa Paula, it is included as a separate element of the 2040 General Plan to emphasize the importance of this issue.

| Acronyms used in this section | |
|-------------------------------|---|
| ADT | average daily traffic |
| CIP | capital improvement program |
| CTP | Comprehensive Transportation Plan |
| LOS | level of service |
| RTP/SCS | Regional Transportation Plan/ Sustainable Communities Strategy |
| SCAG | Southern California Association of Governments |
| STP | Surface Transportation Program |
| TDA | Transportation Development Act |
| TDM | Transportation Demand Management |
| TIF | traffic improvement fee |
| VCTC | Ventura County Transportation Commission |
| VMT | vehicle miles traveled |



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This Economic Development and Downtown Element is supported by the other General Plan elements. For example:

- Designating sufficient land for commercial and industrial uses in the [Land Use Element](#) is important in maintaining a balanced, viable economy.
- The efficient movement of people and goods, as supported by the [Circulation and Mobility Element](#), is a vital consideration for businesses evaluating options for locating and expanding their establishments.
- The **Housing Element** supports adequate housing options to meet the needs of all residents and employees, and is a key factor in attracting and retaining businesses.
- The [Public Services and Utilities Element](#) facilitates the provision of adequate infrastructure and public services to support business recruitment, retention, and expansion, as well as residential neighborhoods.
- The [Hazards and Public Safety Element](#) establishes policies to ensure public health and safety, while the [Environmental and Cultural Resources Element](#) addresses quality of life issues that make Santa Paula an enjoyable place to live, work and visit.

2. Goals

The overall vision guiding the Economic Development and Downtown Element is to secure Santa Paula's long-term economic sustainability. In the economic context, sustainability is enhanced by attracting and retaining businesses that offer needed goods and services, as well as sufficient job opportunities for residents. A robust business sector produces revenues to support City services, such as public safety and infrastructure maintenance. Good-paying jobs also support residential property values, which bolster City property tax revenues and enhance sales tax revenue.

Of great importance within the economic vision for Santa Paula is a thriving Downtown that serves the needs of local residents and attracts visitors (and their purchases) from outside the city.



Economic Development Goals

The following goals provide guidance for the policies and programs of this Economic Development and Downtown Element.

- EDD 1 Promote the long-term economic prosperity of Santa Paula’s residents and businesses, and the City’s fiscal sustainability through business development and diversity, a skilled workforce, jobs/housing balance, increased tourism and a vibrant Downtown.
- EDD 2 Provide high-quality and cost-effective public services for Santa Paula’s residents and businesses.

The policies and programs of this Economic Development and Downtown Element are organized under two major themes:

- **Economic Prosperity and Fiscal Sustainability.** How can Santa Paula grow its economy to provide expanding job opportunities and upward mobility for residents, and sufficient revenues to support needed City services and infrastructure?
- **Downtown Revitalization.** What strategies should the City pursue to encourage revitalization, expand business opportunities, and attract more residents and visitors to the Downtown?



B. Economic Prosperity and Fiscal Sustainability

Economic prosperity is an essential aspect of the quality of life for Santa Paula residents, as well as the City's long-term fiscal sustainability. City strategies to support economic growth are organized into three areas:

1. Diversify the Economic Base
2. Expand Economic Opportunities
3. Enhance Fiscal Sustainability

1. Diversify the Economic Base

Strategies for diversifying Santa Paula's economic base include supporting the growth of existing businesses while encouraging new markets such as agri-tourism.

Support Small Businesses and Entrepreneurship

Locally owned small businesses provide a significant source of jobs in Santa Paula's economy, and the continued success of these establishments is important to the health of the local economy. A long-term economic development strategy focuses on helping these existing businesses thrive and expand.

Promote Tourism and Recreational Opportunities

An important aspect of the City's economic diversification strategy is to encourage tourism as a means of importing money to Santa Paula from other areas through increased sales and transient occupancy taxes. According to a recent study by Visit California, California's tourism marketing agency, visitor spending totaled \$1.5 billion in Ventura County in 2016. The study also revealed that Santa Paula's annual per capita transient occupancy tax revenue was \$3.65 in 2016, compared to about \$25 for the county as a whole.

These findings suggest that there is considerable growth potential for transient occupancy tax revenue in Santa Paula. Such growth will depend upon coordinated and sustained efforts to promote tourism in the Heritage Valley. Promotional efforts should seek to build upon the existing popularity of Ventura County as a tourist destination.

Agri-tourism is expected to become an increasingly important component of the Ventura County tourism market. As described by the University of California Small Farm Program, agri-tourism is any enterprise on a working farm or ranch or agricultural facility operated for the enjoyment and education of visitors that brings additional income to the operator. Activities include farm stands, U-pick operations, wine tasting rooms, harvest festivals, farm



tours, packing house tours, winery tours, barn dances, farm stays, classes and demonstrations, pumpkin patches, corn mazes, Christmas tree farms, horseback riding, vineyard weddings and family reunion, hunting, fishing, hiking, bird watching, yoga retreats, cooking classes, rodeos, music festivals, petting zoos, habitat improvement projects, and many other similar activities.

The City of Santa Paula and non-profit organizations such as Discover Santa Paula and the Heritage Valley Tourist Bureau have made efforts to promote the agri-tourism sector. Numerous agri-tourism activities and events in Heritage Valley, including festivals, farmers markets, hot air balloons, train rides, and other family-oriented activities, attract both residents and visitors. Santa Paula’s central location provides an opportunity to become the agri-tourism hub for the Heritage Valley if not the entire county. Within easy driving distance are local fields and orchards as well as agricultural operations near Fillmore, Somis, Ojai and Oxnard. A visit to Heritage Valley would not be complete without a stop in Historic Downtown Santa Paula. In addition, Downtown restaurants are well positioned to take advantage of the “Farm-to-Table” movement.

Efforts to promote tourism opportunities in Heritage Valley can also benefit Downtown Santa Paula. Completion of a bicycle/hiking trail along the railroad right of way between Ventura and Fillmore through Downtown Santa Paula and conversion of packing houses to agri-tourism uses, such as a regional farmers market and food hall, would help to attract more visitors to the area.

SR 150 and SR 126 east of SR 150 are currently designated as Eligible State Scenic Highways. To emphasize the scenic value of Heritage Valley, Santa Paula could work cooperatively with Ojai and Fillmore to achieve official Scenic Highway designation for these highways. According to Caltrans, a scenic highway can create a positive image for a community, preserve and protect environmental assets and encourage tourism.

Policies

- EDD 1.1 **Support existing businesses.** Support existing businesses within the community, including home-based businesses.
- EDD 1.2 **Business attraction.** Seek to attract new businesses that will help to diversify the local economy in sectors such as health care, and biomedical research and manufacturing, environmental technology, communications, business services, education, software development, agricultural industry support, agricultural research, and visitor-serving uses associated with the Heritage Valley.



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EDD 1.3 **Promote tourism.** Promote tourism and development of visitor-serving facilities.

EDD 1.4 **Promote film-making in Santa Paula.** Enhance Santa Paula's reputation as a film making location.

Programs

EDD 1.a **Economic Development Coordinator.** Designate an Economic Development Coordinator to facilitate all of the City's economic development efforts and assist businesses in obtaining City permits.

EDD 1.b **Economic base study.** Prepare an economic base study to identify business sectors with greatest potential for expansion in Santa Paula and implement a business retention, marketing and recruitment program to attract those businesses.

EDD 1.c **Business expansion.** Work cooperatively with current Santa Paula employers to identify ways the City can facilitate expansion of those businesses.

EDD 1.d **Promote business and tourism.** Work cooperatively with local organizations representing all business and ethnic interests to develop a program to promote business and tourism in Santa Paula, including strategies such as:

- Continue to promote Downtown as an historic and entertainment district.
- Promote Santa Paula as a film-making location.
- Promote Santa Paula's railroad, airport, museum, and agricultural attractions.
- Develop attractions such as farmers markets, arts and crafts fairs, agricultural exhibits or museum, farm tours, antique airplane and car museum, and a tourist trolley.
- Work jointly with the UC Hansen Agricultural Research and Extension Center, the County of Ventura, the City of Fillmore and private interests in the Santa Clara River Valley to create an Agri-tourism Strategic Plan for the Heritage Valley.
- Work jointly with the County of Ventura, the City of Fillmore and the City of Ojai to prepare a scenic corridor protection program for SR 126 (between SR 150 and the eastern Ventura County line) and SR 150 and the attainment of official scenic highway designations for those highways under the California Scenic Highway Program.

EDD 1.e **Adaptive reuse of older buildings.** Encourage recycling of older buildings for use by businesses or mixed uses.



EDD 1.f **Financing for business expansion.** Work cooperatively with local business and local financial organizations to ensure the availability of adequate financing to support business expansion in Santa Paula.

2. Expand Economic Opportunity

The policies and programs intended to grow the economic base as described in the previous section will also benefit Santa Paula residents by increasing job opportunities and wages. Business development programs are most successful when they are supported by complementary efforts to increase the skill level of the labor force through education and training. In addition to providing more local employment opportunities, higher workforce skill levels lead to higher wages for Santa Paula residents, which in turn leads to higher tax revenues.

Expanded employment opportunities and skill levels is facilitated by effective collaboration between business, government, and educational institutions. New employment opportunities may come from diversifying into new business sectors or through entrepreneurial expansion within Santa Paula’s traditional economic sectors. In addition, Santa Paula’s employment growth will be affected by its quality of life and its desirability as a place for workers to live and businesses to locate.

Many of Santa Paula’s residents are employed in agriculture and retail businesses. These sectors often pay lower wages than jobs in the professional services and manufacturing industries. SCAG’s 2040 demographic forecast expects that Santa Paula will add 3,900 jobs between 2012 and 2040, an increase of 50%. Previous studies have identified Santa Paula as a competitive location for business clusters, including agriculture, communications, machinery, biomedical sciences, plastics, environmental tourism, business services, health care, and education/training. An employment forecast prepared in 2016 by ADE, Inc. for Ventura County to the year 2040 expects the highest job growth to occur in the following fields:

1. Health Care and Social Assistance
30,000 jobs
2. Educational Services
20,000 jobs
3. Retail Trade
17,000 jobs



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4. Professional, Scientific, and Technical Services
11,000 jobs
5. Accommodation and Food Services
8,000 jobs

Education and vocational training programs can help Santa Paula capitalize on the growth anticipated in the higher-skill sectors. Better training leads to higher earnings, more discretionary income, and higher tax revenues for the City. Improving the skill level of the labor force requires access to state-of-the-art education, job training programs, and collaboration between government, business, and educational institutions. Higher education can take many forms including traditional academic programs, vocational and specialized training, focused certificate programs, online courses, and on-the-job training. A well-qualified and productive labor force is a key factor in attracting new businesses to the community and expanding economic opportunities for Santa Paula residents. Opportunities for higher paying jobs in high-skill industries will be enhanced by the availability of industrial land, as described in the [Land Use Element](#).

Policies

- EDD 2.1 **Job training.** Encourage local businesses and educational institutions to expand job training and apprentice programs for Santa Paula’s workforce.
- EDD 2.2 **Educational opportunities.** Encourage educational institutions, such as community colleges and private secondary schools, to locate or expand in Santa Paula.

Programs

- EDD 2.a **Education and training.** As part of the City’s economic development program, work cooperatively with local businesses and educational institutions to expand education and training programs that will enhance job skills needed to support current and future businesses in Santa Paula.

3. Enhance Fiscal Sustainability

Fiscal sustainability requires that City revenues are sufficient to fund public services. Two of the primary sources of revenues for most California cities are property tax and sales/use tax. Because these two funding sources comprise such a large portion of City revenues, increasing property values and taxable sales are essential to the long-term provision of quality public services. An effective fiscal strategy must also consider long-term economic trends. According



to the U.S. Census Bureau, total online retail sales in 2017 accounted for about 9% of all sales compared to less than 1% in 2000.

Fiscal sustainability also requires that the City provide public services in a cost-effective manner. Options that must be considered include public-private partnerships, outsourcing, and contracting for service with other public entities. For example, in 2017 the City determined that the most cost-effective method of providing fire protection in Santa Paula will be through membership in the Ventura County Fire Department.

New development also requires the construction of infrastructure and public facilities. Development impact fees are collected to defray the cost of infrastructure needed to serve new development. Under California law, development impact fees are limited to the cost of providing new or expanded facilities needed to serve the development. As growth takes place, whether infill or expansion, property tax and sales tax revenues will increase along with the new service demands that come with the addition of new residents and businesses.

Maintaining a healthy balance between revenues and public service expenses requires an effective strategy. Compact development minimizes infrastructure cost by reducing the per-capita cost of streets and utilities; therefore, infill development on vacant lots or underutilized properties is generally a cost-effective form of development. Infill development can also bring more customers to the Downtown and nearby businesses, thereby increasing property values and sales tax revenue.

Development in the expansion areas should be planned in a manner that has a positive fiscal effect on the City. New development within these areas should not only cover the initial infrastructure costs but should also generate sufficient revenues needed for long-term operation/maintenance and public services. While land in the residential expansion areas may not be used as intensively as in Santa Paula's older neighborhoods, anticipated development could attract higher-income families with greater disposable income resulting in greater per-capita sales tax revenue.

Industrial and office development also contribute to increased property values and sales tax revenue. This occurs primarily through job creation, which expands overall disposable income and local spending. An adequate supply of sites for employment-generating uses is essential for fiscal sustainability. In general, the City benefits fiscally when existing commercial and industrial land is used efficiently, generating more jobs and income per acre.



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Because fiscal sustainability is such an important issue this Economic Development and Downtown Element includes a commitment to prepare and periodically update a citywide fiscal impact analysis to help guide major land use, infrastructure and public service decisions.

Policies

EDD 3.1 **Monitor fiscal conditions.** Regularly monitor and assess the City's fiscal conditions to help evaluate major land use, infrastructure and public service decisions.

Programs

EDD 3.a **Citywide fiscal analysis.** Prepare and periodically update a citywide fiscal impact study to help guide major land use, infrastructure and public service decisions.

EDD 3.b **Streamline permit processing.** Streamline City permit processes while ensuring quality development.

EDD 3.c **Provide adequate infrastructure.** Identify, monitor, and address resource and infrastructure issues (such as housing, health care, infrastructure and public services) that may be limiting economic expansion in Santa Paula.

EDD.3.d **Business forum.** Establish an on-going business forum between City officials and local businesses to collaborate on plans, policies, and budget items.



C. Downtown Revitalization

A vibrant Downtown core is a key ingredient of Santa Paula’s economic sustainability. The vision for Downtown is one that is alive with people enjoying meals in restaurants, visiting shops, and strolling on sidewalks throughout the day and into the evening. It is a place where residents feel a strong sense of community and visitors can experience the authentic small-town charm that is often missing from their daily experience. A successful downtown is a place that is full of what international architect Jan Gehl calls “staying activities” that invite people to stop and spend time. The number and frequency of staying activities is a measure of the vibrancy of a street or district.

Interest in helping Downtown Santa Paula realize its full potential remains strong. From 1995 to 2017, the City facilitated several planning efforts for the Downtown – the 1996 Downtown Improvement Plan, the 2004 Downtown Improvement Plan (an update to the 1996 Plan), a 2012 study conducted by City and Regional Planning students and faculty from Cal Poly San Luis Obispo, and a 2017 Downtown Action Plan. The 2017 Downtown Action Plan was designed specifically to help guide the Downtown Revitalization component of the 2040 General Plan. Findings and recommendations from the 2017 Downtown Action Plan have been incorporated into the policies and programs of this Economic Development and Downtown Element as well as the [Land Use Element](#). Specific programs to support Downtown revitalization build upon all of these previous studies.

The 2017 Downtown Action Plan notes that most successful downtown revitalization programs address multiple components, including physical design, organization, marketing and promotion, and economic restructuring. These are also the components of the Main Street Revitalization model endorsed by the California Main Street Alliance (CMSA) and Main Street America. CMSA has over 50 member cities in California, and Downtown Santa Paula is a prime candidate for designation as a Main Street district under the CMSA program. The following discussion highlights the key components of the Main Street Revitalization model.

Capitalizing on Physical Assets

Downtown Santa Paula has many physical and visual assets that set it apart from other downtowns, such as its authenticity represented in the many historical structures. These buildings are unique assets that are nearly impossible to replicate in new developments. For visitors, Santa Paula provides an opportunity to step back to an earlier time, and for residents Santa Paula is the traditional small-town community that newer suburban developments often seek to emulate but cannot match. Santa Paula is also blessed with its agricultural



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heritage and beautiful setting between the Topatopa and Santa Susana Mountains. Geographically, the city lies at the edge, but still within, one of the largest metropolitan areas in the nation.

These physical assets contribute to the economic potential of Downtown and should be preserved and enhanced. Their stewardship is comprehensively addressed in the policies and programs of both the [Land Use Element](#) and this Economic Development and Downtown Element. For the Downtown, policies include protection of historic structures, design guidelines for new buildings, enhancement of the pedestrian street environment, promotion of mixed-use development, and mitigation of land use conflicts.

Building Organizational Effectiveness

Sustainable revitalization efforts depend on creating a strong organizational foundation including effective partnerships and community involvement in support of the Downtown. As noted in the Downtown Action Plan, a key strategy is to organize Downtown merchants “under one banner” solely focused on Downtown. This creates a focused Downtown organization that embraces the variety of business types and ethnicities. A non-profit Main Street entity could be empowered to organize and promote festivals, events, and other Downtown activities and work alongside the Chamber of Commerce.

Projecting a Compelling Image

Projecting a compelling image of Downtown Santa Paula requires marketing and promotion. The positive small-town image cherished by Santa Paula’s citizens is largely unknown to most Southern Californians. While serving the needs of local residents should remain a high priority, the Downtown also needs visitors to maximize its potential. Local marketing efforts should reinforce Downtown’s role as the heart of the community, while a regional marketing campaign can showcase Santa Paula’s unique characteristics and attract visitors. Festivals, events, and tourism marketing are some of the ways Downtown customer traffic can be increased. Promotion also involves projecting an enticing image to local shoppers, visitors, investors, and prospective Downtown residents who could play a key role in sustaining local service-based businesses.

Enhancing Economic Competitiveness

While Downtown Santa Paula has undeniable charm, to fully realize its economic potential it must also be competitive in a changing economy. With the growth of suburban shopping malls and “big box” retailers, most historic downtowns have survived by transitioning from



the retail heart of the community to more emphasis on entertainment. Recruiting new businesses, sharpening the competitiveness of existing businesses, and putting vacant or underutilized space to more productive use will be high priorities for the Downtown in the coming decades. Additional strategies include targeted recruitment of complementary businesses, capital incentives and streamlined City permit processes for new and expanding businesses, and a supportive environment for entrepreneurs that drive the Downtown economy.

Policies

- EDD 4.1 **Enhance Santa Paula’s image.** Maintain and enhance Santa Paula’s reputation as a unique and distinctive place in the Southern California area.
- EDD 4.2 **Downtown organization.** Support the establishment of a Main Street organization to coordinate Downtown revitalization and promotion efforts and provide on-going City support to the organization.
- EDD 4.3 **Land use policies.** Implement the Downtown land use and development policies contained in the [Land Use Element](#).

Programs

- EDD 4.a **Downtown Coordinator.** Designate a Downtown Coordinator within City government to serve as the primary liaison between City departments and Downtown property and business owners.
- EDD 4.b **Business improvement district.** Continue to support the Downtown business improvement district (PBID), based upon the California Main Street Alliance Model, to coordinate Downtown business development and marketing efforts.
- EDD 4.c **Downtown strategic plan.** Work with the Downtown BID to prepare a detailed Strategic Plan for the Downtown. Potential strategies that should be considered in the Plan include:
- Conduct an economic study to identify potential gaps and opportunities in current Downtown business segments and establish a focused business retention, expansion, and recruitment program targeting desired businesses that are under-represented.
 - Create a Downtown Entertainment District with an attractive, culturally diverse mix of dining, retail, entertainment activities to draw local residents



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and visitors to the Downtown on a regular basis during daytime and evening hours.

- Promote residential/commercial mixed-use development in the Downtown.
- Identify additional physical improvements that would enhance Downtown building facades, streetscapes, public and private signage, and parking areas.
- Identify events and activities that will bring residents and visitors to the Downtown throughout the year.
- Develop a coordinated marketing program for the Downtown in collaboration with other business organizations in Santa Paula and surrounding areas.
- Allow development of City-owned parking lots in the Downtown area with high-quality mixed-use projects that provide affordable and market-rate housing and adequate parking for the new mixed-uses and public parking.
- Establish an Art in Public Places program to incorporate public art into a variety of spaces including streets, public plazas, building facades, and other locations in proximity to the Downtown area. Increase funding for public art in the Downtown through grant programs or award competitions.
- Develop an urban plaza in the downtown to serve as a community gathering and performing place.
- Develop a plan to promote and enhance Veterans Memorial Park as a gathering place.
- Improve and maintain lighting and safety measures (electronic surveillance) in the alleys and parking lots adjacent to Main Street.