

VISTA ECONOMIC DEVELOPMENT STRATEGY (VEDS)



Prepared for:

City of Vista, California

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PREPARED BY:



T H E N A T E L S O N D A L E G R O U P , I N C .

YORBA LINDA, CA • www.natelsondale.com

O: 714.692.9596 • F: 714.692.9597

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1. Introduction

This document provides a strategic framework to guide the City of Vista's economic development policies and programs over the next 5 years. The Vista Economic Development Strategy (VEDS) is based on a comprehensive research and stakeholder input and outreach processes, and reflects consensus views on the most promising opportunities and the most pressing challenges facing Vista's economy. While the VEDS places primary emphasis on actions and initiatives to be pursued by the City, it recognizes that a wide array of public- and private-sector entities have roles in influencing the economic vitality of Vista. In this regard, some of the recommended actions will be carried out through partnerships with other entities. Even for those action items in which the City's role is essentially coordination, this function can take many forms and is often critical to solving problems that may not otherwise have a clear constituency or single responsible entity assigned to resolving them.

Overview of the Strategic Planning Process

The recommended policies and program activities are based on an extensive planning process that included the following components:

- A review of the City's previous economic development strategy, and of existing and past economic development policies and programs.
- An analysis of Vista's existing and projected demographic profile, providing an understanding of underlying trends that may affect economic growth potentials.
- Direct input from a cross section of the City's economic development stakeholders (the VEDS Committee listed below) via individual interviews and a series of workshop-type meetings.
- A review of the various public- and private-sector entities involved in different aspects of economic development (or related activities), along with a summary of their existing program offerings.
- An industry "cluster" analysis to identify the industry groups (clusters) that are the most important "engines" of the existing local economy, as well as the industry groups that are likely to offer the most attractive growth potentials in the future.
- A real estate market analysis to identify potential future demand for commercial and industrial development in the City.

For both the industry cluster analysis and the real estate demand projections, conclusions were screened through the lens of the current pandemic to identify ways in which immediate and longer-term market opportunities may be altered due to current conditions.

Where relevant, key findings of the background and technical studies are referenced in the VEDS. The full studies are provided as separate reports.

VEDS Committee

The City of Vista gratefully acknowledges the participation of the following individuals in the preparation of the VEDS.

City of Vista

Judy Ritter, Mayor

Corinna Contreras, Councilmember

Kevin Ham, Economic Development Director

Delilah Langan, Economic Development Specialist

Other Committee Members

Al Apuzzo, Lee & Associates

Rachel Beld, Vista Chamber of Commerce

Erik Bruvold, San Diego North Economic Development Council

Andy Hall, San Diego Workforce Partnership

Clay McCarthy, Downtown Vista Representative

Adam Molnar, Hamann Companies (Vista Business Park)

Matt Sanford, (former) San Diego Regional EDC Representative

Sudershan Shaunak, Small Business Development Center – North San Diego

2. Executive Summary

Action Plan Goals and Scope

The VEDS Action Plan is designed to achieve the following major goals:

- Expand economic opportunities for Vista’s resident workforce
- Revitalize Vista’s commercial and industrial areas
- Strengthen the City’s fiscal position

Whereas these goals largely revolve around attracting and retaining targeted business investment, the Action Plan recognizes that the strength of the local business/development environment will ultimately depend on Vista’s strategic attention to a range of “foundational” conditions such as:

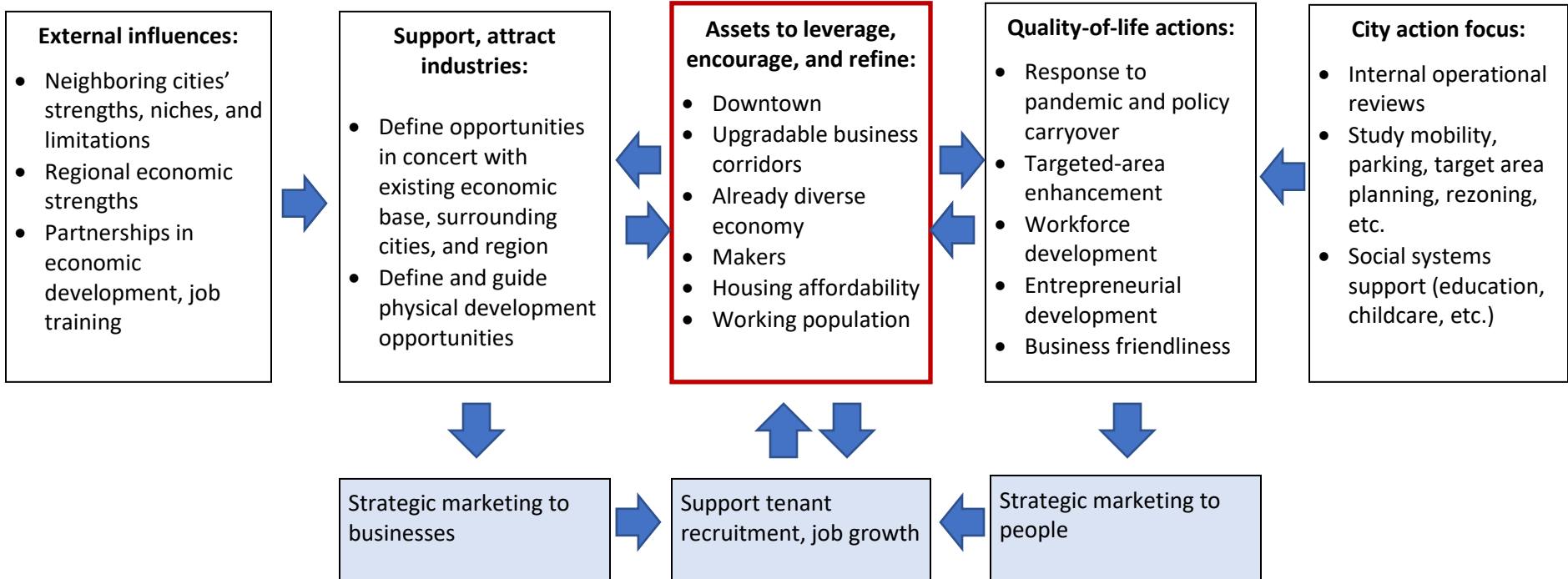
- Education/workforce development systems
- Entrepreneurial development resources
- The City’s reputation for business/development friendliness
- Land, zoning and infrastructure capacity
- Placemaking activities that leverage Vista’s unique locational advantages and sense of community
- Overall image and quality of life

The following graphic provides a broad “framework” that summarizes the interrelationships in Vista pertaining to business targeting, foundational issues, and the broad structure of marketing efforts. The chart indicates:

- How strategies center around Vista’s assets that can be leveraged
- The influence of external forces on strategy development
- How City actions in foundational issues support quality-of-life in Vista, enhancing community assets
- How marketing programs will relate to various categories of actions

On a practical level, implementation of this framework will be carried out through the 12 specific strategies outlined below.

Vista Economic Development Strategy (VEDS): Overall Framework Interrelationships



Vista Economic Development Strategy (VEDS)

The Natelson Dale Group, Inc.

Prioritization of City Resources

The VEDS is intended to provide a “roadmap” to guide activities and programs of the City’s Economic Development Department over the next five years (starting in Fiscal Year 2021-2022). Consistent with the expected availability of resources, **the Action Plan assumes that the City’s economic development staff¹ will remain constant over 5-year implementation period of this plan.** As such, the Action Plan is intended to assist the City in aligning its program priorities to match the market opportunities identified during this planning effort, recognizing that:

- Many of the proposed strategies involve activities that the City is already undertaking to some extent;
- New activities/programs would be phased-in over several years; and
- Most of the strategies would be carried out in collaboration with various non-City partner organizations (many of which have participated in the development of this plan).

VEDS Strategies

The VEDS Action Plan is organized around 12 major strategies, shown below organized under the headings of A) Industry Targeting, B) Umbrella Programs, and C) Land Use/Placemaking:

A. Industry Targeting: Business Development/Job Creation

1. Focus City’s **business retention/expansion/attraction** efforts around high-priority industry clusters (see also last section of this Executive Summary)
2. Collaborate with regional partners to expand availability of **entrepreneurial development** resources in Vista
3. Enhance targeted **economic development marketing program**, consistent with City’s broader (existing) branding initiatives

B. Umbrella Programs: Creating an Environment for Economic Progress

4. Enhance City’s interface with **education/workforce development** partners
5. Elevate City’s excellent reputation for **business/development friendliness** via a branded program (e.g., “Vista Works”)

¹ Current full-time equivalent staff of 2.3 City employees.

6. Leverage the City's in-house resources for economic development through **strategic partnerships, interdepartmental collaboration, and community involvement**. (e.g. having the Chamber lead coordination of a workforce development initiative)

C. Land Use / Placemaking Programs: Physical Changes to Accommodate Quality Growth

7. Position Downtown Vista as a **regional arts/entertainment center**
8. Facilitate **repurposing of high-vacancy retail commercial centers** (long-term vacancy level of 15% or more, especially if anchor tenants have been lost or replaced with more marginal uses) based on potential market demand for other land uses (including industrial, office, residential and mixed-use)
9. Coordinate with ownership of **Vista Business Park** properties and associations to ensure long-term vibrancy of this critical business district
10. Identify **other commercial corridors/districts** warranting long-term reinvestment and/or repositioning
11. Conduct **comprehensive evaluation of City's zoning and related land use policies**, to ensure capacity for anticipated development demand
12. Align City's Capital Improvement Plan (CIP) with VEDS based on a **comprehensive assessment of infrastructure needs** in high-priority development areas

Recommended Business Retention/Expansion/Attraction Targets

The VEDS target industry analysis identified a total of 15 industry clusters that are of potential interest to Vista. Among the 15 clusters, eight are recommended as priority targets for this Action Plan². The priority and other clusters are organized below under the three categorical headings within which they were derived:

- **Core strengths.** Build on Vista's existing core strengths in "traded" (dollar-importing) clusters (biopharmaceuticals would be an example of a core strength)
- **Regional clusters.** Tap into dominant regional industry clusters that are not currently well represented in Vista (e.g., hospitality and tourism)
- **"Home grown" industries.** Foster home grown industries based on Vista's unique community character (e.g., food and beverage production, including breweries)

² In order to efficiently concentrate available marketing resources on the most promising target industries, the VEDS will include an **initial** focus on the eight priority clusters. The remaining seven clusters would potentially be added as secondary priorities later in the implementation period (i.e., Year 3 or later).

	Cluster recommendations reflecting:		
Priority Industry Cluster	Core strengths	Regional clusters	“Home grown” industries
1. Biopharmaceuticals	X		
2. Medical devices	X		
3. Information technology (software development)	X		
4. Aerospace vehicles and defense	X		
5. Distribution and electronic commerce	X		
6. Education and knowledge creation		X	
7. Food and beverage processing			X
8. Entertainment/arts-oriented businesses			X

	Cluster recommendations reflecting:		
Other Locally Significant Clusters	Core strengths	Regional clusters	“Home grown” industries
9. Information technology (hardware) & Analytical Instruments	X		
10. Plastics	X		
11. Production Technology & Heavy Machinery	X		
12. Hospitality and Tourism		X	
13. Business Services		X	
14. Marketing, Design & Publishing		X	
15. Businesses Tied to “Community of Makers” Theme			X

3. SWOT Assessment

The technical studies and stakeholder input provided the basis for identification of important SWOT (strength-weakness-opportunity-threat) issues affecting Vista’s economic development potentials. These issues are summarized below.

Strengths

Vista is an inclusive, diverse community.

Compared to its larger surrounding region, Vista has a relatively high share of the population in the labor force, which appears to be at least partly due to particularly high participation of females in the labor force.

The City’s proactive and creative response to helping the business community as well as citizens respond to pandemic challenges has both enhanced business activity and fostered a marketing message.

The local economy is relatively diverse; “traded” (dollar-importing) industry clusters (with representative examples of existing local firms) include:

- Medical Devices (Cue Health)
- IT & Analytical Instruments (Tempo)
- Biopharmaceuticals (Bachem Americas)
- Plastics (Distinctive Plastics)
- Aerospace Vehicles and Defense (LMI)
- Production Technology & Heavy Machinery (McCain Inc.)
- Distribution and Electronic Commerce (Amazon)

The area’s prominent (“home grown”) industry success stories include biotech and craft brewing. Local food and beverage processing industries could grow.

Vista has an identity, including among the owners/operators of relevant business types, as a place for “makers” of unique and notable products across a wide spectrum of industry categories. This is a source of pride among these firms and generally in the community, and can be leveraged in ways that include branding and expanding strategic options such as hosting local Expos featuring these kinds of firms.

Downtown offers a phenomenal, diverse, and (still evolving) expandable experience.

Vista is recognized as a business-friendly community, and this could be additionally leveraged to both support new development and as a marketing message. However, it is important to recognize that this advantage requires ongoing vigilance to maintain a positive reputation.

Housing is relatively affordable (compared to other parts of San Diego County).

The City of Vista has established strong partnerships with several regional economic and workforce development organizations (e.g., Innovate 78, San Diego Regional EDC, San Diego Workforce

Partnership, SBDC, the Vista Chamber of Commerce, etc.). By consistently maintaining an active/visible profile in these partnerships, the City has very effectively leveraged its in-house staffing and resources.

Weaknesses

Within Vista, there is an oversupply of Class B and C office space, and a shortage of Class A space. Whereas the predominance of Class B and C space previously was part of Vista's cost advantage, present-day users tend to prefer Class A space, so in this sense Vista's supply of office space is out of sync with the office market. The ongoing transformation of workplaces due the COVID-19 pandemic (i.e., expanded and potentially permanent focus on remote work) is likely to exacerbate the oversupply of Class B and C office space, creating opportunities for transitions to other land uses.

The inventory of office space in Vista, in proportion to the inventory of industrial space, is small. Absorption of office is also much lower, and vacancy higher. The pandemic-induced trend of working from home could further reduce demand for some types of offices.

Because Vista is largely built-out there are limited opportunities to develop space to meet market demand, particularly for office, without having to redevelop properties.

There are also industrial areas in the City that could be more productively utilized (e.g., the South Santa Fe Avenue corridor and the area near North Drive and Melrose Drive).

Some downtown businesses believe that parking there is inadequate (although a study by the City shows that parking is currently sufficient but would need to be expanded to accommodate future development unless it provides sufficient internal parking).

More than one-half (53%) of Vista's housing units were built between the 20-year period from 1970 to 1989, a relatively high share compared to the surrounding region, and this can create challenges in maintaining the quality of housing units and neighborhoods.

Residents' education attainment levels are lower on average, compared to the larger surrounding region.

Local school districts could do better, from both an economic development perspective and an educational perspective.

Child care shortage is a huge issue in the entire region (see <https://childcare.workforce.org/>), and the pandemic is further exacerbating this problem.

Opportunities

The former National University campus would have been a good fit for the proposed (but rejected) San Diego campus of OCSA. Is this a "missed opportunity" and an example of the type of catalyst Vista should be targeting?

Downtown's attractiveness can be expanded upon in a number of ways and leveraged in terms of, for example, attracting workers to whom a sense of place would have appeal – ideally as a workplace location but even as a general community amenity (along with downtown being attractive to visitors).

Vista could strategize to repurpose surplus/obsolete retail facilities.

Physical and “thematic” connections to Downtown can be developed further, to additionally capitalize on its value, for example by finding additional ways to connect with the Sprinter station (this can be particularly relevant with respect to downtown events), and creating additional employment space nearby. In addition, an expansion of transportation alternatives including a light rail system throughout North County is currently proposed (by SANDAG), which could provide additional connection opportunities.

Vista’s capacity for employment growth could be enhanced by: 1) improving under-performing industrial properties, and 2) direct efforts to create additional office space, as referenced above (Weakness section). Development of office and industrial space could potentially occur on former retail sites, as part of a strategic effort to revitalize/repurpose high-vacancy retail shopping centers.

There is strong demand for Biotech in North County; vacancy rates are already very tight in Central County.

Education plays such a crucial role in worker location decisions that the City should look beyond the traditional hands-off relationship between municipalities and school districts. It is also important that education at all levels keep track of changes in the economy and respond appropriately with their programs.

Tech industries in the San Diego region, partly due to the presence of UCSD, have back-office operations etc. that could be captured within Vista. (Also referred to as Shared Service Centers (SSCs), back-office functions can include HR, payroll, finance, procurement, legal, customer service, and IT, and centralizing these operations can result in greater efficiencies to companies’ home offices.) A local example of this type of opportunity would be Cue Health.

Parking needs, particularly in downtown areas, are evolving, and creative responses to these circumstances could further boost development efforts Downtown and elsewhere.

Creative zoning revisions could help the process of converting some older areas into more productive uses. (These can include proactive steps to expedite change requests and overlay zones targeting specific areas for special provisions, for example.)

The existing federal Opportunity Zones can represent an additional way for the City to leverage new development, although the City should pay close attention to how the potential for this program is evolving, including whether some regulations need to be adjusted to enhance this potential.

Programs and various initiatives of the San Diego Regional EDC and the San Diego Workforce Partnership can be helpful to Vista, for example worker training programs, research that will result in other training/education programs based on skill set demands in the region, and a focus on *talent* attraction more than business attraction, which plays well to Vista’s attractiveness as a place to live.

Threats

Small businesses are facing an unprecedented disaster from the pandemic.

Neighboring Carlsbad, a high-profile community, is also a direct competitor for at least some higher end uses and jobs, including Class A office space.

In recent years some light manufacturing and tech activities have been lost within the region, primarily due to cost conditions in California, generally, forcing firms out of the state. Attention should be given to this type of external threat in relation to the existing business base, and what it could mean to Vista's economy.

Homelessness is a significant issue, including in Downtown. In the absence of a concerted response, this problem is likely to worsen over time.³

Efforts to nurture entrepreneurship must recognize the racial/ethnic diversity of the population, which will also help ensure that the business community is in sync with local consumer demand, enhancing prosperity for all concerned.⁴

Retail is important to the Downtown area (as well as the city generally), and that segment of the economy is undergoing many changes. One area in which Downtown could potentially capitalize is the shift in focus to outdoor space and outdoor-oriented "malls," as well as the popularity of "experiences" being connected to retail activity.⁵

Working from home, to the extent it continues as an ongoing trend, will change the nature of business.

Virtually all cities are threatened by losses in sales tax, transient occupancy tax and fee-for-services revenues due to COVID-19, and so need to be mindful of both expediting business recovery and preserving the taxpaying base.

³ The City's recently adopted *Strategic Plan to Address Homelessness* includes a three-pronged approach: promoting self-sufficiency to prevent homelessness, improving the quality of life for the homeless, and in the process, for others, and reducing homelessness through programs that focus on long-term housing and other solutions.

⁴ Vista and regional partners are working on obtaining initial seed funding to establish a 'Business Resilience Lab' for the northern San Diego County region. The Lab will have several, related missions focusing on reducing businesses' economic losses associated with COVID-19 as well as potential future economic disruptions.

⁵ Vista's pandemic-response provision that relaxed outdoor dining regulations for restaurants, although originally intended to be temporary, may become permanent in some form as one way of recognizing this trend.

SWOT TABLE (THE PRECEDING NARRATIVE IN TABLE FORM)

SWOT category	Land use/development conditions	Business/industry mix	Government/institutions, including City internal policies/practices (real/perceived)
Strengths	<ul style="list-style-type: none"> • Vista has an identity as a place for “makers” of unique and notable products across a wide spectrum of industry categories. • The local economy is relatively diverse; Traded Clusters include: <ul style="list-style-type: none"> ○ Medical Devices ○ IT & Analytical Instruments ○ Biopharmaceuticals ○ Plastics ○ Aerospace Vehicles and Defense ○ Production Technology & Heavy Machinery ○ Distribution and Electronic Commerce • Downtown offers a phenomenal, diverse, and (still evolving) expandable experience. • Housing is relatively affordable in the community. 	<ul style="list-style-type: none"> • Local food and beverage processing industries could grow. 	<ul style="list-style-type: none"> • The City’s proactive and creative response to helping the business community respond to pandemic challenges has raised its profile generally. • Vista is recognized as a business-friendly community, and this can be additionally leveraged to both support new development and as a marketing message. • Inclusive/diverse community.
Implications of pandemic	Is the Downtown environment more amenable to certain possible post-pandemic physical adjustments (flexible spaces, outdoor areas, etc.)?	Local food could gain in popularity based on the perception that it has less potential exposure to contagious environments than imports.	As noted above, creative leadership can be crucial to both recovery and business image.
Weaknesses	<ul style="list-style-type: none"> • There is an oversupply of Class B and C office space, and a shortage of Class A space. • The inventory of office space in Vista, in proportion to industrial space, is very small. • Because Vista is largely built-out there are limited opportunities to develop space to 		<ul style="list-style-type: none"> • Downtown parking, although technically adequate based on a study completed for the City, may function better under conditions in which drivers can be made more aware of where parking is available (via cell phone etc.). • Local school districts could do better, from both an economic development perspective and an educational perspective.

SWOT category	Land use/development conditions	Business/industry mix	Government/institutions, including City internal policies/practices (real/perceived)
	<p>meet market demand, particularly for office, without having to redevelop properties.</p> <ul style="list-style-type: none"> Some industrial areas could be considered under-performing. More than one-half (53%) of Vista’s housing units were built between the 20-year period from 1970 to 1989, a relatively high share for the region. 		<ul style="list-style-type: none"> Childcare shortage is a huge problem in the entire region.
Implications of pandemic	<p>Office use practices may change post-pandemic, in ways not necessarily understood as yet. Space developed in Vista in the future might be able to ride the wave of such changes. (For example, space needs in central offices may contract, but remote workers living in Vista might need temporary meeting facilities or regular full-time offices.)</p>		<p>Major disruptions in travel, parking, including the use of personal vehicles are already underway due to autonomous vehicle technology and other factors. Additional light rail is proposed for Vista through SANDAG. The pandemic is likely to change mobility preferences in ways not necessarily understood as yet, so all these factors must be considered together in future mobility and parking plans.</p>
Opportunities	<ul style="list-style-type: none"> The former National University campus would have been a good fit for the proposed (but rejected) San Diego campus of OCSA. Is this a “missed opportunity” and an example of the type of catalyst Vista should be targeting? Downtown’s attractiveness can be expanded upon and leveraged as a “sense of place” amenity for attracting workers, as well as being a destination for residents and tourists. Physical connections to Downtown can be developed further, such as enhancing connections with the light rail station and workplaces. 	<ul style="list-style-type: none"> Vista’s “maker” reputation is a source of pride and can be leveraged – for branding and expanding strategic options such as hosting relevant events. Tech industries in the region have back-office operations etc. that could potentially be captured within Vista. Downtown could potentially benefit from the shift in shopping focus to outdoor space and outdoor-oriented “malls,” as well as the 	<ul style="list-style-type: none"> The City’s program to respond to pandemic challenges has both enhanced business activity and fostered a marketing message. Vista’s reputation as a business-friendly community could be leveraged to both support new development and as a marketing message. Education plays such a crucial role in worker location decisions that the City should look beyond the traditional hands-off relationship between municipalities and school districts. It is also important that education at all levels keep track of changes in the economy and respond appropriately with their programs. Creative zoning revisions could help convert some older areas into more productive uses.

Vista Development Strategy (VEDS)

The Natelson Dale Group, Inc.

SWOT category	Land use/development conditions	Business/industry mix	Government/institutions, including City internal policies/practices (real/perceived)
	<ul style="list-style-type: none"> Improving under-performing industrial properties, as well as direct efforts to create additional office space, could benefit from revitalization/repurposing of properties and commercial neighborhoods, and thereby help meet the need for upgraded employment space. Vista could strategize to repurpose retail, but opportunities to do this on a large scale are limited. There is strong demand for Biotech space in North County; vacancy rates are already very tight in Central County. Parking needs, particularly in downtown areas, are evolving, and creative responses to these circumstances could further boost development efforts. 	<p>popularity of “experiences” being connected to retail activity.</p>	<ul style="list-style-type: none"> The existing federal Opportunity Zones in Vista might be enhanced through additional City focus. Programs and various initiatives of the San Diego Regional EDC can be helpful to Vista, for example research that will result in a training/education program based on skill set demands in the region, and a focus on <i>talent</i> attraction more than business attraction, which plays to Vista’s attractiveness as a place to live. San Diego Workforce Partnership, “Relief, Response, Rebuild” (\$10 million in training and wage subsidies).
<p>Implications of pandemic</p>	<p>Changes in land use practices related to the pandemic, along with mobility and general lifestyle changes, spurred by both the pandemic and new technology, suggest the need for comprehensive and innovative approaches to revitalization planning and urban design in general.</p>	<p>Pandemic practices related to working remotely could be one factor further encouraging entrepreneurial inclinations among the workforce, and this can be encouraged through both programmatic support and the creation of additional appropriate maker spaces.</p>	<p>The pandemic has placed additional stress on schools and school districts and their missions, which might help open the door to creative city-school collaborations.</p> <p>The limited life span of the Opportunity Zone program will probably mean that intervention will be needed at the federal level, as well as the local level to the extent practical, to help mitigate complications due to pandemic-related project delays.</p>
<p>Threats</p>	<ul style="list-style-type: none"> Homelessness is an issue, including in Downtown, and this problem is likely to worsen over time. (City’s <i>Strategic Plan to</i> 	<ul style="list-style-type: none"> Small businesses are facing an unprecedented disaster from the pandemic. 	<ul style="list-style-type: none"> Efforts to nurture entrepreneurship must recognize the racial/ethnic diversity of the population, to both help ensure that the

Vista Development Strategy (VEDS)

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SWOT category	Land use/development conditions	Business/industry mix	Government/institutions, including City internal policies/practices (real/perceived)
	<p><i>Address Homelessness</i> is attempting to address.)</p>	<ul style="list-style-type: none"> • Carlsbad is both next-door and is a direct competitor for some higher-end employment/property uses. • Some light manufacturing and tech activities have been lost within the region due to cost conditions in California. What are implications for Vista? • Retail is undergoing many changes, affecting both retail businesses and shopping centers/locations. • Working from home, to the extent it continues as an ongoing trend, will change the nature of business. 	<p>business community is in sync with local consumer demand and enhance prosperity for all concerned.</p> <ul style="list-style-type: none"> • Virtually all cities are threatened by losses in sales tax, TOT and fee-for-services revenues due to COVID-19, and so need to be mindful of both expediting business recovery and preserving the taxpaying base.
<p>Implications of pandemic</p>	<p>The pandemic has likely worsened the homeless problem by itself, and although the city has outlined a strong program to intervene at the local level, homelessness is ultimately a national problem that is best addressed at that level or at the least regionally, in order to generate the most efficient and sustainable solutions, and local governments need to maintain a realistic view of the extent to which they can solve this problem with their own resources.</p>	<p>With the pandemic encouraging workers to function remotely, the attractiveness of “lifestyle value” communities has increased. It is also reasonable to expect that businesses will be more inclined to co-locate with their workforce than they were previously.</p>	<p>Expanding entrepreneurship opportunities can help alleviate potentially permanent job losses related to economic stress from the pandemic, especially to the extent entrepreneurs can be more “nimble” in adapting to economic constraints and opportunities. Similarly, employed persons working remotely can benefit from some of the same entrepreneur-focused resources and also be attracted to the community through the same attributes favored by “footloose” entrepreneurs.</p>

4. Highlights of Background/Technical Studies

*Demographic Profile*⁶

The highlights of the demographic report selected for this summary, which includes comparisons with the Innovate 78 Corridor, San Diego County, and California, include the following findings:

- The City has a relatively high share of the population in the labor force compared to the benchmark regions.
 - Higher female labor force participation appears to account for the overall higher labor force participation rate.
- Vista residents are more likely to drive alone (82.2% use car, truck, or van) () to commute to work; they are less likely to carpool or use public transportation (5.3% and 1.4%, respectively).
- In terms of occupational employment, Vista residents hold a relatively higher share of jobs in Natural Resources, Construction, and Maintenance occupations.
- In terms of industry sector employment, the largest share of Vista residents is employed in the Educational Services and Health Care and Social Assistance industry sector (16.1%).
- The City has a relatively smaller share (11.7%) of its residents employed in the Professional, Scientific, and Management, and Administrative & Waste Management Services sector.
- For the income and benefits category, the largest share of Vista households (21.6%) is in the \$50,000 to \$74,999 household income range. The City's households are relatively underrepresented (6.2%) in the highest household income range (\$200,000 or more).
- The City's average household income level (\$91,621) is relatively lower than the level in the benchmark geographies.
- The City's per capita income level is about 80% (\$29,875) of the benchmark geographies' level for Innovate 78, San Diego County, and California (\$37,402, \$37,841, and \$37,124, respectively).
- A significant portion of the City's *Civilian noninstitutionalized population 19 to 64 years* in the (unemployed) labor force (41.1%) has no health insurance coverage.
- Poverty rates –While the *All families* category in Vista had the lowest share below the poverty level (6.3%), the City had the highest share of *Married couple families* (6.0%) in this category, among the benchmark geographies.

⁶ This summary is excerpted from *Analysis of Key Datasets for Economic Development Strategic Plan*, The Natelson Dale Group, Inc., July 2020.

- For the *Families with female householder, no husband present* category, the City has a much smaller share below the poverty level (9.9%) compared to the benchmark geographies.
- In terms of individuals, the City had the lowest share of residents below the poverty level in the following two categories: *18 years and over* (9.0%) and *18 to 64 years* (8.3%). However, among the *65 years and over* category, the City had the highest share of residents (13.8%) below the poverty level.

Market Demand Projections for Commercial/Industrial Land Uses

Summary of Retail Demand Analysis

Highlights of the Retail Demand Analysis and Projections are provided in Tables 1 and 2 below.

TABLE 1. SUMMARY OF RETAIL MARKET CONDITIONS, CITY OF VISTA

Metric	Value
Existing (2020) inventory (square feet)	5,200,000
Historic absorption (square feet), 2010-2019	200,000
Current (12/31/20) vacancy rate ⁷	6.3%
Existing population, City of Vista	102,900
Added population by 2030, City of Vista	9,300
Existing population, Secondary Market Areas (combined)	670,000
Added population by 2030, Secondary Market Areas	45,000
Estimated resident retail demand in 2019, City of Vista	\$1.07 billion
Actual retail sales in 2019, City of Vista	\$1.31 billion
Actual sales divided by total resident demand (shows Vista's net attraction of external demand)	123%
Estimated "capturable" demand from Vista residents and large trade area (takes into account spending that is captured by neighboring cities)	\$1.37 billion
Portion of potential demand captured in Vista	95.7%
Existing "residual" demand (potential demand minus actual sales)	\$90 million

Sources: Lee & Associates; CDTFA; DOF; ESRI; TNDG.

TABLE 2. PROJECTED DEMAND FOR NEW RETAIL DEVELOPMENT, CITY OF VISTA

Retail Sales Category	New Demand Through 2030 (square feet)
GAFO ¹	206,000
Food and Beverage (grocery stores)	52,000
Food Services and Drinking (restaurants)	56,000
Hardware and Building Materials	55,000
Auto Parts	5,000
Service Businesses in Retail Space	56,000
Total	430,000

1. GAFO = General Merchandise, Apparel, Furniture/Appliances, Other Specialty Source: TNDG.

⁷ Prior to the impacts of the COVID-19 pandemic, Vista's retail vacancy rate was 4.4% (as of March 31, 2020).

Summary of Industrial Demand Analysis

Highlights of the Industrial Demand Analysis and Projections are provided in Tables 3 and 4 below. The projections are expressed in terms of square feet of new space supportable (over and above the existing inventory).

TABLE 3. SUMMARY OF INDUSTRIAL MARKET CONDITIONS, VISTA AND MARKET AREA

Metric	Value	
Existing (2020) inventory (square feet) by area:		
—City of Vista ¹	12,900,000	
—Innovate 78 cities ²	46,800,000	
—San Diego County	146,400,000	
Historic absorption (square feet) by area (2010-2019):		
—City of Vista	292,000	
—Innovate 78 cities	4,261,000	
—San Diego County	9,218,000	
Current⁸ direct vacancy rate by area:		
	12/31/19	12/31/20
—City of Vista	7.5%	7.1%
—Innovate 78 cities	6.9%	6.1%
—San Diego County	4.5%	4.0%
Total employment in 2019 by area:		
—City of Vista	47,300	
—Innovate 78 cities	237,600	
—San Diego County	1,593,000	
Added employment by 2030:		
—City of Vista	1,900	
—Innovate 78 cities	12,300	
—San Diego County	101,300	
1. The data source used for this analysis excludes some smaller and owner-occupied buildings; actual inventory in Vista is about 14 million square feet.		
2. Includes the cities of Carlsbad, Escondido, Oceanside, San Marcos, and Vista.		

Sources: Lee & Associates; JobsEQ; SANDAG; TNDG.

⁸ Vacancy rates are compared for two timeframes (12/31/19 and 12/31/20) to show the initial impacts of the COVID-19 pandemic on the commercial/industrial real estate market.

TABLE 4. PROJECTED DEMAND FOR NEW INDUSTRIAL DEVELOPMENT, 2019-2029

Methodology 1: Sector Employment Growth (BASELINE EMPLOYMENT FORECAST)	San Diego County Demand (Square Feet)	Vista Demand (Square Feet)
<p>Countywide: industrial demand is projected to grow in proportion to projected job growth in industry sectors that use industrial space. <i>This scenario uses the baseline forecast from JobsEQ (Chmura Economics) which, consistent with SANDAG forecasts, shows substantially lower growth in industrial jobs compared to recent historic trends (2009-2019).</i></p> <p>Vista: 10% of countywide demand (Vista currently accounts for 8.4% of occupied industrial space in county)</p>	Negative industrial demand (based on projected job losses in manufacturing)	N/A
Methodology 2: Sector Employment Growth (ACCELERATED EMPLOYMENT FORECAST)		
<p>Countywide: industrial demand is projected to grow in proportion to projected job growth in industry sectors that use industrial space. <i>This scenario adjusts the baseline forecast from JobsEQ so that projected growth rates for industrial jobs are comparable to recent historic trends (see additional discussion below).</i></p> <p>Vista: 10% of countywide demand</p>	9,300,000	930,000
Methodology 3: Total Employment Growth		
<p>Countywide: industrial demand is projected to grow in proportion to total employment growth</p> <p>Vista: 10% of countywide demand</p>	8,900,000	890,000
Methodology 4: Continuation of Historic Absorption Rate		
<p>Countywide: industrial demand is projected to continue at average annual absorption rate (net change in occupied square feet) between 2010 and 2019)</p> <p>Vista: 10% of countywide demand</p>	10,200,000	1,020,000

Source: TNDG.

The negative industrial demand for Methodology 1 reflects the anticipated loss in manufacturing jobs⁹ (a key user of industrial space) between 2019 and 2029. The projected reduction in manufacturing jobs is indicated in the two primary employment forecasts considered in this analysis (SANDAG and JobsEQ). The SANDAG and JobsEQ forecasts also indicate reduced growth rates for Wholesale Trade and Transportation and Warehousing (other key users of industrial space) compared to recent historic (2009-2019) trends. Methodology 2 adjusts the baseline forecasts to reflect more robust growth in these industries (which is highly plausible given the anticipated focus on “reshoring” of manufacturing activities in the wake of COVID-19). The growth rate adjustments for these industries are as follows:

Industry Group	Historic Average Annual Growth Rate 2009-2019	Projected Average Annual Growth Rate 2019-2029	
		Baseline Scenario (Methodology 1)	Accelerated Scenario (Methodology 2)
Manufacturing	+1.8%	-0.5%	+1.5%
Wholesale Trade	+0.6%	-0.2%	+0.5%
Transportation/Warehousing	+4.3%	+0.5%	+2.0%

Methodologies 3 and 4 represent alternative approaches to calculating demand that result in comparable conclusions to Methodology 2. Compared to Methodology 1, Methodologies 2-4 represent more aggressive scenarios in which the capacity for industrial development would potentially be enhanced by foreseeable changes in regional land use policy (e.g., surplus retail land could be repurposed for industrial uses), creating a more attractive environment for growth in manufacturing and other sectors requiring industrial buildings. In other words, the practical ability of Vista and other San Diego County communities to realize these more aggressive absorption projections will in part depend on proactive measures to expand the supply of developable sites to respond to projected user needs.

Summary of Office Demand Analysis

Highlights of the Office Demand Analysis and Projections are provided in Tables 5 and 6 below.

TABLE 5. SUMMARY OF OFFICE MARKET CONDITIONS, VISTA AND MARKET AREA

Metric	Value	
Existing (2020) inventory (square feet) by area:		
— City of Vista	1,800,000	
— Innovate 78 cities	15,500,000	
— San Diego County	117,600,000	
Historic absorption (square feet) by area (2010-2019):		
— City of Vista	13,000	
— Innovate 78 cities	2,242,000	
— San Diego County	9,016,000	
Current direct vacancy rate by area:	12/31/19	12/31/20
— City of Vista	11.4%	13.0%
— Innovate 78 cities	11.2%	11.6%
— San Diego County	8.7%	10.4%

Sources: Lee & Associates; TNDG.

⁹ Projected net losses in manufacturing are consistent with long-term trends in California.

TABLE 6. PROJECTED DEMAND FOR NEW OFFICE DEVELOPMENT, 2019-2029

Methodology 1: Sector Employment Growth	San Diego County Demand (Square Feet)	Vista Demand (Square Feet)
<p>Countywide: office demand is projected to grow in proportion to projected job growth in industry sectors that use office space</p> <p>Vista: 3.0% of countywide demand (Vista current accounts for 1.4% of occupied office space in county)</p>	5,580,000	167,000
Methodology 2: Total Employment Growth		
<p>Countywide: office demand is projected to grow in proportion to total employment growth</p> <p>Vista: 3.0% of countywide demand</p>	6,828,000	205,000
Methodology 3: Continuation of Historic Absorption Rate		
<p>Countywide: office demand is projected to continue at average annual absorption rate (net change in occupied square feet) between 2010 and 2019)</p> <p>Vista: 3.0% of countywide demand</p>	10,018,000	301,000

Source: TNDG.

Target Industry/Cluster Analysis

This section provides a summary of the target industry/cluster analysis completed for the VEDS process. The analysis (considers industry growth/retraction trends in the City of Vista, comparing the local economy's recent and longer-term performance to regional and national benchmarks.

The study evaluates the City's economy in terms of industry "clusters." Clusters are groups of inter-related industry sectors whose growth potentials within a region tend to be closely aligned. The tendency of individual industries to co-locate in clusters reflects linkages through supply-chain relationships, as well as commonalities in terms of workforce requirements and infrastructure needs. The concept of industry clusters is an effective framework for economic development programming since it reflects a holistic understanding of the regional economic conditions driving the growth or retraction of individual sectors. Nationally, the Cluster Mapping Project used in this analysis recognizes a total of 67 clusters, with 16 classified as "local" clusters and 51 classified as "traded" clusters. In Vista, the local clusters currently represent a total of 27,745 jobs in the City, while the traded clusters account for 16,937 jobs in the City.

Whereas local and traded clusters are both critically important components of a balanced economy, they have distinct roles and characteristics, and these distinctions can be helpful in terms of planning economic development programs. Some of these distinctions are summarized as follows:

- **Local clusters** typically form the core of a region's economy; they primarily provide goods and services for the local (resident) population.
- **Traded clusters** are "export-oriented" in the sense that they include industries that are engaged in producing goods and services for end customers outside the region (in this case, outside of the City).

Existing Important Clusters in Vista and Innovate 78 Corridor

Table 7 on the next page lists all *traded* clusters that had 100 or more jobs in Vista in 2019, and provides the following information about each listed cluster:

- Total number of jobs in Vista in 2019 (the latest full year for which data are available)
- Location quotient (compared to U.S. benchmark) in 2019. The location quotient (LQ) measures how concentrated/important an industry cluster is in a region compared to national benchmarks. An LQ value greater than 1.0 indicates that a cluster is more concentrated in the region than it is nationally. This is generally regarded as an indication that the region has a comparative advantage relative to a particular cluster, although (especially for local clusters) an LQ below 1.0 can indicate a potential growth opportunity.
- Average annual wage in Vista.
- Change in the number of jobs for the most recent 10-year period, 2009-2019.

Table 8 provides the same data for *local* clusters that had more than 1,000 jobs in Vista in 2019. Similar data were compiled in the main report for the Innovate78 Corridor¹⁰. Along with the City and the Innovate78 Corridor, this analysis evaluated cluster employment data for the following additional geographies: North San Diego County, San Diego County, and California.

**TABLE 7. SUMMARY CHARACTERISTICS AND TRENDS, VISTA’S LARGEST TRADED CLUSTERS
(LIST INCLUDES ALL CLUSTERS WITH MORE THAN 100 JOBS IN 2019)**

TRADED CLUSTER	JOBS	LQ	AVG ANN WAGE	10-YR JOB CHANGE
Distribution and Electronic Commerce	3,218	1.77	\$67,950	158
Information Technology and Analytical Instruments	2,747	6.80	163,705	1,662
Business Services	1,797	0.58	79,952	31
Medical Devices	1,030	11.55	95,039	180
Production Technology and Heavy Machinery	891	3.06	69,217	230
Aerospace Vehicles and Defense	611	3.07	101,675	330
Plastics	611	3.09	58,148	20
Biopharmaceuticals	560	6.14	121,758	75
Food Processing and Manufacturing	540	1.52	45,087	387
Hospitality and Tourism	481	0.42	41,409	56
Communications Equipment and Services	464	5.19	97,595	(1,315)
Education and Knowledge Creation	414	0.27	104,690	106
Marketing, Design, and Publishing	379	0.69	77,331	(46)
Construction Products and Services	354	1.09	80,509	(61)
Recreational and Small Electric Goods	271	4.45	69,954	(38)
Furniture	259	2.23	49,387	(30)
Financial Services	247	0.40	104,979	66
Automotive	223	0.71	70,066	94
Apparel	188	4.19	45,140	(128)
Transportation and Logistics	179	0.30	54,312	86
Metalworking Technology	154	1.05	56,354	(72)
Downstream Metal Products	147	1.05	60,846	67
Downstream Chemical Products	141	1.68	93,096	33
Agricultural Inputs and Services	133	1.01	33,741	(36)
Lighting and Electrical Equipment	114	1.16	79,208	(62)
Upstream Metal Manufacturing	100	0.83	60,745	1
GROUP TOTAL / AVG	16,253	1.29	\$90,444	1,794

Note: LQ = Location Quotient; 10-year job change is from 2009 to 2019.

Source: U.S. Cluster Mapping Project; Chmura Economics; The Natelson Dale Group, Inc. (TNDG).

¹⁰ The Innovate78 Corridor is a multi-city partnership made up of the following five cities: Carlsbad, Escondido, Oceanside, San Marcos, and Vista.

**TABLE 8. SUMMARY CHARACTERISTICS AND TRENDS, VISTA’S LARGEST LOCAL CLUSTERS
(LIST INCLUDES ALL CLUSTERS WITH MORE THAN 100 JOBS IN 2019)**

LOCAL CLUSTER	JOBS	LQ	AVG ANN WAGE	10-YR JOB CHANGE
Local Real Estate, Construction, and Development	6,456	1.75	\$59,701	1,978
Local Health Services	3,642	0.64	54,682	202
Local Hospitality Establishments	3,188	0.79	22,710	831
Local Education and Training	3,036	1.16	53,046	64
Local Community and Civic Organizations	1,655	0.94	24,041	658
Local Food and Beverage Processing & Distribution	1,620	1.18	33,298	57
Local Commercial Services	1,558	0.54	52,404	134
Local Retailing of Clothing and General Merchandise	1,417	1.02	30,439	(157)
Local Motor Vehicle Products and Services	1,276	0.92	44,755	114
Local Personal Services (Non-Medical)	1,173	0.95	34,869	282
Local Household Goods and Services	1,078	1.76	41,299	67
GROUP TOTAL / AVG	26,099	0.98	\$45,177	4,230

Note: LQ = Location Quotient; 10-year job change is from 2009 to 2019.

Source: U.S. Cluster Mapping Project; Chmura Economics; The Natelson Dale Group, Inc. (TNDG).

“Candidate” Clusters for Vista’s Target Industry Program

Table 9 on the following page provides a list of 15 “candidate” clusters for the City of Vista’s industry targeting program (i.e., business retention, expansion and attraction). The candidate clusters were identified by the consultant team early the VEDS planning process and are based on two strategic approaches to industry targeting:

1. **Build on Vista’s existing core strengths.** In some cases (e.g., Distribution and Electronic Commerce), the core clusters represent strong continuing growth opportunities that could be the focus of business expansion/attraction efforts. In other cases (e.g., Aerospace Vehicles and Defense), the existing core clusters are currently recognized nationally as non-growth or declining industries (in these cases, the City’s industry targeting efforts would appropriately focus on retention/repositioning).
2. **Tap into dominant regional clusters that are not currently well represented in Vista.** This strategic approach would seek to leverage Vista’s competitive strengths to capture increasing shares of projected Innovate78 Corridor’s and North County’s employment growth. This component of the City’s business attraction/marketing program would focus on the Vista’s unique “selling points” relative to the larger North San Diego economy (including the city’s strategic location near several San Diego area submarkets, a resident workforce that includes large numbers of commuters potentially eager to work closer to home, and the established presence of various manufacturing-related industries). In developing the list of candidates for the “tap into dominant Innovate78 Corridor clusters” strategy, the consultant has focused on clusters meeting the following criteria:

- a. Traded clusters (local clusters are addressed in the other strategic approach)¹¹;
- b. Clusters with a high specialization of employment in the San Diego metropolitan area (identified as a “strong” cluster by the U.S. Cluster Mapping project);
- c. Clusters primarily oriented towards private business investment (in contrast to clusters that are substantially composed of public sector / nonprofit employment).

TABLE 9. LIST OF CANDIDATE CLUSTERS FOR VISTA’S INDUSTRY PROGRAM

STRATEGIC APPROACH	LOCAL-SERVING CLUSTERS	"TRADED" CLUSTERS
Build on (or facilitate repositioning of) Vista's existing core strengths	<ul style="list-style-type: none"> • Local Real Estate, Construction, & Development • Local Food & Beverage Processing & Distribution • Local Education and Training • Local Industrial Products & Services 	<ul style="list-style-type: none"> • Medical Devices • IT & Analytical Instruments • Biopharmaceuticals • Plastics • Aerospace Vehicles and Defense • Production Technology & Heavy Machinery • Distribution and Electronic Commerce
Tap into dominant Innovate78, North County, County industry clusters that are not currently well represented in the city		<ul style="list-style-type: none"> • Hospitality and Tourism • Education and Knowledge Creation • Business Services • Marketing, Design, and Publishing

Source: The Natelson Dale Group, Inc. (TNDG).

Based on input from the VEDS Committee, the list of 15 candidate clusters was narrowed to eight “priority clusters” (see page 29, Chapter 5) that are recommended as the initial focus of the City’s target industry program.

¹¹ Traded clusters are typically the primary focus of economic development strategies, due to their greater potential (compared to local-serving industries) to inject new dollars into the local economy and to create higher-paying employment opportunities.

5. VEDS Action Plan

Overview of Action Plan

The VEDS Action Plan is designed to achieve the following major goals:

- Expand economic opportunities for Vista’s resident workforce by fostering creation of a diverse range of quality jobs accessible to residents across the spectrum of education/skill levels
- Revitalize Vista’s commercial and industrial areas by encouraging private investment that responds to anticipated real estate market demand
- Strengthen the City’s fiscal position by attracting land uses and business types that have the potential to generate General Fund revenue

Whereas these goals largely revolve around attracting and retaining targeted business investment, the Action Plan recognizes that the strength of the local business/development environment will ultimately depend on Vista’s strategic attention to a range of “foundational” conditions such as:

- Education/workforce development systems
- Entrepreneurial development resources
- The City’s reputation for business/development friendliness
- Land, zoning and infrastructure capacity
- Placemaking activities that leverage Vista’s unique locational advantages and sense of community
- Overall image and quality of life

Prioritization of City Resources

The VEDS is intended to provide a “roadmap” to guide activities and programs of the City’s Economic Development Department over the next five years (FY 2021-2022 through FY 2026-2027). Consistent with the expected availability of resources, ***the Action Plan assumes that the City’s economic development staff¹² will remain constant over 5-year implementation period of this plan.*** As such, the Action Plan is intended to assist the City in aligning its program priorities to match the market opportunities identified during this planning effort. Whereas the Action Plan covers an ambitious range of economic development activities, the expectation of implementing the recommended strategies without increasing City staff reflects the following factors:

- Many of the proposed strategies involve activities that the City is already undertaking to some extent, so they are not all new commitments;
- New activities/programs would be phased-in over several years; and

¹² Current full-time equivalent staff of 2.3 City employees.

- Consistent with existing practices, most of the strategies would be carried out in collaboration with various non-City partner organizations (many of which have participated in the development of this plan).

Recommended Business Retention/Expansion/Attraction Targets

Implementation of the VEDS Action Plan will position the City to be competitive for a targeted business development program including the following elements:

- **Retention** of existing firms/industries that are in a “repositioning”¹³ mode due to national/statewide market and regulatory conditions;
- **Expansion** of existing firms in strong growth sectors;
- **Attraction** of new firms based on Vista’s competitive advantages within the San Diego/southern California regions; and
- **Entrepreneurial development**, with a focus on technology-oriented firms aligned with the region’s core industries.

As described in Chapter 4, the VEDS target industry analysis identified a total of 15 industry clusters¹⁴ that are of potential interest to Vista. Among the 15 clusters of interest, eight are recommended as priority targets for this Action Plan:

1. Biopharmaceuticals (leveraging one of North County’s “signature” industries)
2. Medical devices (also leverages regional strength in life sciences)
3. Information technology (software development)
4. Aerospace vehicles and defense
5. Distribution and electronic commerce (responds to ongoing global changes in the retail industry, which have been hastened by pandemic; also potentially a sales tax generator)
6. Education and knowledge creation (target reuse of National University site)
7. Food and beverage processing (building on success of Vista’s breweries)
8. Entertainment/arts-oriented businesses (potential anchor for continued downtown revitalization; also leverages region’s huge hospitality/tourism industry)

In order to efficiently concentrate available marketing resources on the most promising target industries, the VEDS will include an **initial** focus on the eight priority clusters. The remaining seven clusters would potentially be added as secondary priorities later in the implementation period (i.e., Year 3 or later).

¹³ In addition to business retention, “repositioning” could also potentially be relevant to a focus on reshoring U.S. manufacturing – a strategy that is currently receiving significant discussion in the economic development profession in light of the pandemic.

¹⁴ Industry “clusters” are closely aligned groups of industry sectors representing supply-chain relationships. The “Medical Devices” cluster, for example, includes not only the actual manufacturing of medical devices but also related industries that provide inputs to the manufacturing process and support the sales and distribution of finished products.

The table on the following page lists Vista’s potential target industries (with high-priority targets highlighted in yellow). The table also identifies the likely areas of programmatic focus (i.e., retention, expansion, attraction, and/or entrepreneurial development) most relevant to each industry cluster.

RECOMMENDED TARGET INDUSTRIES
(INITIAL PRIORITIES INDICATED IN YELLOW)

Potential Industry/Cluster Targets	Focus of economic development activity				
	Retention/ Repositioning	Expansion	Attraction	Entrepreneurial development	Amenity investment
Core strengths. Build on Vista’s existing core strengths in “traded” (dollar-importing) clusters. Candidates would include:					
● Medical Devices					
● IT (Software)					
● IT (Hardware) & Analytical Instruments					
● Biopharmaceuticals					
● Plastics ¹⁵					
● Aerospace Vehicles and Defense					
● Production Technology & Heavy Machinery					
● Distribution and Electronic Commerce					
Regional clusters. Tap into dominant regional industry clusters that are not currently well represented in Vista, such as:					
● Hospitality and Tourism					
● Education/Knowledge Creation (and support businesses)					
● Business Services					
● Marketing, Design and Publishing					
“Home grown” industries. Foster home grown industries based on Vista’s unique community character. Examples would include:					
● Businesses tied to “Community of Makers” theme					
● Food and beverage processing (building on brewery success)					
● Entertainment/arts-oriented businesses					

¹⁵ Plastics manufacturing is generally expected to be a low-growth/declining industry in California due to high operational (e.g., electricity) costs in the state. However, it is a strong existing cluster in Vista and the surrounding Innovate 78 corridor (during the past 10 years, the Innovate 78 corridor gained 119 jobs in the Plastics cluster while California as a whole experienced a net loss of more than 700 jobs). As such it would appear to be an important focus for business retention efforts by the City.

VEDS Strategies

The VEDS Action Plan is organized around 12 major strategies which are outlined below and detailed on the following pages.

Industry Targeting: Business Development / Job Creation

1. Focus City's **business retention/expansion/attraction** efforts around high-priority industry clusters
2. Collaborate with regional partners to expand availability of **entrepreneurial development** resources in Vista
3. Enhance targeted **economic development marketing program**, consistent with City's broader (existing) branding initiatives

Umbrella Programs: Creating an Environment for Economic Progress

4. Enhance City's interface with **education/workforce development** partners
5. Elevate City's excellent reputation for **business/development friendliness** via a branded program (e.g., "Vista Works")
6. Leverage the City's in-house resources for economic development through **strategic partnerships, interdepartmental collaboration, and community involvement**. (e.g. having the Chamber lead coordination of a workforce development initiative)

Land Use / Placemaking Programs: Physical Changes to Accommodate Quality Growth

7. Position Downtown Vista as a **regional arts/entertainment center**
8. Facilitate **repurposing of high-vacancy retail commercial centers** (long-term vacancy level of 15% or more, especially if anchor tenants have been lost or replaced with more marginal uses) based on potential market demand for other land uses (including industrial, office, residential and mixed-use)
9. Coordinate with ownership of **Vista Business Park** properties and associations to ensure long-term vibrancy of this critical business district
10. Identify **other commercial corridors/districts** warranting long-term reinvestment and/or repositioning
11. Conduct **comprehensive evaluation of City's zoning and related land use policies**, to ensure capacity for anticipated development demand

12. Align City’s Capital Improvement Plan (CIP) with VEDS based on a *comprehensive assessment of infrastructure needs* in high-priority development areas

Implementation Timeframes

Each VEDS Strategy includes a list of specific Action Steps, which are intended to be implemented over the next 5 years (starting July 1, 2021). The recommended implementation timeframe for each action item is provided on the tables below, based on the following color coding:

Red = Year 1 (FY 2021-2022)

Green = Year 2 (FY 2022-2023)

Purple = Year 3 or later (FY 2023-2024 through FY 2025-2027)

STRATEGY 1: Focus City’s business retention/expansion/attraction efforts around high-priority industry clusters		Priority Level: High
Brief Description of Program Within Vista’s relatively limited remaining land/development capacity and existing vacant buildings, City will focus its business development efforts on market-feasible industries/clusters (see recommended list in preceding section of the VEDS) with the highest potential to: <ul style="list-style-type: none"> ● Create/retain high-paying jobs ● Increase tax base ● Contribute to sense of place 		City’s Positioning/Roles in Implementation The City will take a <u>lead, in-house</u> role in implementing a Vista-specific target industry program. The program will also involve some coordination with (and support from) regional partners.
Action Steps <i>(Red = Year 1; Green = Year 2; Purple = Year 3 or later)</i>		
<p>A. Identify a “short list” of 6-8 industry clusters for the City’s initial targeting efforts (the consultant’s recommendations – based on the industry cluster analysis and the priority levels suggested by the VEDS Committee – are page 29 of the VEDS)</p> <p>B. Compile database of existing Vista firms relevant to each targeted cluster</p> <p>C. Define outreach strategy for maintaining ongoing communication with key existing firms in retention/expansion clusters; outreach tactics could include a mix of industry meetings/mixers, online surveys, site visits, and direct mail</p> <p>D. Evaluate becoming a Film Friendly City (possibly with a focus on specialized market segments such as international shoots, video gaming, and social media) and consider leveraging filming activity to support development of related industries/activities (e.g., music production studios)</p> <p>E. Conduct needs assessment (via outreach in Step C) of firms receptive to business retention/expansion assistance and develop customized responses (packaging of City and non-City resources) to address specific needs of assisted firms</p> <p>F. Consider forming an ad hoc committee or industry-led taskforce to guide implementation of Film Friendly City concept</p>		

STRATEGY 1: Focus City’s business retention/expansion/attraction efforts around high-priority industry clusters		Priority Level: High
<p>G. Implement marketing effort (see Strategy 3 below) for identified business attraction targets</p> <p>H. Customize entrepreneurial development resources (see Strategy 2 below) to maximize startup potentials in targeted industry clusters</p> <p>I. Customize workforce development resources (see Strategy 4 below) to ensure competitive pipeline of workers to meeting staffing needs of targeted industry clusters</p>		
<p>Partnership Resources</p> <ul style="list-style-type: none"> ● Commercial/industrial real estate brokers ● San Diego North Economic Development Council (EDC) ● Vista Chamber of Commerce ● San Diego Regional Economic Development Corporation (EDC) ● San Diego Workforce Partnership 		
<p>Other Potential Implementation Tools/Investments</p> <ul style="list-style-type: none"> ● Professional “lead generation” services (e.g., Whittaker Associates) ● Business retention/expansion software (e.g., Synchronist) ● Business screening/lead identification database (e.g., Gazelle.AI) 		
<p>Year 1 Milestones/Checklist</p> <ul style="list-style-type: none"> ● BRE outreach program designed ● Outreach to 50 existing Vista firms 		

STRATEGY 2: Collaborate with regional partners to expand availability of entrepreneurial development resources in Vista		Priority Level: High
<p>Brief Description of Program</p> <p>Building on the “Community of Makers” theme, the City will launch an across-the-board effort (via multiple VEDS strategies) to attract and foster startups (with a particular focus on entrepreneurial opportunities in the VEDS target industry clusters).</p> <p>In addition to resources oriented to start-ups, this strategy could also address the need for “nuts and bolts” business training (e.g., financial literacy) applicable to both new and existing firms.</p>	<p>City’s Positioning/Roles in Implementation</p> <p>The City will mostly serve in a <u>coordination/clearinghouse capacity</u>, drawing on the established programs of regional partners. More directly (through other VEDS strategies), the City will focus on creating an innovative business environment attractive to prospective entrepreneurs.</p>	
<p>Action Steps (Red = Year 1; Green = Year 2; Purple = Year 3 or later)</p> <p>A. Conduct meetings with regional partners listed below to unveil VEDS target industry cluster program and identify targeted industries likely to offer significant entrepreneurial development opportunities</p> <p>B. Update webpage summarizing City’s entrepreneurial development opportunities/resources</p> <p>C. Support and build upon Innovate78’s efforts</p>		

STRATEGY 2: Collaborate with regional partners to expand availability of entrepreneurial development resources in Vista		Priority Level: High
<p>D. In conjunction with regional partners, conduct a “gap analysis” to identify needs for new programs and to assess partner capacity to supply needed training and other entrepreneurial development resources (this analysis will consider specific needs of demographic groups/communities/neighborhoods that may currently be underrepresented in terms of access to business assistance resources)</p> <p>E. If needed organize a local annual “startup network” workshop featuring presentations from partner organizations and providing networking opportunities for prospective startups</p> <p>F. Implement other VEDS strategies supportive of a culture of innovation and entrepreneurship, especially:</p> <ul style="list-style-type: none"> ○ Economic development marketing program (Strategy 3) ○ Workforce development interface (Strategy 4) ○ Business/development friendliness program (Strategy 5) ○ Downtown arts/entertainment initiative (Strategy 7) ○ Vista Business Park coordination (Strategy 9) <p>G. (Longer-term) investigate options for key partner organizations establishing field offices in Vista</p>		
Partnership Resources		
<ul style="list-style-type: none"> <li style="width: 50%;">● Open Source Maker Labs (Vista) <li style="width: 50%;">● Small Business Development Center (SBDC) <li style="width: 50%;">● North County Biotech incubator (Vista) <li style="width: 50%;">● San Diego Startup Month <li style="width: 50%;">● Innovate78 / Startup78 <li style="width: 50%;">● San Diego North EDC <li style="width: 50%;">● Vista Chamber of Commerce <li style="width: 50%;">● Tech Coast Angels (San Diego) <li style="width: 50%;">● Cal State University San Marcos <li style="width: 50%;">● Azure – Lab Space on Demand <li style="width: 50%;">● San Diego Ventures Group / Cool Companies <li style="width: 50%;">● San Diego Regional EDC <li style="width: 50%;">● Chairmen’s Roundtable (CRT) <li style="width: 50%;">● Local banks 		
Year 1 Milestones/Checklist		
<ul style="list-style-type: none"> <li style="width: 50%;">● Initial meetings with all key partners <li style="width: 50%;">● Webpage update 		

STRATEGY 3: Implement targeted economic development marketing program, consistent with City’s broader (existing) branding initiatives		Priority Level: High
Brief Description of Program	City’s Positioning/Roles in Implementation	
<p>Within the envelope of Vista’s existing brand, the City will launch an economic development-specific marketing program with the following objectives:</p> <ul style="list-style-type: none"> ● Exposure to targeted industry clusters within region (to improve Vista’s competitive positioning) ● Lead generation for business attraction ● Raising public awareness of City’s business assistance resources ● Elevating City’s “business friendly” status 	<p>The City will take a <u>lead, in-house role</u> in implementing the economic development-specific marketing program. Initial program design would likely require support from a professional marketing agency. Vista will also leverage its City-level marketing investment through participation in regional marketing initiatives.</p>	

STRATEGY 3: Implement targeted economic development marketing program, consistent with City’s broader (existing) branding initiatives		Priority Level: High		
<ul style="list-style-type: none"> Promoting Vista’s downtown as a regional destination Positioning Vista as an attractive place for tech/professional workers to live <p>(The above elements could be phased-in over several years)</p>				
<p>Action Steps (Red = Year 1; Green = Year 2; Purple = Year 3 or later)</p> <p>A. Facilitate an ad hoc committee process to define themes (e.g., “A Community of Makers”), objectives, targets and community “selling points” for marketing initiative</p> <p>B. Update City’s economic development webpages to reflect new marketing targets identified in VEDS</p> <p>C. Coordinate with partners to ensure that VEDS marketing targets (and associated “selling points”) are optimally positioned within regional marketing initiatives (including partner websites, etc.)</p> <p>D. Evaluate the value of marketing Vista as a Film Friendly City (potentially focusing on specialized market segments such as international shoots, video gaming, and social media)</p> <p>E. Investigate options for professional marketing services to support design/implementation of new marketing program</p> <p>F. Investigate longer-term potentials for initiating a film festival in Vista (building on key assets such as Avo Theater, Moonlight Amphitheatre, Creekwalk Park, etc.)</p>				
<p>Partnership Resources</p> <table border="0"> <tr> <td> <ul style="list-style-type: none"> Vista Chamber of Commerce San Diego North EDC San Diego Regional EDC Antique Gas & Steam Engine Museum (link to “Community of Makers” theme) The Film Hub </td> <td> <ul style="list-style-type: none"> Innovate78 Vista Village Business Association Commercial/industrial real estate brokers Sand N’ Straw community farm (link to agriculture and “Community of Makers” theme) </td> </tr> </table>			<ul style="list-style-type: none"> Vista Chamber of Commerce San Diego North EDC San Diego Regional EDC Antique Gas & Steam Engine Museum (link to “Community of Makers” theme) The Film Hub 	<ul style="list-style-type: none"> Innovate78 Vista Village Business Association Commercial/industrial real estate brokers Sand N’ Straw community farm (link to agriculture and “Community of Makers” theme)
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<p>Other Potential Implementation Tools/Investments</p> <ul style="list-style-type: none"> Professional marketing agency (with economic development expertise) 				
<p>Year 1 Milestones/Checklist</p> <table border="0"> <tr> <td> <ul style="list-style-type: none"> Ad Hoc committee meetings as needed Start communication of message </td> <td> <ul style="list-style-type: none"> Webpage updates Partner interface </td> </tr> </table>			<ul style="list-style-type: none"> Ad Hoc committee meetings as needed Start communication of message 	<ul style="list-style-type: none"> Webpage updates Partner interface
<ul style="list-style-type: none"> Ad Hoc committee meetings as needed Start communication of message 	<ul style="list-style-type: none"> Webpage updates Partner interface 			

STRATEGY 4: Enhance City’s interface with education/workforce development partners		Priority Level: High
Brief Description of Program The City will systematically interface with education and workforce development partners to support the following outcomes: <ul style="list-style-type: none"> ● Elevate performance/image of Vista’s public K-12 schools relative to neighboring cities ● Improve information flow between employers and educators/trainers regarding needed skills for targeted industry clusters ● Improve Vista’s positioning in regional “talent attraction” initiatives ● Increase awareness of Vista residents about available training/job placement services 	City’s Positioning/Roles in Implementation Whereas core educational/workforce development services will continue to be delivered primarily by partner organizations, the intent of this strategy is to more strongly support these partners in a <u>coordination/clearinghouse capacity</u> . This coordination role would involve streamlining and clarifying regional/partner resources to maximize their value to Vista’s business community. Potentially this is a role that the Vista Chamber of Commerce could lead.	
Action Steps <i>(Red = Year 1; Green = Year 2; Purple = Year 3 or later)</i> <ul style="list-style-type: none"> A. Actively engage with San Diego Workforce Partnership to ensure that: <ul style="list-style-type: none"> ○ City has complete/most recent information about Partnership programs; this will maximize likelihood of Vista businesses accessing resources; it also provides a lead generation opportunity for the Partnership ○ City is fully linked to Partnership’s initiatives B. Actively engage Vista Unified School District in the City’s economic development process and constructively support VUSD’s progress through the following types of activities: <ul style="list-style-type: none"> ○ Coordination with local employers to establish high school internship opportunities ○ Promoting VUSD “success stories” as part of City’s marketing efforts ○ Identifying specific ways the City/community can support improved school performance ○ Identify continued opportunities to link adult education programs to City’s economic development efforts ○ More direct interface between VUSD and the San Diego Workforce Partnership (this interface will be enhanced by the VUSD Superintendent’s forthcoming appointment to the Workforce Development Board) ○ Investigate potential for mentorship programs focused on highlighting career pathways for high school students C. Establish and facilitate periodic meetings of a “Vista Workforce Excellence” taskforce (including representatives of the partner organizations listed below); this action item could potentially be an outgrowth of the Chamber of Commerce’s workforce/education committee, and would serve the following major purposes: <ul style="list-style-type: none"> ○ Coordination of the various service providers related to workforce training to ensure consistent dissemination of information about available programs/resources ○ Facilitating useful connections between employers and training organizations 		

STRATEGY 4: Enhance City’s interface with education/workforce development partners	Priority Level: High
<ul style="list-style-type: none"> ○ Ensuring equal access to workforce development programs by all Vista residents and identifying needs for expanded outreach to underserved communities/neighborhoods ○ Consideration of other issues related to diversity and inclusiveness of workforce development programs <p>D. Conduct employer survey (potentially as part of business retention/expansion outreach in Strategy 1) to get direct input from employers regarding high-demand occupations and skill sets</p> <p>E. Convene periodic focus group meetings with human resources managers representing key employers in Vista</p> <p>F. In tandem with partners, establish other ongoing mechanisms to improve connection between employers and education/training resources</p> <p>G. Collaborate with San Diego Workforce Partnership to establish a career center in Vista (note: Partnership is currently planning to open a career center in VUSD offices)</p> <p>H. (Longer-term) investigate options for providing career resources at the Gloria McClellan Senior Center)</p>	
<p>Partnership Resources</p> <ul style="list-style-type: none"> ● San Diego Workforce Partnership ● Vista Unified School District (VUSD) ● Palomar College ● MiraCosta College ● Vista Adult School ● Cal State University San Marcos ● San Diego North EDC ● Trade schools / labor unions ● Vista Chamber of Commerce (potential lead) 	
<p>Year 1 Milestones/Checklist</p> <ul style="list-style-type: none"> ● Coordination meeting with San Diego Workforce Partnership and VUSD 	

STRATEGY 5: Elevate City’s excellent reputation for business/development friendliness via a branded program (e.g., “Vista Works”)	Priority Level: Highest
<p>Brief Description of Program</p> <p>The city will build on existing marketing efforts such as <i>Vista is Open</i> (and other strategies including some mentioned in this document) to extend initiatives such as this to branded messaging that addresses both the city’s efforts to expedite and clarify development approval processes, business permitting, and the like and initiatives that demonstrate the city’s commitment to taking proactive measures to support businesses, generally and in response to particular disruptions such as Covid 19.</p>	<p>City’s Positioning/Roles in Implementation</p> <p>The city will take the <u>lead role</u> as necessary, while ensuring coordination with other marketing/branding efforts in the community and, as appropriate, the region.</p>

STRATEGY 5: Elevate City’s excellent reputation for business/development friendliness via a branded program (e.g., “Vista Works”)		Priority Level: Highest
<p><i>Action Steps</i> (Red = Year 1; Green = Year 2; Purple = Year 3 or later)</p> <p>A. Facilitate an ad hoc committee process to provide input and feedback on how this program can integrate with other marketing efforts, to ensure community “selling points” are consistent and mutually reinforcing (define very specific selling points related to business friendliness)</p> <p>B. Build on City’s pandemic-response programs to institutionalize economic resilience as a permanent priority</p> <ul style="list-style-type: none"> ○ Define the full scope of resilience efforts generally the city is either undertaking or recognizing implicitly in various plans, policies, etc. and determine how this form of economic resilience can be integrated within them ○ In marketing messages, take advantage of testimonials and other confirmation of the success the pandemic-response program has already achieved <p>C. Update City’s economic development webpages to reflect this branding effort and how it reinforces other marketing messages put forth by the city.</p> <p>D. Coordinate with partners to ensure that the message of Vista’s business friendliness ties into whatever similar messaging is applicable to the region, through their various marketing platforms appropriate</p> <p>E. Investigate options for professional marketing services, which may include expanding the role of marketing professionals addressing other, related topics, to support design/implementation of this branding effort</p>		
<p>Partnership Resources</p> <ul style="list-style-type: none"> ● Vista Chamber of Commerce ● San Diego North EDC ● Innovate78 ● Downtown Business Associations ● Commercial/industrial real estate brokers 		
<p>Other Potential Implementation Tools/Investments</p> <ul style="list-style-type: none"> ● Professional marketing agency (with economic development expertise) 		
<p>Year 1 Milestones/Checklist</p> <ul style="list-style-type: none"> ● Facilitate Ad Hoc committee meetings as needed ● Definition of branding concept’s relationship with other marketing programs ● Webpage updates, at least at preliminary level ● Partner interface ● Start communication of message 		

STRATEGY 6: Leverage the City’s in-house resources for economic development through strategic partnerships, interdepartmental collaboration, and community involvement.		Priority Level: High
<p>Brief Description of Program</p> <p>The City’s Economic Development Department will systematically expand its program capacity by engaging a range of internal and external partners, and key community advocates.</p>	<p>City’s Positioning/Roles in Implementation</p> <p>This is an “umbrella” strategy to support the City’s <u>coordination</u> of other strategies.</p>	

STRATEGY 6: Leverage the City’s in-house resources for economic development through strategic partnerships, interdepartmental collaboration, and community involvement.	Priority Level: High
<p>Action Steps (Red = Year 1; Green = Year 2; Purple = Year 3 or later)</p> <ul style="list-style-type: none"> A. As appropriate, convene ad hoc committees to support progress on specific topics/strategies B. Coordinate with other City departments/initiatives (e.g., <i>Strategic Plan to Address Homelessness</i>) to institutionalize an integrated/holistic approach to economic development C. Systematically engage City’s external partners in VEDS implementation D. Host annual partner appreciation luncheon (inviting all VEDS collaborating partners, City department heads, and representatives of key target industries) to report on City’s economic development progress E. Separate from the partner event, host annual broker appreciation luncheon (or other appropriate event) focused on strengthening the City’s connections to the North County commercial/industrial real estate brokerage community 	
<p>Partnership Resources All partner organizations listed for other strategies</p>	
<p>Year 1 Milestones/Checklist</p> <ul style="list-style-type: none"> ● Designation of ad hoc committees as appropriate 	

STRATEGY 7: Position Downtown Vista as a regional arts/entertainment center	Priority Level: Medium (mainly to allow timing for coordination with other related downtown strategies)
<p>Brief Description of Program This strategy will build on a number of assets, existing and still evolving, related to downtown including the potential to enhance its attractiveness and “sense of place” as an attractor for residents, including the generally more footloose working population, and tourists, and ways to enhance its connectivity to adjacent business corridors. It will also build on other strategies related to these additional assets, by focusing on attracting businesses, venues, and organizations in arts and entertainment.</p>	<p>City’s Positioning/Roles in Implementation City will begin by <u>leading</u> the investigation into how this strategy can relate to and best be coordinated with other downtown strategies, including the potential role of festivals etc., and as appropriate support research into this issue. Role may eventually include physical investment in venues or other improvements.</p>
<p>Action Steps (Red = Year 1; Green = Year 2; Purple = Year 3 or later)</p> <ul style="list-style-type: none"> A. Facilitate an ad hoc committee process as needed to address the issues in the action steps outlined below B. Define the business/venue/organizational “universe” for these kinds of activities within Vista and the surrounding region (which will need to be defined). This includes both permanent installations and festivals, etc. that are or could be accommodated in the downtown 	

STRATEGY 7: Position Downtown Vista as a regional arts/entertainment center	Priority Level: Medium (mainly to allow timing for coordination with other related downtown strategies)
<p>C. Assess the market conditions for relevant activities, in terms of competition, local and regional demand, etc.</p> <p>D. Inventory downtown properties for their potential to accommodate arts/entertainment venues and activities (on a permanent or per-event basis, and including redevelopment/repurposing of existing facilities)</p> <p>E. Investigate options for retaining professional market research services to address the preceding steps</p> <p>F. Demonstrate the extent to which the Downtown environment can benefit from current trends including: 1) the apparent need for certain post-pandemic physical adjustments, such as flexible spaces, outdoor areas, etc.), and 2) the shift in shopping focus to outdoor space and outdoor-oriented “malls,” as well as the popularity of “experiences” being connected to retail activity</p> <p>G. Identify and implement policies to streamline creative use of underutilized spaces within the Paseo Santa Fe corridor (e.g., streamline permitting of pop-up art and public art such as murals), consistent with this area’s Specific Plan designation as an arts district</p>	
<p>Partnership Resources</p> <ul style="list-style-type: none"> ● Vista Chamber of Commerce ● Central Vista Business Improvement District ● San Diego North EDC ● Innovate78 ● Downtown business association(s) ● Commercial/industrial real estate brokers ● Local/regional arts organizations ● Discover Vista 	
<p>Year 1 Milestones/Checklist</p> <ul style="list-style-type: none"> ● Define the approach to investigations outlined in the above action steps 	

STRATEGY 8: Facilitate repurposing of high-vacancy retail commercial centers based on potential market demand for other land uses (including industrial, office, residential and mixed-use)	Priority Level: Highest
<p>Brief Description of Program</p> <p>Although the real estate market analysis completed for the VEDS process indicates some potential demand for new retail/restaurant tenancies in Vista (which could potentially be focused in specialty shopping areas such as the downtown), global trends for the retail industry suggest that older shopping centers will increasingly struggle to maintain acceptable occupancy levels and vibrant tenant mixes. The City will work proactively with shopping center owners to define mutually beneficial solutions to these challenges.</p>	<p>City’s Positioning/Roles in Implementation</p> <p>The City will take a <u>lead, in-house role</u> in implementing this strategy. The program will also involve direct coordination with property owners and the development community.</p>

STRATEGY 8: Facilitate repurposing of high-vacancy retail commercial centers based on potential market demand for other land uses (including industrial, office, residential and mixed-use)	Priority Level: Highest
<p>Note: Strategies 9 and 10 focus on revitalization/reuse of other (non-retail) land uses; Strategy 11 relates to zoning and land use policies that could facilitate/expedite repurposing of older properties.</p>	
<p>Action Steps (Red = Year 1; Green = Year 2; Purple = Year 3 or later)</p> <ul style="list-style-type: none"> A. Coordinate with local commercial real estate brokers (who can provide data on vacancies, tenant prospects, etc.) to identify shopping centers that would be prime candidates for repurposing B. Initiate contact with ownership/management of key shopping centers to assess interest in redeveloping properties and to determine means by which City could facilitate/incentivize action on redevelopment C. Conduct focus group meeting with development community (developers and brokers familiar with the North County market) to identify market demand prospects for various reuse approaches/concepts: <ul style="list-style-type: none"> ○ Mixed-use development in which a portion of existing retail use is retained, and surplus land is devoted to other uses (mostly likely housing and/or office) ○ Opportunities to fulfill City’s RHNA affordable housing obligations by allowing residential development on shopping center sites ○ Opportunities for market-rate housing development (appropriate for a full range of income levels, including “workforce” housing) on shopping center sites ○ Opportunities to pursue development of Class A office space ○ Opportunities to pursue development of logistics (or other industrial) space D. Consider implementing moratorium on “marginal” retail center tenants (e.g., churches) until long-term strategy is formulated (this type of policy could potentially be implemented through the City’s conditional use permit [CUP] process) E. Prepare development prototypes (i.e., drawings/renderings) and pro forma financial analyses to document the potential financial attractiveness (to property owners) of site redevelopment F. Develop information packages to demonstrate the economic/financial advantages (to property owners) of site redevelopment G. Investigate potential applicability of Federal and State authorized “tools” to increase the feasibility of redevelopment/reinvestment actions (see list of potential tools below) 	
<p>Partnership Resources</p> <ul style="list-style-type: none"> ● Commercial/industrial real estate brokers ● Shopping center owners ● Development community 	
<p>Other Potential Implementation Tools</p> <ul style="list-style-type: none"> ● Community Revitalization and Investment Authorities (State legislation) ● Enhanced Infrastructure Financing Districts (State legislation) ● Federal Opportunity Zones 	
<p>Year 1 Milestones/Checklist</p> <ul style="list-style-type: none"> ● Coordination with commercial brokers ● Meetings with shopping center owners 	

STRATEGY 9: Coordinate with ownership of Vista Business Park facilities to ensure long-term vibrancy of this critical business district		Priority Level: Highest
Brief Description of Program The city will undertake a comprehensive review of this 1,600-acre area, which reflects its age as well as its positive locational attributes and other appeal. The <i>Vista Business Park Specific Plan</i> has undergone numerous updates (most recently approximately one year ago) since its inception in 1993, so current strategic directions must recognize the relationship between updates and the original document. The review of the Specific Plan should include, for example, consideration of more flexible development standards (e.g., parking requirements) in light of current and anticipated market trends.	City's Positioning/Roles in Implementation The city will <u>coordinate</u> action steps, beginning with designing a system for interfacing with facility owners and other stakeholders in the area, and potentially (eventually) supporting research contributing to the update of the area's Specific Plan.	
Action Steps <i>(Red = Year 1; Green = Year 2; Purple = Year 3 or later)</i>		
<p>A. Investigate the extent to which the Specific Plan updates in combination with the original document reflect current development conditions and challenges/opportunities, and refine strategic direction accordingly</p> <p>B. Document current market conditions in the Business Park relative to competitive locations in the immediate region (comparability of rent levels, additional investment to improve, repurpose, etc., feedback from stakeholders and other information)</p> <p>C. Define the marketing position, messages, etc. appropriate to convey both current and anticipated future conditions in the Business Park</p> <p>D. Based on market research (above) if available, include investigation of the potential for encouraging the image of a "high-amenity" business park through the addition of more restaurants, accommodating pedestrians and other alternative mobility, etc. – all to support a companion strategy of attracting more tech and other targeted firms</p> <p>E. Consider the use of professional market research services to address the preceding steps.</p>		
Partnership Resources		
<ul style="list-style-type: none"> ● Vista Chamber of Commerce ● San Diego North EDC ● Innovate78 	<ul style="list-style-type: none"> ● Commercial/industrial real estate brokers ● Badiie Development (developers of Keystone Innovation Campus located within the Vista business Park) 	
Year 1 Milestones/Checklist		
<ul style="list-style-type: none"> ● Specific Plan review ● Needs assessment from brokers and property owners 	<ul style="list-style-type: none"> ● Market comparison survey of competitive properties 	

STRATEGY 10: Identify other commercial corridors/districts and institutional land uses warranting long-term reinvestment and/or repositioning		Priority Level: Medium
Brief Description of Program The programs outlined in Strategy 7 (downtown), Strategy 8 (high-vacancy retail shopping centers), and Strategy 9 (Vista Business Park) represent the most immediate priorities for place-specific action on revitalization of key employment centers in Vista. Once the City has made initial headway on implementing these strategies, the resulting tools and programs can serve as models for revitalization of other Vista sub-areas and land uses. The City will take on other place-based initiatives on an as-needed basis, reflecting community priorities and aspirations.	City's Positioning/Roles in Implementation The City will take a <u>lead, in-house role</u> in implementing this strategy. The program will also potentially involve direct coordination with property owners and the development community.	
Action Steps <i>(Red = Year 1; Green = Year 2; Purple = Year 3 or later)</i>		
<p>A. Designate ad hoc committee as needed to provide input on VEDS place-specific initiatives and to suggest priorities for additional/future areas of focus; initial suggestions from the VEDS Committee include:</p> <ul style="list-style-type: none"> ○ Golf courses ○ Lincoln School property ○ Class B/C office buildings ○ Commercial corridors that could be positioned as “gateways” to Downtown Vista (e.g., North Santa Fe Avenue, East Vista Way, West Vista Way, and North Melrose Drive) <p>B. Assess status of other place-specific initiatives to determine City’s capacity to pursue improvement programs in other sub-areas</p>		
Partnership Resources		
<ul style="list-style-type: none"> ● Commercial/industrial real estate brokers ● Shopping center owners ● Golf course operators 	<ul style="list-style-type: none"> ● Development community ● Community/neighborhood organizations ● Office building owners 	
Other Potential Implementation Tools/Investments		
<ul style="list-style-type: none"> ● Community Revitalization and Investment Authorities (State legislation) ● Enhanced Infrastructure Financing Districts (State legislation) ● Federal Opportunity Zones 		
Year 1 Milestones/Checklist		
N/A		

STRATEGY 11: Conduct comprehensive evaluation of City’s zoning and related land use policies, to ensure capacity for anticipated development demand		Priority Level: Medium
Brief Description of Program The city’s review of policies will include investigation into the potential for creative zoning revisions that could expedite the conversion of some older areas into more productive uses. Potential strategies can include proactive steps to both change zoning and zoning language and expedite change requests, and also consider overlay zones targeting specific areas for special provisions.	City’s Positioning/Roles in Implementation City will have a lead role in coordinating relevant research etc. and eventually revising the zoning ordinance.	
Action Steps <i>(Red = Year 1; Green = Year 2; Purple = Year 3 or later)</i>		
<p>A. Establish ad hoc committee as needed to coordinate with the city on establishing the best approach to addressing this strategy</p> <p>B. Consider VEDS land-use related strategies (especially Strategies 8, 9 and 10) in City’s forthcoming General Plan Update process</p> <p>C. Conduct comprehensive review of existing business-related zoning districts and specific provisions, to assess: 1) current functionality in relation to existing development demands; 2) extent to which current zoning can facilitate upgrading of existing properties, for example to increase the supply of Class A office space; and 3) the potential to design and apply special overlay districts for areas in particular need of revitalization/redevelopment</p> <p>D. Conduct review of City’s existing development processing/entitlement/permitting procedures to identify opportunities for streamlining</p> <p>E. Coordinate zoning-related strategies with relevant strategies (and any related studies) applied to specific areas, such as downtown and the Vista Business Park, for example</p> <p>F. Investigate options for streamlining the CEQA process for individual development projects (e.g., through the use of program-level environmental documents covering overall planning areas)</p> <p>G. Consider the use of professional planning/environmental services to address the preceding steps</p>		
Partnership Resources		
<ul style="list-style-type: none"> ● Vista Chamber of Commerce ● San Diego North EDC ● Innovate78 ● Commercial/industrial real estate brokers 		
Other Potential Implementation Tools/Investments		
<ul style="list-style-type: none"> ● Professional planning services 		
Year 1 Milestones/Checklist		
N/A		

STRATEGY 12: Align City’s Capital Improvement Plan (CIP) with VEDS based on a comprehensive assessment of infrastructure needs in high-priority development areas		Priority Level: Medium
<p>Brief Description of Program</p> <p>The effectiveness and feasibility of some of the VEDS strategies listed above will be highly dependent on strategic infrastructure investments to expand Vista’s capacity for targeted development. The City’s Economic Development staff will coordinate closely with other City departments to ensure that capital improvement projects critical to economic development are prioritized in the City’s CIP.</p> <p>Projects related to parking (particularly in the downtown area) and enhanced mobility will be one focus of this program, recognizing that parking has both a short-term and long-term time horizon for assessing and implementing solutions, given the advent of autonomous vehicles, for example.</p> <p>The City will also closely track regional infrastructure investments impacting Vista’s economic development potentials.</p>	<p>City’s Positioning/Roles in Implementation</p> <p>The City’s Economic Development Director will lead coordination with other departments on identification of VEDS priorities for infrastructure investment.</p>	
<p>Action Steps (Red = Year 1; Green = Year 2; Purple = Year 3 or later)</p> <p>A. In conjunction with partner organizations involved in Strategies 1 through 11, develop lists of infrastructure improvements needed to support implementation of VEDS; initial priorities identified by the VEDS Committee and other community stakeholders include:</p> <ul style="list-style-type: none"> ○ Parking in downtown ○ Public spaces suitable for outdoor dining/gathering ○ Upgrades to Downtown Transit Center (positioning it as a better gateway/connector to the downtown) ○ Improved high speed internet service/infrastructure (citywide, with a priority focus on business districts and underserved areas and populations of the community) <p>B. Segment VEDS infrastructure list in terms of responsible party (i.e., City infrastructure versus improvements that fall under jurisdiction of other entities) and priority level</p> <p>C. Coordinate with City’s CIP preparation process to position VEDS-related capital projects in CIP.</p> <p>D. Coordinate with regional partners to prioritize VEDS-related improvements in regional infrastructure plans</p> <p>E. Investigate potential options for a “Smart City” plan to ensure Vista’s ongoing competitiveness with respect to digital transformation of infrastructure and expanded utilization of renewal energy sources/technologies</p>		

STRATEGY 12: Align City’s Capital Improvement Plan (CIP) with VEDS based on a comprehensive assessment of infrastructure needs in high-priority development areas	Priority Level: Medium
<p>Partnership Resources</p> <ul style="list-style-type: none"> ● Development community ● North County Transit District ● SANDAG 	
<p>Other Potential Implementation Tools/Investments</p> <ul style="list-style-type: none"> ● Community Revitalization and Investment Authorities (State legislation) ● Enhanced Infrastructure Financing Districts (State legislation) 	
<p>Year 1 Milestones/Checklist</p> <p>N/A</p>	

Appendix A: Existing Programs/Resources Relevant to the VEDS

Local Business Incentives

- 1. North County Economic Development Organizations *Swim Lanes Document, 2019***

This document serves to define the core functions of economic development related organizations along the 78 corridor to enhance collaboration, reduce redundancies and provide clarity to external actors.
- 2. Vista Economic Recovery Plan, 2020**

Discuss potential enhancements to the Vista Economic Recovery Plan.
- 3. Strategic Plan to Address Homelessness, 2020**

A Strategic Plan to address the needs of our community.
- 4. City of Vista Business Economic Recovery Plan, 2020**

A business Economic Recovery plan that contains a set of proposed solutions specifying key elements, and specific program details that are or will be outlined in the materials developed for each activity, for the benefit of the community.
- 5. Regional Transportation Plan *Transit Leap, 2021***

Developed in collaboration with regional transit operators North County Transit District and Metropolitan Transit System, the proposed Transit Leap network provides practical transit choices that are viable alternatives to driving for most trips along Complete Corridor highways.
- 6. EDA Grant Application for COVID Recovery Assistance**

Seed funding to establish a ‘Business Resilience Lab’ for the northern San Diego County region.
- 7. City of Vista Annual Action Plan, 2019-2020**

The City of Vista's *Annual Action Plan* sets forth the housing and community development strategies and objectives for 2019 - 2020.
- 8. Facade Improvement Program**

Program grants businesses in and near the downtown area up to \$15,000 to assist with exterior design upgrades.
- 9. San Diego Science and Technology Grant Program (The San Diego Foundation)**

Science & Technology grant program supports efforts to create and expand a pipeline connecting young adults to college and career opportunities.

State Business Incentives

- 10. Employment Training Panel (ETP)**

Through a competitive application process ETP will issue contracts for specific training, typically geared towards higher skills or specialized positions.

- 11. America's Job Center of California**
Works with local businesses offering a variety of services from pre-screening candidates for open positions, to offering interview facilities and support services for job seekers, free of charge.
- 12. College Access Tax Credit (CATC)**
Provides a tax credit to taxpayers and businesses who contribute to Cal Grants, the State of California's largest source of educational financial aid.
- 13. California Competes Tax Credit**
Helps companies stay and grow in California by reducing their state income tax.
- 14. California Research and Development Credit**
Reduces income or franchise tax.
- 15. California Capital Access Program (CalCAP)**
The program encourages banks and other financial institutions to make loans to small businesses that have difficulty obtaining financing.
- 16. California Partial Sales Tax Exemption for Construction and Tenant Improvements**
Qualified purchases made under construction contracts for tenant or infrastructure improvements are also eligible for the same partial sales tax exemption of 3.9375%
- 17. California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA)**
Provides a sales and use tax exclusion (full rate, including local and district taxes) on qualifying property that is used in the design, manufacture, production, or assembly of "advanced transportation technologies or alternative energy source products, components, or systems," or "clean technology."
- 18. California Employment Hiring Credit**
Eligible businesses could generate up to \$112,000 in tax credits per year from this program by hiring 10 new qualified employees.
- 19. Recycling Market Development Zone**
North County businesses within the North San Diego County Recycling Market Development Zone that can demonstrate that they are recycling paper, plastic, glass and/or organic material are eligible for low-interest loans and technical assistance.
- 20. Economic Development Rate Program**
This program gives special utility discounts for businesses that require high-energy loads to operate, or continue operating, in California.
- 21. Manufacturing and Research & Development Partial Sales and Tax Exemption**
Manufacturers and certain research and developers may qualify for a partial exemption of sales and use tax on certain manufacturing and research and development equipment purchases and leases.
- 22. Film and Television Tax Credit Program 2.0**
The California Film Commission provides tax credits to qualified productions (TV projects and feature films) that are produced in California.

23. Teleproduction Exemption

The California Department of Tax and Fee Administration offers a partial sales and use tax exemption for the sale, storage, use or other consumption of machinery and equipment, including component parts, used primarily in teleproduction or other postproduction activities.

24. Industrial Development Bonds

Industrial development bonds provide financing for the acquisition, construction, rehabilitation and equipping of manufacturing and processing facilities for private companies.

Federal Business Incentives

25. Business Energy Investment Tax Credit (ITC)

A Department of Energy tax incentive that provides rebates to businesses when they use alternative energy, including solar.

26. New Markets Tax Credit Program

Incentivizes community development and economic growth through the use of tax credits that attract private investment to distressed communities.

27. Opportunity Zones

Provide investors tax incentives to invest in low-income census tracts by allowing them to defer tax on capital gains and decrease taxes on potential future gains.

28. Work Opportunity Tax Credit

A federal income tax credit incentive provided to private sector employers. An employer may be eligible for WOTC when they hire from certain target groups of job seekers who face employment barriers.

29. Historically Underutilized Business Zone (HUBZone) Program

The Historically Underutilized Business Zone (HUBZone) was created to stimulate economic development and employment growth in economically distressed communities by providing Federal contracting preferences to small businesses. Administered by the U.S. Small Business Administration (SBA), these preferences go to HUBZone certified small businesses that employ residents who live in a designated HUBZone as well as maintain its "principal office" in one of the specially designated areas. The City of Vista's Downtown Opportunity Zone is also designated as an SBA HUBZone.