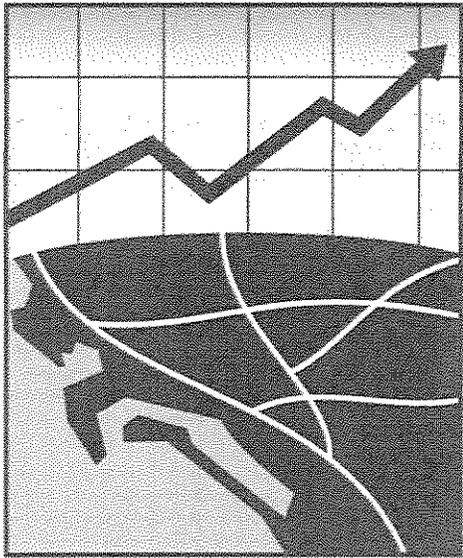
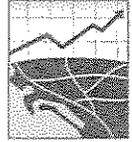


Economic Prosperity Element





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.

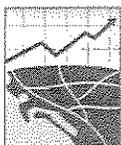
Introduction

Economic prosperity is a key component of quality of life. The structure of the City of San Diego's (City) 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 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 with self-sufficient wages, increase average income, 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. Environmentally-friendly and sustainable business practices have become a hallmark of the



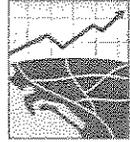
Economic Prosperity Element

region." The RCP recommendations focus on retaining and expanding local businesses, creating more middle-income jobs, and preparing residents to fill these jobs.

The City 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 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 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 land appropriate for future base sector 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 Urban, Community, and Neighborhood Villages will have an important role in the City's economic prosperity strategy by providing the land and infrastructure needed to support business development, 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 individual 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 Economic Development Strategic Plan.

A. Industrial Land Use

Goals

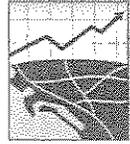
- ◆ A diversified economy with a focus on providing quality employment opportunities and self-sufficient wages for all San Diegans.
- ◆ A city with sufficient land capacity for base sector industries to sustain a strong economic base.
- ◆ Efficient use of existing employment lands.

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. 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 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



- 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'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 a Market and Fiscal Analysis for discretionary permits involving large retail establishments over 100,000 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.