

Economic Prosperity Element





Economic Prosperity

Purpose

To increase wealth and the standard of living of all San Diegans with policies that support a diverse, innovative, competitive, entrepreneurial, and sustainable local economy.

Introduction

Economic prosperity is a key component of quality of life. The structure of the City of San Diego's economy influences the City's physical development and determines the City's capacity to fund essential services. There have been dramatic changes in the structure of our economy in the last several decades, from a production-based economy to one increasingly based on creativity and innovation. The 21st century economy requires ~~innovation, interaction, expansion,~~ ~~and~~ flexibility. Recognizing that the City operates within the broader context of a regional and global economic setting, the City must strengthen its competitive position by creating an environment and infrastructure where industries for which San Diego is competitive can create, respond, and adjust rapidly.



The policies in this element are intended to improve economic prosperity by ensuring that the economy grows in ways that strengthen our industries, retain and create ~~good jobs, increases average income with livable wages,~~ and stimulate economic investment in our communities. A strong economy creates the wealth that allows San Diegans to support the public facilities, services, and quality of life they demand.

The Regional Comprehensive Plan (RCP), adopted by the San Diego Association of Governments (SANDAG), sets forth a vision for 2030 that states in part "Our region is economically diverse. We have an educated and well-trained workforce, an innovative business culture, and excellent universities. Our transportation, water and energy infrastructure systems serve the needs of the greater region while meeting the demands of the modern global marketplace. The region has a highly educated and well-trained workforce and all segments of society are able to participate in our economic prosperity. Our workforce is capable of adapting to the ever-changing needs of modern industry. We embrace our economic and social diversity.



Economic Prosperity Element

Environmentally-friendly and sustainable business practices have become a hallmark of the region." The RCP recommendations focus on retaining and expanding local businesses, creating more middle-income jobs, and preparing our residents to fill these jobs.

The City of San Diego shares SANDAG's vision and plays an important economic role in the region due to the amount and significance of employment land located here relative to other jurisdictions. The City's size and location within the region, its major infrastructure for economic development, its universities, and its large labor force also contribute to the economic role it plays. Several of the key issues that SANDAG identifies in the RCP are addressed in the City's economic prosperity policies including: developing an internationally competitive economy, strengthening the relationship between workforce requirements and educational programs, identifying an adequate supply of land for housing and businesses, improving the region's business environment and monitoring our progress, and fostering the region's emerging and high-technology industries.

The City's Community and Economic Development Strategic Plan will further refine the policies in this element. It translates regional economic and quality of life information to more specific economic policies and programs. Regular updates to the strategy will identify those industries that are growing for which San Diego is competitive in the global marketplace. However, traditional industries, while not necessarily growing, are still important to large segments of our population. The City's policies anticipate a future economy supported by technology, telecommunications, biotechnology, earth and environmental sciences, education, health products and services, maritime, tourism, professional services, trade, defense, and new unnamed industries that will emerge in the ever-changing global economy. The achievement of economic prosperity goals also relies on policies in the Land Use and Community Planning Element to appropriately designate land for economic development, the Housing Element to provide workforce housing accessible to employment areas, the Mobility Element to provide a critical link between housing and jobs, and the Public Facilities, Services and Safety Element to address the provision of regional facilities needed to reinforce the viability of our industrial areas.

The Economic Prosperity Element links economic prosperity goals with land use distribution and employment land use policies. Employment land includes land utilized by industrial, commercial service, and commercial retail users. The capacity for the City's basic industrial, commercial, and service export industries is particularly important for bringing income to the City and building wealth for its citizens. To retain an adequate supply of available land for some types of employment uses, land appropriate for future base sector export industries, these employment uses should be designated in key areas throughout the City. Underutilized land that could be redeveloped for certain types of export industries and other types of employment uses in urbanized areas should also be identified. The Regional Center, Subregional Employment Areas, and Neighborhood, Community, and Urban Villages will have an important role in the City's economic prosperity strategies by providing the land and infrastructure needed to support business development, along with and a variety of employment and housing opportunities. The element's overall goals of preserving regionally significant employment lands, using employment



areas more efficiently, and strengthening the border economy, will require the refinement of policies when individuals specific community plans are updated.

The Economic Prosperity Element also expands the traditional focus of a general plan to include a variety of economic development policies that have a less direct effect on land use, but are designed to achieve a rising standard of living. These include policies aimed at supporting existing and new businesses that reflect the changing nature of industry, creating the types of jobs most beneficial to the local economy, and preparing our workforce to compete for these jobs in the global marketplace. Despite the economic growth that has occurred over the last several years, economic prosperity has not been evenly distributed in San Diego. National and local economic trends are potentially creating a skewed economy (fewer middle-income jobs, more high-quality professional jobs, and many low-wage services jobs), exacerbating income, social, and spatial disparities. The impacts of these disparities include social service costs incurred by the City and other public agencies. Implementation of the policies addressing these issues will require more specific initiatives including regular updates to the City's Community and Economic Development Strategy Plan.

A. Industrial Land Use

Goals

- ◆ A diversified economy with a focus on providing quality employment opportunities and livable wages for all San Diegans.
- ◆ A city with sufficient employment, land and capacity for base sector industries appropriately designated to sustain a strong economic base.
- ◆ Efficient use of existing employment lands.
- ~~◆ No loss of employment land for base sector industries that contribute significantly to the regional or local economy.~~

Discussion

The Availability of Industrial Land

The supply and type of employment land uses in the City are significant factors in determining the ability of the City to meet the needs of a rapidly changing economy. As of 2006, only one-fourth of all designated industrial land was still vacant in the City of San Diego. More than two-thirds of the total vacant industrial land in the City is located in the community of Otay Mesa. The majority of the remaining vacant industrial land within the City is located within the other Subregional Employment Areas (see Figure EP-2, Regional Center and Subregional Employment Areas). Regionally, there is adequate long-term availability of employment land, but there is a shortage of available land within the City close to housing, transportation, public transit and



Economic Prosperity Element

other infrastructure. This diminishing supply of industrial land is a potential challenge to the growth and retention of base sector industries providing middle-income job opportunities in the City.

Adopted community plans vary in their treatment of industrially designated land. Some community plans discourage or prohibit non-industrial uses, some plans identify areas to locate industrial support uses, and others contain industrial land that clearly anticipate a mix of non-industrial uses. The General Plan recognizes that industrial areas play a role in both the community and the San Diego region. Therefore, the General Plan accounts for the various roles of adopted land use designations in community plans and provides a policy framework for evaluating the future role of currently designated industrial land through the community plan update process. The focus is on a strategy to evaluate and preserve critically-located base sector areas but to allow, through comprehensive analysis, consideration of conversion or mixed-use of industrial land if it is not critical to the City's or region's base sector employment goals.

Economic Base Sector Industrial Uses

Economic base sector industries create wealth for a local jurisdiction by exporting products and services primarily to national and international markets outside of the local area. As such, base sector industries drive regional prosperity, are a source of competitiveness and innovation, and are the primary source of new businesses in the region. San Diego's economic base is primarily composed of manufacturing industries (including research and development); certain professional services; visitor industries, and industries related to national security and international affairs. High technology manufacturing and research and development are the most significant because they support middle-income employment that is essential to preserve a healthy economic base. The retention of these uses also preserves the City's ability to maintain a stable tax base and support higher levels of municipal services for a growing population. Base sector industries primarily include the functions of manufacturing, research and development, assembly, corporate headquarters, warehousing, distribution, marketing, and related administrative functions associated with product/process conception, development, sales, and distribution.

Increasing globalization will continue to result in the loss of some traditional manufacturing operations that support middle-income employment both nationally and in the City of San Diego. Maintaining areas for base sector industries with existing infrastructure is the principal way that the General Plan and community plans can influence the economic health of the City. Protection of these areas from encroachment by non-base sector uses that have alternative site opportunities within the City, such as commercial retail and services, residential, and some institutional uses, creates opportunities for existing users to expand rather than relocate out of the City. Community plan land use designations which are sufficiently refined to protect key industrial areas can create conditions which do not further exacerbate the negative effects-local impacts of these global trends and, where possible, facilitate the development and expansion of base sector manufacturing, research and development, and support industries in the City.

Long-term changes in the economy have increasingly favored San Diego as a location for research and development functions, most of which can be performed in an office setting.



Although current industrial development standards allow for adequate intensification of all types of industrial and office uses today, over the long term the City needs to continue to strengthen polices that support higher-intensity industrial development in particular locations that accommodate these research and development uses, supportive professional services, and corporate headquarters. Higher-intensity development also uses the City's limited land supply more efficiently.

Non-Base Sector Employment Uses

Non-base sector employment provides goods and services to base sector businesses and their employees. The significant growth of non-base service sector employment in San Diego has created a demand for multi-tenant and other commercial service office buildings. There is an adequate supply of land for these uses due to their ability to locate in a wider variety of commercial, mixed-use, and business park areas throughout the City. Intensification of these uses should be encouraged in appropriate locations, particularly in central locations within the City that are served well by transit, such as neighborhood, community, and urban villages and transit corridors. These uses also have greater compatibility with residential developments and should be encouraged as part of diverse village or other mixed-use developments.

In sum, maintaining an adequate supply of a variety of employment land types contributes to the economic health of San Diego in two major ways – accommodating a wide range of jobs for the City's residents, and importing dollars from outside the area. Economic diversity is crucial to a region's ability to weather economic cycles and to perpetuate the continuous generation of new industries and businesses. While traditional industrial park development may still be required in the future, the City will follow the trend toward increasingly vertical work places. increasingly more intense vertical workplaces will occur in many areas. Community plan land use designations for the Industrial Land Use category have been created with the goal of providing communities a menu of potential categories to fit individual conditions and community plan objectives while advancing citywide economic prosperity goals (see also Land Use and Community Planning Element, Table LU-4, General Plan and Community Plan Land Use Categories).

Industrial and Prime Industrial Land

Prime industrial land as depicted on Figure EP-1 identifies areas that support export-oriented base sector activities, such as warehouse distribution, heavy or light manufacturing, and research and development uses, and selected business services. These areas are part of even larger areas that provide a significant benefit to the regional economy and meet General Plan goals and objectives to encourage a strong economic base. There are six criteria ~~to that should be~~ analyzed to determine whether a particular area should be identified as prime industrial land (see Appendix C, EP-1). It is anticipated that the Industrial and Prime Industrial Land Map will be revised over time, as appropriate land uses are evaluated during comprehensive community plan updates. ~~take place.~~ Although the identification of prime industrial lands is intended to protect preserve valuable employment land for base sector industries, it does not re-designate or rezone property, nor does it influence the processing of ministerial permits. Land identified as Prime Industrial will undergo additional scrutiny if land use amendments are proposed that could diminish their potential role for base-sector and related employment uses.

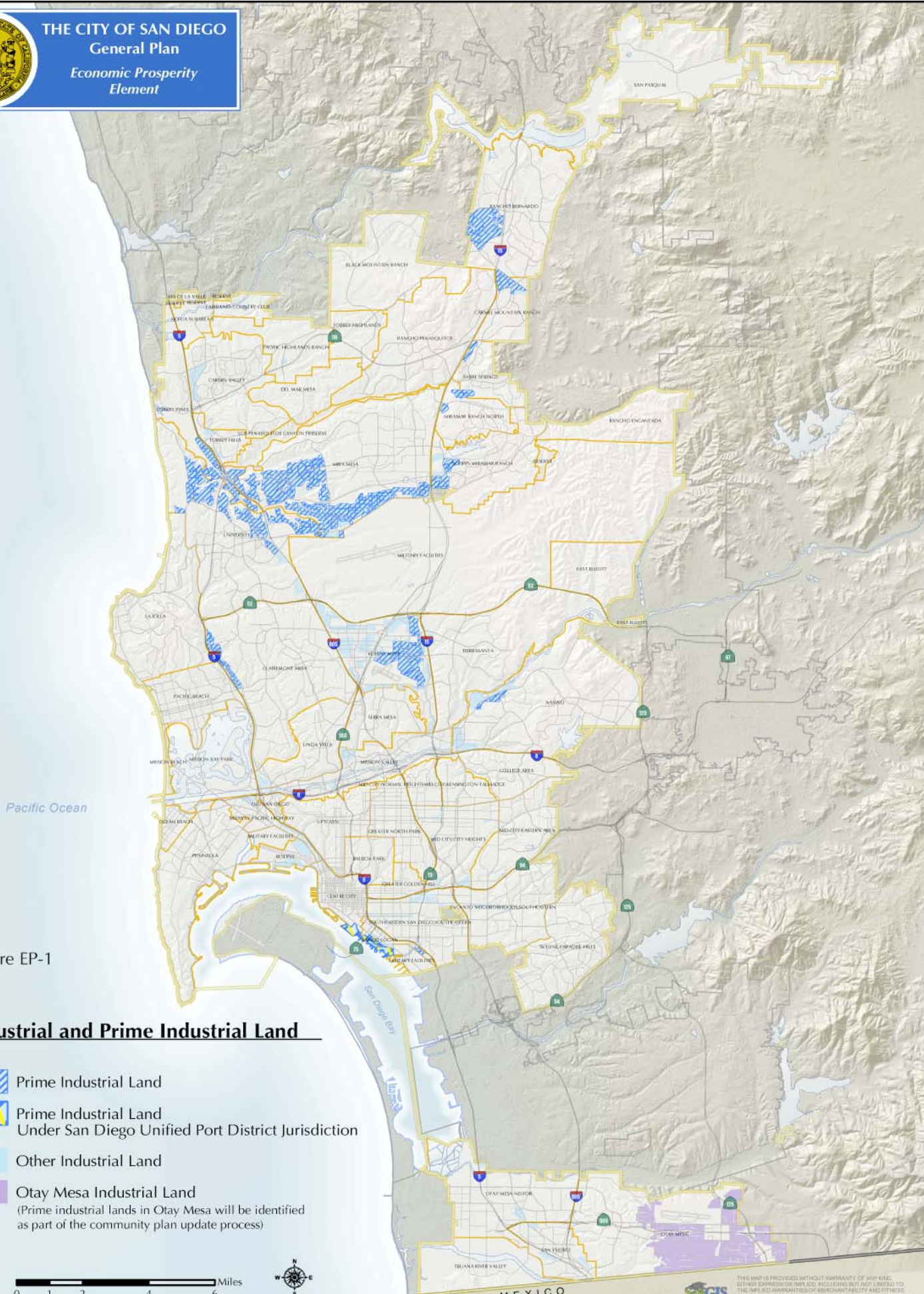


Figure EP-1

Industrial and Prime Industrial Land

-  Prime Industrial Land
-  Prime Industrial Land Under San Diego Unified Port District Jurisdiction
-  Other Industrial Land
-  Otay Mesa Industrial Land
(Prime industrial lands in Otay Mesa will be identified as part of the community plan update process)

0 1 2 4 6 Miles





The Industrial and Prime Industrial Land Map also identifies all industrially designated land in the applicable community plan. Some of the industrial areas outside of Prime Industrial lands could convert to other non-industrial uses, such as commercial or residential uses, after an analysis of relevant factors to determine if the property could still feasibly support industrial uses and is appropriate for the use requested. In many older industrial areas containing obsolete industrial and many non-industrial uses (such as office and commercial uses), conversion to other uses could contribute significantly to community revitalization.

The City's industrial land availability has been impacted by the intrusion of sensitive receptors such as child care facilities and schools (see the Glossary for "sensitive receptor" description). These uses require separation from certain commercial and industrial operations. Their location in industrial areas may limit the ability of the permitted industrial uses to expand. In addition, prime industrial lands, often characterized by large level lots, have been increasingly utilized by land-intensive uses which have been preempted in higher-cost commercial areas.

In order to maintain an adequate supply of land to accommodate base sector employment uses, residential, retail commercial, and institutional uses should be limited in prime industrial areas until, or unless, a comprehensive study is performed to demonstrate the preservation of land for industrial and other base-sector activities is no longer needed.

Residential and Industrial Collocation and Conversion

The lack of affordable housing in San Diego negatively affects the local economy by limiting the ability of an industry to compete nationally for the necessary workforce. Additionally, the lack of housing near employment nodes has led to a strain on the City's roads, freeways, infrastructure, and environment, and affects the quality of life for all San Diegans by increasing the household cost of transportation. Policies aimed at increasing the supply of low- to moderate-income housing for the workforce are contained in the Housing Element.



Housing near employment uses in Mission Valley

As community plans are updated, opportunities for employment uses, as well as areas appropriate for locating workforce-housing opportunities near job centers will be identified. In the interim, as community plan amendments are requested for collocation or conversion, there needs to be a means to ~~to be a consistent evaluation process which~~ minimize land use conflicts and preserve the most important types of industrial land, or prime industrial land, from residential, public assembly, and other sensitive receptor land uses.



Economic Prosperity Element

Policies

Base Sector Industrial Uses

- EP-A.1. Protect base sector uses that provide quality job opportunities including middle-income jobs, provide for secondary employment and supporting uses, and maintain areas where smaller emerging industrial uses can locate in a multi-tenant setting.
When updating community plans or considering plan amendments, the industrial land use designations contained on Table LU-4 of the Land Use and Community Planning Element should be appropriately applied to protect viable sites for base sector and related employment uses.~~protect base sector uses that provide quality job opportunities including middle-income jobs, provide for secondary employment and supporting uses, and maintain areas where smaller emerging industrial uses can locate in a multi-tenant setting.~~
- EP-A.2. Encourage a broader geographic distribution of high technology businesses throughout the City.
- EP-A.3. Encourage large regional employers to locate and expand in the Regional Center or Subregional Employment Areas.
- ~~EP-A.4. Strictly limit the intrusion of incompatible or dissimilar uses into industrial areas that support base sector industries.~~
- EP-A.54. Include ~~Consider the establishment of~~ base sector uses appropriate to that can locate in an office setting, in Urban Village and Community Village Centers. ~~more intense commercial village areas.~~
- EP-A.65. Consider the redesignation of non-industrial properties to industrial use where land use conflicts can be minimized. Evaluate the extent to which the proposed designation and subsequent industrial development would:
- Accommodate the expansion of existing industrial uses to facilitate their retention in the area in which they are located.
 - Not intrude into existing residential neighborhoods or disrupt existing commercial activities and other uses.
 - Mitigate any environmental impacts (traffic, noise, lighting, air pollution, and odor) to adjacent land.
 - Be adequately served by existing and planned infrastructure.

Non-Base Sector Employment Uses

- EP-A.76. Provide for the establishment or retention of non-base sector employment uses to serve base sector industries and community needs and encourage the development of



- ~~small businesses. To the extent possible, consider locating these types of employment uses near housing.~~ When updating community plans or considering plan amendments, land use designations contained on Table LU-4 of the Land Use and Community Planning Element should be appropriately applied to ~~provide for non-base sector employment uses.~~ ~~provide for non-base sector employment uses to serve base sector industries and community needs and encourage the development of small businesses.~~ ~~To the extent possible, consider locating these types of employment uses near housing.~~
- EP-A.~~87~~. Increase the allowable intensity of employment uses in Subregional Employment Areas and Urban Village Centers where transportation and transit infrastructure exist. The role of transit and other alternative modes of transportation on development project review are further specified in ~~policies (see also the~~ Mobility Element, ~~PPolicies ME-C.8 through ME-C.10).~~
- EP-A.~~98~~. Concentrate more intense office development in Subregional Employment Areas and in Urban Villages with transit access.
- EP-A.~~109~~. Efficiently utilize employment lands through increased intensity in “urban villages” and Subregional Employment Areas.
- EP-A.~~110~~. Locate compatible employment uses on infill industrial sites and establish incentives to support job growth in existing urban areas.
- EP-A.~~1211~~. Encourage the provision of workforce housing within in proximity to employment areas not identified as Prime Industrial Land and easily accessible to all employment areas. ~~with housing types and prices that are consistent with wages earned in the employment areas, based on a variety of economic, physical, health and safety, and social factors.~~

~~Industrial and~~ Prime Industrial Land

- ~~EP-A.13. Consider citywide economic prosperity goals when updating community plans. Revise the Industrial and Prime Industrial Lands Map boundaries if warranted based upon a comprehensive analysis that includes an evaluation of the prime industrial land criteria in Appendix C, EP-1, the collocation/conversion suitability factors in Appendix C, EP-2, and the potential contribution of the area to the local and regional economy.~~
- ~~EP-A.14. Require a General Plan amendment to revise the boundaries of the Prime Industrial Land Map based upon a comprehensive analysis as described in Policy EP-A.13.~~

~~Community Plan Amendments for Industrial and Prime Industrial land~~

- ~~EP-A.152. Protect Prime Industrial Land as shown on the Industrial and Prime Industrial Land~~



Economic Prosperity Element

Map, Figure EP-1. As community plans are updated, the applicability of the Prime Industrial Land Map will be revisited and changes considered.

- a. Amend the boundaries of Figure EP-1 if community plan updates or community plan amendments/rezones lead to an addition of Prime Industrial Lands, or conversely, a conversion of Prime Industrial Land uses to other uses that would necessitate the removal of properties from the Prime Industrial Land designation.
- b. Amend the boundaries of Figure EP-1 if community plan updates or community plan amendments/rezones lead to a collocation (the geographic integration of residential uses and other non-industrial uses stated above into industrial uses located on the same premises) of uses.
- c. Justification for a land use change must be supported by an evaluation of the prime industrial land criteria in Appendix C, EP-1, the collocation/conversion suitability factors in Appendix C, EP-2, and the potential contribution of the area to the local and regional economy. ~~To protect Prime Industrial Land as shown on Figure EP-1, do not consider community plan amendments or rezones for a conversion of industrial land uses to commercial, institutional, mixed-use, or residential uses, or a collocation (the geographic integration of residential uses or non-industrial uses into industrial uses located on the same premises):~~

EP-A.143. In areas identified as Prime Industrial Land as shown on Figure EP-1, do not permit discretionary use permits for public assembly or sensitive receptor land uses.

EP-A.154. In areas identified as Prime Industrial Land as shown on Figure EP-1, child care facilities for employees' children, as an ancillary use to industrial uses on a site, may be considered and allowed when they: are sited at a demonstrably adequate distance from the property line, so as not to limit the current or future operations of any adjacent industrially-designated property; can assure that health and safety requirements are met in compliance with required permits; and are not precluded by the applicable Airport Land Use Compatibility Plan.

EP-A.165 The identification of Prime Industrial Land on any property does not preclude the development of such property pursuant to the development regulations and permitted uses of the existing zone and community plan designation, nor does it limit the application of any of the industrial community plan land use designations.

Other Industrial Land

EP-A.16. In industrial areas not identified as Prime Industrial Lands on Figure EP-1, redesignation of industrial lands to ~~residential, commercial or other~~ non-industrial uses stated in EP-A.12 should ~~evaluate~~consider the Area Characteristics factor in Appendix C, EP-2 to ensure that other ~~viable~~important industrial areas are protected.



- EP-A.17. ~~Analyze the collocation and conversion suitability factors listed in Appendix C, EP-2, when considering residential conversion or collocation in non-prime industrial land areas. Focus residential and industrial collocation or conversion of industrially designated land to residential uses in areas that are not identified as prime industrial lands based on an analysis of the collocation/conversion suitability factors listed in Appendix C, EP-2.~~
- EP-A.18. Amend the Public Facilities Financing Plan concurrently to identify needed facilities if residential uses are proposed in industrially designated areas. ~~areas not identified as prime industrial lands. Discretionary Review of Projects within Industrial and Prime Industrial Land~~
- ~~EP-A.19. In areas identified as Prime Industrial Land as shown on Figure EP-1, do not consider discretionary projects for public assembly or sensitive receptor land uses. Sensitive receptors are determined based upon several factors which may include the age of the users or occupants, the frequency and duration of the use or occupancy, continued exposure to hazardous substances as defined by federal and state regulations, and the user's ability to evacuate a specific site in the event of a hazardous incident. Sensitive receptor land uses may include residential uses, schools, child care centers, acute care hospitals, and long term care facilities.~~
- EP-A.2019. Encourage child care facilities in employment areas not identified as prime industrial land where health and safety can be ensured and where not precluded by the applicable Airport Land Use Compatibility Plan.
- EP-A.2+20. Meet the following requirements in all industrial areas ~~not identified as prime~~, as a part of the discretionary review of projects involving residential, commercial, institutional, mixed-use, public assembly, or other sensitive receptor land uses:
- Analyze the Collocation/Conversion Suitability Factors in Appendix C, EP-2.
 - ~~• Meet or exceed the requirements of the City's Inclusionary Housing Ordinance through the provision of on-site affordable housing.~~
 - Incorporate pedestrian design elements including pedestrian-oriented street and sidewalk connections to adjacent properties, activity centers, and transit.
 - Require payment of the conversion/collocation project's fair share of community facilities required to serve the project (at the time of occupancy).
 - ~~• Provide notice of the proposed project to property owners within 1,200 feet.~~
- EP-A.2221. For discretionary review of projects involving residential uses, require payment of the conversion/collocation project's fair share of community facilities required to serve the additional units at the time of occupancy.



B. Commercial Land Use

Goals

- ◆ Commercial development which uses land efficiently, offers flexibility to changing resident and business shopping needs, and assures maximum feasible environmental quality.
- ◆ Economically healthy neighborhood and community commercial areas that are easily accessible to residents.
- ◆ New commercial development that contributes positively to the economic vitality of the community and provides opportunities for new business development.
- ◆ A city with land appropriately designated to sustain a robust commercial base.

Discussion

Commercial development provides important goods and services to City residents and businesses. Future commercial development in the City will take the form of redevelopment, and expansion of existing underutilized commercial areas and some new infill development. Changes in the retail market are accelerating and format types for shopping areas are in constant flux. As we look to the future, policies regarding commercial development must be flexible to meet the rapidly changing needs of the population and their methods of shopping, given changes in technology and delivery systems. Traditional shopping centers will be redesigned to accommodate new types of anchor stores, different tenant mixes, and include a wider variety of non-retail uses (such as housing, public spaces, civic uses, open space, and entertainment uses).

Long-term market conditions can also result in commercial development in some communities in excess of what the market area can support which result in an inefficient use of land and potential blight. The re-designation of commercial land to residential or mixed-use, particularly in older, competitively-obsolete commercial strips, increases the market for remaining retail properties, thereby encouraging reinvestment and improvement in their quality.

The City of Villages strategy incorporates the growing need for convenience and good design to attract the consumer. Many of the new shopping centers of this coming era will be designed to resemble a community and will function like a Main Street. The provision of traditionally stand-alone commercial uses within mixed-use development is an important strategy in using the City's land more efficiently. The in-migration of population to the City will encourage redevelopment of underutilized urban sites into distinct shopping areas. Ethnic and racial diversity will also play a role as Hispanic, Asian, and African-American populations accumulate significant buying power that is concentrated in urban areas.-



In the City of San Diego, some existing regional commercial centers will expand to meet changing market demands. The enhancement of an urban lifestyle could occur through intensification of regional commercial areas and their redevelopment with multifamily residential, office, lodging, and cultural uses. In addition, over a period of decades, some malls could expand geographically and begin to mesh with surrounding commercial, office, and multifamily residential developments and districts, thereby becoming less discrete areas which would better support the development of more comprehensive and inter-connected networks of public transit and services.

Within the General Plan category of Employment and Commercial Retail and Services (see Land Use and Community Planning Element, Table LU-4), proposed community plan land use designations for commercial uses, including mixed-use areas, have been created with the goal of providing communities a menu of potential categories to fit individual conditions and community plan objectives while providing the necessary flexibility to accommodate continual changes in the retail market.

Policies

- EP-B.1. ~~Increase the vitality of commercial areas, provide goods and services easily accessible to residents and promote community identity.~~ When updating community plans or considering plan amendments, apply the appropriate community plan commercial land use designations to implement the above policy; ~~increase the vitality of commercial areas, provide goods and services easily accessible to residents, and promote community identity.~~
- EP-B.2. Encourage development of unique shopping districts that help strengthen community identity and contribute to overall neighborhood revitalization.
- EP-B.3. Concentrate commercial development in Neighborhood, Community, and Urban Villages, and in Transit Corridors.
- EP-B.4. Concentrate commercial service sector office development in the Subregional Employment Areas around transit stations, and in Neighborhood, Community, and Urban Villages.
- ~~EP-B.5. Strictly limit the location of retail and service commercial uses in industrial areas, with the exception of ancillary commercial services needed to serve area workers and businesses.~~
- EP-B.65. Identify commercial retail and service areas in community plans to serve markets beyond the community.

Neighborhood Commercial Areas



Economic Prosperity Element

- | EP-B.76. Promote economically vital neighborhood commercial districts that foster small business enterprises and entrepreneurship.
- | EP-B.87. Promote and facilitate shared parking facilities including parking structures as part of commercial revitalization activities.
- | EP-B.98. Retain the City's existing neighborhood commercial activities and develop new commercial activities within walking distance of residential areas, unless proven infeasible.

Community Commercial Areas

- | EP-B.9 Design new community commercial centers with consideration for: traffic patterns; compatibility with surrounding land uses; site planning that reinforces pedestrian movement to and through the site; superior architecture and landscape design; and sustainable design.
- | EP-B.10 Focus redevelopment of community commercial centers on the expansion of community functions through the provision of additional visual, recreational, and social amenities.
- | EP-B.11 Consider mixed-use development to revitalize existing community commercial shopping centers.

Transit Corridors

- | EP-B.12+0. Determine the appropriate mix and form of residential and commercial uses along Transit Corridors based on the unique character of the community, considering: the types and mix of uses that will complement adjacent neighborhoods, parcel size and depth, and the need to revitalize economically obsolete uses.
- | EP-B.13+1. Ensure that regulations Encourage commercial uses to cluster or intensify at focal points along major arterial streets and Strongly dd discourage the creation of new auto-oriented strip developments where parking is located between the street frontage and the buildings.
- | EP-B.142. Create distinctive shopping districts through the renovation or redevelopment of existing strip commercial development. Encourage a variety of uses (such as hotel, office, entertainment, recreational, and residential uses), to locate in shopping districts.

Regional Commercial ~~Areas~~Uses

- | EP-B.153. Apply the Regional Commercial land use designation to areas intended to serve as a focal point for regional commerce and activity. Consider the following characteristics when applying the designation:
 - Where a broad range of uses that include retail, wholesale, office, employment, and public recreational and civic uses will benefit the existing community.



- Where the incorporation of mixed-use structures and multifamily housing, public and private facilities (such as parks and other community-oriented facilities) can be accomplished.
- Where regional uses will not adversely affect the viability of nearby community and neighborhood commercial centers, particularly mixed-use corridors and villages.
- Where sites are accessible to the region because of their location adjacent to primary arterials, freeways, and major public transit routes.
- Where uses will not adversely affect adjacent surrounding land uses.

Redesignation of Commercial Land

EP-B.1 56. Evaluate the amount and type of commercial development that is desirable and supportable for a community during the community plan update process and in subsequent community plan amendments. Reduce excess commercially designated land by providing for appropriate reuse or alternative use. Consider re-designating commercial land characterized by commercial retail and service uses to residential, or mixed-use where some or all of the following factors are present:

- Where the lot size or configuration is inadequate, or other site characteristics result in an inability to develop or sustain a viable feasible commercial use.
- Where site driveways could adversely affect traffic flow.
- Where community facilities are accessible for residents.
- Where the existing use is underutilized and there is an adequate supply of community-serving commercial uses.
- Where there is good transit, pedestrian and bicycle connectivity with employment areas; or
- Where it would not impact the viability for base-sector use of any adjacent land identified as prime industrial land on Figure EP-1.

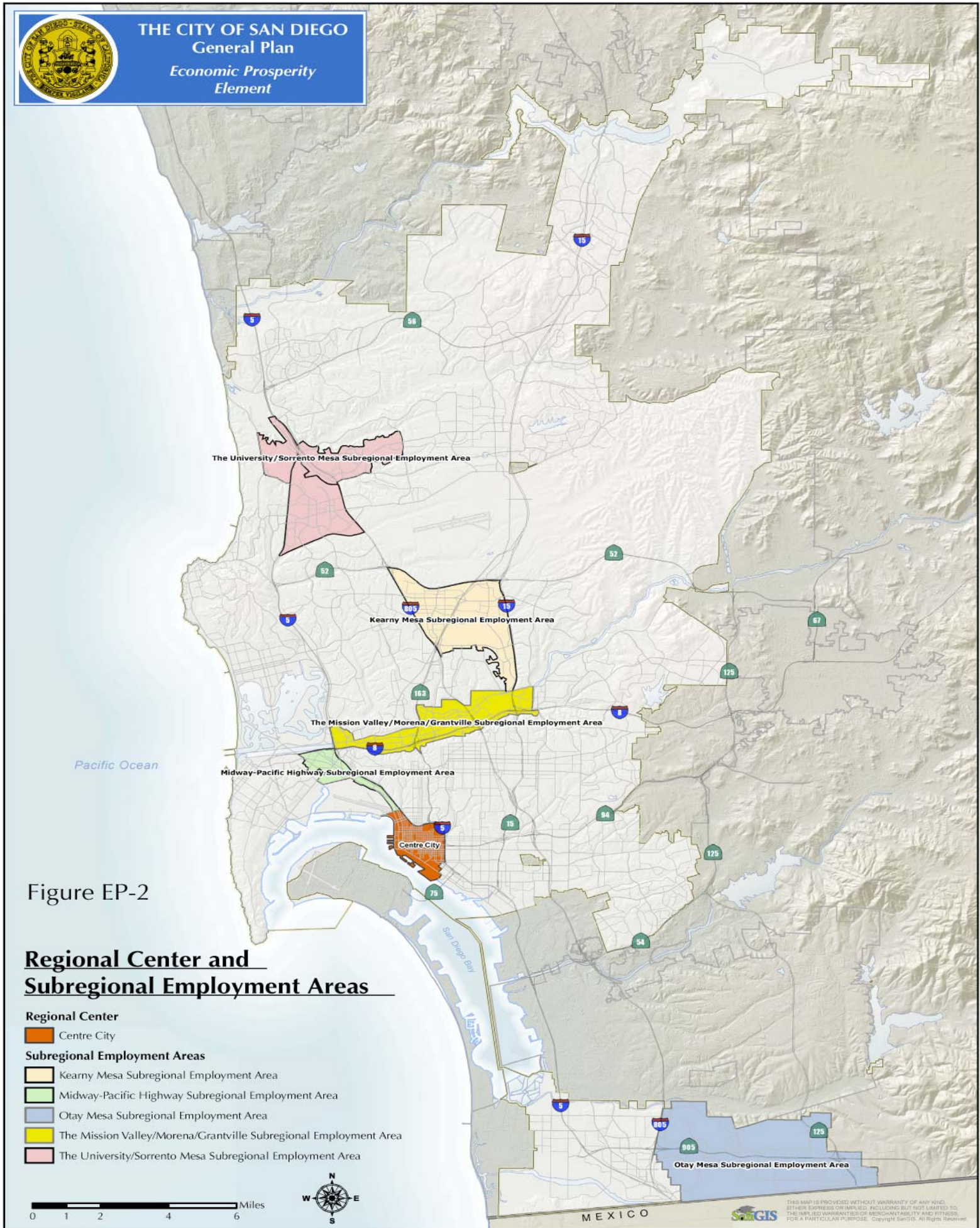


Figure EP-2

Regional Center and Subregional Employment Areas

Regional Center

Centre City

Subregional Employment Areas

Kearny Mesa Subregional Employment Area

Midway-Pacific Highway Subregional Employment Area

Otay Mesa Subregional Employment Area

The Mission Valley/Morena/Grantville Subregional Employment Area

The University/Sorrento Mesa Subregional Employment Area

0 1 2 4 6 Miles



MEXICO



THIS MAP IS PROVIDED WITHOUT WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Copyright SANGIS. All Rights Reserved.



C. Regional Center and Subregional Employment Areas

Goal

- ◆ A city where new employment growth is encouraged in the existing regional center and subregional employment areas connected by transit to minimize the economic, social, and environmental costs of growth.

Discussion

As described in the [Land Use and Community Planning Element, City of Villages Strategic Framework Element and Action Plan](#), the Regional Center and Subregional Employment Areas will play an important role in the City's economic prosperity strategies. These areas are intended to provide the appropriately designated land and infrastructure needed to support business development and a variety of employment opportunities. In the past several decades, employment growth was focused on the creation of an employment land component in each developing community. As the City approaches full build-out, the establishment of Subregional Employment Areas is intended to target new growth of regional and other employment uses in fewer locations to facilitate connections via an improved transportation and transit system.

Policy

- EP-C.1. Guide the development of the areas in the City identified on Figure EP-2 as regional and citywide employment nodes as described in Appendix C, EP-3, guidelines for the Regional Center and the Subregional Employment Areas.

D. Education and Workforce Development

Goals

- ◆ A city that provides life-long skills and learning opportunities by investing in excellent schools, post-secondary institutions, and opportunities for continuous education and training.
- ◆ Equitable access to educational opportunities.
- ◆ A city that will continue to incubate growth and investment by providing a skilled and educated workforce that meets industry needs.

Discussion

As the City of San Diego ~~moves~~ ~~is moving~~ toward a more knowledge-based economy, the key to increasing City residents' standard of living is to equip the future workforce with the tools to succeed. Forecasted job growth in high technology areas, such as biosciences, biomedical, telecommunications, computer and electronics manufacturing, and software and computer



Economic Prosperity Element

services, will result in an increase in the demand for highly skilled workers. If the City is to remain competitive in attracting, retaining, and developing businesses that could serve as a catalyst to economic prosperity, a well-trained workforce must be developed to attain the anticipated new jobs in the region.

San Diego residents have an increasing level of educational attainment levels relative to the nation as a whole, but over the next twenty years our schools will not produce enough graduates to keep up with future employment demand, thereby increasing the need to recruit workers from outside the region. Also, despite the region's high educational attainment level, ~~the City has~~ ~~we have relatively~~ more people with less than a high school education than the ~~nation-national~~ average. There is a disparity in educational achievement among races and ethnic groups and an even greater disparity between communities in the City. Programs that target ~~the~~ under-represented groups, provide training for low-wage earners to move up career ladders, and prepare youth for the workforce; with complementary ~~alongside~~ programs that encourage growth and retention of skilled workers in the high technology areas, are critical to the equitable development of the City (see Figure EP-3, Educational Attainment Levels of the Over 25 Population, San Diego Region and the U.S.). These activities can assist in reducing poverty that affects the physical characteristics of communities and the overall quality of life for all residents.

The City should continue to be proactive with the private sector, educational institutions and other agency partners, in addressing shortages in our employment market. Currently, efforts are being made in our public schools, community colleges and universities to address existing industry gaps and deficiencies. The City has participated with private, non-profit agencies that strive to create a comprehensive workforce development system that ensures a skilled productive workforce to support a healthy regional economy.

Figure EP-3

**Educational Attainment Levels of the Over 25 Population
San Diego Region and the U.S. 2000**

	Less than 9th grade education	9th to 12th grade education	High school graduate, no college	Some college, no degree	Associate's degree	Bachelor's degree	Graduate or professional degree
San Diego Region							
Asian	10.4%	8.4%	15.7%	19.8%	8.6%	26.4%	10.8%
Black	3.4%	10.5%	25.7%	34.5%	9.6%	10.7%	5.5%
Hispanic	27.2%	19.4%	19.9%	18.0%	4.9%	6.9%	3.7%
White	4.5%	7.8%	19.9%	26.9%	7.8%	20.4%	12.7%
Total Region	7.9%	9.5%	19.9%	25.6%	7.4%	18.7%	10.9%
Total U.S.	6.9%	8.9%	33.1%	17.5%	7.8%	17.1%	8.6%

Source: 2000 Census

There are also additional barriers that inhibit segments of the population from fully reaping the economic and intellectual benefits of technology. Coordinated regional technology planning focused on computer ownership and internet access in homes, the quality of technology usage in schools and public access to community technology centers, would enable the City to maximize



the impact of its limited discretionary funds and make better use of established programs.

Policies

- EP-D.1. Strengthen the City's role in workforce development organizations that: provide adult and youth workforce development; adult retraining; and targeted services for unrepresented and under-represented groups, such as low-income youth and adults, people of color, women, individuals with disabilities and the homeless. Continue to support programs that address potential job gaps in growing industries, and current gaps throughout all industries, to match job training and workforce development with employment needs.
- EP-D.2. Support after school programs that focus on educational enrichment and skills training.
- EP-D.3. Support efforts to provide labor market information from data sources and industry sectors to local educational institutions, training agencies, and the public.
- EP-D.4. Encourage academic sector participation in City advisory groups that address issues of workforce development and emerging technologies.
- EP-D.5. Seek the cooperation of City agencies and departments, along with other jurisdictions and organizations, to coordinate and implement regional economic and workforce goals in all areas of the City.
- EP-D.6. Assist in increasing the availability, use, and attainment of technology for low-income residents.
- EP-D.7. Participate with other jurisdictions and coordinate with the private sector, to establish and implement a regional technology plan that addresses the current and long-term technology needs across all industry sectors.

E. Employment Development

Goals

- ◆ A broad distribution of economic opportunity throughout the City.
- ◆ A higher standard of living ~~through increased wages and benefits in low-wage industries~~ and an increase in citywide real median income per capita.
- ◆ A city with an increase in the number of quality jobs for local residents, including middle-income employment opportunities and jobs with career ladders.



Discussion

Job creation and retention is directly related to enhanced economic development opportunities. The combination of preparing the local workforce for the types of jobs the region is creating, and then focusing on developing jobs that pay an adequate wage and have advancement potential, will help the City address the disparity between income levels. The nationwide economic trend away from the production and assembly of physical goods, and toward the provision of services and the production of intellectual property, has resulted in the loss of many manufacturing jobs in the middle-income range to other regions and overseas. Within the U.S., long-term trends suggest that workers and firms have been moving to areas in the South and Southwest that have lower costs of living and lower wages.

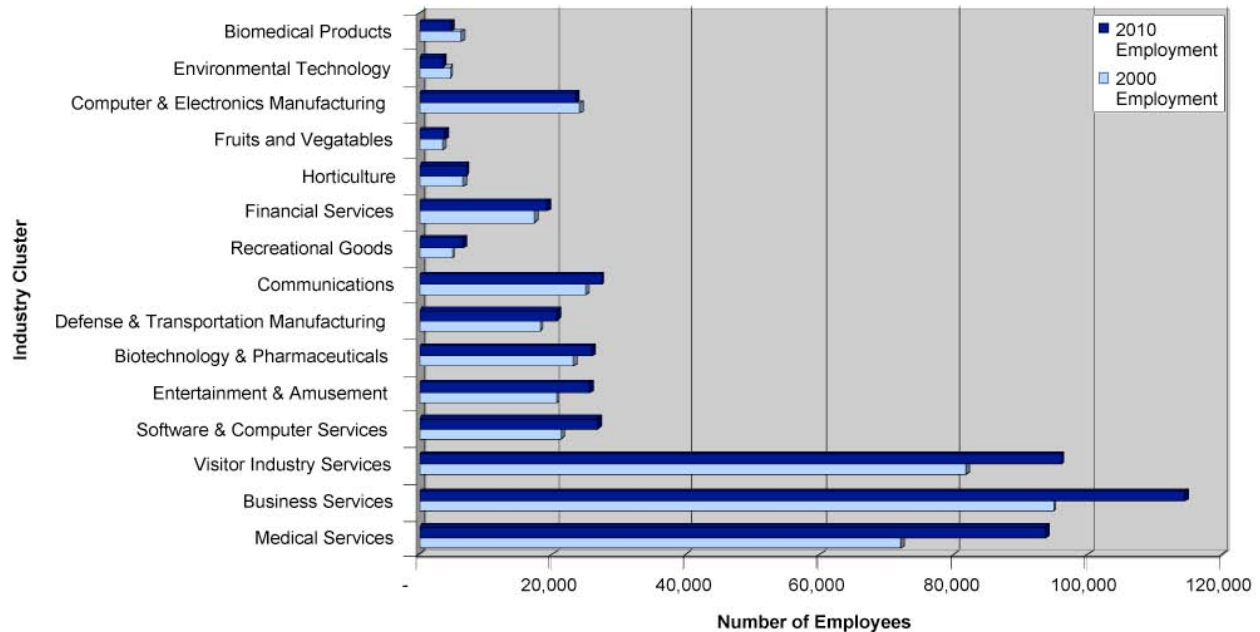
San Diego is one of the top ten cities in the country projected for job growth in the next 20 years (see Figure EP-4, Employment Growth by Industry Cluster). New jobs will continue to be created by high technology companies including telecommunications, electronics, computers, software, medical instruments, defense systems, environmental sciences, and biotechnology. The expansion of high technology industries in San Diego has successfully created higher income employment opportunities for local residents and has also attracted others outside the region seeking high technology employment. Because these types of industries compete in national and international markets, they have favorable long-term growth potential and also support the development of local firms that supply services and products.

However, the majority of the additional jobs over the next few years will be in the services industries (see Figure EP-5, Top Ten Occupations with the Greatest Growth). The continued success of the visitor industry and retail/business service occupations, while a significant source of fiscal revenue and work for unskilled, semi-skilled, and part-time workers, has resulted in an increased percentage of relatively lower-wage employment in the City. ~~Unfortunately, the most significant decline in average wages in the region has occurred in low-paying industries.~~



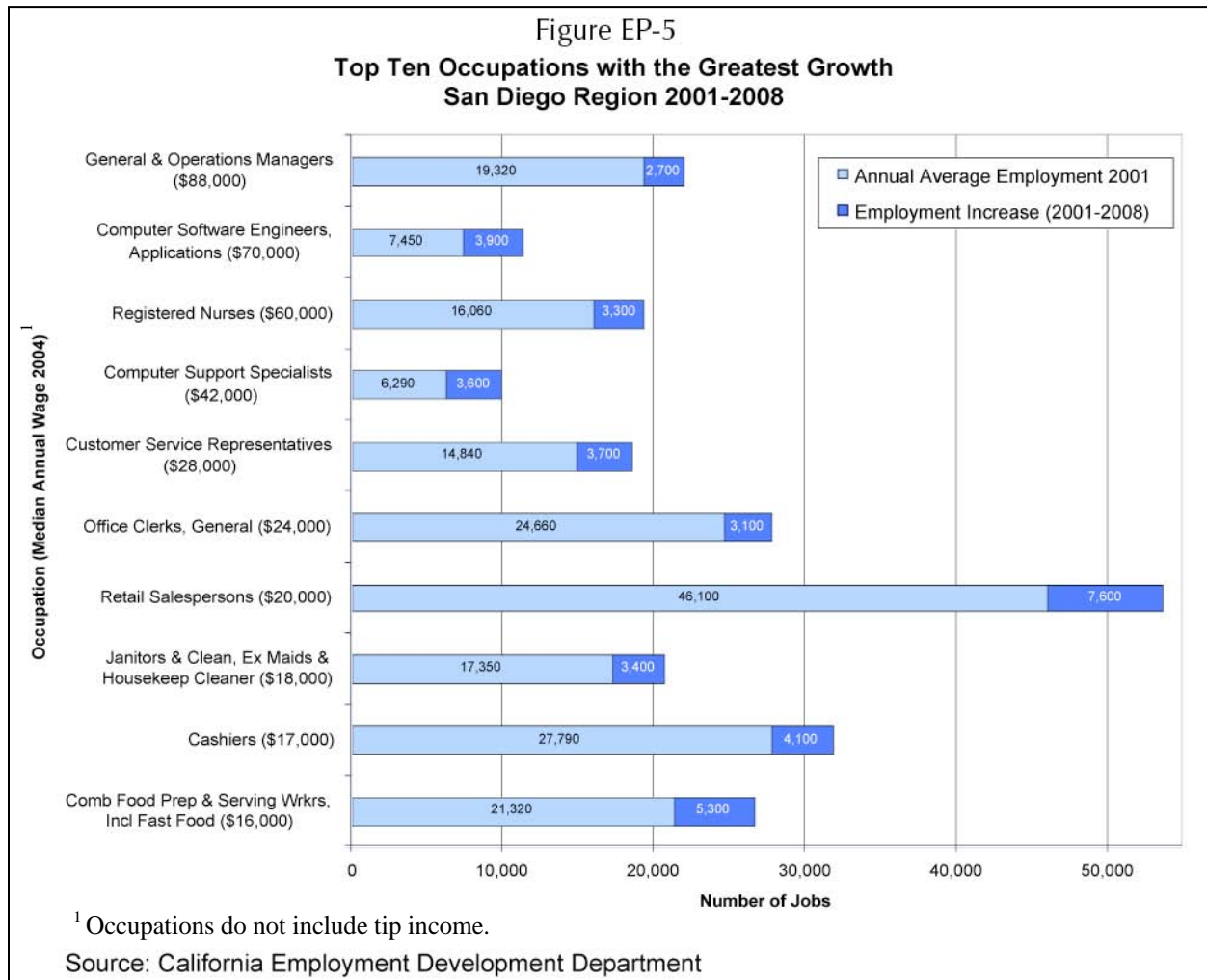
Figure EP-4

Employment Growth by Industry Cluster San Diego Region 2000-2010



Source: *A Path to Prosperity: Preparing Our Workforce*, San Diego Workforce Partnership 2002

The shift away from base sector manufacturing to base sector service and knowledge-based employment has contributed to a skewed economy in San Diego which diminishes the share of middle-income job opportunities. Middle-income is the income category of a household earning between 81-120 percent of area median income, adjusted for household size. A middle-income job provides benefits, offers full-time employment, and is associated with a career ladder. These jobs pay a wage that will cover the cost of housing, food and healthcare, with some money left over for savings and discretionary spending. They are central to the City's economic health because they reduce the burden on social, health, and housing programs and assure an adequate supply of discretionary income resulting in higher sales tax revenue for the City. Savings from public programs and additional sales tax revenue from discretionary purchases enable the City to invest in education, mobility, conservation, community infrastructure, and other areas vital to San Diego's economic competitiveness.



Policies

- EP-E.1. Encourage the retention and creation of middle-income employment, by:
- ~~Preserving~~ Maintain sufficient employment land and capacity for base sector export industries that generate opportunities for middle-income wage earners as discussed in Section ~~EP-A~~.
 - Investing in infrastructure, educational and skill development, and quality of life assets that support middle-income employment development.
 - Encouraging the development of measures that facilitate expansion of high technology business facilities that have the potential to create middle-income jobs likely to be filled by local residents.
- ~~Support the creation of higher quality jobs in low-paying industries (such as visitor, entertainment and amusement).~~



~~EP-E.2. Support state and federal legislation, by City Council resolution, to increase employee health benefits and address the rising costs of businesses that are providing healthcare for their employees.~~

EP-E.32. Support ~~the creation of higher quality jobs with and~~ measures to increase wages and ~~provide~~ advancement opportunities ~~in low-wage industries.~~

EP-E.43. Support ~~living wage, or similar~~ legislation programs to increase the standard of living for lower-income residents.

EP-E.54. Continue to promote job opportunities accessible to residents in low-income neighborhoods.

F. Business Development

Goals

- ◆ A city able to retain, attract and maintain the type of businesses likely to contribute positively to the local economy. These industries contribute to a diverse economic base, maintain environmental quality, and provide high quality employment opportunities.
- ◆ A city focused on promoting local entrepreneurship to build locally based industries and businesses that can succeed in local, national, and international markets.
- ◆ A city with thriving businesses, particularly in existing urban areas.
- ◆ A city with opportunities for growth and expansion of small businesses.

Discussion

Businesses that contribute the most to the local economy enhance the diversity of the economic base, maintain environmental quality, generate revenue to provide essential community services, and provide employment opportunities for local residents. Although the City has many programs aimed at specific economic development goals, business incentive programs were established to attract and retain major revenue, job generating, and revitalization projects throughout the City. Municipal incentives, such as financial or processing assistance, are not a substitute for market demand. However, public incentives can focus existing demand into specific areas of the City where economic development is desired. This will increase the success of public efforts by leveraging existing limited public resources.



Economic Prosperity Element

Nationally, there is a trend toward smaller business units that offer the innovation, speed, and flexibility required in today's economy. The vast majority of businesses operating within the City are small businesses (12 or fewer employees). They are responsible for more than half of all new jobs created in the City and also provide revenue to the City through business license tax contributions to the general fund and increased sales tax revenue. Small businesses are more likely to be locally owned and operated, therefore a high proportion of profits are recycled into and benefit the local economy. Many businesses depend upon attracting and retaining people who have entrepreneurial, technical, or creative talent, many of whom want proximity to diverse urban centers. Therefore, the growth of small businesses also contributes to the City of Villages strategy which seeks to stimulate private investment in urban communities, improve community facilities, increase property values, and enhance community character and identity.

Small Businesses* in the City of San Diego...

- ◆ Represent 93% of the 75,000 businesses registered with the City
- ◆ Contribute over \$2.2 million to the general fund through the City's business license tax
- ◆ Are responsible for 16% of the City's sales tax revenue
- ◆ Provide more than 50% of new jobs created

Source: City of San Diego Office of Small Business and Neighborhood Revitalization

*12 or fewer employees

Policies

- EP-F.1. Develop and maintain programs and services that address the changing needs of the local business community.
- a. Regularly evaluate economic conditions to determine the industries, sectors, and locations that are most significant to regional and local economic growth and creation of quality jobs.
 - ba. Update business incentive programs to provide incentives to projects and industries which have a demonstrated potential to provide middle-income job opportunities, that contribute to revitalization in urban areas, or which contribute to the development of village-type urban areas served by transit systems.
- ~~Regularly update business incentive programs based on the ongoing evaluation of economic conditions to determine the industries, sectors, and locations that are most significant to regional and local economic growth and creation of quality jobs.~~
- EP-F.2. Provide assistance for public improvement projects to revitalize business districts.
- EP-F.3. Support and encourage local business improvement districts to provide private sector revitalization solutions.
- EP-F.4. Recognize and maintain the unique qualities of the different neighborhood business districts, particularly in villages and transit corridors.



G. Community and Infrastructure Investment

Goals

- ◆ Community revitalization through enhanced access to regional and national sources of private and public funding.
- ◆ Public and private infrastructure that supports economic prosperity.

Discussion

Capital is necessary for communities, small businesses, and industries to grow, improve productivity, and compete. The City of San Diego, with the assistance of state and federal programs, invests in communities, and provides assistance to small business and targeted base sector industries. These public investments leverage private investments many times over, to the benefit of San Diego's economic prosperity. Access to public and private capital is important for all communities within the City, without discrimination.

A city's most important investment in support of economic prosperity is its investment in infrastructure, particularly infrastructure that helps communities and base sector industries become more productive, leverages private investment, and helps direct investment to areas with the greatest needs or potential benefits.

Policies

- EP-G.1. Encourage the creation of, and cooperate with, private not-for-profit and for-profit community-based development entities to attract capital and facilitate investment in housing, business development, and services in communities in need.
- EP-G.2. Prioritize economic development efforts to attract and induce investment in local businesses throughout the City.
- a. Assist existing business owners in accessing programs that can provide financial assistance and business consulting services. Such programs include Small Business Administration loans, façade renovation, and redevelopment ~~assisted forgivable loans~~ assistance.
 - b. Expand small business assistance to include direct or referred technical and financial assistance for small emerging technology firms and firms involved in international trade.
 - c. Pursue public/private partnerships to provide ~~subsidized~~ incubation spaces for small business.
 - d. Enhance funding opportunities for local businesses by supporting community-based lending initiatives and equity programs.



Economic Prosperity Element

- EP-G.3. Invest in public infrastructure that supports and leverages private investment in communities.
- EP-G.4. Invest in public infrastructure that supports and leverages private investment in base sector industries that generate jobs with good wages, benefits, and opportunities for employee advancement for San Diegans.
- EP-G.5. Monitor the volume and frequency of institutional investment, in the City's low- and moderate-income communities, for those financial institutions that are subject to the Community Reinvestment Act and other similar federal and state requirements that may emerge.

H. Military Installations

Goal

- ◆ A city which preserves the ability of military installations to achieve their mission and to remain in San Diego.

Discussion

Although San Diego's economy is no longer dominated by defense and military expenditures, the military and defense sector is still a major contributor to San Diego's base sector economy through the creation of jobs, military and civilian spending, and technology. This region and [the](#) City are home to more than ten military installations, and San Diego remains the Navy's principal location for west coast and Pacific Ocean naval operations. Incompatible land uses close to military installations can have a negative impact on military readiness that may compromise the ability of an installation to achieve its mission. Additionally, such development could threaten public safety by placing residents and customers in harms way due to potential accidents. Such urban encroachment can also affect the economic health of a community if a military operation must relocate. In recognition of the importance of military facilities, the state has adopted legislation to guarantee that military interests are addressed through the planning process.

It is in the best interest of both the City and the military to continue to work together to anticipate future growth and development through comprehensive land use planning. Furthermore, they must agree on implementation and enforcement mechanisms that allow the City to maintain and enhance the quality of life without encroaching into land considered vital to this nation's defense.

Policies

- EP-H.1. Coordinate with military base representatives to ensure that community plan updates and amendments, rezones, and projects for areas adjacent to military facilities or underlying designated military training routes and airspace, do not affect military readiness. Projects and plan preparation should consider the impact of future land uses



on public safety and military readiness activities carried out on military bases, installations, and operating and training areas, based upon the information that the military and other sources provide.

- EP-H.2. Support efforts to retain military installations in the City of San Diego ~~through the Department of Defense Base Realignment and Closure (BRAC) process.~~
- EP-H.3. Consider uses which increase the public economic and social benefits of the land when preparing comprehensive plans for the reuse of ~~military public~~ lands available through the ~~BRAC realignment and closure~~ process, including enhancement or provision of public facilities and services.

I. Visitor Industries

Goals

- ◆ A city that encourages investments in the tourism industry that also benefit existing residents and support community reinvestment.
- ◆ A city that recognizes the benefits of and promotes cultural heritage tourism in the overall economy.

Discussion

Due to San Diego's coastal location, climate, natural amenities, and special environments; and its arts, culture, recreation, and entertainment offerings, the City has gained a reputation as a desired vacation destination. These same amenities also contribute to the quality of life for San Diego residents. In the year 2000, the San Diego region's travel and tourism industry which includes transportation, accommodations, catering, recreation and travelers services, gained \$5.3 billion from visitors, making the visitor industry San Diego's third largest sector, following manufacturing and the military.

The Transient Occupancy Tax ordinance (TOT) was adopted in 1964 to promote the tax-generating travel, tourism, and convention activities. The current tax rate is one of the lowest rates nationally for similar cities. Currently, the tax generates approximately \$100 million in total revenue to the City, more than half of which contributes to the City's general fund, and almost half to special promotional programs, related economic development and tourism support, maintenance of visitor-related facilities, and capital improvements. A significant portion of these funds, including the TOT's contribution to the City's major recreational amenities (such as Balboa Park, Mission Bay, and Petco Park), also benefits local residents.

~~Although v~~ Visitor-services industries are expected to continue to generate employment growth, ~~based on past experience, employment growth in these industries is not expected to generate a~~



Economic Prosperity Element

~~high proportion of middle-income jobs for San Diego residents. Currently the average annual salary for employees in the visitor-service industry half of the regional average wage, ranking it among the lowest of all of the key industries in the San Diego region. Despite the low wages,~~ The visitor-services industry contributes to the diversity and stability of the local economy, including its ability to maintain a relatively low unemployment rate and generate fiscal revenue.

An emerging component of San Diego's tourism industry is cultural tourism. Cultural heritage tourism means traveling to experience the places and activities that authentically represent the stories and people of the past and present, including irreplaceable historic, cultural and natural resources. San Diego is rich with opportunities for cultural heritage tourism. Tourists can find first class museums, year-round cultural events, period architecture, and walking tours. It represents an increasingly large and lucrative segment of the travel industry. It not only strengthens regional identity and local pride, but is also a good source of revenue for the community. Heritage tourism, as an economic development strategy, creates new business, provides job opportunities, increases property values, and encourages private investment. It directly affects local economies while aiding the physical transformation of communities, preserves historic resources, and creates destinations for tourists and local residents.

Policies

- EP-I.1. Develop a priority ranking system for Transient Occupancy Tax projects and programs which best implements the City of Villages strategy, provides directly benefits San Diego residents, and benefits the tourism workforce and industry.~~focuses on communities with existing needs and village characteristics consistent with the Public Facilities and Services Element Section B, Prioritization. Include consideration of the following criteria, and others as needed, in the ranking system:~~
- ~~•The creation of middle-income employment opportunities, and programs to assist businesses which offer living wages and demonstrate the use of training or other programs resulting in career ladders for its employees. Visitor-oriented projects and programs, including the arts, that provide the most direct benefit to San Diego residents.~~
 - Programs that will benefit the tourism workforce.
- EP-I.2. Provide business incentive programs for private, tourist-related development projects which offer good living wages, employment opportunities, training, and demonstrate use of training/programs resulting in career ladders for its employees.
- EP-I.3. Support the destination attractions in San Diego that enhance tourism trade in the City including but not limited to natural resource destinations, commercial recreational attractions, sporting events, convention and meeting facilities, and the efforts of the Port of San Diego to grow the cruise ship industry.
- EP-I.4. Collaborate with tourism industry representatives to design projects that enhance San Diego's cultural and natural amenities.



- EP-I.5. Support the development of business attractions that are compatible with historic districts.
- EP-I.6. Encourage compatible adaptive reuse of historical buildings and structures in areas designated for commercial tourism.
- EP-I.7. Promote the development of walking, driving, and bicycling tours of San Diego's historic areas and special environments.

J. International Trade, Maritime Trade, and Border Relations

Goals

- ◆ A city that takes advantage of its location as part of a greater interregional and bi-national area to be a strong competitor in the global marketplace.
- ◆ A city that actively promotes greater interregional and bi-national cooperation.
- ◆ Protection of the quality of life in the greater border region while keeping the region secure.
- ◆ Reliable and efficient passenger and commercial transportation systems along the U.S.–Mexico border.
- ◆ A city that promotes and protects waterborne industry and commerce through cargo and cruise terminals.
- ◆ An increase in commerce through enhancement of air cargo facilities and operations.
- ◆ San Diego's working waterfront to continue to become a more vital part of the region's economy and quality of life.

Discussion

Trade, commerce, and goods movement account for billions of dollars in economic growth for both the U.S. and Mexico (see Figure EP-6, Value of San Diego International Trade). This places the City of San Diego, along the U.S.-Mexico border, in a unique location, particularly as a gateway to international trade in Southern California. San Diego and Tijuana have the largest population of any twin city area along the entire U.S.-Mexico border. At the San Diego-Tijuana region's two border crossings, Otay Mesa and San



A trade-related use in Otay Mesa



Economic Prosperity Element

Ysidro, millions of northbound crossings are made each month to work, to school, to shop, and to enjoy local attractions. These visits have been estimated to contribute billions of dollars annually to the Southern California and Baja California economies.

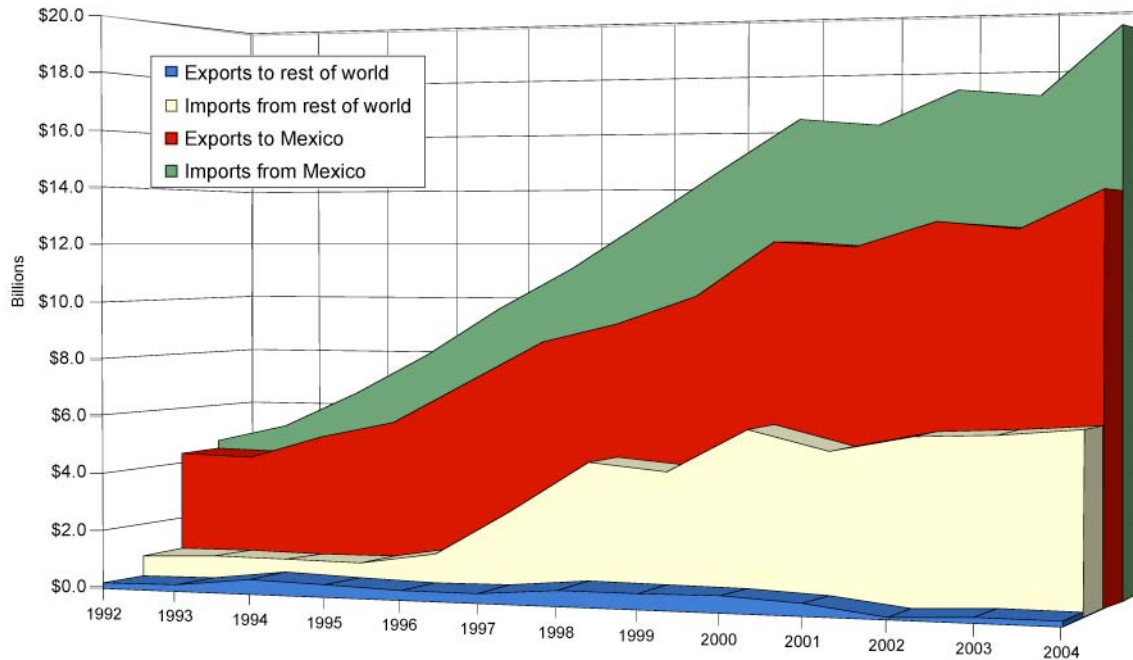
International trade contributes greatly to our economy and directly or indirectly supports a significant number of jobs in the San Diego region. International trade is the fastest growing sector of our nation's Gross Domestic Product (GDP) and accounts for up to half of the annual growth of the nation's GDP. Much of our region's world trade exports pass through San Diego's international ports of entry. However, border crossing wait times for both passenger and commercial vehicles have increased the costs of international trade and adversely affects the lives of individuals from California and Baja California who cross the border.

The continuing growth of the production-sharing industry in Tijuana plays an important role in the region. San Diego-based companies offer critical support in terms of administration, logistics, transportation, research and development, shared manufacturing, warehousing and distribution. However, the industry is under competitive pressure from other offshore production centers where the cost of labor is comparatively cheaper. To counter this effect, Baja California is developing other sectors such as the automobile, pharmaceutical, and technology industries, and defense work where proximity to the market is a significant factor.

The Port of San Diego represents the economic ideal of industrial diversification as an economic motivator for the entire region. The San Diego region operates ~~major~~ cargo facilities that support trade and manufacturing, as well as non-manufacturing activities, such as maritime commerce, goods movement, retail, boat charters, marina services, bay cruises, sport and commercial fishing, yacht sales, lodging and the military. The waterfront supports a significant amount of both civilian and military workers. Based on the economic importance of the waterfront to the San Diego region, preserving and protecting San Diego's waterfront business activities is critical in providing a diverse workforce and regional economic vitality. San Diego should also assure that commerce related to air cargo distribution continues to expand. Additional discussion of air cargo and goods movement is contained in the Mobility Element, Sections H and J.



Figure EP-6
Value of San Diego International Trade



Source: U.S. Census Bureau, Foreign Trade Division; WISER

Policies

- EP-J.1. Participate in and support regional and bi-national efforts that develop strategies for key border issues (such as the alleviation of long border wait times, infrastructure improvements, public safety, economic development, border inspection and national security at the international border and surrounding areas).
- EP-J.2. Support trade-related activities along the border, such as warehousing, distribution, manufacturing, assembly, production sharing, and transportation-related facilities.
- EP-J.3. Encourage participation in business incentive areas/zones in Otay Mesa and San Ysidro to take advantage of their unique location for industries engaged in production sharing strategies and cross-border trade.
- EP-J.4. Support infrastructure improvements that encourage the expansion of international trade capabilities in the City and the bi-national region.



Economic Prosperity Element

- EP-J.5. Support measures to encourage frequent border crossers to participate in ports of entry programs. These measures should also facilitate the application process for people and vehicles.
- EP-J.6. Support efforts that facilitate the efficient movement of goods across the border for rail and truck (such as dedicated fast lanes and crossing cards), that expedite border crossing for the production sharing trucking industry.
- EP-J.7. Create international connections that improve port-of-entry efficiency, enhance linkages, and improve border appearance to foster a more welcoming environment.
- EP-J.8. Support efforts to expand the hours of operation for the commercial port of entry at Otay Mesa to achieve greater flexibility and competitiveness for the entire border region.
- EP-J.9. Retain land uses to support waterfront commerce and industry that provide for U.S. Naval operations, ship repair, and movement of waterborne goods.
- EP-J.10. Protect and promote good working-waterfront jobs, ~~that provide family-supporting wages.~~
- EP-J.11. Promote the expansion of air cargo capacity in San Diego.

K. Redevelopment

Goal

- ◆ A city which redevelops and revitalizes areas which were blighted, to a condition of social, economic, and physical vitality consistent with community plans.

Discussion

Redevelopment is a state enabled legal process and financial tool that assists in the elimination of blight from designated areas through new development, infrastructure, public spaces and facilities, reconstruction, and rehabilitation. It provides cities and counties with a powerful tool to address deteriorating conditions of slum and blight within older urbanized areas of their jurisdictions. The Redevelopment Agency of the City of San Diego was established in 1958, based on California Community Redevelopment Law (CCRL), Health & Safety Code, § 33000, et. seq.



Redevelopment plans define the boundaries of the project area and provide a general description of the projects to be implemented therein. The redevelopment plan adoption process is prescribed by CCRL and provides for substantial citizen participation. Redevelopment plans must conform to the General Plan and respective community plan(s). Project areas are predominantly urbanized and exhibit conditions of both physical and economic blight. "Predominantly urbanized" is defined as developed, vacant parcels that are an integral part of and surrounded by urban uses, and irregular subdivided lots in multiple ownership that cannot be properly used. Blight covers conditions that constitute a serious physical and economic burden on the community, which the community cannot reasonably be expected to be reversed~~reverse~~ or alleviated by private enterprise or government action, or both, without redevelopment. The CCRL defines the various conditions of physical and economic blight which include unsafe or unhealthy buildings, substandard design, lack of parking, incompatible uses, and subdivided lots of irregular form and shape, and inadequate size for proper usefulness and development that are in multiple ownership.

Redevelopment project areas are frequently proposed as a tool for community revitalization. There are potential social costs, as well as benefits associated with redevelopment. Social costs can include displacement of residents and businesses, while social benefits may include new employment opportunities, affordable housing, improved physical appearance, new or renovated public facilities, and increased community pride. Per the CCRL, ~~the~~ Redevelopment Agency is required to assist with the relocation of any persons or businesses that are displaced. Implementation of redevelopment projects typically occurs over a number of decades and the revitalization that redevelopment is intended to spark may take several years. Adoption of a redevelopment plan allows the Agency to utilize a variety of extraordinary financial and legal tools, such as tax increment financing, owner participation agreements, eminent domain, and affordable housing requirements, in promoting sustainable development in the community.

Policies

- EP-K.1. Support the use of redevelopment in conjunction with input from the respective communities, subject to public hearings and approvals by the City Council, for those urbanized areas meeting the requirements of California Community Redevelopment Law (CCRL).
- EP-K.2. ~~Establish~~ Determine if the project areas that are~~is~~ large enough to create critical mass and generate sufficient tax increment to stimulate successful redevelopment activities over the life of the redevelopment plan and achieve long-term community objectives.
- EP-K.3. Use tax increment funds for projects and associated infrastructure improvements that will stimulate future tax increment growth within the project areas that are consistent with the respective five-year implementation plans.
- EP-K.4. Redevelop assisted affordable housing investment within the same redevelopment project area, or in close proximity to, where the tax increment is generated, only to the degree that such affordable housing is not over-concentrated in particular areas.



Economic Prosperity Element

- EP-K.5. Ensure the timely provision of affordable housing with all redevelopment assisted residential and mixed-use development projects.
- EP-K.6. Partner with other municipalities, school districts, and other public or non-profit agencies, whenever possible, to achieve General Plan, redevelopment, and community plan goals.~~Equitably distribute new public facilities within a project area that increase and enhance community quality of life. Distribution of new facilities should consider the most deficient areas of a community as a priority.~~
- EP-K.7. Utilize redevelopment to eliminate or minimize land use conflicts that pose a significant hazard to human health and safety.
- EP-K.8. Minimize displacement of existing residents, businesses, and uses in redevelopment projects. Those displaced should have adequate access to institutions, employment and services.
- EP-K.9. Extend involvement opportunities to existing property owners in the redevelopment process by encouraging the use of owner participation agreements.

L. Economic Information, Monitoring, and Strategic Initiatives

Goal

- ◆ An informed public decision-making process providing economic information to the public and decision-makers.

Discussion

Major development projects can have a significant affect on a community's economic environment, especially those projects that were not envisioned as part of the community in the planning process. A formal method of providing information on the fiscal and economic impacts of revisions to community plans can assist decision-makers, community planning groups and other community members that review planning projects. The assessment should serve as an informational tool only; it should not create criteria or standards for project approval.

Indicators have been developed for the purpose of monitoring community economic performance. Traditionally, economic indicators have focused on the profits and losses of community businesses. However, the vision outlined in the City of San Diego's Economic Prosperity Element requires a more comprehensive view by adding indicators to address housing, smart growth, and equity—all facets of San Diego's economic prosperity. The indicators, in combination with the existing conditions database, will provide decision-makers and community groups with frequently updated information about their communities.



Based on the monitoring of near- and long-term economic information and trends and a continual assessment of San Diego's competitiveness in a global marketplace, it is important to develop, update, and maintain (along with the private sector) an economic development strategy linked to the regional economic development strategy that identifies and responds to issues, establishes priorities, and lays out strategies and initiatives for existing and new industries.

Policies

- EP-L.1. Prepare and update an Economic Development Strategic Plan every three years to report on economic trends, describe targeted industry clusters, identify economic issues for the City, inform infrastructure and land use priorities, develop strategies for addressing near-to-mid term economic issues, and identify new initiatives with the private sector, within the context of long-term goals.
- EP-L.2. Prepare a Community and Economic Benefit Assessment (CEBA) process focusing on economic and fiscal impact information for significant community plan amendments involving land use or intensity revisions. A determination of whether a CEBA is required for community plan amendments will be made when the community plan amendment is initiated.
- EP-L.3. Prepare an Economic Market Analysis and Fiscal Analysis for discretionary permits involving large retail establishments over ±2100,000 sq. ft. of gross floor area.
- EP-L.4. Continue to evaluate citywide and community economic conditions on an ongoing basis, provide regular economic reports to decision makers, and update the list of economic indicators as new data become available.
- EP-L.5. Utilize economic indicators to identify the need for new strategies, and establish priorities for public investment.