Mayor's Economic Development Task Force Special Meeting Agenda

October 14, 2014
4:00 p.m.
City of Turlock Yosemite Room
156 S. Broadway, Turlock, California

Chair
Sharon Silva

Vice-Chair
Mike Brem

Task Force Members

Rich Borba
Chris Borovansky
Michael Camara
Jeff Chapman
Jaskaran Dhesi
Eric Gonsalves
Julio Hallack
Benjamin Hector
Jennifer Helzer
Matthew Jacob
Diana Lynn Kaysen
Kris Klair
Yates McCallum
Richard Mowery
Jessie Orosco
Gil Perez
Jim Reape
Ram Saini
Larry Smith
Jan Tucker
Anokeen Varani
Ed Yonan

Other Representatives

Gokce Soydemir CSUS
Kim Whitcomb Alliance

Council Representatives
John Lazar, Mayor
Amy Bublak, Councilmember
(Alternate Member)

City Manager
Roy W. Wasden

City Attorney
Phaedra A. Norton

Assistant to the City Manager for Economic Development/Housing
Maryn Pitt

Task Force Secretary
Stacey Tonarelli

NOTICE REGARDING NON-ENGLISH SPEAKERS: The Mayor's Economic Development Task Force meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

EQUAL ACCESS POLICY: If you have a disability which affects your access to public facilities or services, please contact the Secretary at (209) 668-5540. The City is committed to taking all reasonable measures to provide access to its facilities and services. Please allow sufficient time for the City to process and respond to your request.

NOTICE: Pursuant to California Government Code Section 54954.3, any member of the public may directly address the Task Force on any item appearing on the agenda, including Consent Calendar and Public Hearing items, before or during consideration of the item.

AGENDA PACKETS: Prior to the Mayor's Economic Development Task Force meeting, a complete Agenda Packet is available for review on the City's website at www.cityofturlock.org and in the City's Administrative Office at 156 S. Broadway, Suite 230, Turlock, during normal business hours. Materials related to an item on this Agenda submitted to the Task Force after distribution of the Agenda Packet are also available for public inspection in the City's Administrative Office. Such documents may be available on the City's website subject to staff's ability to post the documents before the meeting.

1. CALL TO ORDER

2. CITIZEN PARTICIPATION:

This is the time set aside for members of the public to directly address the Task Force on any item of interest to the public, before or during consideration of the item, that is within the subject matter jurisdiction of the Mayor's Economic Development Task Force. You will be allowed three (3) minutes for your comments. If you wish to speak regarding an item on the agenda, you may be asked to defer your remarks until the Task Force addresses the matter.

No action or discussion may be undertaken on any item not appearing on the posted agenda, except that Task Force may refer the matter to staff or request it be placed on a future agenda.

3. STAFF UPDATE:

A. Economic Development Update *(Pitt)*

4. DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATIONS:

5. CONSENT CALENDAR:

Information concerning the consent items listed hereinbelow has been forwarded to each Task Force Member prior to this meeting for study. Unless the Chairman, a Task Force Member or member of the audience has questions concerning the Consent Calendar, the items are approved at one time by the Task Force. The action taken by the Task Force in approving the consent items is set forth in the explanation of the individual items.

A. *Motion*: Accepting Minutes of Regular Meeting of June 3, 2014; Minutes of Regular Meeting July 1, 2014

6. SCHEDULED MATTERS:

A. Request to accept the final draft of the 2014 Economic Development Strategic Plan and recommend approval by City Council. *(Pitt)*

Recommended Action:
Motion: Accepting the final draft of the 2014 Economic Development Strategic Plan and recommend approval by City Council

7. TASK FORCE ITEMS FOR FUTURE CONSIDERATION:

8. ADJOURNMENT:

Note:

The Economic Development Strategic Plan will be presented to City Council at the October 28, 2014 Council meeting. All Mayor's Economic Development Task Force members are invited to attend and be acknowledged for your efforts.

JUNE 3, 2014
4:00 p.m.
City of Turlock, Yosemite Room
156 S. Broadway, Turlock, California

DRAFT

MINUTES
Regular Meeting
Mayor's Economic Development Task Force

---

1. **CALL TO ORDER** – Chairperson Sharon Silva called the meeting to order at 4:08 p.m.
PRESENT: Task Force Members: Mike Brem, Vice Chair, Michael Camara, Benjamin Hector, Jennifer Helzer, Diana Lynn Kaysen, Kris Klair, John Lazar, Mayor, Richard Mowery, Jessie Orosco, Jim Reap, Larry Smith, Roy Wasden, City Manager

ABSENT: Task Force Members: Amy Bublak (*Alternate Member),* Jeff Chapman, Chris Borovansky, Rich Borba, Gil Perez, Eric Gonsalves, Matthew Jacob, Yates McCallum, Ram Saini, Jan Tucker, Anokeen Varani, Ed Yonan

California State University Stanislaus Representative: Gokce Soydemir
Alliance Representative: Kayla Whitcomb

2. **CITIZEN PARTICIPATION:** None

3. **STAFF UPDATES:**

A. Economic Development Update *(Pitt)*

Ms. Pitt updated the Task Force members on various economic development activities including site tours at Lock-n-Stitch and Foster Farms, Expansion options for Sensient Technologies and discussions with a nut inventory management company interested in the Turlock Regional Industry Park.

4. **DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATION:** None

5. **CONSENT CALENDAR:**

Action: Motion, seconded, and unanimously carried to adopt the consent calendar as follows:

A. *Motion*: Accepting Minutes of Regular Meeting of May 6, 2014

6. **SCHEDULED MATTERS:**

A. Review of 2014 Economic Development Strategic Plan *(Pitt)*

Ms. Pitt reviewed the 2014 Economic Development Strategic Plan draft with revisions to the goals and discussed presentation to City Council.

B. Sub Committee Breakout Sessions

- Business Attraction
- Business Retention
- Marketing

Chairperson Sharon Silva excused the Task members to breakout into their sub committees to review the goals and identify additional strategies relevant to their sub groups if necessary.

7. TASK FORCE ITEMS FOR FUTURE CONSIDERATION:

8. ADJOURNMENT:

Chairperson Silva adjourned the meeting at 5:05 p.m.

RESPECTFULLY SUBMITTED

Stacey Tonarelli
Task Force Secretary/
Deputy City Clerk

DRAFT

JULY 1, 2014
4:00 p.m.
City of Turlock, Yosemite Room
156 S. Broadway, Turlock, California

DRAFT

MINUTES
Regular Meeting
Mayor's Economic Development Task Force

---

1. **CALL TO ORDER** – Chairperson Sharon Silva called the meeting to order at 4:11 p.m.
PRESENT: Task Force Members: Mike Brem, Vice Chair, Mayor John Lazar, Rich Borba, Michael Camara, Benjamin Hector, Diana Lynn Kaysen, Richard Mower, Jessie Orosco, Jim Reape, Jan Tucker

ABSENT: Task Force Members: Amy Bublak (*Alternate Member),* Chris Borovansky, Jeff Chapman, Jaskaran Dhesi, Eric Consalves, Juilio Hallack, Matthew Jacob, Jennifer Helzer, Kris Klair, Yates mcCallum, Gil Perez, Ram Sani, Larry Smith, Anokeen Varani, Ed Yonan

California State University Stanislaus Representative: Gokce Soydemir
Alliance Representative: Kayla Whitcomb

2. **CITIZEN PARTICIPATION:** None

3. **STAFF UPDATES:**

A. Economic Development Update *(Pitt)*

Ms. Pitt updated the Task Force members on various economic development activities including Monte Vista Crossings new tenants update on opening dates and employment hiring and discussions on the Turlock Regional Industry Park.

4. **DECLARATION OF CONFLICTS OF INTEREST AND DISQUALIFICATION:** None

5. **CONSENT CALENDAR:**

No Action

A. *Motion*: Accepting Minutes of Regular Meeting of June 3, 2014

6. **SCHEDULED MATTERS:**

A. Review of 2014 Economic Development Strategic Plan *(Pitt)*

Ms. Pitt reviewed the 2014 Economic Development Strategic Plan draft with revisions to the goals and discussed presentation to City Council.

B. Sub Committee Breakout Sessions

- Business Attraction
- Business Retention
- Marketing

7. TASK FORCE ITEMS FOR FUTURE CONSIDERATION:

8. ADJOURNMENT:

Chairperson Silva adjourned the meeting at 5:25 p.m.

RESPECTFULLY SUBMITTED

_____

Stacey Tonarelli
Task Force Secretary/
Deputy City Clerk

DRAFT

2014 Economic Development Strategic Plan

City of Turlock

Final Draft- October 2014

Acknowledgements

City Council

Mayor John S. Lazar

Vice Mayor Forrest White

Councilmember Amy Bublak

Councilmember Bill DeHart

Councilmember Steven Nascimento

Mayor's Economic Development Task Force

Sharon Silva (Chair) Mike Brem (Vice-Chair)

Rich Borba, Chris Borovansky, Michael Camara, Jeff Chapman, Jaskaran Dhesi, Eric Gonsalves, Julio Hallack, Benjamin Hector, Jennifer Helzer, Mathew Jacob, Diana Lynn Kaysen, Kris Klair, Yates McCallum, Richard Mowery, Jessie Orosco, Gil Perez, Jim Reape, Ram Saini, Jim Shade, Larry Smith, Jan Tucker, Anokeen Varani, Ed Yonan

A special thanks to Dr. Gokce Soydemir, CSU Stanislaus and the Stanislaus Business Alliance for their participation and contributions to this Strategic Plan

City of Turlock Staff

Roy Wasden, City Manager

Phaedra Norton, City Attorney

Maryn Pitt, Assistant to the City Manager for Economic Development and Housing

Stacey Tonarelli, Deputy City Clerk

A special thanks to the CSU Stanislaus Interns who assisted on this project:

Karuna Kapula, Rafael Vega, Rozet Eisavitazehkandi, Kristyna Fitch, Preeti Chadha, Kiran Badial

DRAFT

Table of Contents

Mayor's Message ***4***

Report Scope and Summary ***5***

Report Objectives and Scope ***5***

Mayor's Economic Development Task Force ***6***

Background ***7***

Summary of Findings and Recommendations ***8***

Economic Profile and Competitive Assessment ***9***

Economic Profile *9*

Competitive Economic Strengths *10*

Competitive Economic Weaknesses *12*

Economic Development Opportunities and Targets *13*

Regional Target Industries and Clusters

Business and Industry Opportunities and Targets *18*

Strategic Goals, Objectives, and Action Plan ***19***

Goal 1. ***Fully improved sites and buildings will be available for businesses to start up, expand and relocate in Turlock.*** ***19***

Goal 2. The Turlock economic development partners will work in a coordinated manner to increase job opportunities in the city through the agriculture, manufacturing, logistics and medical services cluster. ***20***

Goal 3 – Downtown Turlock will be the business, cultural and civic center of the city. ***21***

Goal 4. The community will host of wide variety of tourism, community and sporting events and activities. ***21***

DRAFT

Goal 5 – The City of Turlock will support entrepreneurial and small business activities. *22*

Goal 6 – Our educational system will build a citizenry which is prepared for the 21st century workforce. *23*

Goal 7 –Turlock will be a leader in the Central Valley in access to art, music and other cultural events. *24*

Five-Year Action Plan Background

Implementation Strategies

Benchmarking and Monitoring Progress

New Directions

DRAFT

A Message from the Mayor

A new day is dawning in Turlock. Our City has awakened with the hope that surrounds a new morning and the opportunities it brings. There is a new attitude at City Hall. Bold new ideas are emerging. Old divisions are being bridged. The City's growth and development are being reinvigorated. Turlock is a City on the Move.

Economic development is more than just infrastructure, jobs, and buildings. It is a pathway to self-sufficient neighborhoods and a fiscally sound City. As the economy continues to improve in the coming years, it is essential that Turlock is recognized for its assets and is known as a welcoming and effective city in which to conduct business. Our Turlock Regional Industrial Park is a unique asset with which we can uniquely market ourselves as the Silicon Valley of Food processing.

This Economic Development Strategic Plan is a purposeful, concentrated effort to achieve this vision with a focused use of the City's resources. The Plan's activities will result in strategic projects that are intended to have a catalytic effect on Turlock's overall economy and City revenues. At the same time, the workforce development partnerships and the community events will help to ensure that economic growth is leveraged to create opportunities and lifestyle improvements for Turlock's residents, and to develop quality, good-paying jobs available to a well-prepared and educated workforce.

Economic Development is the responsibility of our Turlock City Council, staff and our community partners. It is truly a team sport. In order to have the strong presence needed to leverage the economic rebound, all of us my embrace an economic development perspective in all that we do, and be willing to proactively coordinate efforts efficiently and effectively across organizations.

I want to thank the Mayor's Economic Development Task Force for it dedication and tireless efforts over this nine month period. I would like to recognize Turlock Chamber of Commerce CEO Sharon Silva for her leadership in chairing the task force as well as to express my appreciation to Planning Commissioner Mike Brem for serving as the Vice Chair.

We look forward to working with all of our partners to make this Plan a reality, and to achieving a model outcome for others to emulate.

Mayor John Lazar

DRAFT

2014 Vision

We will support an economically and socially diverse population, and a vibrant business community through partnerships and by fostering development that offers people the ability to live and work in Turlock.

Report Objectives and Scope

In the Mayor's State of the City Address in 2013, he called for a renewed effort for a community based collaborative economic development strategic plan to better assess and address current and future economic development efforts. This report was done by City staff with the invaluable contributions and participation of the Mayor's Economic Development Task Force.

Objectives of the Plan are to position the City for long range economic growth by attracting new business and industry and to increase the visibility of Turlock in a crowded and competitive economic development marketplace. This initiative was made possible with assistance and cooperation from the Stanislaus Business Alliance and CSU Stanislaus' Business Department.
The Strategic Plan report is presented in four sections. Section 1, Report Objectives and Scope, which includes a summary of findings and recommendations.

Section 2, Economic Profile and Competitive Assessment, presents a review of the economic characteristics of Turlock in relation to understanding and assessing impediments to and needs for economic growth and development in Turlock. Competitive strengths and weaknesses are also identified and evaluated in Section 2, including review of assets and attributes that make Turlock an attractive location for economic growth and review of liabilities and shortcomings that may hinder the City in attracting and sustaining economic growth.

Section 3, Economic Development Opportunities and Targets, identifies and profiles several types of business and industry for which the Turlock area is well suited and can become more competitive. Long-range economic development goals and objectives and a short-term five-year action plan are presented in Section 4, Strategic Goals, Objectives, and Action Plan.

DRAFT

Mayor's Economic Development Task Force

The purpose of the Mayor's Economic Development Task Force was to identify strategies to make Turlock a stronger economic competitor. The Task Force was a collaborative effort involving private citizens, local government, the business community, and economic professionals.

This effort was intended to combine the latest research and practices on successful approaches to economic vitality with strategies focusing on business retention, business expansion, and business recruitment. By committing to economic growth and competitiveness, the community is sending a clear message of support for sustainable job creation and improved quality of life for all residents. Ultimately, we envision a community that remains is a highly desirable place to live, work, and play.

The Task Force was comprised of key stakeholders who provide leadership and direction by identifying best practices and policy considerations for the public and private sectors and monitoring the effectiveness of the effort. The Task Force fills a critical role in representing the interests of various community stakeholders; it is also a deliberate effort to involve them in mapping the needs, strategies, and impact of the work that is done.

DRAFT

Background

Turlock's economy has traditionally been based on agriculture, agriculture-related industries (primarily food processing), and other manufacturing. Its location in the heart of the San Joaquin Valley, home to some of the most fertile farmland in the world naturally led to Turlock's agricultural heritage and employment base.

Over the past 50 years, Turlock's population has grown from 9,000 in 1960 to 70,000 today. The economy has shifted to focus on schools, government, and service businesses to serve the population. The largest single employer is now the Turlock Unified School District. The largest industry sectors are state and local government (15 percent), retail (14 percent), manufacturing (14 percent), health care and social assistance (12 percent) and accommodation and food services (10 percent). These activities will likely remain the strongest components of the city's job base as the population continues to grow.

The City of Turlock has, in media reports, referred to ourselves as the "Silicon Valley of Food Processing", which has received some notoriety. The Food Processing Industry is a mature sector of the economic landscape that loosely tracks underlying demographic trends, such as population and

income growth. Companies generate revenue from the sale of food and ingredients to a whole host of customers, ranging from supermarket chains and local vendors to restaurants and even overseas customers.

This economic sector is praised by both economists and investors for its ability to deliver consistently positive investment returns. Indeed, over the past 20 years, Food Processing stocks have, on average, delivered high single-digit annual total returns, with much less volatility than other market segments. Turlock believes it is well positioned to take advantage of its strengths and build upon this strong existing industrial food processing base to attract other potential companies.

Business Outlook

According to Dr. Gökçe Soydemir, the Foster Farms Endowed Professor of Business Economics at California State University, Stanislaus and a member of the Mayor's Economic Development Task Force, who has released a midyear update to his third annual Business Forecast Report in May 2014, which was originally published in December. Among the highlights from Soydemir's findings in this midyear update include:

- Total employment in the Valley registered slightly above 1.6 million in 2013, with construction employment growing the fastest and retail trade employment showing the most remarkable growth. Soydemir said the total employment growing by 1.63 percent was typical long-term behavior, making steady increases likely over the next two years. Some employment areas, like the information, government and financial activities sectors, are not expected to improve as quickly.

- Home values continue to climb sharply, increasing by more than 18 percent in 2013. While significant increases are expected to continue — with a projection of 20 percent annually through the first half of 2016 — they are likely to settle into a steadier rate of growth in the years to follow. Housing permits also grew significantly in 2013, and foreclosures dropped to pre-recession levels and are projected to remain low.

- While employment in the Valley has shown strong growth, the same cannot be said for wages. After posting increases of 2.02 and 1.55 percent in 2011 and 2012, respectively, average weekly wages in the Valley dropped by 0.04 percent in 2013. Projections for the next two years point to small increases of about 0.15 percent per year.

- Bank deposits continued to grow at a steady rate of 4.64 percent in 2013, similar to the growth rates of 2011 and 2012. While still below the 10-year benchmark rate of 7 percent, the 2013 growth was significant enough to extend loans and leases to finance

DRAFT

continuing economic recovery in the Valley.

- Incoming numbers as of the first quarter of 2014 have not reflected the impact of drought to a significant degree. However, the impact is already being felt in higher meat and dairy prices at the grocery store. With conditions already bad, another year of drought may derail farm-related business indicators.

Planning Context

The Economic Development Strategic Plan contains recommendations for citywide economic development strategies that can be implemented in coordination with the neighborhood specific strategies in collaboration with residents, property owners, businesses, CSU Stanislaus, the Chamber of Commerce, Turlock Visitors and Convention Bureau as well as the Stanislaus Alliance. The Plan draws background information and policies from the following documents:

- Economic Development Element of the Turlock *General Plan 2013* - a plan that shapes the way that the City of Turlock will look, function, provide services, and manage resources for the next 20 years.

- *Economic Development Strategic Plan*, *2003*, the City's prior economic strategy report.

DRAFT

Assessment

The 2014 Economic Development Strategic Plan builds upon the 2003 Plan which was a project undertaken by the City of Turlock, Stanislaus Alliance (then known as the Economic Development and Workforce Alliance) using ESI Corporation as Consultants and funded by a grant from the California Department of Housing and Community Development, Jobs to Housing Balance Improvement Grant Program.

The new 2014 has been driven by community involvement and support. The last task force has assessed the best parts of the 2003 plan and has made changes based on where the City of Turlock's Economic Development is today.

The City recognizes that while its location in the Central Valley lends many advantages in job attraction, it is also a competitive environment. Many similar cities in the Valley possess the same assets—central location, available inexpensive land, freeway and rail access—and therefore Turlock must build upon its unique strengths and differentiate itself from its neighbors.

Strength's to Leverage

Turlock's strongest assets for economic development include:

Turlock is home to CSU-Stanislaus, a four-year public university campus with approximately 6,800 full-time equivalent students. Disciplines seeing the most significant growth include business, health sciences and services, psychology, security and protective services, agriculture, and biomedical sciences. Similarly, Turlock has a well-educated workforce, with education levels exceeding those of Stanislaus County overall (23 percent of Turlock residents had a bachelor's degree or higher in 2007, versus 16 percent countywide).

Adoption of the Westside Industrial Specific Plan (WISP) in 2006, which allocated over 2,600 acres for industrial and business park development on the west side of Highway 99. Through development of the TRIP, Turlock aims to enable significant industrial development and improve the jobs-housing balance in the area. The plan covers land use regulations, design guidelines, and phasing. Through the creation and nurturing of an 'Agri-Science' industry cluster, which would include biotech, life sciences, and agri-business, the Turlock Regional Industrial Park aims to create a "bridge" for Turlock's current agriculture and manufacturing industries to transition to newer products and technologies.

A strong existing food processing sector currently exists and includes such large employers as Foster Farms, Sensient Flavors, Blue Diamond Growers, Supherb Farms, and Consolidated Dairies Industries and Mid-Valley Dairy. These businesses form an "anchor" and may help attract similar establishments by appearing as a long-time successful industrial node.

Strengths to Leverage

- ***Recycled Water Availability***
- ***Untapped skilled labor leaving the area***
- ***CSU Stanislaus***
- ***Proximity to Highway 99***
- ***Low cost land available***
- ***Water availability***
- ***Wastewater capacity***
- ***Competitive power costs***
- ***Unique and inviting downtown***
- ***Active Chamber of Commerce***
- ***Quality of Life - Regional serving parks, art facilities and recreation opportunities***

Emanuel Medical Center, with its 209-bed acute care hospital, 145-bed skilled nursing facility, 49-bed assisted living facility, and outpatient medical offices for primary care on Colorado Avenue and Monte Vista Avenue, is both a community and a regional asset and a source of high paying, high-skilled jobs.

Recycled Water Availability – the City of Turlock participates as a member of the North Valley Regional Recycled Water Program (NVRRWP) which is designed as a regional solution to address California's water crisis by making tertiary-treated recycled water available to the drought-impacted west side of several California counties (Stanislaus, San Joaquin, and Merced Counties) for farmland irrigation. Under the current plan, the NVRRWP could produce and deliver up to 32,900 acre-feet per year of tertiary-

treated recycled water -- worth an estimated total annual economic output of $67.5 million - to the drought-impacted west side of the San Joaquin Valley. This water can be used to irrigate food crops, public and privately owned landscaping, and for industrial uses. Participants in the NVRRWP currently includes the Cities of Modesto, Ceres, Turlock, Stanislaus County, and the Del Puerto Water District on the west side of the San Joaquin Valley. Modesto and Turlock currently produce recycled water and provide wastewater treatment for communities in Stanislaus County. The Cities of Modesto and Turlock have committed funding to the NVRRWP ($32.8 million for Modesto and $38 million for Turlock's tertiary treatment and pipeline design). The economic benefits of the NVRRWP are substantial. The project will provide irrigation for approximately 10,966 acres of prime agricultural land with an estimated total annual income of $29 million. The $29 million total annual income is estimated to generate an additional $67.5 million per year to the region's economy in indirect and induced impacts (this is based on an economic analysis completed by the University of the Pacific's Dr. Jeffrey Michael using the IMPLAN model). The five-year cumulative economic value to the region is expected to be $206.5 million. The NVRRWP is estimated to create approximately 572 on-going jobs (this number does not include the project-related construction jobs) to an area that has a 17.2% unemployment rate. The environmental benefits are also significant. The project will reduce the reliance on unsustainable area groundwater supplies south of the Delta and on pumped Delta water supplies.

Skilled outbound commuting population that could be employed locally

Like many Valley communities, Stanislaus County has seen the trend of single occupancy commuting increase. According to data collected by the StanCOG Traffic Model Program, Stanislaus residents are far more likely to travel to work alone by automobile than any other mode of transportation, and a major shift in this trend is not expected over the life of the plan.

Although many jobs were added in Stanislaus County over the past decades, the lucrative job opportunities and the high housing costs of the Bay Area continue to exacerbate the jobs-housing imbalance in Stanislaus County. *At least 15,000 Stanislaus County residents are estimated to commute by car over the Altamont Pass each day.*

As a primarily agricultural/suburban county, travel is predominantly automobile-oriented, and this trend is not likely to change in the near future. However, rail transportation is starting to emerge in California as a way to move people. Also, in recent years, transit has been given a stronger emphasis in the region, and many new features and services have been and are being added. The region's highway network provides east-west and north-south connection to major metropolitan markets in California and beyond. The most important routes are State Route 99 (SR-99) and Interstate 5 (I-5). Other state routes include SR-4, 33, 108, 120, 132, 165, and 219.

Labor availability is above average (except skilled)

The unemployment rate in the Stanislaus County was 10.2 percent in August 2014, down from a revised 11.4 percent in July 2014, and below the year-ago estimate of 12.0 percent. This compares with an unadjusted unemployment rate of 7.4 percent for California and 6.3 percent for the nation during the same period.

In Turlock, specifically, 54.1% of the workforce has a high school diploma or less. This statistic demonstrates an available labor pool that can accommodate employment opportunities that are either non skilled or semi-skilled. It also suggests that there may be collaborations and partnership to be formed to address this labor pool and meeting the needs of both current and future employers for such trades as mechanic, electricians, plumbers and other trades.

CSU Stanislaus

CSUS is a four-year public university campus with approximately 6,800 full time equivalent students. Disciplines seeing the most significant growth include business, health sciences and services, psychology, security and protective services, agriculture, and biomedical sciences. Similarly, Turlock has a well-educated workforce, with education levels exceeding those of Stanislaus County overall (23 percent of Turlock residents had a bachelor's degree or higher in 2007, versus 16 percent countywide).

Local Freight Rail

Rail facilities are located throughout Turlock and the San Joaquin Valley. Many of these facilities provide for long distance movement of goods. In particular, several facilities owned by UP and BNSF stretch for significant lengths north-south through the Valley. These are connected at locations up and down the Valley by several shorter lines, owned, leased, and/or operated by a number of different companies, such as the San Joaquin Valley Railroad.

Central California is a major corridor for freight/goods movement. The highway system, and in particular State Route 99, is at times overwhelmed with truck traffic. In 1992, Caltrans District 6

DRAFT

prepared a report titled *Freight Movement in the San Joaquin Valley*. The report identifies key issues relating to goods movement and concludes "...modifying truck traffic demand over state highways by encouraging alternatives to highway freight movement. A logical alternative especially to long haul freight through the San Joaquin Valley would be to take advantage of available capacity on rail mainlines."

In 2000, the counties of the San Joaquin Valley in conjunction with Caltrans, hired the consulting firm Cambridge Systematics, to conduct the "San Joaquin Valley Goods Movement Study". This study noted that trucking is the dominant mode for moving freight, while rail accounted for 11% of the total tonnage. Rail was also found to be important for long-haul shipments of certain key commodities. Less than 25% of shippers surveyed currently use rail services and only one third of those indicated that their rail usage was likely to grow. The decline in rail shipments since 1993 may have been attributable to rail network mergers and acquisitions. Many rail shippers looked for alternative shipping options during this time and found it difficult to locate enough boxcars to meet their needs. Both the Cities of Fresno and Bakersfield have looked at consolidation and relocation of rail yards in their downtowns during this period.

Unique and Inviting Downtown Turlock

The downtown core is anchored by City Hall, and home to historic building stock, which over the last several years has implemented streetscape and public realm improvements, and a number of restaurants and specialty shops. The Downtown Property Owners Association is actively involved in the betterment and continued development of Downtown and works closely with the City. As the economy has recovered, the downtown core has developed into both a business hub as well as a shopping and dining destination. While there had been previous efforts launched to develop a Branding, Development, and Marketing Action Plan, the new direction of downtown has been driven by the private sector. The synergy of a destination location of shopping and dining continues to evolve.

Youth Activities and Sports

With the increased use of the Regional Sport Park, Turlock has become a center for youth sports competitions attracting teams from across the State. This activity has had noticeable positive "spin-off" impacts, providing business for hotels and restaurants. With the establishment of more community parks through 2030, as well as increased utilization of the County Fairgrounds, Turlock can further establish itself as a youth and amateur sports destination.

DRAFT

Competitively priced electricity

Turlock's homes and businesses receive electric power from the Turlock Irrigation District (TID), which offers power at significantly lower rates than many other providers. For many industrial users with large power needs, such as cold storage facilities this is a significant asset.

An active Chamber of Commerce

The Turlock Chamber of Commerce, comprised of over 500 members, plays an active role in advocating for business interest and a strong local economy. The Chamber facilitates networking and business opportunities amongst its members, and it maintains a strong working relationship with the City.

Available water and wastewater treatment capacity

With the development and recent upgrade of the Turlock Regional Water Quality Control Facility (TRWQCF), Turlock is well positioned to accommodate future growth in the residential, commercial and industrial sectors. The TRWQCF now produces recycled water suitable for reuse in city landscaping and in industrial processes. The current and planned treatment facilities will occupy less than half of the facility's 140 acre site, allowing for amply future expansion.

Land available at low cost

Not only does the TRIP enable significant industrial development in Turlock, but the specific plan are has ample developable land. Land costs in Turlock are significantly lower than those in coastal California or even the outer edges of the Bay Area; this is the case for both industrial/commercial as well as residential land.

Presence of County Fairgrounds

Turlock hosts the Stanislaus County Fairgrounds, a major asset for business generation and tourist attraction. The Fairgrounds are used not only for the annual County Fair but also for other regional events throughout the year. The County has also expressed interest in expanding the fairgrounds.

Turlock's Challenges

Turlock's economic development strategy must not only capitalize on the City's strengths, but also recognize and address its challenges. Some challenges that Turlock faces regarding economic growth include:

DRAFT

• **Location**. While Turlock is ideally located for distribution to west coast markets, particularly the San Francisco Bay Area, other nearby cities enjoy this same advantage, including Modesto, Manteca, and Lodi. Moreover, Turlock has excellent access to Highway 99 but limited access to Interstate 5. The City cannot change its location, but it can direct its efforts toward economic development that benefits from the City's location but is not entirely dependent upon it. Additionally, planning efforts are underway with Stanislaus County and the City of Patterson to develop West Main Street as an east-west expressway that would connect Turlock more efficiently to I-5.

• **Downtown Turlock**. While Downtown has made great strides in recent years, the current economic downturn has taken a toll on the area's vitality. The deep recession that has affected the entire nation has also impacted Downtown Turlock, raising vacancy rates and turnover in the past few years. The existing stores and the presence of City Hall create activity during the day, but the area experiences less activity at night. More people living close to Downtown, and more active uses in Downtown buildings (or new buildings) would be of great benefit.

• **Lack of linked economic activities**. While Turlock has numerous economic assets and several employers with over 1,000 jobs, they have not attracted a significant amount of linked economic activities – either because they take care of their needs in-house, or because they rely on suppliers and other business outside of Turlock or even the State. Some examples of linked activities and economic synergies do exist such as between the hospital and the university's nursing program but more horizontal and vertical linkages could be made.

• **Social Issues and Public Safety**. Turlock, like many other communities in the Central Valley, struggles with a number of social issues such as homelessness. While the majority of Turlock's neighborhoods are safe and secure, the persistence of some of these social and public safety issues may affect the city's image.

• **Perception of Permit Process for Small Businesses**. Many involved in Turlock's economic development have voiced concern over the City's practices as not being sufficiently business friendly" to attract new employers. Even though the City has made strides in improving its permitting process, some involved in Turlock's economic development voice concern over the perception of the City's practices as not being sufficiently easy and welcoming to attract new employers. Rigid code enforcement for small businesses and renovations were cited as potential problem areas.

• **Transportation and Infrastructure Maintenance**. The City has struggled to maintain the quality of existing city streets that are seeing heavy industrial truck traffic, and those in the

western neighborhoods. Much of this is attributable to fiscal issues. Investment in infrastructure is critical to attracting businesses, but at the same time, the City must maintain a fee structure that requires major users to help pay the way.

- **County Islands.** Turlock has several areas of unincorporated county land surrounded on all sides by the incorporated city, creating "county islands." Because the county is lands are not served by city infrastructure, the lack of improvements and the quality of development is generally below the City's standards and therefore negatively impacts Turlock's image. The City is engaged in developing a strategy with Stanislaus County to incorporate and upgrade these areas.

- **Access and distance to Interstate 5**

Currently, there is not an efficient travel route between State Route 99 and Interstate 5 in the Stanislaus County. StanCOG is initiating a study to investigate traditional and multi-modal corridor alternatives that are not normally considered for rural highways, that would provide for a more efficient east-west transportation route for the movement of goods and people, greater jurisdictional connectivity, a safer travel alternative, an improvement in air quality and noise and an overall improved east-west transportation link for travelers in southern Stanislaus County.

Specifically, the South County Corridor (SCC) generally encompasses the vicinity of West Main Street / Las Palmas Avenue, an east-west corridor in rural Stanislaus County that traverses between the City of Turlock and the cities of Patterson and Newman. The SCC is intended to serve as a connection between State Route 99 and State Route 33 and Interstate 5, in the southern portion of the Stanislaus County. Currently, the road system that connects the east and west portion of the county is generally a 2-lane highway through rural areas; although the facility has 4-lane segments within the city limits of Turlock and 3-lane segments within the city limits of Patterson. The intention of StanCOG and the feasibility study is that the roadway connection is anticipated to be a 4-lane divided expressway.

Economic development policies aim to both leverage the City's assets and address its challenges in order to foster continued economic growth through 2030. The policies presented in this section include specific economic development programs as well as more generalized strategies for improving the City's overall business climate and image, and promote a positive working relationship with the private sector.

DRAFT

Guiding Policies

1. **Support existing businesses.** Retain, improve, and promote existing businesses in Turlock and foster local start-up businesses. (Goal 5)

2. **Attract businesses to serve local residents and regional shoppers.** Attract community-serving retail, and basic industrial and service activities to meet the needs of our residents, while continuing to promote and develop Turlock as a regional shopping destination.

3. **Facilitate new development.** Define clear development standards and process development applications expeditiously. (Goal 5)

4. **Support and maintain Downtown Turlock.** Support and contribute to a clean, safe, pedestrian-friendly, and well-maintained Downtown. (Goal 3)

5. **Strengthen the City's image.** Create an image for Turlock that will help attract and retain economic activity, and proactively market that image regionally and statewide.

6. **Sustain fiscal health.** Ensure the continued economic sustainability of the community and fiscal health of the City government.

7. **Maintain the jobs-workers balance.** Maintain a balance between jobs and the number of employed residents. (Goal 2)

8. **Recognize and promote strength in the food processing sector.** Even as Turlock pursues jobs in new industries, continue to recognize and promote the City's current strength as a food processing center, with a workforce highly skilled in this industry. (Goal 2)

DRAFT

Economic Development Opportunities and Targets

Monitor new industrial trends

Monitor regional, state, and national economic trends in order to identify new and emerging industries suitable for Turlock.

The section evaluates the historical growth and existing composition of both the Turlock and Stanislaus County economy in order to shed light on its competitive position and future prospects. The section concludes with a high and low range employment projection for Turlock

based on countywide forecasts provided by various public and private sources.

Employment by Industry

Modesto currently serves as the primary employment center in Stanislaus County, providing about 70 percent of the total jobs, with Turlock a distant second at about 20 percent . Overall, the key economic drivers in the County are manufacturing, retail trade, and public or non-profit (e.g. health care) related sectors. While the manufacturing sector reflects the regions competitive location and labor force characteristics, the latter two sectors are primarily population driven.

Turlock's employment composition is reflective of the County as a whole. Turlock's major sectors are State and Local Government (15 percent), Retail Trade (14 percent), Manufacturing (14 percent), Health Care and Social Assistance (12 percent) and Hotel and Food Services (10 percent. For the County, Manufacturing and Retail Trade represent the largest employment sectors, followed by "Health Care & Social Assistance" (these three sectors account for about 40 percent of total jobs in Turlock and 45 percent Countywide). In contrast, Manufacturing is less significant in Modesto where Local Government (5.3 percent), Health Care & Social Assistance (14.4 percent), and Retail Trade (13.5 percent) play a predominant role.

The leading employers in Turlock and the County reflect the trends described above. The Turlock Unified School District (TUSD) employs the highest number of employees in the City with 2,200 employees. Emanuel Medical Center is second, with over 1,500 employees. The City's two poultry processing plants, Foster Farms and Valley Fresh Foods, are among the top employers with the City with a total of 1,760 employees. Overall, the top ten employers employ a total of 8,330 employees in the City or close to 30 percent of the total. Four of the top employers within the County are located in the City, which includes California State University (CSU) Stanislaus, Emanuel Medical Center, Foster Farms, and Stanislaus County Community Services. The following appendix provides further detail on the potential expansion and contribution of CSU Stanislaus to the local economy. For the most part historical employment growth has reinforced the economic patterns described above and substantiates the declining importance of agriculture both regionally and locally. Specifically, population driven sectors such as State and Local Government, Health Care & Social Assistance and Accommodations & Food Services have provided the largest contributions to employment growth in Modesto, Turlock and the County as a whole since 2000. Meanwhile, agriculture was the only sector to experience declining employment across all jurisdictions during this period. Turlock also experienced a significant decrease in Management of Companies and Enterprises (with 1,100 jobs) and Construction (with 300 jobs).

DRAFT

Projected Employment Growth

Similar to population, this analysis relies on forecasts provided at the County level by various public and private sources to project City employment. Given the various economic factors that could influence future growth in the City, this analysis relies on these Countywide forecast to provide a high and low range estimate for Turlock and bracket potential outcomes. Again, the actual outcome will depend on a variety of demographic and policy considerations as well as differences between the City and County growth patterns.

Public and private entities posit a number of factors driving job growth in the Central Valley in general and Stanislaus County in particular. According to CCSCE, a significant proportion of the future job growth in the County will be related to providing goods and services to the local and regional population. In other words, growth in the local population and workforce will be an important driver for future employment growth.

According to PPIC, most jobs in South San Joaquin's economy (Fresno, Madera, Kern, Kings, and Tulare) are low-paying, so the area will continue to attract mainly lower-skilled workers and remain competitive for manufacturing. However, North San Joaquin's economy (Merced, Stanislaus, and San Joaquin) will get a boost in economic growth from the continued expansion of educational facilities such as CSU Stanislaus and UC Merced, as well as spill-over from the San Francisco Bay Area economy.

According to StanCOG, the region anticipates more rapid growth in the Service and Retail Trade industry sectors relative to education or other industries. Government jobs are expected to experience minimal growth. Additionally, because of the changing nature of the local economy, StanCOG anticipates unemployment levels will gradually decrease by 2030, and become more reflective of statewide rates. The low and high end employment projections for Turlock developed as part of this analysis is estimated to gain between 17,200 and 35,000 new jobs by 2030. The low end forecast (46,200 total jobs or a 59-percent increase over current levels) assumes the City's percentage share of County employment of 14.3 percent remains constant. The high end forecast (64,000 total jobs by 2030 or a 121 percent increase over current levels) assumes that the change in the City's employment growth rate relative to historic trends will mirror the projected change in the County's employment growth rate.

For both scenarios, County employment growth is based on the average projection figures derived from StanCOG, Caltrans, California Employment Development Department, Claritas, and Woods & Poole Economics, Inc. Although EPS also estimated employment assuming the City maintains a constant jobs-housing balance going forward, this methodology generated

DRAFT

results between the two scenarios.

Employer Name	Industry	Location
CSU Stanislaus Schools-Universities & Colleges	***Academic***	***Turlock***
Carlo Rossi Winery	Wineries (Manufacturers)	Modesto
Con Agra Foods, Inc.	Canning (Manufacturers)	Oakdale
Copperidge Winery	Wineries (Manufacturers)	Modesto
County of Stanislaus	Social Service & Welfare Organization	Modesto
Del Monte Foods Co. Canning	(Manufacturers)	Modesto
Doctor's Medical Center	Hospitals	Modesto
E & J Gallo Winery	Wineries (Manufacturers)	Modesto
Ecco Domani Winery	Wineries (Manufacturers)	Modesto
Emanuel Medical Center	***Hospitals***	***Turlock***
Fairbanks Cellars	Wineries (Manufacturers)	Not Available
Foster Farms Poultry	***Processing Plants***	***Turlock***
Gallo Winery	Wineries (Manufacturers)	Modesto
Hornsby's Pub Draft Cider Ltd.	Nonclassified Establishments	Not Available
Memorial Hospital Emergency	Medical Surgical Service	Modesto
Memorial Medical Center	Hospitals	Modesto
Modesto Bee Newspaper	(Publishers)	Modesto
Modesto Junior College Schools-	Universities & Colleges Academic	Modesto
Peter Vella Winery	Wineries (Manufacturers)	Modesto
Stanislaus County Community Services	Government Offices-County	Modesto
Stanislaus County Community Services	***Government Offices-County***	***Turlock***
Sutter Gould Medical	Physicians & Surgeons	Modesto
Sutter Gould Medical Foundation	Diabetes Information Center	Modesto
Zabaco Winery	Wineries (Manufacturers)	Modesto

Clusters and Cluster Development

In recent years, “cluster strategies” have become a popular economic development approach among state and local policymakers and economic development practitioners. An industry cluster is a group of firms, and related economic actors and institutions, that are located near one another and that draw productive advantage from their mutual proximity and connections. Cluster analysis can help diagnose or refine a region’s economic strengths and challenges and identify realistic ways to shape the region’s economic future. Turlock has recognized the specific clusters that are present in our local community and has sought to build upon those strengths.

It is important to understand what clusters are, why they matter for regional economic development policy, and how to use cluster analysis as a guide to policy and practice. Specifically, the most important aspect of the understanding of clusters in the public policy context are:

DRAFT

1. Clusters are the key organizational unit for understanding and improving the performance of regional economies. The foundation of a regional economy is a group of clusters, not a collection of unrelated firms. Firms cluster together within a region because each firm benefits from being located near other similar or related firms. The firms in a cluster have common competitive strengths and needs.

2. Cluster thinking matters because it orients economic development policy and practice toward groups of firms and away from individual firms. It is more important and fruitful to work with groups of firms on common problems (such as training or industrial modernization) than to work with individual firms. The cluster approach changes how you identify and recruit local industry.

3. Cluster thinking offers important lessons for economic development policy and practice. Cluster thinking teaches policymakers and practitioners to:

    - Build on the unique strengths of their regions rather than try to be like other regions. Different regions have different sets of economic development opportunities. The City of Turlock with its strengths seeks to be the Silicon Valley of Food Processing and build upon that cluster as one of the primary focus areas.

    - Go beyond analysis and engage in dialogue with cluster members. Part of the City of Turlock's business retention efforts with the Stanislaus Business Alliance focuses on how we can identify vendors or suppliers of existing firms to help bring complimentary industry to our community. It is imperative for a local effort to continue to create and maintain an ongoing dialogue with the firms and other economic actors in the cluster. Although the City of Turlock cannot be the exclusive driver of cluster policy, it can play a central role in convening cluster members and working with private-sector cluster organizations.

    - Develop different strategies for different clusters. Clusters vary from industry to industry and from place to place and operate in many different dimensions. Different clusters have different needs. There is no one set of policies that will make all clusters successful. For example, while the City of Turlock intends to build upon the food industry cluster, education and health care are also identified as clusters and require a different approach and capitalize on a different set of strengths.

    - It is imperative for the City of Turlock to foster an environment that helps new clusters emerge rather than creating a specific cluster from scratch. It is important for the City of Turlock and its economic development partners

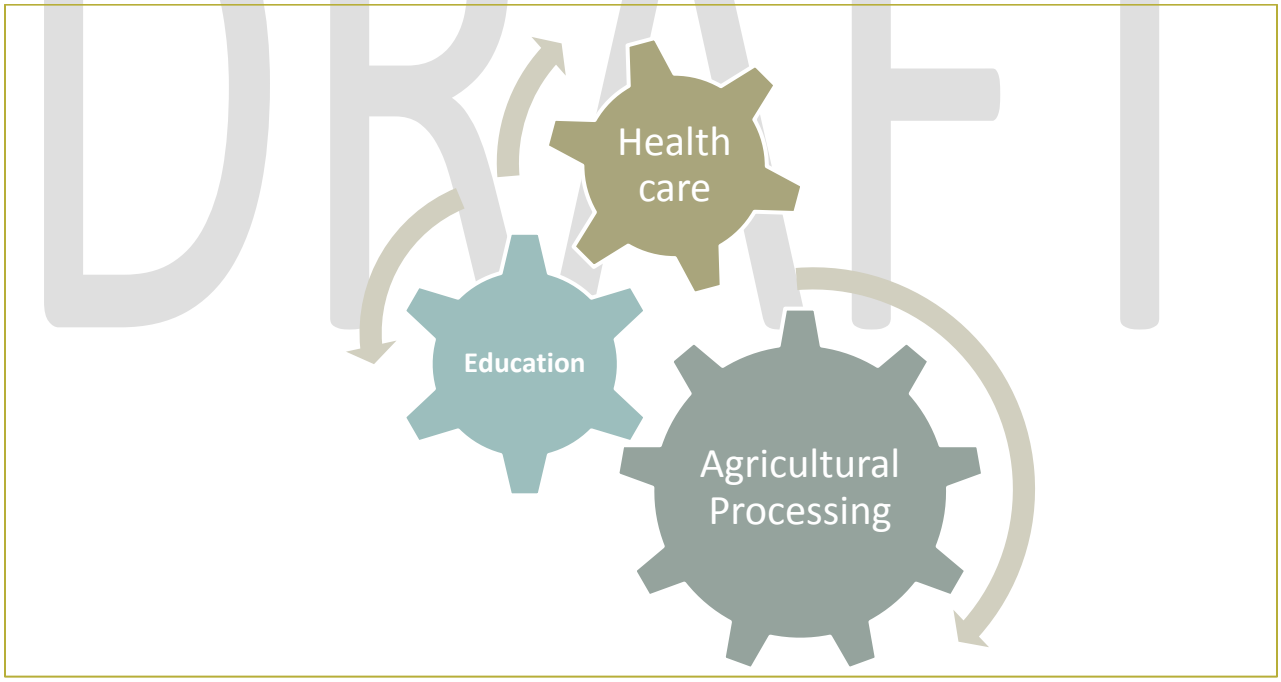
DRAFT

promote and maintain the economic conditions that enable new clusters to emerge. Such an environment might, for example, support knowledge creation, entrepreneurship, new firm formation, and the availability of capital.

An industry cluster strategy allows public agencies to direct resources more effectively and efficiently. Instead of creating myriad programs that meet the needs of individual firms, public efforts can be focused on meeting the needs of many firms with similar issues. The industry cluster approach allows public agencies, such as Turlock, the opportunity to work directly with industries and develop strategies for building a sustainable economy. A cluster strategy does not mean that government turns its back on individual firms that find themselves in a cluster with unique concerns, or exist apart from a cluster altogether. Instead the strategy provides a framework for delivering government services so they have a greater impact.

DRAFT

Recommended Industry Clusters



Clusters must be industry-driven

Government may identify emerging or existing clusters through its study of the economy. However, it does not create industry clusters, nor should it try to lead clusters. Instead, government should try to facilitate the meeting of cluster members, conduct research to help the cluster define itself, and respond to cluster priorities with appropriate and requested

assistance. Furthermore, industry leaders must take the lead role in identifying cluster issues for the strategy to be successful. A cluster is not about industry dictating to government and other service providers. However, industry needs to take the lead in addressing issues and opportunities, while government and others can play a supporting role.

Both government and industry leadership is required

If an industry cluster strategy is to be implemented successfully, high-level industry and government leadership is required. Both industry and government need to be squarely behind the strategy and committed to fulfilling their respective roles. Industry and government leadership will be particularly important to Turlock since, unlike many other communities, that adopted industry cluster strategies, the state is not currently faced with an economic crisis. In other states, both government and industry were eager to work together to help the economy.

In implementing a cluster strategy, continued leadership by government and industry will be required. Industry leaders will need to define their cluster (or agree on a definition of their cluster) and set priorities for the cluster. Government leadership will be required to ensure that agencies respond quickly to industry concerns and that the clusters remain a priority. Top government leadership may also be required to keep industry leaders engaged in the ongoing process.

Cluster strategy cannot be about picking winners and losers

Government may want to start by identifying clusters by a set of criteria, such as employment, earnings, exports, growth, or wages; it should not limit its efforts to these initial clusters. If a cluster can organize itself and demonstrate that it meets the criteria and possesses a viable set of relationships, government should make all efforts to work with it.

Ensure an On-Going Process

A successful industry cluster strategy requires sustained commitment on the part of government, business, and education. The cluster groups should not view their collaboration as a singular event to address a few concerns. Cluster groups should be seen by their participants—and supporting agencies and industries— as an effective way of doing business. The cluster identifies key issues and works on solving them. The cluster also provides a forum for discussion and planning. Through this forum, government will learn about an industry's infrastructure requirements and projected workforce needs, and firms will discover opportunities for mutually beneficial collaboration.

DRAFT

Site Selection Factors

While this plan has identified the need to focus on industry clusters, Turlock must also look at the other elements that are required to market itself to site selectors to identify and work with those industry cluster companies to locate to Turlock. Site selection factors were reviewed and discussed at great length with Mayor's Economic Development Task Force Committee as part of the background for identifying Turlock's competitive economic strengths and weaknesses for attracting and sustaining job-generating and tax revenue-producing business and industry:

Transportation -

Interstate highway access; other streets and highways

Railroads and airports

Utility Systems and Services –

Water supply/waste disposal

Communications/Internet access

Energy services

Labor Availability and Training

Labor force size, unemployment, educational attainment, and skill sets

Workforce training facilities and services

Quality of Life Factors

Primary, secondary, and higher education

Recreation and culture

Health care/medical services

Public Attitudes, Policies, and Practices

Citizen perceptions of and support for growth

DRAFT

Political leadership

Land development and use policies and regulations

Business Cost Factors

Land and building costs

Taxes and financial incentives

Sites, Buildings, and Other Factors

Available sites and buildings -- shovel ready

External perceptions of Turlock

Regional efforts and coordination

Turlock being competitive in any company's site selection process can be directly attributed to the community's ability to deliver on the elements listed above. This effort requires collaboration and leveraging of funds and efforts in order to land those ideal additions to our industry cluster. It is also imperative the Turlock develop the communication mechanism and marketing efforts in order to be prepared to respond to projects and provide detailed and professional information to be used by firms and site selectors to make Turlock competitive in the location evaluation.

Site selectors and brokers, working with clients of all sizes, industries, and functions have articulated that the successful siting of a project begins with a checklist of issues and factors, appropriately weighted and prioritized for the client's specific situation and needs - and the best checklists emanate from strong initial project planning and team organization. Turlock role is to have answer for all of those items on the potential company's check list and answers to all of the questions – either asked or not.

DRAFT

Visioning for the Next Five Years

2014 Vision

We will support an economically and socially diverse population, and a vibrant business community through partnerships and by fostering development that offers people the ability to live and work in Turlock.

Overall Goal	*Continue to develop Turlock as a great place to live and work.*
Site Preparedness	**Goal 1 – Create conditions conducive to attract, retain, and expand existing businesses in Turlock.**
Business Development	**Goal 2** - The Turlock economic development partners will work in a coordinated manner to increase job opportunities in the city through the agriculture, manufacturing, logistics and medical services cluster. **Goal 3** – Downtown Turlock will be the business, cultural and civic center of the city. **Goal 4** – The community will host of wide variety of tourism, community and sporting events and activities. **Goal 5** – The City of Turlock will support entrepreneurial and small business activities.
Education	**Goal 6** – Our educational system will build a citizenry which is prepared for the 21st century workforce.
Quality of Life	**Goal 7 –**Turlock will be a leader in the Central Valley in access to art, music and other cultural events.

Goal 1 – Create conditions conducive to attract, retain, and expand existing businesses in Turlock.

1. (a)Provide an annual report to the City Council which outlines and updates the Council on business attraction, business retention and expansion efforts as well as demonstrates how infrastructure investments over the past year has linked to the City's economic development goals.

(b)Development Services will conduct timely and periodic updates to their development impact fee review/cost of service analysis so Turlock can remain a competitive location for businesses.

2. (a) Actively work with Brokers and property owners in the Turlock Regional Industrial Park to encourage owners of small adjacent parcels to offer their land as a single unit to large user through assistance with marketing and parcel aggregation.

(b) Facilitate the application to merge small parcels with funds from the Economic Development Bank.

3. Be the leader in innovative methods to permit processing and getting applicants to succeed with their projects.

4. The City should proactively work with all utility providers to plan for and collaborate on utility planning to serve both new and expanding commercial and industrial users.

Goal 2 – The Turlock economic development partners will work in a coordinated manner to increase job opportunities in the city through agriculture, manufacturing, logistics and medical services cluster.

1.(a) the City of Turlock should formalize its relationship and expectations of roles and responsibilities with such collaborators as the Stanislaus Business Alliance, the Turlock Chamber of Commerce and Turlock Convention and Visitors Bureau to clearly define roles and responsibilities of joint and collaborative efforts.

(b) Actively support the Stanislaus Business Alliance's efforts in business retention and business modeling through its Synchronist business profiling data base to better understand our local employers.

2. Identify and develop specific retention strategies and programs by the City, the Chamber of Commerce, and the Alliance to ensure that an effective business retention plan is in place. Efforts shall include the development of a "Rapid Response" type of team to address potential risks in either the closure or potential relocation of an existing employer.

DRAFT

3. Convene a public-private working group to develop specific strategies for developing and furthering our efforts to brand Turlock.

4. Develop a standard protocol with the Alliance for potential leads and encourage those which cannot be accommodated in Turlock to locate in other communities in the County.

6. Actively seek out opportunities to collaborate with CSU Stanislaus to enhance the visibility and role of the University in the community as well as more closely aligning university programs with the needs of local employers.

Goal 3 – Downtown will be the business and cultural center of the City.

1. *Work with Downtown Property Owners Association (DTPOA) to develop a larger group than the PBID to help organize and promote the downtown area for both business promotions as well as events.*
2. *Work with the CVB and DTPOA to develop a map of Turlock downtown that includes shows parking, public venues, shopping, and other attractions..*
3. *Seek out grants to do historic preservation of buildings as well as secure funding to reinstitute the Commercial Building Improvement program.*

Goal 4 – The community will host of wide variety of tourism and community events.

1. *Continue to facilitate the location of restaurants, full service hotels and other visitor serving amenities to serve the community.*
2. *Continue to participate in the Travel and Tourism Roundtable through the Turlock Convention and Visitors Bureau.*
3. *Market the City's soccer fields to regional and statewide organizations for tournaments.*
4. *Bring together local leaders through the use of a Convene a public-private working group to develop specific strategies for marketing and promotion of current venues. (e.g. Pedretti Fields, Fairgrounds, etc.)*
5. *The City shall streamline and coordinate processes for such requirements as street closures, parade permits and police department assistance for special events.*
6. *Identify and market companies that create a unique business niche for Turlock (e.g. Boutique Beer City)*

DRAFT

Goal 5 – The City of Turlock will support start up and existing small business activities.

1. *Together, the City of Turlock and the Stanislaus Business Alliance will:*

a. *Work together to identify target sectors for joint initiatives including, but not limited to biotechnology, agribusiness, manufacturing, clean energy, environmental sciences, and information and communication technologies;*

b. *Work together to identify opportunities for strategic partnerships and alliances between private sector companies in Turlock and the Stanislaus County Region;*

c. *Explore opportunities for joint trade promotion and joint promotional activities related to the tourism, cultural and sports sectors;*

d. *Exchange best practices/lessons learned in assisting the private sector with inland port development;*

e. *Examine options for co-operative activity to facilitate development of strategic partnerships/ collaborations between the jurisdictions' respective inland ports, particularly as they relate to value-added and complementary services supporting their respective business communities; and*

f. *Examine options for co-operative activity in existing and emerging knowledge/innovation economy partnerships in the Turlock and the Region; and*

g. *Leverage collaborative efforts amongst members throughout Stanislaus County and the Region with a particular focus on trade and business development, knowledge/innovation economy development, life sciences, biotechnology, and information technology development.*

Goal 6 – Our educational system will build a citizenry which will prepare our 21st century workforce.

1. *The City of Turlock will support the location of a local campus of Modesto Junior College. Encourage MJC to offer local evening classes that allows for students to pursue post-secondary education, enhance work related skills and/ or better there employment situation.*

DRAFT

2. *Utilize internships, job shadowing and other workplace learning activities to expose high school students to employment opportunities which exist in the community. Formal links between high schools and employers should be established to ensure that these opportunities continue.*

3. *Promote Turlock Adult School as a training resource for the business community.*

4. *Encourage CSU Stanislaus to select a single point on campus to recruit and advertise for internships and fellowships.*

5. *Encourage the development of basic education and employment training programs reflecting the requirements of new, existing, and expanding Turlock businesses.*

6. *Promote such efforts as the Stanislaus Partners in Education which supports the 'Careers in Manufacturing' program and other efforts.*

Goal 7 –Turlock will be a leader in the Central Valley in access to art, music and other cultural events.

1. *Foster and enhance opportunities with organizations such as the CSU Stanislaus University, the Carnegie Foundation, Community Theatre as well as the business community to host local cultural events.*

2. *Encourage the development of community gathering space in such areas as the downtown to enhance sense of community.*

3. *Encourage the development of small science museums or exhibits that may also tie into the University as well as the community's business clusters.*

4. *Encourage the CVB or another community based group to maintain and up to date community calendar that is distributed through multiple communication channels such as web, newspaper, social media, etc.*

DRAFT

Implementing Strategies

- **Engage in strategic planning.** Every five years, complete a citywide economic development strategic plan that focuses on industry targeting, job creation, marketing, and local business support. Evaluate progress, accomplishments, and challenges every year in an annual report that will help guide subsequent efforts.

- **Increase linked activities and businesses.** Work with large existing employers to identify and recruit related businesses and those that provide goods and services to meet their business needs.

- **Attract jobs for local residents.** Set economic development target and implementation measures to increase the percentage of employed residents who work in the City to 60 percent of the total by 2020. (Goal 2) *As of 2000, 49 percent of employed Turlock residents worked in the city.*

- **Bolster sports tournament industry.** Incorporate sports facilities suitable for tournaments into the design of new community parks and recreation area. Encourage local hotels and other traveler-supported businesses to sponsor sports tournaments and contribute to the upkeep of the facilities in exchange for advertising and marketing rights. (Goal 4)

Promoting and Facilitate Industrial Development

- **Direct industrial users to the TRIP.** Direct new industrial users to the TRIP and continue to implement the WISP.

- **Advertise available land.** Continue to market the availability of development sites by routinely updating the City's database of available vacant and underutilized parcels and making it available on the City's website. These can include both large industrial and business park parcels in the TRIP as well as smaller office or retail sites in shopping centers, along major roads, and Downtown.

- **Promote the TRIP.** Develop and implement a marketing strategy aimed at potential large industrial, R&D, and business park employers in order to attract more development and jobs to the TRIP.

- **Continue to review permit streamlining.** Ensure that the City's permitting procedures are streamlined through the continuing review of the system by the Development Collaborative to solicit input from the business community and work with the City to

DRAFT

improve business processes. (Goal 5)

- **Continue to offer economic incentives.** To the extent possible, continue to offer economic development incentives to specific economic zones. (Goal 5)

- **Re-evaluate fees.** Continue the current effort to update the City's development impact and building permit fees to better reflect actual costs to the city. Periodically reevaluate development impact fees to reflect any adjustments in the cost of construction, any outside grant funding awarded to the City, and any other appropriate adjustments. (Goal 5)

- **Improve connection to Interstate 5.** Work with Stanislaus County and City of Patterson to establish West Main Street as an expressway connecting Turlock to I-5.

- **Encourage land assembly.** Continue to encourage landowners of small parcels to assemble their properties to better facilitate commercial or industrial development. Strategies can include hosting informational meeting at the City, contacting property owners directly, developing financial incentives for land assembly, and promoting new graduated density zoning amendment.

DRAFT

Fostering Partnerships

1. **Engage business organizations.** Maintain a strong working relationship between the City and the Turlock Chamber of Commerce, as well as other local and regional business groups such as the Downtown Property Owners Association and the Stanislaus County Workforce Alliance. (Goal 5)
2. **Continue to participate in annual meetings with Chamber of Commerce and the Workforce Alliance.** Continue to participate in the annual summits and business conferences sponsored by the Chamber of Commerce and the Stanislaus County Workforce Alliance in order to identify how the City can best assist them or improve City services. (Goal 2 & 5)
3. **Continue to participate in local business organizations' meetings.** Continue to attend and participate in all meeting of the Chamber of Commerce and the Downtown Property Owners Association. (Goal 5)
4. **Support business outreach strategies.** Continue to support the business outreach strategies of the Development Collaborative Advisory Committee to solicit input on how the City can improve its services. (Goal 5)
5. **Foster ongoing and new partnerships with CSUS.** Maintain the City's relationship with CSUS, and continue to pursue new opportunities to work with the university on

workforce training, community services, sharing of facilities and employer recruitment, among others.

6. **Provide a City resource for regional events management.** Establish a "go-to" person at the City who will be a source of information on upcoming regional events, such as youth sports tournaments. This City resource will be someone that businesses, such as hotels, can contact for information on when large groups of visitors will be coming to Turlock and pursue business opportunities accordingly. Also establish a monthly calendar on the City's website that shows local events. (Goal 4 & 7)
7. **County Fairgrounds Strategy.** Work with the Stanislaus County Fair Board to either expand the County Fairgrounds at its current site, or to identify a new site west of State Route 99 for relocation.

Workforce Training and Local Start-up Support

1. **Partner with CSU-Stanislaus in workforce training.** Coordinate with CSU-Stanislaus to publicize available educational and training programs by using the City's website and making information available through the library and City Hall.
2. **Support new start-ups.** Continue to support the assistance program for local start-up businesses. (Goal 5)
3. **Continue to work with the Stanislaus Economic Development and Workforce Alliance and CSU-Stanislaus** to establish a branch of the Central California Small Business Development Center (SBDC) in Turlock. SBDCs offer classes in starting and operation a small business.

Supporting Downtown and Neighborhood Commercial Centers.

1. **Enable renovation of Downtown buildings.** Work with the Building Division and a structural engineer to identify less expensive seismic retrofit, fire safety, and ADA compliance options for older building Downtown in order to encourage their renovation. (Goal 1)
2. **Market the Downtown Turlock commercial district.** Continue working with the Chamber of Commerce and the Downtown Property Owners Association to support marketing, promotions, and events that bring people Downtown. (Goal 3)

DRAFT

3. **Focus on establishing ongoing events** (weekly, monthly) that will bring people Downtown on a regular basis. Examples include an additional farmer's market or craft market, children's activities, or an outdoor performing arts/concert series.

Fostering a Positive Image.

1. **Pursue beautification projects.** Continue implementation of the Downtown Design Guidelines, and begin implementation of the Turlock Beautification Master Plan.

2. **Market Turlock's assets.** Market information about Turlock's livability, great schools and parks, relative affordability, and other features to prospective employers to help encourage businesses to locate in the city.

3. **Educate users about the improved permitting process.** Work to diffuse any lingering negative perceptions about Turlock's permitting process by showcasing improvements that have been made in recent years, as well as any future improvements.

4. **Promote Turlock's workforce.** In addition to marketing Turlock as a desirable destination for new employees, strongly promote the quality of Turlock's existing workforce (high educational attainment, specific skill sets, etc.) to potential employers. Similarly, promote the City's capacity for additional workforce training through partnerships with CSUS. (Goal 6)
5. **Master Way finding Program.** Continue to implement Turlock's Master Way finding Sign Program, aimed at improving signage and way finding throughout the City, improving visitors' experiences in Turlock, and promoting the City's assets.

DRAFT

Benchmarking and Monitoring Progress

The Turlock Economic Development Strategic Plan (EDSP) contains a range of economic development strategies and implementation measures for the City of Turlock. Strategies and priority implementation measures will be carried out over a five-year period, and all activities related to the Plan will be continuously monitored during that period.

For years local governments have invested resources into efforts to spur economic growth. And for years the officials heading most of these economic development initiatives tracked their efforts with little more than output measures—for instance, the number of industrial contacts made or assisted, the number of meetings held or presentations made, the number of information packets or brochures distributed, the number of trade shows attended, and similar measures of activities. They focused on showing that they were trying hard.

More recently, as local governments have gained greater experience with economic development and as more attention has been directed to outcomes and accountability across the range of local government programs and services, the state of the art has begun to change. Now, economic development officials—and those who monitor their performance—are increasingly tuned in to a broader and more meaningful array of measures to document their performance.

Monitoring will assist the City to determine the completion of tasks, the effectiveness of various programs, and will assist the City Council with evaluating and establishing budget priorities based on monitoring progress each year. The monitoring will be done to track conditions at several different levels.

Tools and Data Sources to Benchmark Progress

- Downtown vitality
- Hotel occupancy
- Job retention and creation
- Job-to-resident ratio
- Leveraging funds
- New businesses and business start-up
- Sales Tax
- Citizen engagement and surveys

Looking Ahead: New Strategies, New Measures

A changing economy, major shifts in industrial structure, and increased global competition for jobs and private investment have challenged traditional approaches to economic development and led local governments to pursue new job creation strategies. What had been an almost exclusive focus on marketing and industrial recruitment is being augmented by approaches that emphasize homegrown sources of economic activity—efforts that develop entrepreneurial skills, creativity and talent, and promote innovation.

The cutting edge of economic development performance measurement reflects the reality that economic development has expanded to become so much more than activities aimed at recruiting large manufacturing facilities or filling commercial office buildings. Some analysts call for new metrics that are better aligned with the dynamics of a knowledge-based, global economy and that use regional economies, not political jurisdictions, as the units of analysis.

This approach to measuring performance in economic development emphasizes outcome metrics focusing on the number of high-tech jobs, levels of personal income, and number of new businesses as well as indicators that gauge the local assets that can be thought of as the "inputs" to regional competitiveness. These assets include a skilled workforce, ample financial capital, and a community's innovative capacity.

DRAFT

The new set of performance measures will reflect the fact that so much of what communities do now to promote economic development involves enhancing local and regional competitiveness and boosting the local capacity to support private investment and economic growth from both within and without. This new approach to measuring success will assume that economic growth, as measured by a quantitative increase in certain indicators—jobs, capital investment, and tax base, for example—are an intermediate outcome that should lead to qualitative improvements in a local and regional economy over the longer term.

Value of Citizen Surveys

Surveys of local residents can be an important source of information that can supplement national surveys and rankings. Residents who are happy with the overall image or reputation of their community can be a potential driver of future development.

Similarly, residents' perceptions of the speed of job growth and economic opportunities provide a window on the prospects for economic development. Survey questions that ask whether a resident would recommend living in his or her community help to measure and assess the climate for growth and economic development. Over time, results from citizen surveys provide a way of assessing the extent that economic development tactics are influencing public perceptions. These perceptions, in turn, may then influence future economic development.

Sales Tax Revenue

California sales and use tax is imposed on the retail sale or the use of tangible personal property in this state. The current sales and use tax rate is 7.65 percent of the purchase amount. One percent of the purchase amount paid in tax (often referred to as the "local tax") is returned by the state to the city or county where the transaction took place. Although most items are taxable, sales of items such as food for human consumption and most candy and snack items are exempt from sales and use tax.

Sales tax revenue is a good indicator of retail activity within a jurisdiction. However, because certain items are non-taxable, sales and use tax does not perfectly capture all local retail activity. Sales and use tax revenue can serve as a gauge to measure the success of a variety of ED strategies and implementation measures. However, sales and use tax is best used as an indicator of retail activity. Therefore, sales and use tax is a good measure of the success of Citywide and Neighborhood Strategies relating to shopping centers. Sales and use tax can also be used as an indicator of the success of broader city business improvement strategies such as a Turlock Marketing Image strategy. Sales and use tax is reported quarterly by the Board of Equalization and can therefore be tracked seasonally.

DRAFT

Monitoring Recommendation

The City has a contract with Muni Financial Services to receive detailed quarterly revenue reports showing sales tax revenue trends. City staff meet quarterly to review the sales tax revenue data overall as well as individual business gains and losses. The City should use sales and use tax revenue as a measure of the effectiveness of the citywide strategies relating to shopping centers and as an overall measure of the effectiveness of the EDSP. An annual report to the Council will show whether these strategies are meeting their purposes of increasing sales tax revenue.

Implementation and Measuring Results

Shifting investment opportunities and constrained public resources continue to influence efforts to make the vision statement a reality. A more detailed prioritization of goals and objectives will be arranged into an Implementation and Action Plan by a Task Force comprised of local business leaders. This ongoing effort will help focus limited resources to the top economic development priorities in the City.

As with all strategic plans, implementation will need to coincide with tracking tangible outputs that can be benchmarked and measured. Resources that will help provide useful data includes EDD labor statistics, retail sales tax revenue changes, commercial occupancy rates, property and rent values, and the total number of new business starts. In addition, surveys to track consumer and investor opinions should be utilized to provide feedback to Turlock City Council.

DRAFT