

VI. ECONOMIC DEVELOPMENT ELEMENT

Purpose

The purpose of the Economic Development Element is to provide guidance for economic development within the City of Lakeport in order to attain an economically viable and self-sustaining community. In this sense, economic viability means providing a range of housing and employment opportunities that meet the needs of both residents and workers, attracting families and businesses to create demand for planned land uses and establishing and funding public service levels that preserve and enhance Lakeport's quality of life.

The Economic Development Element is an optional element of Lakeport's General Plan. Authority for the Economic Development Element is found in State Government Code § 65303, which allows cities and counties to add optional elements beyond State-mandated elements. The Economic Development Element is not a required element in the General Plan; however, once adopted an optional element carries the same legal weight as any of the other elements.

Economic Characteristics

The City of Lakeport supports approximately 45% of all jobs in Lake County. Additionally the majority of Lake County Government offices are located within the City of Lakeport. There are six business centers in the Lakeport area, including the historic downtown area which is designated as a California Main Street City. The City's permanent retail trade area population is approximately 30,000, and per capita sales figures are among the highest in the region, and generally higher than the State average. This can be attributed to at least three characteristics of the Lakeport area: a high level of spendable income by residents; the recognition of Lakeport as a local retailing center; and the impact of tourism.

Lakeport is known as a regional recreational destination, and this attribute should be maximized in any effort undertaken by the City to encourage and foster economic development. The clean air, natural beauty, and the multitude of recreational opportunities afforded by Clear Lake and the surrounding areas are great assets to the community and provide an economic advantage to visitor serving businesses.

The largest business sector (in terms of number of businesses) in Lakeport's economy is services (45 percent), followed by retail trade (19 percent), and then finance, insurance and real estate (9 percent). These three sectors account for 639 businesses or 73 percent of all businesses in Lakeport.

The classification of "services" includes some of the larger revenue-generating businesses such as the hospital and other health care providers, but also many of the small "mom and pop" businesses such as repair services, child care, building maintenance, and beauty shops. Total employment in the services sector is 2,342 persons.

Much like the services sector of the economy, the retail sector of the economy is characterized by small retail stores greatly outnumbering the large ones. One half of the 171 retail trade businesses fall into just seven categories: eating places, used merchandise, gifts and novelties, grocery, auto and home supply, miscellaneous retail, and miscellaneous food stores.

The majority of the sales revenue in the City is derived from a minority of businesses. The top 5.4 percent of businesses with revenue over \$1 million per year generate over 65 percent of the total revenue in the City of Lakeport. The top 10.9 percent of businesses with revenue over \$500,000 per year generate almost 76 percent of the revenues in the City. This group of larger businesses includes some large retailers, the school district, banks, a developer and some construction companies, a few grape growers, utilities, a pharmaceutical preparation company, a racing association and some others. One-half of the jobs in Lakeport are concentrated in just forty establishments.

Lakeport's commercial base is spread widely throughout the City in multiple shopping centers, at small commercial nodes, and in dozens of free-standing business locations such as: Shoreline Center, Bruno's Foods, K-Mart, Vista Point Center, Hamburger Hill, Nylander Neighborhood Center, and Willow Tree Plaza. This makes it difficult for Lakeport to create a "sense of place" and an identifiable center. It also creates a busy auto-dependent shopping environment.

The City has undertaken previous efforts to improve economic conditions within the City. In March 2003, the *City of Lakeport Business Retention and Recruitment Strategy* was completed. This report was funded by a Planning and Technical Assistance Grant from the California Department of Housing and Community Development. One key issue which was identified within the report was the concern expressed by local business owners with the local government of the City. Many survey respondents contacted during the study believe that city codes, standards, fees, and expectations from local small businesses are unrealistic and prohibitive. The business people who were interviewed raised specific concerns about the City relating to:

- Development and infrastructure costs imposed;
- Inconsistent code enforcement;
- Last minute changes to approved project plans;
- Limited or poor communication about City policies, expectations, and activities; and
- Limited outreach to the business community.

OBJECTIVES, POLICIES, & PROGRAMS

The following objectives, policies, and programs are intended to facilitate positive economic growth and development within Lakeport.

OBJECTIVE ED 1: TO ATTRACT EMERGING GROWTH INDUSTRIES IN ORDER TO INCREASE EMPLOYMENT OPPORTUNITIES FOR A WIDE RANGE OF SKILL LEVELS AND SALARIES TO MEET THE CURRENT AND FUTURE EMPLOYMENT NEEDS OF RESIDENTS.

Policy ED 1.1: Target High-Wage Industries. The City shall target emerging, high wage industries for attraction, including manufacturing, health care, professional, scientific and technical, finance and insurance, and information technology.

Program ED 1.1-a: Identify target industries in the manufacturing, retail, and office sectors.

Program ED 1.1-b: Implement specific recruitment programs tailored to specific target markets.

Policy ED 1.2: Diverse Local Economy. Attract and expand industrial, high technology, regional-serving office development that diversifies the local economy and produces higher-wage jobs.

Program ED 1.2-a: Consider a zoning incentive program (which may include flexible development standards, shared parking, and fast-track processing) to facilitate development or re-use of key sites by high-employment-generating uses and high value-added businesses.

Program ED 1.2-b: Focus available incentives and business assistance services on attracting and retaining firms in industries that typically provide high-quality employment, living wages and strong career advancement opportunities, and which generate strong tax revenues, or fill a critical market niche.

OBJECTIVE ED 2: TO PROVIDE SUPPORT FOR AND PROMOTION OF EXISTING BUSINESSES AND ATTRACT NEW BUSINESSES.

Policy ED 2.1: Business-Friendly Local Government. The City shall assist existing and new businesses by facilitating the permitting process, helping to improve access to capital and investors, and broadening local sales capture rates, including business-to-business transactions.

Program ED 2.1-a: Support and implement the 2003 Lakeport Business Retention and Recruitment Strategy.

Program ED 2.1-b: Develop small business assistance programs, including but not limited to below market interest rate loans and creating new or expanding existing business plans.

Program ED 2.1-c: Create a program to recognize employers that contribute to the quality of life in the community.

Policy ED 2.2: Business Promotion. Promote a thriving local retail, personal, and business services sector.

Program ED 2.2-a: Actively promote revitalization and strong sales in downtown Lakeport, and along Hwy 29 commercial corridors.

Program ED 2.2-b: Assist local merchants and business organizations interested in forming mutual benefit organizations such as merchants associations and business improvement districts.

Policy ED 2.3: Small Business Funding. Support micro loans, small business loan guarantees and other measures to support entrepreneurs and new business development.

Policy ED 2.4: Private Reinvestment Incentives. Provide incentives for private reinvestment in underutilized commercial areas where adequate infrastructure exists.

OBJECTIVE ED 3: TO FOSTER A SUPPORTIVE BUSINESS ENVIRONMENT BY PROVIDING CLEAR AND CONSISTENT DEVELOPMENT STANDARDS, PROCEDURES, AND INFORMATION ON AVAILABLE CITY SERVICES FOR BUSINESSES.

Policy ED 3.1: Business Development Information. The City shall be proactive in disseminating information to local businesses about City government processes that might affect them, such as development standards, licensing procedures, and the procurement of redevelopment funds.

Program ED 3.1-a: Publish and distribute a document that effectively outlines permitting and licensing procedures and fees.

Program ED 3.1-b: Develop and maintain a City website with links to the Zoning Ordinance, Design Guidelines, and Business Support Services to help existing and prospective business owners access information quickly. Also include information about applying for financial assistance and other business development programs the City is involved with.

Policy ED 3.2: Cost of Doing Business. The City shall work to retain a competitive “cost of doing business” in Lakeport relative to the Bay Area and Lake County region.

Program ED 3.2-a: Monitor “cost of doing business” in Lakeport relative to the Bay Area and Lake County region to keep apprised of Lakeport’s competitive advantage.

OBJECTIVE ED 4: TO SUPPORT INFILL DEVELOPMENT OF COMMERCIAL AND SERVICE COMMERCIAL PROPERTIES WITHIN THE CITY LIMITS.

Policy ED 4.1: Infill Areas. The City shall promote the development and redevelopment of City infill areas.

Policy ED 4.2: Balanced Commercial. A balanced mix of retail, restaurant, and other services should be encouraged in commercial areas throughout the city.

Policy ED 4.3: Building Rehabilitation. The City shall support and implement programs for facade improvement and building rehabilitation among others, to ensure that the city remains clean, attractive, safe and well maintained.

Policy ED 4.4: Leveraging City Infrastructure Projects. The City shall leverage city infrastructure projects with potential redevelopment projects or infill opportunities that may be applicable or planned for in the future.

Policy ED 4.4: Underutilized Structures. The City shall encourage the creative reuse of underutilized structures in key commercial areas.

OBJECTIVE ED 5: TO INCREASE THE CITY'S TAX BASE THROUGH ANNEXATION OF INDUSTRIAL AND COMMERCIAL LANDS SOUTH OF THE CITY LIMITS.

Policy ED 5.1: Sphere of Influence Annexations. The City shall pursue the annexation of County land currently being developed in Lakeport's Sphere of Influence.

Program ED 5.1-a: The City shall support efforts to attract private developers and equity investors to participate in the development of the area.

Program ED 5.1-b: Ensure that new commercial and industrial development in the area is adequately served by infrastructure and City services.

OBJECTIVE ED 6: TO MAINTAIN AND ENHANCE THE FINANCIAL VIABILITY OF THE CITY.

Policy ED 6.1: Role of Business. The City shall support businesses that contribute to the City's financial viability so long as the business does not impact the quality of life in the community or cause negative impacts on human health and the environment.

Policy ED 6.2: Fiscal Impacts of Development. The City shall review land use proposals for their impact on the City's financial resources.

Policy ED 6.3: Development's Share of Costs. New development shall pay its fair share of the costs of providing public facilities and services for capital and ongoing operation and maintenance activities.

Program ED 6.3-a: Maintain impact fees for new development to cover the costs of providing public facilities and services.

OBJECTIVE ED 7: TO SUPPORT CONTINUED GROWTH MANAGEMENT AND ENSURE AN ADEQUATE, BALANCED SUPPLY OF ALL LAND USES FOR FUTURE ECONOMIC DEVELOPMENT.

Policy ED 7.1: Land for Commercial and Industrial Uses. In order to support a stable economic base, provide sufficient tracts of land at a variety of sizes available for industrial and commercial uses.

Program ED 7.1-a: Monitor current and future land supply needs for industrial, office and retail growth.

OBJECTIVE ED 8: TO SELECT COMMERCIAL AND INDUSTRIAL LOCATIONS WHICH ARE CONVENIENT, WHILE COMPATIBLE WITH THE GROWTH AND FUTURE SERVICE NEEDS OF THE COMMUNITY.

Policy ED 8.1: Land Use Designations for Commercial. New commercial land use designations shall be of sufficient size and shape to meet existing and future market and service needs of the overall area in which they are located.

Policy ED 8.2: Discouragement of Strip Development. New commercial areas are encouraged to cluster in identified areas to prevent and discourage strip development. Where appropriate, locate commercial uses at focal points along major arterial streets and expressways.

Policy ED 8.3: Neighborhood Compatibility. The location, size, scale, and design of neighborhood commercial uses shall complement and meet the needs of the surrounding neighborhood. The neighborhood concept of providing pedestrian, bicycle and other non-motorized access shall be encouraged.

Policy ED 8.4: Customer Convenience. To minimize traffic generation impacts, new commercial development shall be located to meet the needs and convenience of the customer base and promote compatibility between land uses.

OBJECTIVE ED 9: TO CREATE A BALANCE BETWEEN JOBS AND HOUSING WITHIN THE CITY'S PLANNING AREA.

Policy ED 9.1: Coordination with Land-Use Planning. Coordinate economic development with land use planning.

Policy ED 9.2: Jobs-Housing Balance. Encourage mixed-use development that provides opportunities for a jobs and housing balance at the community, neighborhood, and project level.

OBJECTIVE ED 10: TO PROMOTE AND ENHANCE LAKEPORT AS A YEAR ROUND VISITOR/RECREATION DESTINATION AREA.

Policy ED 10.1: Recreational Assets. Continue to build on Lakeport’s natural assets to expand Lakeport’s appeal as a recreation destination area, focusing on downtown and lakefront revitalization as a priority.

Program ED 10.1-a: Work with the local Chamber of Commerce to promote Lakeport as a recreation destination through the expansion of the City’s website, informational brochures and other marketing techniques.

Policy ED 10.2: Visitor Services. Support new visitor-oriented restaurants, lodging, and services to meet visitor needs and capture expenditures locally.

Policy ED 10.3: Events and Festivals. Continue to support City-wide events and festivals, such as the Lake County Summerfest, the Fourth of July Celebration, bass fishing tournaments, and the sea plane fly-in.

Policy ED 10.4: Golf Course and Marina. Support the development of a golf course and marina within the Lakeport area.

OBJECTIVE ED 11: TO INCREASE LOCAL ECONOMIC COOPERATION AND INTERDEPENDENCE IN ORDER TO RE-CAPTURE A GREATER PORTION OF LOCAL REVENUES WITHIN THE LOCAL ECONOMY.

Policy ED 11.1: Local Business Networking. Encourage greater networking and cooperation between local businesses within Lakeport and Lake County.

OBJECTIVE ED 12: TO WORK WITH LAKE COUNTY AND THE CITY OF CLEARLAKE TO PROVIDE INCREASED OPPORTUNITY FOR LOCAL AND REGIONAL BUSINESSES, JOB GROWTH, AND TAX REVENUE.

Policy ED 12.1: Hotel/Conference Center. Encourage the development of a hotel/conference center targeting Bay Area companies and organizations for retreats and meetings.

Policy ED 12.2: Will-O-Point: Support the conversion of the Will-O-Point waterfront property from a mobile home park to a commercial/retail center.

Policy ED 12.3: Transient Occupancy Tax Revenues. Invest transient occupancy tax revenues into a lakefront walkway to link commercial centers along the waterfront.

Policy ED 12.4: Clear Lake Water Quality. In light of the fact that Clear Lake is the cornerstone of the local visitor and recreation markets, and that water quality in Clear Lake is so important; encourage and support the efforts of cooperative regional coalitions which oversee water quality issues in Clear Lake.

Policy ED 12.5: Communication. Encourage the installation of fiber optic cable or wireless communications in the Lakeport area.