

ECONOMIC DEVELOPMENT

Create a strong local economy that sustains jobs and provides services for all residents of San Miguel, while improving the jobs-housing balance. The Economic Development Element will play a vital role in shaping the growth and development of San Miguel.

7

Chapter 7 INTRODUCTION

Economic development is an essential tool to establish community viability through services and businesses that promote job creation and capture sales from local residents. It can be defined as achieving the benefits of increased consumer selection and price competitiveness in neighborhood commercial and retail shopping options; the realization of tourist industry benefits, while balancing these pursuits with the policies expressed in other parts of this plan.

Economic Development is not mandated by the California Government Code to be a part of a community plan; however, San Miguel's future development and success as a community will be significantly influenced through the establishment of economic policies to guide development. The Economic Vitality Corporation (EVC) of San Luis Obispo has provided a guide for the information included in this element.

The Economic Development Element addresses ways to generate jobs, increase investment, promote growth, and attract businesses. These overall goals are intertwined with four focus areas – employment, commercial services, downtown, and tourism – important to the economic prosperity of San Miguel. Goals, objectives, policies, and implementation strategies have been developed for these focus areas that support and encourage economic development and vitality.

Chapter 7 EMPLOYMENT

Existing Characteristics

Existing commercial businesses within the community provide limited services and employment opportunities for residents. San Miguel currently has 27 businesses in operation, only eight of which have been determined to provide adequate services to the community. Limited services and a lack of adequate businesses throughout San Miguel results in a limited job supply, forcing many residents to commute out of the community for work.

Plan Proposals

The Draft San Miguel Community Plan Update proposes expansion of employment opportunities for the residents of San Miguel. The commercial development at build-out will provide a wide variety of jobs for the local residents. The amount of local jobs available in San Miguel at full build-out will be 2,401. The amount of jobs calculated at medium build-out will reduce the need for people to leave the community in search of employment. The main focus of employment within San Miguel will be specialized manufacturing, regional serving retail, and tourism. The San Luis Obispo County Economic Vitality Corporation has identified these sectors as significant sources of employment for the County in the future.

Chapter 7 GOALS, POLICIES & IMPLEMENTATION STRATEGIES

GOAL ED 1: PROMOTE DEVELOPMENT OF THE COMMERCIAL SERVICE AND RETAIL SECTORS TO CREATE EMPLOYMENT OPPORTUNITIES AND REDUCE THE JOBS HOUSING IMBALANCE IN THE COMMUNITY.

Policy ED 1.1: Promote expansion of the commercial service sector west of Highway 101 to incorporate regional commercial activity within the local economy.

Expansion of the commercial service sector west of Highway 101 will accommodate local and regional serving uses. These activities will benefit from direct access to Highway 101 and high exposure from freeway traffic.

Implementation Strategies: **ED 1.1A** The County shall create a special overlay zone to allow only regional serving uses in the designated area.

Policy ED 1.2: The community should work to lay a foundation for job creation.

The community currently lacks enough jobs to support the residents in the area. In an effort to improve job supply, the community needs to make efforts to attract commercial jobs that will provide long term jobs.

Implementation Strategies: **ED 1.2A** The local business association should work with the County Economic Vitality Corporation and other trade associations to understand the sectors of employment that the community can best support.

ED 1.2B The County should encourage the preparation of economic impact studies to determine the effects major projects will have on jobs in community.

Chapter 7 COMMERCIAL SERVICES

Existing Characteristics

San Miguel currently has 27 businesses in operation. These businesses include a number of restaurants, specialty food and drink places, and commercial services such as laundry mats, parts stores, and specialty repair shops. The number of operating businesses identified and the products offered is not adequate to support community needs. Two stores operating in San Miguel provide basic grocery needs of the community. However, these establishments offer a very limited number of necessities for the residents, forcing residents to go outside San Miguel for their grocery shopping needs. Additionally, San Miguel had one bank with limited hours of operation, now only an ATM, which forces residents to do their banking outside of the community.

San Miguel currently has 37,313 square feet of commercial retail supply. Based on the median income of San Miguel's residents of \$35,320, the community can support approximately 99,795 square feet of commercial retail, an increase of nearly 62,500 square feet over what currently exists (Figure 7-1). This difference represents significant leakage in sales; when translated into dollars, it sums up to roughly 10.7 million dollars being spent outside of San Miguel (Table 7-1). The community currently has 348,217 square feet of land designated as commercial retail, which leaves more than enough for future growth.

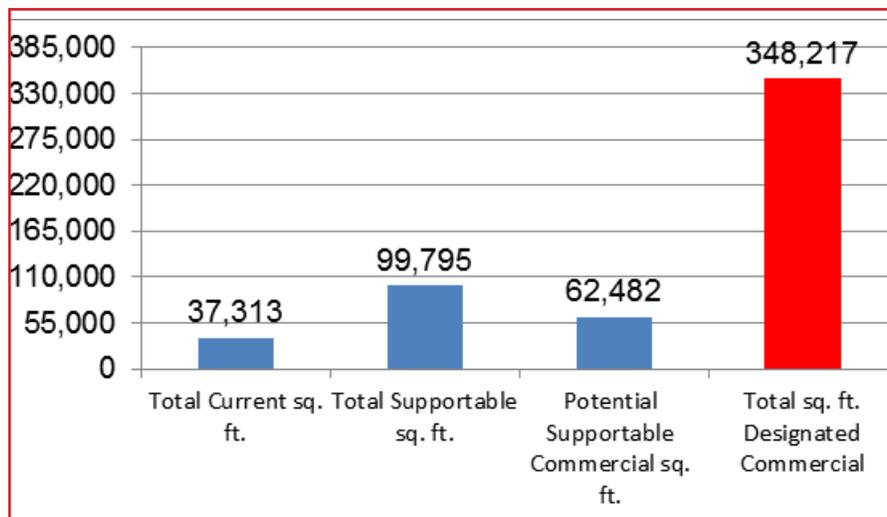


Figure 7-1: Commercial Supply and Demand

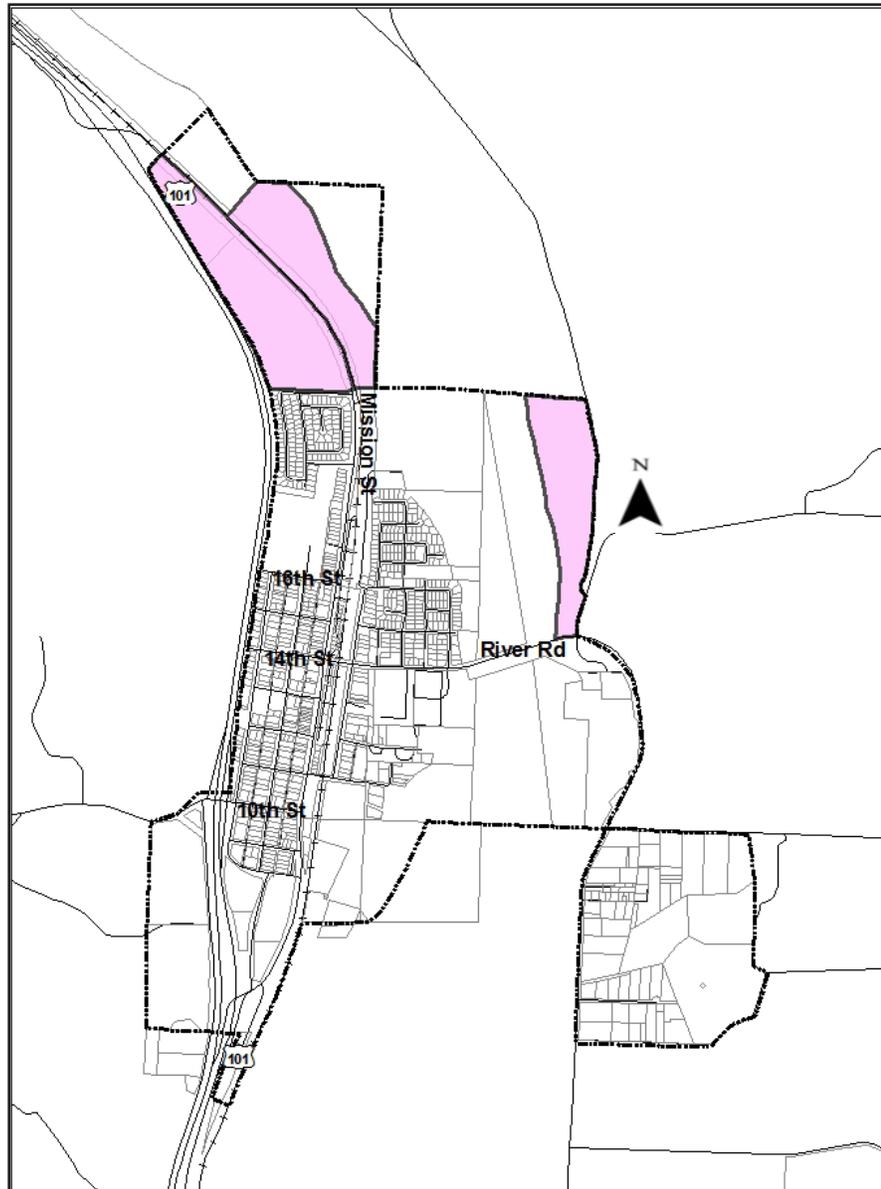


Figure 7-2: Commercial Services Designations

Table 7-1: Leakage Rate					
Commercial Sectors	Current (sq. ft.)	Supportable (sq. ft.)	Leakage (sq. ft.)	Leakage (\$)	Leakage %
Apparel Stores	2,275	10,250	7,975	\$ 1,858,278	3.04%
General Merchandise	14,532	20,357	5,825	\$ 1,322,220	2.16%
Drugstore/Pharmacy	0	8,152	8,152	\$ 1,018,944	1.67%
Food Stores	9,856	41,258	31,403	\$ 4,396,364	7.19%
Eating and Drinking	10,650	11,310	660	\$ 202,648	0.33%
Hardware Stores	0	8,468	8,468	\$ 1,972,987	3.23%
Total Leakage			62,482	\$10,771,442	17.62%

Chapter 7

Plan Proposals

The San Miguel Community Plan Update proposes an increase in the amount of commercially zoned land to allow for more services for the residents of San Miguel (Figure 7-2). The increase in commercial land will also provide services for other parts of the County, outside of San Miguel, through specialized manufacturing, regional serving retail, and tourism. Service commercial will be located at the northern end of town near Court Side Cellars and east of the Salinas River, just north of River Road. Regional serving retail is located west of Highway 101, extending along 10th Street and connecting to downtown. An expansion of the urban reserve line at the northern end of the community will provide more land for specialized manufacturing and other service commercial activities. Downtown commercial will be located along Mission Street and will allow for a variety of uses to serve residents and tourists. The downtown commercial land use designation will incorporate mixed use development, providing a range of land uses including: residential, office, and commercial retail. A small scale grocery store will be located in the northern portion of the downtown district. At build-out, the Commercial Service district will contain 146.2 acres, the Downtown Commercial mixed-use district will contain 55.26 acres, and the Commercial Retail district will have 15.3 acres (Figure 7-3; Table 7-2).

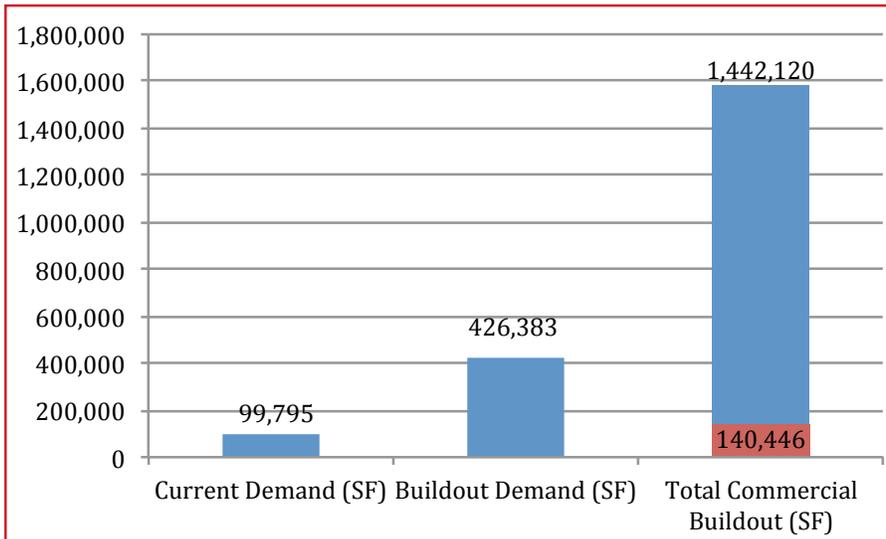


Figure 7-3: Commercial Development

Projected Demand (sq. ft.)	Current	2035
Apparel Stores	10,250	43,796
General Merchandise Stores	20,357	86,975
Drugstore/Pharmacy	8,152	176,281
Food Stores	41,258	34,828
Eating and Drinking Places	11,310	48,323
Hardware Stores	8,468	36,179
Total Demand	99,795	426,383
Total at Buildout		1,442,120

Chapter 7 GOALS, POLICIES & IMPLEMENTATION STRATEGIES

GOAL ED 2: EXPAND NEIGHBORHOOD COMMERCIAL AND RETAIL SECTORS IN THE COMMUNITY TO PROVIDE INCREASED SERVICES TO RESIDENTS.

Policy ED 2.1: **The community shall expand natural gas, water, waste, data, and electrical infrastructure to enhance development feasibility for new business.**

Making necessary infrastructure readily available will reduce start-up costs for new businesses and make San Miguel an attractive community for investment.

Implementation Strategies: **ED 2.1A** San Miguel Community Service District shall coordinate with the County to obtain local, regional and federal funds to expand necessary natural gas, water, waste, data, and electrical infrastructure.

Policy ED 2.2: **The community shall reach out to private industry and actively promote commercial investment in the community.**

Many cities and counties actively reach out to the business community and successfully attract the new investment they seek. San Miguel can use the same method on a smaller scale to bring more commercial services into the community.

Implementation Strategies: **ED 2.2A** The local business association should actively seek to establish a dialogue with private investors and companies outside the community.

Chapter 7 DOWNTOWN

Existing Characteristics

The downtown district in San Miguel is currently underdeveloped and lacks essential services for residents. This district contains many of the community's main services, such as Mission Market and Deli, Mission Variety, The Ranch, and the Elkhorn. Many of these services offer limited hours of operation and product supply, which forces the residents to leave San Miguel in order to meet their needs. The downtown district contains adequate commercial land for the community, providing room for future expansion. This land has been designated as prime commercial land because of its concentration along Mission Street and its central location within the community (Figure 7-4).

Plan Proposals

The San Miguel Community Plan update proposes the development of the downtown district as a major source of economic activity within the area. Due to the fact that the County of San Luis Obispo does not have a mixed-use land designation, a commercial downtown designation has been applied, which allows for a variety of uses. The multitude of uses allowed in the downtown district range from commercial retail, to office space, and to residential units. The downtown district serves as the "heart" of the community. In order to attract residents and tourists to the area and to strengthen the economy, it is essential to create a vibrant and diverse downtown district through attractions like the Mission Street Plaza. Shops oriented specifically towards tourists will capture revenue from outside the community, while shops oriented towards residents will encourage money to be spent locally.

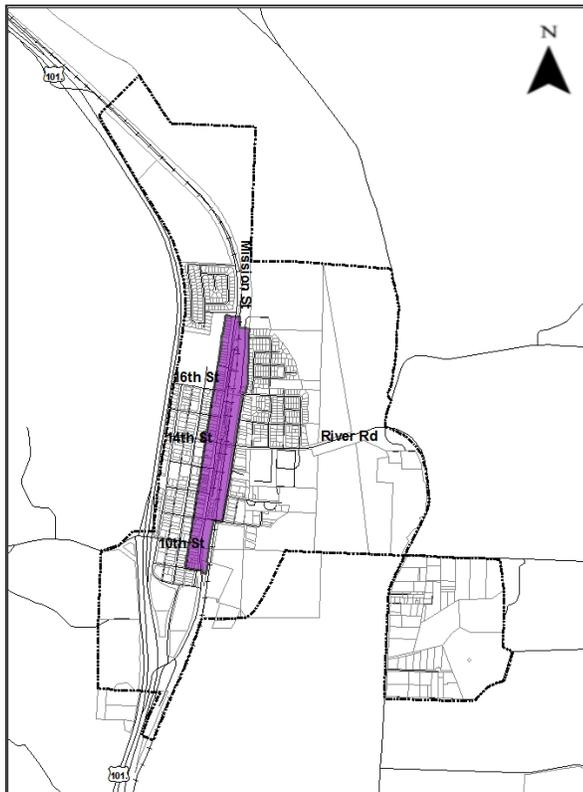


Figure 7-4: Downtown Commercial District

Chapter 7 GOALS, POLICIES & IMPLEMENTATION STRATEGIES

GOAL ED 3: DEVELOP AN ECONOMICALLY VIBRANT AND DIVERSE DOWNTOWN DISTRICT.

Policy ED 3.1: Improve and expand streetscapes along Mission Street to create and identifiable downtown district.

Expansion of attractive streetscapes will draw tourist and residents to the downtown core of the community.

Implementation Strategies: **ED 3.1A** Community groups and the local business association shall assist in forming a Business Improvement District (BID) to seek funding for streetscape improvements in the downtown corridor.

ED 3.1B The community shall develop a local non-profit business association that will represent the business interests of the community to other entities.

ED 3.1C The County should facilitate a streamlined permitting process for streetscape improvements in the downtown corridor.

Policy ED 3.2: Concentrate tourist related shops and restaurants into the downtown corridor.

Locating tourist related activities in the downtown corridor will guide tourists into San Miguel. The concentration will create an active downtown core where tourists will be more likely to make purchases.

Implementation Strategies: **ED 3.2A** The County should facilitate a streamlined permitting process for tourist related services located in the downtown corridor.

ED 3.2B Local business associations should coordinate with the County to identify underutilized buildings in the downtown corridor for reuse.

Chapter 7 TOURISM

Existing Characteristics

Mission San Miguel Arcangel is the main source of tourism for the community (Figure 7-5). Thousands of visitors are drawn to San Miguel each year to visit the Mission. The Rios Caledonia Adobe provides the only other existing source of tourism within San Miguel; however, this attracts less attention than the Mission.

Plan Proposals

The San Miguel Community Plan update proposes the expansion of tourism in the community as a means to stimulate the local economy. Tourists regularly come to San Miguel to visit Mission San Miguel Archangel; however, they are not spending money and do not contribute to the local economy. In order to keep tourists in San Miguel for longer periods of time, an information kiosk will be located near the mission. Brochures and maps will highlight San Miguel's tourist attractions (Figure 7-6). A historic walking trail highlighting historically significant places will encourage tourists to explore San Miguel (see NR 2.6, C 2.2). This will keep tourists in the community longer while encouraging them to spend money in local establishments.

The wine industry has proven to be a successful source of revenue for San Luis Obispo County, and the promotion of San Miguel's local wine industry will expand tourist attraction in the community. Adaptive reuse of the barn (NR 2.3) at 11th Street and Mission Street will accommodate a wine tasting room for local wineries to showcase their selection of wines (Figure 7-7). Passive recreation (C 2.1, CS 2.2) within the Salinas River flood plain will attract regional visitors interested in hiking, biking, and equestrian activities. The main goal is to provide tourists with more opportunities to spend time in the community; the more time spent in the community by tourists will lead to an increased capture rate of outside revenue.



Figure 7-5: Mission San Miguel Archangel



Figure 7-6: San Miguel Information Kiosk



Figure 7-7: Adaptive reuse of existing barn at 11th and Mission Street

Chapter 7 GOALS, POLICIES & IMPLEMENTATION STRATEGIES

GOAL ED 4: ESTABLISH THE TOURISM SECTOR OF SAN MIGUEL TO ATTRACT VISITORS AND STRENGTHEN THE LOCAL ECONOMY.

Policy ED 4.1: The community should support the expansion of the wine industry and associated tourist related activities.

The wine industry is a proven form of tourism that has been a significant source of revenue for San Luis Obispo County. This industry can be expanded into San Miguel as a primary tourist attraction that will build the local economy.

Implementation Strategies: **ED 4.1A** Community Associations should encourage the adaptive reuse of the existing barn (NR 2.3) on 11th Street and Mission Street to be utilized as a wine tasting establishment and art exhibition gallery.

ED 4.1B The community should establish multimodal wine tour routes to incorporate recreation opportunities with the local wine industry.

Policy ED 4.2: Establish recreational and entertainment opportunities to attract regional visitors into the community (C 2.1).

A large segment of the population in San Luis Obispo County frequently uses local trails for hiking, biking or riding. The community can utilize the high demand for these activities by incorporating multi-purpose recreation trails in the Salinas River.

Implementation Strategies: **ED 4.2A** The County shall work to purchase easements for passive recreation trails in the Salinas River that accommodate biking, hiking and equestrian activities (CS 2.2).

Chapter 7

Policy ED 4.3: **The community shall promote cultural resources and facilitate special events that will draw visitors to the community.**

San Miguel has a number of historic and cultural resources, but these resources are neither fully utilized nor well connected to the downtown core. Capitalizing on these resources will establish San Miguel as a tourist destination.

**Implementation
Strategies:**

ED 4.3A The local business association shall develop informational materials that coordinate with the historical walking trail and highlight historically significant areas and structures within the community.

ED 4.3B The local business association shall use local and regional advertising as a method of promoting local businesses to the surrounding areas.

ED 4.3C The local business association should promote and advertise special events in the community that will draw residents from around the region.