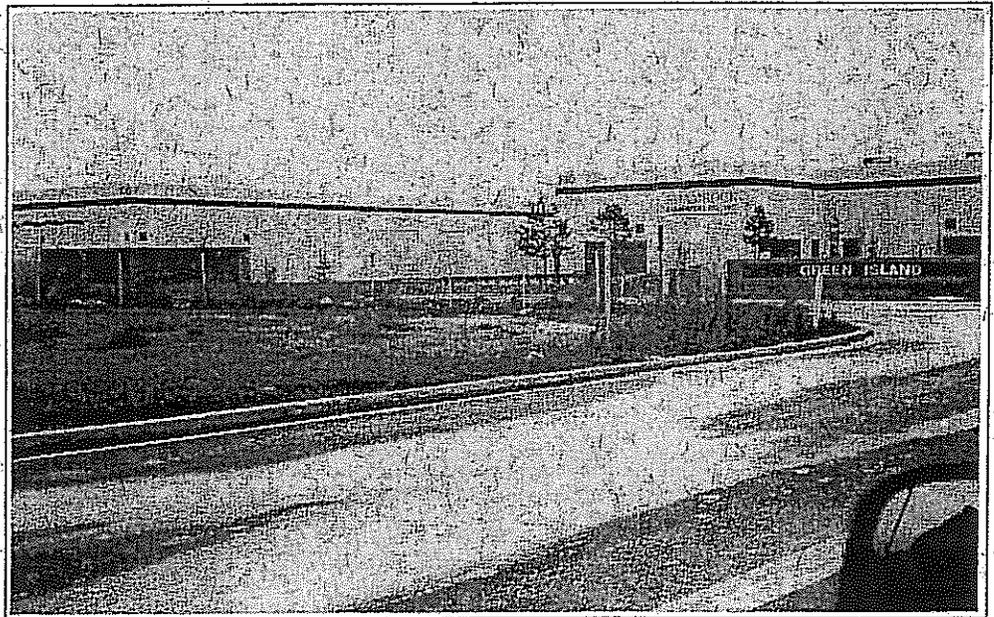


Economic Development Element



STATUTORY REQUIREMENTS

In addition to the seven mandatory elements, other optional elements may be included in a City's General Plan. The California Government Code Section 65303 states:

The General Plan may include any other elements or address any other subjects which, in the judgment of the legislative body, relate to the physical development of the county or city.

American Canyon's Economic Development Element is just such an optional chapter. It is specifically concerned with the identification of a strategy to address development potentials that will broaden and stabilize the City's economic base, and its goals and policies are formulated to provide new policy direction for the City and the planning area.

Once adopted, this element will have the same legal status as any of the mandatory elements. Additionally, other state requirements pertaining to the mandatory elements, such as internal consistency, also apply to the optional element.

OPPORTUNITIES AND CONSTRAINTS (ISSUES)

POPULATION GROWTH AND RESIDENTIAL DEVELOPMENT

The population of the City is projected to increase steadily from approximately 8,900 in 1995 to 15,300 by 2010, or at an annual average rate of growth of 3.7 percent over the fifteen year period. Between 1995 and 2010, the Association of Bay Area Governments (ABAG) projects that the number of households in the City will increase at an annual average of 161 households or 3.9 percent. Generally, residential development represents a net drain on City funds in that the cost of services such as police, fire, and city administration is more than the revenue from residents' property and transfer taxes and fees. To ensure that the cost of municipal services does not outpace revenue generation, the City must phase and balance residential development with industrial and commercial development.

The City will remain a small-sized city in terms of population through year 2010. This presents both an opportunity and a constraint: the City can preserve its small town atmosphere but it also has to continue to rely on neighboring cities for certain retail commercial services until it gains enough population to support a resident-serving shopping center. For instance, a major grocery store anchor generally requires at least 15,000 people within a defined area, generally within six minutes driving distance. Such a population does not exist within City boundaries, although the City's population combined with the immediately adjacent Vallejo neighborhoods does exceed this threshold and may be an important factor in locating a shopping center within the City.

LIMITED MARKET POTENTIAL FOR REGIONAL RETAIL/COMMERCIAL DEVELOPMENT

Over the next few years, market conditions are not likely to be suitable for the development of large retail complexes in the City. Besides insufficient population support, the City faces stiff competition from new retail centers immediately south on Highway 29, in Vallejo. In addition, Highway 29 traffic counts are higher north of the Highway 12 intersection than they are in American Canyon. For these reasons, it will be more challenging for the City to attract value-oriented, big box retailers, as well as factory outlets.

HIGHWAY-ORIENTED, LOCAL-SERVING RETAIL DEVELOPMENT

The current constraints on locating a major retail development in the City does not preclude the immediate possibility of small scale commercial development along Highway 29. The existing commercial uses are predominantly auto-oriented, sited to attract commuter traffic on Highway 29. The City would benefit from additional uses which would take advantage of tourism or commuter traffic. These retail uses would also serve local residents. Needless to say, the types of uses the City allows along this commercial corridor should be consistent with the image it wants to create. The more flexible the zoning, the more opportunities for varying types of commercial development, which the City may or may not want to encourage.

BUSINESS PARK AND INDUSTRIAL MARKET SHARE

The industrial economic base is very important to American Canyon. The City's proximity to the Napa County Airport and the existing rail line provide further opportunities to expand the City's industrial base. Projections of continued demand for industrial space in the next decade, particularly for land with less restrictive zoning, such as the Green Island Industrial Park area, present an ongoing opportunity for the City. The availability of land at reasonable prices positions the City to capture a portion of the regional demand for industrial space.

For the next few years, regional demand is projected to average a modest 150,000 to 200,000 square feet per year. Demand should increase to 300,000 to 500,000 square feet per year once the national and regional economy improves. South County is projected to capture at least 75 percent of this regional demand. American Canyon could capture up to half of South County industrial growth if the City upgrades infrastructure in the Green Island Industrial Park and annexes and provides services to the undeveloped sites on the north side of Green Island Road.

The demand projections stated above do not include the eventual closure of the Mare Island Naval Shipyard, which will decidedly impact the supply/demand dynamics of industrial land in the region. The City will need to monitor the reuse alternatives under consideration.

Over the long run, while the Green Island Industrial Park area is only 50 percent developed with approximately 100 acres remaining, the City needs to consider acquiring more industrial land to participate in the growth projected for South County in the next two decades. The area north of the current City boundary, which could easily be served by Green Island Road, is a logical expansion area and should be proposed to the Local Area Formation Commission (LAFCOM) as part of a comprehensive revision to the City's Sphere of Influence and boundaries.

VARYING TYPES OF HOUSING DEVELOPMENT

American Canyon enjoys an ongoing demand for housing, particularly for relatively affordable housing as compared to housing in the region. With annexation eastward and northward within the water service area, American Canyon could also incorporate development parcels for higher income housing, perhaps including golf-oriented communities.

TOWN CENTER DEVELOPMENT

The City currently does not have a Town Center. Designation of the basalt plant area to be a government center and a commercial core will provide at least one stimulus for further development in the long term.

SMALL BUSINESS OPPORTUNITIES

Economic vitality is not necessarily linked only with larger businesses and big box retail. The City is establishing a base of diverse small businesses. The City should adopt policies and programs to continue and reinforce this trend.

OVERVIEW OF ECONOMIC DEVELOPMENT POLICY

It is the intent of this section of the Economic Development Element to define a set of policies that will guide the City's elected leadership and management in the formation of deliberate initiatives for the maintenance and enhancement of the community's economic development. Policies stated in this section contain a direct relationship to the desired goals of the community as well as the identified issues in the preceding subsection. These policies are the legislative tools that the City can utilize to achieve American Canyon's vision for the future.

The economic development policies address the following issues:

1. Maximizing the City's market potential and provide opportunities for new jobs.
2. Generating cumulative growth which provides net fiscal gains.
3. Generating ongoing industrial growth and maintaining current activity to provide ample employment opportunities for residents.
4. Creating a Town Center as a commercial and government area which will establish the City's identity and image.
5. Increasing tourist-supported commercial activity that would also serve residents to capture potential expenditures and tax revenue.
6. Creating a proactive and efficiently run City government that is responsive to the needs of targeted businesses.
7. Promoting commercial recreation activities that provide for sustainable and environmentally positive economic activity.

GOALS, OBJECTIVES AND POLICIES

The following lists the goals, objectives, and policies for economic development in the City of American Canyon. Implementing programs are referenced at the conclusion of each policy by a capital "I" and a number in parentheses and are described in the last subsection of the Element.

ECONOMIC DEVELOPMENT OVERVIEW

Goal

- 3 Provide for the economic needs of American Canyon residents by capitalizing on the marketability of the City's industrial land and promoting a mix of uses which create quality jobs and foster fiscal stability.

Objective

- 3.1 Maximize the City's market potential in terms of industrial/business park and community-serving commercial activity. Increased industrial activity can be a catalyst for broadening the City's economic base by providing quality jobs and tax revenues, as well as, stimulating infrastructure improvements.

Policies

- 3.1.1 Adopt a Land Use Map which designates acreage for heavy industrial, light industrial/business park, commercial, and recreational commercial activities. (I 3.1)
- 3.1.2 Initiate strategies to market for, attract, and/or accommodate new activity as defined in the Economic Development policies under Objectives 3.3 through 3.9. (I 3.1 through I 3.6, and I 3.8)
- 3.1.3 Seek to expand the City's economic base and development opportunities through planned annexation program that is linked to the General Plan and Land Use Plan. (I 3.2)

Objective

- 3.2 Promote growth that generates net positive fiscal impacts to the City to ensure that municipal services keep up with growing demand.

Policies

- 3.2.1 Evaluate the need for, and implement as necessary, a fiscal impact analysis as part of the Project Development Review process for certain types of projects. The purpose is to provide input into assessment of Citywide impact of development activities and to determine what costs to the City, if any, may be subject to mitigation. (I 3.4 and I 3.5)
- 3.2.2 Monitor the fiscal impact of the mix of development proposals and activity on an annual basis to determine the optimal phasing of new

development, according to its net positive or negative fiscal impact. In addition to monitoring the fiscal impact by type of development, the fiscal impact of development in different locations should be monitored. The purpose of such monitoring efforts is to ensure that the costs of services are balanced with revenues generated on a recurring basis. (I 3.4 and I 3.5)

- 3.2.3 Periodically assess the structure of utility rates, business license taxes, and user fees to ensure that such rates and fees cover the true cost to the City. (I 3.4 and I 3.5)

Objective

- 3.3 Expedite the growth of job-generating, quality businesses by streamlining City application procedures.

Policies

- 3.3.1 Establish a standard performance base for new uses. If a proposed use conforms to established standards, eliminate or reduce the level of discretionary review process. (I 3.4 and I 3.8)
- 3.3.2 Eliminate the use permit requirements for occupancy of existing buildings, except in cases where the proposed use is more intensive than what was permitted previously. (I 3.4 and I 3.8)
- 3.3.3 Maintain occupancy permit requirements for new and existing buildings to monitor zoning compliance and business activity within the City. (I 3.4 and I 3.8)
- 3.3.4 Create a one stop permit processing system for high priority development applications. (I 3.8)
- 3.3.5 Prepare and print brochures that clearly define the development review process to the public. (I 3.7)

INDUSTRIAL ACTIVITY

Goal

- 3A Generate new industrial growth through diversification of the industrial base and maintenance of current activity to provide employment opportunities for residents and generate fiscal revenues for the City.

Objective

- 3.4 Increase the number of firms within the industries now represented in the City and capture new, clean, nonpolluting industries that are stable and compatible with City needs in terms of traffic, air quality, and employment.

Policies

- 3.4.1 Establish a marketing program to identify desired industrial activity that may include the development of promotional brochures that explain positive aspects of living/working in American Canyon and discuss the availability of City assistance programs; direct marketing to firms in targeted industries, and; advertising in trade journals. (I 3.4, I 3.6, and I 3.7)
- 3.4.2 Establish design and FAR standards for industrial buildings which will create and maintain an attractive image for American Canyon's industrial areas without imposing overly restrictive regulations. (I 3.1)
- 3.4.3 In partnership with land owners and tenants, improve the infrastructure (particularly access across the North Slough drainage channel and the railroad) in the Green Island Industrial Park and Annexes and expand infrastructure services to the undeveloped sites on the north side of Green Island Road to link the two industrial areas and provide land use and design continuity to both sides of Green Island Road. (I 3.4)
- 3.4.4 Pursue available state grants that would assist the City and private property owners in enhancing infrastructure in the industrial areas. (I 3.4)
- 3.4.5 In the future, consider amendments to the General Plan that designate new lands for a higher quality corporate park development. (I 3.1 and I 3.2)

Objective

- 3.5 Make available sufficient acreage in order to capture the City's fair share of regional industrial growth through the year 2010.

Policies

- 3.5.1 Designate a sufficient amount of land to accommodate the projected growth in demand for industrial space by 2010. (I 3.1)
- 3.5.2 Work with the County and LAFCOM towards modifying the City's sphere to include areas on the north side of Green Island Road and south of the airport for future industrial development within the City. (I 3.2)
- 3.5.3 Consider the viability of designating a portion of the area shown as "Special Study" for higher quality industrial and business park uses. (I 3.1 and I 3.2)

RETAIL AND OFFICE COMMERCIAL ACTIVITY

Goal

- 3B Improve the appearance and functionality of the Highway 29 corridor and establish a Town Center to provide for economically sound local-serving commercial development, for both shopping and tax revenue opportunities.

CITYWIDE

Objective

- 3.6 Attract new retail development to meet the needs of the current and projected population, as well as to retain potential sales tax revenue in the City. Encourage the development of local-serving office space.

Policies

- 3.6.1 Designate a sufficient amount of land for local-serving retail commercial and professional office development. (I 3.1)
- 3.6.2 Provide and promote opportunities for uses which capitalize on the City's proximity to the wine country and the airport, as well as take advantage of the City's natural resources. Consider tourist-supported commercial activities, such as a wine train depot, winery outlets, hotel, and golf course. (I 3.6)
- 3.6.3 Consider the use of redevelopment authority to consolidate land and create more developable parcels. (I 3.4)
- 3.6.4 Diversify by attracting, promoting, and retaining small businesses, establishing the City's niche as a provider of specialty stores and a broad range of services. (I 3.6 and I 3.7)
- 3.6.5 Establish an outreach program to encourage existing businesses that are in conformance with the General Plan to remain in or at their current locations. Maintenance of the retail opportunities now available is key to retaining the economic viability of the Highway 29 commercial corridor. (I 3.7)
- 3.6.6 Modify existing zoning regulations as necessary to encourage long-term retention of high sales tax generating uses, such as lumber yards. (I 3.1)
- 3.6.7 Increase the flexibility of industrial zoning regulations to allow for certain types of specialty retail uses that are compatible with industrial uses. (I 3.1)

HIGHWAY 29 CORRIDOR

Objective

- 3.7 Enhance the City's existing tax base through the improvement and maintenance of the Highway 29 commercial corridor.

Policies

- 3.7.1 Adopt a Specific Plan for the Highway 29 commercial corridor and Town Center to guide future developments. Provide for a cohesive urban design which creates and maintains an attractive image to ensure that the City captures its full potential share of market demand. (I 3.1)

- 3.7.2 Provide for small scale commercial development that would serve residents as well as take advantage of tourism or commuter traffic. (I 3.6)
- 3.7.3 Encourage the clustering of commercial activities along Highway 29 in conformance with the Land Use Element to provide more attractive and cohesive facilities while minimizing potential circulation conflicts. (I 3.1)
- 3.7.4 Encourage small business startups and specialty retail uses by minimizing regulatory barriers, such as unnecessary use permit procedures. (I 3.6 and I 3.8)

CREATION OF A TOWN CENTER

Objective

- 3.8 In the long term, improve and strengthen the City's identity through the creation of a Town Center as a principal government and commercial center.

Policies

- 3.8.1 Designate an area as the principal government and commercial center. Designate a sufficient amount of land to accommodate future demand for neighborhood and community-serving retail and commercial development. (I 3.1)
- 3.8.2 Adopt a Specific Plan for the designated Town Center (in conjunction with the Highway 29 Plan) to serve as a guide for future developments. Provide for a cohesive urban design which reflects the image and identity the City would like to project. (I 3.1)
- 3.8.3 Encourage the development of small specialty stores in the designated Town Center to promote a small community atmosphere. Assist in identifying sources of financing for small business. (I 3.4 and I 3.6)
- 3.8.4 Periodically assess market conditions, including population growth in the City and neighboring Vallejo and when appropriate, establish an aggressive marketing program to effectively compete with neighboring cities to attract desired commercial uses. The marketing program shall involve direct solicitation of developers and headquarters of chain stores, explanation of potential assistance programs, and explanation of market support. (I 3.6)
- 3.8.5 Encourage the development of uses in the designated Town Center area (e.g., theater complex, auditorium, cultural entertainment, dining, retail, or other) that would draw residents, promote foot traffic and provide evening activity. (I 3.6)

COMMERCIAL RECREATION ACTIVITY

Goal

3C Generate new economic activity by linking the City's physical resources with commercial recreational opportunities.

Objective

3.9 Increase the number of economic activities related to commercial recreation.

Policy

3.9.1 Encourage the development of commercial recreation opportunities that capitalize on the City's physical resources and provide positive community economic multipliers. Establish land use strategies that encourage the development of a golf course, including the annexation of the American Canyon Country Club site; wetland center; river access; use of the area between the Eucalyptus Grove and Oat Hill for overnight lodging and other recreational related uses; foothills access; and recreation vehicle/tent camping facilities. (I 3.6)

IMPLEMENTATION PROGRAMS

The following lists the programs which implement the economic development policies contained in the preceding subsection of the plan. The capital "I" and number preceding each program are referenced by the policies which they implement.

SECURE SUFFICIENT ACREAGE AND GUIDELINES FOR PHYSICAL DEVELOPMENT

- I3.1 Adopt the **Land Use Plan Map** and revise the Zoning Ordinance to be consistent with the General Plan, as detailed in the Land Use Implementation Programs. This ensures that a sufficient amount of land is designated to accommodate projected economic activity through 2010.
- I3.2 Annex urbanized and urbanizing areas adjacent to the City's boundaries in an orderly progressive sequence.
- I3.3 Establish Zoning regulations that set forth expedited review procedures for uses primarily permitted in a commercial or industrial zone district. For example, eliminate use permit requirements for certain types of commercial uses in the commercial zone districts.
- Responsibility:** American Canyon City Council/Planning Department
Funding Source: City of American Canyon General Fund and/or other available funding sources approved by the City
Schedule: Within 18 months of General Plan adoption per state law or as funding permits

COORDINATE CITY ECONOMIC DEVELOPMENT EFFORTS

- I3.4 Designate a position within the City to function as an economic development manager. Place this position within a department/office that allows for focused economic development activities, and formalize the goals of this position, which shall include the following:
- a. The preparation and promotion of marketing programs to solicit new industrial firms, retail outlets, hotels and similar uses desired by City residents.
 - b. The preparation and implementation of a business retention program to keep retail and industrial businesses in the City and, where appropriate, in their current general location.
 - c. The preparation of procedures for expediting the development review process in response to specific development requests, to effectuate the City's interest in attracting new business.
 - d. The preparation of procedures for maintaining the flow of relevant information to all active city agencies, departments and organizations.

- e. The preparation of periodic reports to the City Council for informational purposes.
- f. The preparation of evaluations of the fiscal impacts of development.
- g. The identification and coordination of sources of financing for infrastructure improvements.
- h. The preparation of procedures for implementing redevelopment tools to acquire land or develop properties in Redevelopment Areas.

Responsibility: American Canyon City Council/City Manager

Funding Source: City of American Canyon General Fund and/or other available funding sources approved by the City

Schedule: Within 24 months of General Plan adoption or as funding permits

MONITOR AND ADJUST FOR FISCAL IMPACTS OF ECONOMIC DEVELOPMENT

I 3.5 The City shall determine a threshold project size for new development, above which a fiscal impact analysis is required. The City shall use the computer model developed for the General Plan to analyze the potential project-specific fiscal impacts and determine what costs to the City, if any, may be subject to mitigation. The cumulative impacts of development over time, i.e., the sum of all project-specific outputs, shall also be monitored. Based on the results of such monitoring efforts, the City shall determine which or what kind of activities, if any, should be encouraged or delayed (according to their net positive or negative fiscal impact) over the next time period. The purpose of ongoing fiscal evaluations is to ensure that the recurring costs of municipal services are balance with recurring revenues generated.

In order to reflect the actual one-time costs of permit issuance, the City shall periodically adjust development project permit fees.

Responsibility: Planning Department

Funding Source: Privately initiated: Development application fees
City Initiated: General Fund

Schedule: Administration: Ongoing, as projects are submitted and as funding permits
Permit Fee Adjustments: Periodically as needed or as funding permits

NEW BUSINESS MARKETING PROGRAM

I 3.6 A marketing program shall be developed by the economic development manager described in I 3.4, aimed at capturing new retail facilities and industrial activity. The program will involve the following steps:

- a. Identify target industries, i.e., stable, clean, nonpolluting, sustainable, growth industries that are compatible with City needs in terms of traffic and air quality requirements.
- b. Focus on industries that capitalize on the City's proximity to the wine country, the airport, and the rail lines, as well as industries which value the natural resources the City has to offer.
- c. Actively include small business startups and specialty retail businesses in the recruitment program.
- d. Develop promotional brochure and materials in coordination with other active agencies and organizations.
- e. Develop a regional/national/international master list of firms within the target industries to contact through the marketing campaign and update list on an annual basis.
- f. Undertake mailings to, and personal contact with, firms in the targeted industries to establish and maintain an awareness of available opportunities in American Canyon; advertise in relevant trade journals and publications.
- g. Maintain liaisons with real estate brokers, industrial and retail associates, etc., as sources of news of interest on the part of specific firms, as well as to maintain an awareness of the City's general interests. Convey the City's specific interest in particular areas such as the South County industrial area, Highway 29 and Highway 12 commercial corridors.
- h. Solicit developers with experience in mixed-use and/or specialty development projects in established areas of small cities. Contact other cities to obtain contacts.
- i. When market conditions are favorable, pursue an aggressive marketing campaign involving mailings to, and personal contact with, targeted retail outlets and community-serving commercial developers to establish and maintain an awareness of available opportunities in American Canyon. Opportunities to focus on include growth in demand, income level and available sites.
- j. Prioritize target development activities for which incentive programs will be offered/utilized.

Responsibility: City Manager/Planning Department

Funding Source: City of American Canyon General Funds, tax increment revenue generated by corresponding redevelopment projects and/or any other funding

Schedule: Ongoing in concert with the designation of a City staff member as an Economic Development Manager or as funding permits

BUSINESS RETENTION PROGRAM

- I 3.7 The economic development manager shall develop a business retention program aimed at maintaining the existing and future retail and industrial base through the following steps:
- a. Develop a list of industrial firms currently located in the City through a door-to-door survey, and update list on an annual basis. (Since it is usually not possible to determine exactly what a particular firm does from business license listings, conducting a door-to-door survey is a more effective method of ascertaining a company's line of business.)
 - b. Provide for an ongoing relationship with existing firms and retail outlets to monitor their needs and concerns and to determine which needs and concerns can be addressed by the City. This can be achieved through regular, informal meetings between City representatives and local firms and a proactive relationship with the Chamber of Commerce.
 - c. Establish a liaison with the local merchants' associations and Chamber of Commerce, to identify issues of concern, if any, within the retail community.
 - d. Through the local merchants' associations and/or the Chamber of Commerce, maintain and enhance a series of coordinated, promotional annual calendar of events, such as open air markets, running races, Kid's Day, etc., that will draw Citywide attention to commercial areas.
 - e. Implement an outreach program to retain existing businesses and promote the addition of new businesses.

Responsibility: American Canyon City Council and Planning Department (Economic Development Manager)

Funding Source: City of American Canyon General Fund and/or other available funding sources approved by the City

Schedule: Within 18 months of designating an Economic Development Manager or as funding permits

COORDINATED PERMIT PROCESSING/STREAMLINED REGULATIONS

- I 3.8 The City shall coordinate permit processing and streamline its regulatory procedures to promote the development of its commercial and industrial areas. This includes the following actions:
- a. Create a one stop review permit processing system that assures proactive review of priority development applications in desired areas.
 - b. Assign a specific staff member to coordinate the permit process for high priority development applications.
 - c. Prepare brochures that clearly define the development review process to the public.

Responsibility: City Manager/Department Heads
Funding Source: City of American Canyon General Fund/Development Fees
Schedule: Within one year of the General Plan's Adoption

GLOSSARY

Neighborhood Retail

Provides for the sale of convenience goods (foods, drugs, and sundries) and personal services (laundry, dry cleaner, barber, shoe repair, etc.) for the day-to-day living needs of the immediate neighborhood. It is built around a supermarket as a principal tenant. In theory, the neighborhood center has a typical gross leasable area of 50,000 square feet but may actually range from 30,000 to 100,000 square feet.

Community Retail

Provides a wider range of facilities for the sale of apparel, hardware, and appliances. It is built around a junior department store, variety store, or discount department center as the major tenant, in addition to a supermarket. Its typical size may range from 100,000 to 400,000 square feet of gross leasable area.

Regional Retail

Commercial uses which cater to more than just the local community. It provides for general merchandise, apparel, furniture, and home furnishings in depth and variety, as well as a range of services and recreational facilities. It is built around one or two full-line department stores of generally not less than 100,000 square feet. Its typical size range from 300,000 to 850,000 gross leasable area. These retail uses will draw from the "region" and commonly have greater visibility (i.e., seen from the freeway).

Gross Leasable Area (GLA)

Is the total gross floor area designed for tenants' occupancy and exclusive use. It is the area for which tenants pay rent and the area the produces income.

Floor Area Ratio (FAR)

Is the total gross area of a building floor space, excluding basements, balconies and stair bulkheads on a lot divided by the total area of that lot.