

NEW GILROY GENERAL PLAN

GENERAL PLAN ADVISORY COMMITTEE MEETING

Presented by:
Doug Svensson, AICP



NOVEMBER 13, 2013



DISCUSSION OUTLINE

- **Labor Force and Target Industries**
- **Retail Leakage**
- **Other SWOT Issues**
- **Additional Action Plan Items**

LABOR FORCE AND TARGET INDUSTRIES

KEY FINDINGS

- Gilroy labor force exceeds jobs base by 4,575 workers (17.2%)
- About 64% of workers (16+ yrs) commute out of Gilroy to work
 - 80% of older labor force (25+ yrs)
- Key out-commute sectors include:
 - Education and Health Services: 2,214
 - Manufacturing: 1,983
 - Construction: 1,879
 - Professional/Technical Services: 1,761
 - Finance/Insurance: 788
 - Transportation/Warehousing/Wholesale: 686
 - Information: 401

LABOR FORCE AND TARGET INDUSTRIES

KEY FINDINGS

- **Major Occupational Gaps Include:**
 - **Installation/Maintenance/Repair: 656**
 - **Business and Financial Operations: 572**
 - **Office and Admin Support: 460**
 - **Computer and Mathematical: 292**
 - **Arts/Design/Entertainment/Media: 216**
 - **Architecture/Engineering: 171**
 - **Management: 114**

GPAC DISCUSSION

- Do you agree with the assessments?
- Would you add items or information?
- Should assessments be modified or expanded to include more specifics?

TARGET INDUSTRY SWOT

STRENGTHS

- Food processing showing good growth potential
- Gilroy has good regional transportation access
- Gilroy has large inventory of industrial land

WEAKNESSES

- Job base doesn't provide adequate employment opportunities
- Gilroy has a high vacancy rate in the office sector and relatively low lease rates
- Low amount of non-retail sales tax

TARGET INDUSTRY SWOT

OPPORTUNITIES

- Manufacturing/distribution industries that are being priced out of Silicon Valley
- Attractive office and industrial lease rates
- Skilled labor force currently commuting to other job centers

THREATS

- Market perception of Gilroy as agricultural community

PRELIMINARY ACTION PLAN

1. DIVERSIFY THE LOCAL ECONOMY BY CREATING JOBS WITH CAREER OPPORTUNITIES FOR THE LOCAL WORKFORCE

1.1 Establish business development and attraction targets:

- Wholesale/distribution
- Food manufacturing
- Sheet metal work manufacturing
- Machine shops
- Communications equipment manufacturing
- Other electrical equipment and component manufacturing
- Professional, scientific and technical services
- Health services

PRELIMINARY ACTION PLAN

1.2 Identify emerging industries for which Gilroy can capture future market share:

- Heating and air purification equipment
- Measuring and controlling devices
- Unlaminated plastics profile shape manufacturing
- Urethane and other foam products
- Fabric coating mills

PRELIMINARY ACTION PLAN

- 1.3 Ensure that Gilroy businesses have access to a full network of business support services.
- 1.4 Coordinate with local business organizations to support business growth and expansion.
- 1.5 Participate in regional economic development and marketing efforts.
- 1.6 Ensure that a range of building spaces and new building development options exist in Gilroy.
- 1.7 Continue to monitor City fees and development costs.
- 1.8 Maintain a toolkit of potential economic development funding sources and mechanisms.

RETAIL SWOT

STRENGTHS

- Gilroy's commercial activity well exceeds what is typical
- Gilroy's market reach extends from the surrounding communities
- Strong population growth continues to enhance local market
- Taxable sales in Gilroy saw strong year-over-year growth
- Gilroy has a high concentration of taxable sales per capita
- Apparel stores, service stations, eating places, and general merchandise stores have shown strong performance
- Gilroy Premium Outlets, Gilroy Crossing, and Pacheco Pass Center generate over half of Gilroy's total taxable sales

RETAIL SWOT

WEAKNESSES

- Gilroy's substantial capture of retail spending limits the number of retail segments
- Gilroy's average household income ranks lowest among cities in Santa Clara
- Building materials and automotive have shown the greatest weakness

RETAIL SWOT

OPPORTUNITIES

- Large number of shoppers and visitors on the east side of Highway 101 could present opportunities for west side
- Large volume of travelers passing through along Highway 152 could create opportunities

RETAIL SWOT

THREATS

- Recent retail developments in other communities reduce regional spending capture and expansion potential
- Retail stores generate over 90 percent of taxable sales in Gilroy, compared to statewide average of less than 70 percent
- The Premium Outlets center is more than 20 years old

PRELIMINARY ACTION PLAN

2. ENHANCE GILROY'S POSITION AS A REGIONAL RETAIL CENTER

2.1 Support expansion of car dealer row.

2.2 Target important retail niches, such as a higher end grocery stores and restaurants, to improve the shopping mix.

2.3 Work with retail centers to maintain a fresh mix of stores and an attractive shopping environment.

ADDITIONAL SWOT

STRENGTHS

- Gilroy exhibits a good quality of life with low crime and plentiful parks and recreation facilities
- Gilroy's local schools score well (API index)
- Gilroy compares well on quality of life and socioeconomic indicators to competitors to the south

ADDITIONAL SWOT

WEAKNESSES

- High vacancy rate in downtown Gilroy creates an image problem
- Lack of interaction between the two sides of Highway 101
- Lack of full-service business hotel and other high-end lodging
- Downtown Gilroy has a lack of high-end dining and entertainment

ADDITIONAL SWOT

OPPORTUNITIES

- Downtown Gilroy is an underutilized resource
- The potential exists for downtown to become a more prominent visitor attraction
- Full-service restaurants are currently underserved
- Gilroy is a regional visitor attraction, but can expand
- Downtown Gilroy can capitalize on the community's garlic capital image
- Newly implemented Tourism Business Improvement District will fund marketing activities

ADDITIONAL SWOT

THREATS

- High number of unoccupied unreinforced masonry buildings in downtown will hinder revitalization efforts
- Gilroy's current room rates remain below national averages

PRELIMINARY ACTION PLAN

3. INCREASE TOURISM TO GILROY

3.1 Promote winery tourism.

3.2 Expand and promote events for youth sports and regional tournaments.

3.3 Explore the opportunity to attract a full-service business hotel with conference facilities

3.4 Develop additional attractions and identify linked itineraries to encourage visitors to see multiple locations

PRELIMINARY ACTION PLAN

4. INVEST IN ARTS AND CULTURAL PROGRAMS AND FACILITIES

4.1 Create additional opportunities for live theater and concert events, particularly in the Downtown.

PRELIMINARY ACTION PLAN

5. SUPPORT DOWNTOWN DEVELOPMENT TO FURTHER DOWNTOWN'S STATUS AS A LOCAL AND VISITOR DESTINATION

- 5.1 Address the need to upgrade unreinforced masonry buildings.
- 5.2 Promote downtown for tourism, including wine tasting.
- 5.3 Implement improvements to parking, safety, lighting and other infrastructure in downtown.
- 5.4 Create visual cues and connections to attract visitors and shoppers from the destination commercial areas on the east side of Highway 101 to the Downtown area.

PRELIMINARY ACTION PLAN

6. BUILD ON REGIONAL INFRASTRUCTURE SUCH AS THE HIGH SPEED RAIL (HSR) TO CREATE BUSINESS NODES IN GILROY

6.1 Protect commercial and employment generating land use designations on sites in proximity to the HSR.

6.2 Identify where job density can be increased in proximity to the future HSR.

PRELIMINARY ACTION PLAN

7. ENSURE THAT BROADBAND CAPACITY AND AVAILABILITY IN THE CITY MEETS NEEDS

- 7.1 The City needs to determine the future vendor arrangements for broadband at City Hall.**
- 7.2 The City should benchmark the prices and levels of service available to commercial accounts.**
- 7.3 The City should review zoning and development standards related to broadband.**
- 7.4 The City should consider joining the Monterey Bay Regional Broadband Consortium.**