

Public Review Draft

4

Economic Prosperity



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Introduction

Gilroy has a rich history as an agricultural community and is widely recognized as the garlic capital of the world. The annual garlic festival is one of the most popular events in Northern California. Gilroy continues to be the home of major agricultural industries including Olam, Christopher Ranch, Syngenta, International Paper, Monterey Gourmet Foods, and others. Gilroy is located at the cross roads between the Bay Area, the Central Coast and the Central Valley, an important strategic location for many industries. The City's retail base is extensive and serves as a visitor attraction in its own right. Gilroy Gardens Theme Park and local wineries contribute to local tourism. The Economic Prosperity Element contains goals, policies, and programs that aim to improve the balance between jobs and Gilroy's workforce, grow businesses within Gilroy, and attract new businesses and industries.

Skilled Workforce

While much of Gilroy's business community is rooted in its agricultural heritage, its labor force is solidly-connected to the growth of technology companies in Silicon Valley. Gilroy needs a workforce that matches the skills needed by local employers, as well as a workforce that can continue to compete for high-skill, high-wage jobs in Silicon Valley. Policies in this section seek to foster a skilled workforce by coordinating with educators and the business community to meet the workforce demand of the region.

Goal EP 1

Support the development of an educated, skilled, and competitive workforce to match the current and future employment needs of Gilroy's businesses. [New Goal, Consultants]

EP 1.1 Local Hiring

Promote local hiring, including youth employment and paid internships, to increase community ownership and resident retention, help achieve a more positive jobs to employed resident ratio, and reduce regional commuting, gas consumption, and air pollution. [New Policy, Consultants]

PI

EP 1.2 Gilroy Unified School District

Encourage and support efforts of the Gilroy Unified School District to increase investment in both vocational and academic school programs and facilities. [EDSP] IGC

EP 1.3 Training and Employment for Youth

Coordinate efforts between local employers and training/educational institutions to encourage the availability of training for important skills, as well as youth employment opportunities. [EDSP] JP IGC

EP 1.4 "Middle Skill" Occupations

Encourage training for "middle skill" occupations as well as college-oriented careers. [EDSP] JP IGC

EP 1.5 Training Facilities and Programs

Support investment in training facilities and programs that can serve a critical mass of targeted industry clusters. [EDSP] JP IGC

EP 1.6 Workforce Housing

Support the development of workforce housing to enable the workforce to live in the community. [EDSP] JP IGC

EP 1.7 Executive Housing

Encourage the development of executive housing to encourage entrepreneurs to locate in Gilroy. [EDSP] JP IGC

Employment Development

Gilroy has a diverse local business community, and City support can help these businesses continue to grow and add jobs to the local economy. At the same time, Gilroy needs to look beyond its borders to attract and retain new businesses. Policies in this section support local businesses and their efforts to expand employment opportunities as well as attract new businesses.

Goal EP 2

Support efforts to increase employment in Gilroy by encouraging the attraction and expansion of private sector businesses. [New Goal, Consultants]

EP 2.1 Employment Recruitment

Encourage industrial, high-tech, and commercial office employers to locate in Gilroy and provide a diversity of well-paid job opportunities for local residents. [Existing GP, 3.01, modified] **MPSP**

EP 2.2 Employment Retention

Support the development, retention, and expansion of all businesses including agricultural and tourism-related businesses, recognizing their vital importance to the City's economic future. [Existing GP, 3.01, modified] **MPSP**

EP 2.3 Economic Development Strategic Plan

Maintain and implement the Economic Development Strategic Plan that identifies short- and mid-term goals and strategies to diversify and expand the Gilroy economy. [New Policy, Consultants] **MPSP**

EP 2.4 Agricultural Industries

Support measures that strengthen the position and economic viability of local agriculture and related industries. Agriculture is an important base industry vital to the existing economy of Gilroy. [Existing GP, 3.11, modified] **MPSP**

EP 2.5 Business Development Targets

Establish business development and attraction targets that are consistent with the skills and education levels of the workforce. [EDSP] **PSR**

- EP 2.6 Attract Entrepreneurs and Business Executives**
Support efforts to develop a strategy to target marketing efforts to existing or potential entrepreneurs and business executives who could be attracted to live in Gilroy. This strategy could result in a variety of different business types starting up or expanding in Gilroy and would help create more “corporate citizens” in the community. [EDSP] **MPSP**
- EP 2.7 Silicon Valley**
Support efforts to promote Gilroy to Silicon Valley companies looking for less costly locations for expansions. [EDSP, modified] **MPSP**
- EP 2.8 Food Processing**
Promote additional value-added food processing of local agricultural products. [EDSP, modified] **MPSP**
- EP 2.9 Local Food**
Work with local grocers and restaurants to feature locally produced food where feasible. [EDSP, modified] **MPSP**
- EP 2.10 Emerging Industries**
Continue to monitor industry trends and evaluate and identify what industries, including emerging industries, are best suited for Gilroy business development and attraction targets. [EDSP] **MPSP**
- EP 2.11 Locations for Businesses**
Encourage commercial and industrial development by ensuring the availability of suitable sites for development and providing zoning that facilitates such uses. Coordinate with brokers to ensure that distinct real estate market data is available for Gilroy. [EDSP, modified] **MPSP**
- EP 2.12 Employment Land Conversion**
Protect employment lands from conversion to non-employment uses, particularly where such conversions may compromise the viability of nearby employment properties. [EDSP] **MPSP**
- EP 2.13 Economic Development Funding Sources**
Maintain a toolkit of potential economic development funding sources and mechanisms, including those offered through State and Federal resources. [EDSP] **MPSP**

EP 2.14 **Property Data**

Encourage commercial real estate brokers to maintain current property data for Gilroy to ensure that prospective businesses understand the extent of potential business locations in Gilroy. [EDSP] **JP**

Business Climate

The City recognizes that it can facilitate private-sector investment and the creation of jobs by creating a business-friendly climate. This goal and its supporting policies stress the importance of customer service, fair and predictable permit procedures, the removal of unnecessary regulatory barriers, and economic development programs as ways to attract private-sector investment to Gilroy.

Goal EP 3

Maintain a supportive business climate that increases the City's ability to support expansion of existing businesses and attraction of new businesses. [New Goal, Consultants]

EP 3.1 **Promote Gilroy**

Promote Gilroy as a place for business and industry, capitalizing on the City's location and numerous amenities, to encourage new businesses to locate here and to retain existing businesses. [Existing GP, 3.02] **PI**

EP 3.2 **Business-Friendly Values**

Encourage that the entire City organization, including employees, volunteers, and elected and appointed officials, understand and embrace Gilroy's business-friendly values. [New Policy, Consultants] **SO**

EP 3.3 **Regulation Updates**

Update policies, procedures, and regulations to promote a business-friendly atmosphere and a high-quality environment that is attractive to residents and businesses. [New Policy, Consultants] **SO**

EP 3.4 **Development Incentives**

Consider ways in which the City can incentivize job creation associated with commercial and industrial development, particularly through fiscally responsible means such as

shortening entitlement review timelines. [New Policy, Consultants] **SO**

EP 3.5 Business Support Services

Provide Gilroy businesses with access to a full network of business support services through partnerships with specialized agencies and organizations. [EDSP] **MPSP** **JP**
IGC

EP 3.6 Culturally Diverse Businesses

Encourage the development of specialty businesses that reflect the diverse ethnic and cultural groups of the Gilroy community. [New Policy, Consultants] **MPSP**

EP 3.7 Assist Entrepreneurs

Support and assist local entrepreneurs who are starting businesses in Gilroy. [New Policy, Consultants] **MPSP**

EP 3.8 Impact Fees

Review impact fees periodically to ensure they remain as efficient and effective as possible in funding the City's infrastructure needs while remaining low enough to retain and attract businesses. [EDSP, modified] **RDR**

EP 3.9 Buy Local

Encourage residents, local businesses, colleges, trade schools, and community organizations to purchase goods and services from other local businesses to support local jobs and to recirculate money within the local economy. [New Policy, Consultants] **PI** **JP**

EP 3.10 Permit Processing

Ensure a timely, fair, and predictable permit process for all applicants. [New Policy, Consultants] **RDR** **SO**

Partnerships

The City relies on partnerships with local economic development organizations and businesses to pursue its economic development goals. Policies in this section seek to leverage resources of entities throughout the city and region to support and implement the goals of the 2040 General Plan and the Economic Prosperity Element. This includes coordinating with local economic development organizations, engaging in partnerships with the private sector, and maintaining relationships with regional and State agencies.

Goal EP 4

Be a key partner with other agencies and organizations to achieve the City's and the region's economic goals. [New Goal, Consultants]

EP 4.1 Interagency Coordination

Coordinate with and support the Gilroy Economic Development Corporation, Gilroy Downtown Business Association, Chamber of Commerce, Gilroy Welcome Center, and other groups working to promote Gilroy's economic development. In particular, support and coordinate efforts targeted towards the further economic development of the Downtown area. [Existing GP, 3.F, modified] IGC JP

EP 4.2 Public/Private Partnerships

Support and encourage public/private partnerships to implement strategic projects that align with the City's economic and community development goals. [New Policy, Consultants] IGC JP

EP 4.3 Regional Partnerships

Coordinate with local, regional, and State economic development organizations to support the economy of southern Santa Clara County and Gilroy. [New Policy, Consultants] IGC JP

Retail Development

Over the past two decades, Gilroy has evolved into a major regional center whose commercial activity well exceeds what is typical for a community of Gilroy's size. The existing base of retail stores and local-serving businesses creates a broad and diverse base that serves a



variety of constituents, such as residents, commuters, visitors, and travelers passing through. During this time, Gilroy has developed some key commercial centers that serve a large population that extends well beyond the city limits. Policies in this section seek to maintain Gilroy's status as a regional retail center and enrich the diversity of available retail opportunities for residents.

Goal EP 5

Maintain and expand Gilroy's retail sector to meet local and regional demands and generate tax revenues for City operations. [New Goal, Consultants]

EP 5.1 Downtown and Local-Serving Retail

Encourage the establishment and expansion of commercial businesses that increase local spending within Gilroy and provide needed goods and services to residents and businesses. [New Policy, Consultants] **MPSP**

EP 5.2 Retail Niches

Encourage businesses to fill important retail niches, such as higher end grocery stores and restaurants, to improve the shopping mix. [EDSP, modified] **JP** **MPSP**

EP 5.3 Retail Mix

Coordinate with retail centers to maintain a fresh mix of stores and an attractive shopping environment. [EDSP] **JP**
MPSP

EP 5.4 Demographic Profile

Update the demographic profile of Gilroy as newer housing developments are completed so it can be used for retail attraction efforts. [EDSP] **MPSP**

EP 5.5 Outlet Mall

Promote the Gilroy Premium Outlets and other regional retail destinations. [New Policy, Consultants] **MPSP**

Tourism

Gilroy is situated between two distinct visitor-serving markets – Silicon Valley, including the greater San Francisco Bay Area, and the Central Coast. In addition, Gilroy has a unique role as a crossroads for travelers going between the Bay Area and destinations in the Central

Valley and Southern California. Gilroy Gardens, Gilroy Premium Outlets, and the Garlic Festival are all regional attractions. Policies in this section seek to strengthen and expand the attractions Gilroy offers and the services and amenities the tourism industry provides to visitors.

Goal EP 6

Attract visitors and provide them with the amenities and services to make their stay enjoyable. [New Goal, Consultants]

EP 6.1 Tourism Promotion

Coordinate with the Gilroy Welcome Center, Tourism Business Improvement District marketing program, local winery association and other efforts to promote Gilroy's strengths and tourist attractions in regional and statewide media and consider how targeted national and international media can be used to expand tourism for all of Gilroy's attractions. [EDSP] **PI**

EP 6.2 Lodging

Encourage hotels to locate in Gilroy, especially full-service business hotels with conference facilities or other amenities that will attract more business travel to Gilroy. Support expansion of bed and breakfast and other leisure hotel options as well. [EDSP, modified] **MPSP**

EP 6.3 Attractions and Itineraries

Encourage the development of additional attractions and, in coordination with the Gilroy Welcome Center, Tourism Business Improvement District marketing program, and local winery association and other efforts to identify linked itineraries to encourage visitors to see multiple locations such as downtown, wineries, culinary attractions, regional family attractions, and cultural performances in the same visit. [EDSP, modified] **MPSP**

EP 6.4 Events

Promote existing and new signature events that add to Gilroy's quality of life, enhance the City's image, and stimulate economic activity. [EDSP] **MPSP**



- EP 6.5 Wine Tourism**
Promote winery tourism through coordinated efforts with the Gilroy Welcome Center, Tourism Business Improvement District marketing program, local winery association, and other efforts. [EDSP] **IGC JP**
- EP 6.6 Gilroy Sports Park**
Develop financing strategies for completion and operation of the Sports Park in accordance with the Sports Park Master Plan such that the City can expand and promote events for youth sports and regional tournaments, either to supplement regional events currently hosted in South County or to create a new niche for itself. [EDSP] **FB**
- EP 6.7 Outdoor Recreation**
Promote outdoor recreational activities within and in close proximity to Gilroy (hiking, biking, equestrian, archery, etc.) as a means to attract tourists and promote Gilroy's high quality of life. [New Policy, Consultants] **PI**
- EP 6.8 Bicycle Tourism**
Promote Gilroy's weather, flat valley topography, and extensive bicycle network as a safe and convenient transportation and recreation option, including for access to wineries. [EDSP] **PI**

Arts, Entertainment, and Recreation

Economic growth enables prosperity for businesses, residents, and the city. This prosperity is invested back into the arts, culture entertainment, and recreation to help create a vibrant community with improved quality of life for all. Economic growth is stimulated by the enhanced quality of life and helps attract, retain, and expand businesses, with the economic development investments flowing back into the community.

Goal EP 7

Create a vibrant community that attracts visitors and businesses, and enhances the quality of life for residents. [New Goal, City staff]

EP 7.1 Arts and Cultural Activities

Encourage expansion of arts and cultural activities, particularly in the downtown, to enhance the quality of life and entertainment options for Gilroy residents and visitors. [New Policy, City staff] **MPSP**

EP 7.2 Public Art in Downtown

Encourage the expansion of arts and cultural activities, particularly in Downtown, to enhance the quality of life and entertainment options for Gilroy residents and visitors. [New Policy, City staff] **MPSP**

EP 7.3 Public Art

Support private efforts to create art in public places (e.g., murals, statues) as a means to create a vibrant community that attracts residents and businesses. [New Policy, City staff] **MPSP**

EP 7.4 Planning Process

Integrate planning for public art in City planning efforts, to include but not limited to specific plans and development proposals. [New Policy, City staff] **MPSP**

Land Use and Economic Prosperity

The type and supply of the employment land uses in Gilroy provide important indicators of the ability of the City to meet the needs of the changing economy. Policies in this section seek to protect the industrial and commercial lands that provide jobs to many Gilroy residents and implement the goals of the Economic Prosperity Element and the 2040 General Plan.

Goal EP 8

Proactively manage land uses to provide and enhance economic development and job growth. [New Goal, City staff]

EP 8.1 Industrial and Commercial Lands

Protect and improve the quantity and quality of lands designated for industrial and commercial uses. [New Policy, City staff] **RDR**

EP 8.2 Jobs to Employed Resident Ratio

Seek to improve the city's jobs to employed resident ratio through land use management, in part to support the City's fiscal health. [New Policy, City staff] **MPSP**

EP 8.3 Incompatible Uses

Limit encroachment of incompatible uses, such as residential or assembly uses, in industrial areas so as to avoid the imposition of additional operational restrictions and/or mitigation requirements on industrial users, particularly in general industrial areas and especially in the interior of general industrial areas. [New Policy, City staff] **MPSP**

EP 8.4 Trucking and Freight

Protect and improve trucking and other modes of freight transportation access to the key employment areas in Gilroy. [New Policy, City staff] **MPSP**

EP 8.5 Enhanced Community

Provide high-quality neighborhoods, diverse housing options, a walkable/bikeable public street and trail network, and, in designated areas, compact, mixed-use development to enhance Gilroy's livability, attractiveness, and high quality of life; to promote interaction among community members; and to attract talented workers to the city. [New Policy, City staff] **MPSP**

Implementation Programs

Table 4-1: Economic Prosperity Implementation Programs	2016-2018	2019-2023	2024-2040	Annual	Ongoing
<p>1. Jobs in Gilroy Maintain a tabulation of the number and types of jobs in the City of Gilroy. [EDSP] MPSP</p> <p>Implements Policies: EP 2.1, EP 2.2</p> <p>Responsible Department: Community Development</p>					X
<p>2. Economic Development Strategic Plan Implement the Economic Development Strategic Plan (EDSP). Review and update the EDSP every five years to reflect current economic conditions and forecasts. The City shall use the EDSP to guide short- and medium-term economic development strategy. [New Program, Consultants]</p> <p>Implements Policy: EP 2.3</p> <p>Responsible Department: Community Development</p>	X	X	X		
<p>3. Business Development Targets Develop quantifiable business development and attraction targets that consider the skills and education levels of the workforce. Collect data annually to compare actual business development and attraction levels to the developed targets. Use the results to guide future business development efforts. [EDSP]</p> <p>Implements Policy: EP 2.5</p> <p>Responsible Department: Community Development</p>	X			X	

Table 4-1: Economic Prosperity Implementation Programs

	2016-2018	2019-2023	2024-2040	Annual	Ongoing
<p>4. Entrepreneur Recruitment Program Develop and implement a strategy to target marketing efforts to existing or potential entrepreneurs and business executives who could be attracted to live in Gilroy. Coordinate the City's effort with the Gilroy Economic Development Corporation and other local organizations. [EDSP]</p> <p>Implements Policy: EP 2.6 Responsible Department: Community Development</p>	X			X	
<p>5. Emerging Industries Develop a study that identifies emerging industries that can be attracted to locate in Gilroy. The basis for this study shall be the industries outlined in the Economic Development Strategic Plan. Based on the results of the study, develop detailed strategies for supporting and attracting businesses in those emerging industries. Continue to monitor industry trends and evaluate what industries, including emerging industries, are best suited for business development and attraction targets. [EDSP]</p> <p>Implements Policy: EP 2.10 Responsible Department: Community Development</p>	X	X	X		
<p>6. Inventory of Developable Sites Develop and maintain an inventory of developable sites to encourage the development of new industries. [New Program, Consultants]</p> <p>Implements Policy: EP 2.11 Responsible Department: Community Development</p>	X				X

Table 4-1: Economic Prosperity Implementation Programs		2016-2018	2019-2023	2024-2040	Annual	Ongoing
7. Regulation Updates Update regulation policies on a regular basis. [New Program, City staff]					X	
Implements Policy:	EP 3.3					
Responsible Department:	Community Development					
8. Regulation Updates Monitor the city’s jobs to employed resident ratio as one indicator of the fiscal health of Gilroy. [New Program, City staff]						X
Implements Policy:	EP 8.2					
Responsible Department:	Community Development					

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