

# Planning Commission Recommended Draft Economic Element

County of San Luis Obispo General Plan

Adopted  
Amended



SAN LUIS OBISPO COUNTY DEPARTMENT OF PLANNING AND BUILDING

COUNTY OF SAN LUIS OBISPO

TITLE PAGE

**BOARD OF SUPERVISORS**

Frank Mecham, District 1  
Bruce Gibson, District 2  
Adam Hill, District 3  
Paul Texeira, District 4  
James R. Patterson, District 5

**PLANNING COMMISSION**

Jim Irving, District 1  
Ken Topping, District 2  
Carlyn Christianson, District 3  
Tim Murphy, District 4  
Dan O'Grady, District 5

**DEPARTMENT OF PLANNING AND BUILDING**

Jason H. Giffen, Director  
Kami Griffin, Assistant Director  
Chuck Stevenson, AICP, Division Manager, Long Range Planning  
Dana Lilley, Supervising Planner, **Project Manager**  
Jennifer Jimenez, Mapping/Graphic System Specialist

**Originally Adopted:**

October 19, 1999

**Amended:**

By approval of Dalidio Ranch Initiative Measure

November 2006

Repealed and replaced \_\_\_\_\_ 2012

Resolution No. \_\_\_\_\_

Economic Element

i

# TABLE OF CONTENTS

## CHAPTER 1: INTRODUCTION

WHAT IS THE ECONOMIC ELEMENT? .....1-1

ELEMENT HISTORY AND PREPARATION .....1-2

    Basic building blocks of the plan .....1-4

GOALS OF THE ECONOMIC ELEMENT .....1-4

    Goal EE 1: Promote a strong and viable local economy by pursuing policies that balance economic, environmental, and social needs of the county.....1-4

    Goal EE 2: Retain and enhance a diverse economy.....1-5

    Goal EE 3: Provide for strategically-located opportunities for economic development. ....1-5

    Goal EE 4: Provide support for economic development in San Luis Obispo County. ....1-5

## CHAPTER 2: GOALS AND POLICIES

GOAL EE 1: PROMOTE A STRONG AND VIABLE LOCAL ECONOMY BY PURSUING POLICIES THAT BALANCE ECONOMIC, ENVIRONMENTAL, AND SOCIAL NEEDS OF THE COUNTY.....2-1

    Policy EE 1.1:.....2-1

    Policy EE 1.2:.....2-2

    Policy EE 1.3:.....2-2

    Policy EE 1.4:.....2-2

    Policy EE 1.5:.....2-3

    Policy EE 1.6:.....2-3

TOC	TABLE OF CONTENTS
	Policy EE 1.7:.....2-3
	Policy EE 1.8:.....2-4
	<b>GOAL EE 2: RETAIN AND ENHANCE A DIVERSE ECONOMY</b> .....2-4
	Policy EE 2.1:.....2-4
	Policy EE 2.2:.....2-5
	Policy EE 2.3:.....2-5
	Policy EE 2.4:.....2-5
	<b>GOAL EE 3: PROVIDE FOR STRATEGICALLY-LOCATED OPPORTUNITIES FOR ECONOMIC DEVELOPMENT. ....2-6</b>
	Policy EE 3.1:.....2-6
	Policy EE 3.2:.....2-6
	Policy EE 3.3:.....2-7
	Policy EE 3.4:.....2-7
	Policy EE 3.5:.....2-7
	Policy EE 3.6:.....2-9
	Policy EE 3.7:.....2-9
	Policy EE 3.8:.....2-9
	<b>GOAL EE 4: PROVIDE SUPPORT FOR ECONOMIC DEVELOPMENT IN SAN LUIS OBISPO COUNTY. ....2-10</b>
	Policy EE 4.1:.....2-10
	Policy EE 4.2:.....2-10
	Policy EE 4.3:.....2-11
	Policy EE 4.4:.....2-11
	Policy EE 4.5:.....2-11
	Policy EE 4.6:.....2-12
	Policy EE 4.7:.....2-12
	Policy EE 4.8:.....2-12
	Policy EE 4.9:.....2-13

INTRODUCTION

CHAPTER 1

**APPENDIX A**

What are Clusters of Opportunity?.....A-4

Building, Design & Construction.....A-4

Green Energy.....A-5

Health Services.....A-5

Knowledge & Innovation.....A-6

Specialized Manufacturing.....A-7

Uniquely SLO County.....A-7

**APPENDIX B**

Map Insets.....B-1

TOC	TABLE OF CONTENTS
	[This page intentionally left blank]
vi	Economic Element

# CHAPTER 1: INTRODUCTION



Economic vitality is critical to sustaining a vital community and high quality of life, driving a dynamic cycle that produces revenues for public services and amenities, jobs for residents, projects and services for the local population and housing for the workforce.

The Economic Element is a document containing goals and policies that will guide actions the County needs to take to assure a vital economy and with it, a continuing high quality of life. This element focuses on:

- establishing a commitment to economic vitality
- setting priorities for economic development
- identifying strategies for retaining existing businesses and attracting new ones
- expanding diverse employment opportunities for current and future workers
- supporting a countywide economic strategy through establishment of complementary goals and policies

## GENERAL PLAN ELEMENTS?

California law requires every city and county in the state to prepare and adopt a comprehensive long-range General Plan for the physical development of the jurisdiction. Each General Plan must include seven mandatory elements: land use, circulation, housing, conservation, open space, safety and noise. General Plans may include other option elements as desired.

### CHAPTER 1

#### *Our Mission:*

*The County's elected representatives and employees are committed to serve the community with pride to enhance the economic, environmental and social quality of life in San Luis Obispo County.*

#### *Organizational Values:*

*Integrity*

*Collaboration*

*Professionalism*

*Accountability*

*Responsiveness*



San Luis  
Obispo  
County

**CHAPTER 1**

**INTRODUCTION**

**The County's Vision**  
*A place that is safe, healthy, livable, prosperous, and well governed.*

**A Safe Community**  
*The County will strive to create a community where all people -- adults and children alike -- have a sense of security and well being, crime is controlled, fire and rescue response is timely, and roads are safe.*

**A Healthy Community**  
*The County will strive to ensure all people in our community enjoy healthy, successful, and productive lives, and have access to the basic necessities.*

**A Livable Community**  
*The County will strive to keep our community a good place to live by carefully managing growth, protecting our natural resources, promoting life long learning, and creating an environment that encourages respect for all people.*

**A Prosperous Community**  
*The County will strive to keep our economy strong and viable and assure that all share in this economic prosperity.*

**A Well Governed Community**  
*The County will provide high quality "results oriented" services that are responsive to community desires.*

**WHAT IS THE ECONOMIC ELEMENT?**

The Economic Element is an optional element of the San Luis Obispo County General Plan. Its primary purpose is to provide guidance for actions by the County to foster long term economic vitality throughout San Luis Obispo County. The goals of the Economic Element recognize the importance of economic activity in enabling the residents of San Luis Obispo to find employment, grow locally operated businesses and pursue the lifestyles that they value. The policies for each goal guide decision making and actions that can be taken to make progress toward achieving those goals. As part of the San Luis Obispo County General Plan, the Economic Element carries equal weight with the other general plan elements. Thus, amendments to other elements of the General Plan, amendments to County ordinances and approvals of development projects must be consistent with the goals and/or policies of the Economic Element.

**ELEMENT HISTORY AND PREPARATION**

The Board of Supervisors directed the Planning and Building Department to update the Economic Element, first adopted in 1999, on September 6, 2011 with the intended objective being the preparation of a new Economic Element consisting of goals and policies that would complement a countywide economic strategy, outlined below.

Formulation of the goals and policies in the Economic Element drew on an enormous amount of work that had previously been done over many years to evaluate the economy of San Luis Obispo County and to describe goals for the future economy. This includes the information contained in the 1999 Economic Element that incorporated an approach for identifying key sectors of the economy that is still in use today: "clusters" of related industries. The 1999 Economic Element also reflected the results of an

INTRODUCTION	CHAPTER 1		
<p>analysis of the county’s economic strengths, weaknesses, opportunities and threats (“SWOT” analysis). The 1999 Economic Element included a comprehensive set of four broad goals with 29 policies and 94 programs.</p> <p>More recently, in 2010, the nonprofit Economic Vitality Corporation of San Luis Obispo County (EVC) initiated work to create a county-wide economic strategy. The EVC obtained funding from the County and the business community to first analyze the local economy and then prepare an economic strategy. The EVC also agreed to play an essential role of coordinating efforts to implement the strategy. For the first time, more than 100 of the county’s business leaders worked together - and with partners in government, education, and community sectors - to implement a shared agenda for economic vitality and community well-being. The resulting “San Luis Obispo County Clusters of Opportunity Economic Strategy” (the Economic Strategy) is an economic strategy created and implemented by local business leaders. The County and cities will have opportunities to help those business leaders succeed in some of the initiatives of the economic strategy.</p> <p>On June 7, 2011, the Board of Supervisors adopted a resolution “enthusiastically endorsing” the Economic Strategy. County staff then began the process of updating the 1999 Economic Element.</p> <p>The intent of this update was to create an element containing broad goals and policies consistent with and supportive of the Economic Strategy. The update started with a comprehensive review of economic elements and strategies from many cities and counties throughout California, including those from cities within the County, to ensure that the goals and policies included in the County’s Economic Element cover relevant issues and are supportive of the Economic Strategy.</p> <p>Next, the County invited representatives from the six clusters identified in the Economic Strategy to provide suggestions for revisions to the goals and policies in the Economic Element. As a result, the four original broad goals were retained with only slight modifications, several policies were deleted and revised, and a handful of new policies were added. Overall, the goals and</p>	<p><b>The Six “Clusters of Opportunity”</b></p> <p><b>Building Design and Construction:</b> <i>To create head of household jobs and housing designed for personal enjoyment, create a sense of place and demonstrate efficient use of resources.</i></p> <p><b>Green Energy:</b> <i>To establish SLO County as a world class leader in green energy through implementation of a diversified portfolio of key initiatives, which includes energy efficiency, distributed generation systems, and utility scale generation.</i></p> <p><b>Health Services:</b> <i>To establish SLO County as a center for wellness excellence by expanding the range of health care facilities, new technologies and services, enabling residents to “age in place” without need to travel outside the area.</i></p> <p><b>Knowledge and Innovation:</b> <i>To achieve recognition of SLO County’s cradle of innovation and technology infrastructure which offers a superior set of resources available to plant, grow and sustain each business with a competitive advantage.</i></p> <p><b>Specialized Manufacturing:</b> <i>To leverage the strength and quality of SLO County’s Specialized Manufacturing Alliance to grow business, collaborate on projects, share and develop knowledge, and make a positive impact on our region.</i></p> <p><b>Uniquely SLO County:</b> <i>To position, brand and promote SLO County as a choice destination for regional, national, and global visitors. (This cluster includes agriculture, wine, recreation and accommodation business).</i></p>		
	<table border="1"> <tr> <td data-bbox="1082 1982 1353 1982">Economic Element</td> <td data-bbox="1353 1982 1418 1982">1-3</td> </tr> </table>	Economic Element	1-3
Economic Element	1-3		

policies remain very similar to those of the 1999 Economic Element; however they have been further refined to complement the Economic Strategy.

The Economic Element is organized intentionally to enable the reader to see the goals and policies without needing to read the economic analysis and excerpts of the Economic Strategy first, which are included in Appendix A. The Economic Element and Economic Strategy are intended to be complementary documents, but each document is independent and stands alone.

**BASIC BUILDING BLOCKS OF THE PLAN**

The goals, policies, and implementation strategies in this Element are used to evaluate proposed development projects and general plan and ordinance amendments. The following definitions apply.

*Goal:* An expression of community values and desired outcomes, an ideal future result or condition, based on public health, safety, or general welfare.

*Policy:* A statement derived from a goal that represents the County's adopted position and guides decision-making toward the goal.

The text box under each goal and policy provides examples of possible ways to apply the policy, not to limit its application to the examples shown.

**GOALS OF THE ECONOMIC ELEMENT**

The intent of the following goals are to establish a commitment to economic vitality and economic development:

**INTRODUCTION**

**CHAPTER 1**

**Goal EE 1: Promote a strong and viable local economy by pursuing policies that balance economic, environmental, and social needs of the county.**

Environmental and social factors are important, but economic vitality is equally important in contributing to the county's quality of life.

**Goal EE 2: Retain and enhance a diverse economy.**

Economic development will be most beneficial to San Luis Obispo County through diversified industries and workers with a range of employment opportunities to avoid risks associated with business cycles.

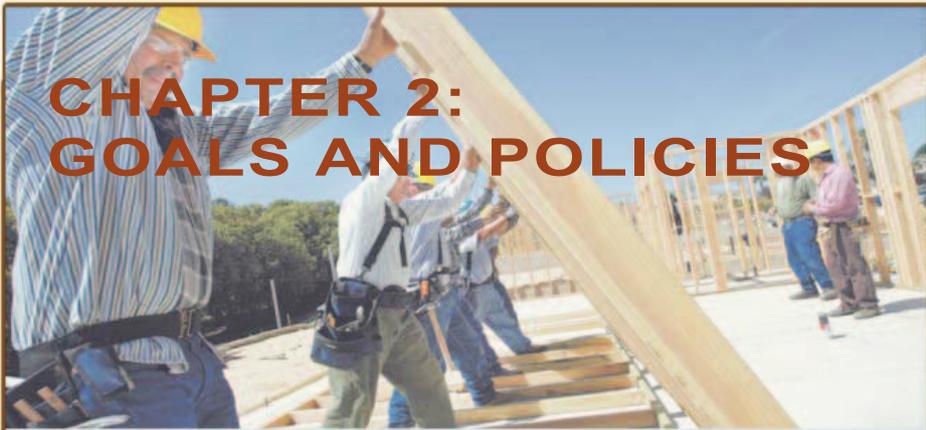
**Goal EE 3: Provide for strategically-located opportunities for economic development.**

Economic development, except for rural activities such as agriculture and outdoor recreation, should be located in or near existing cities or unincorporated communities (urban reserves and villages) and areas approved as new urban reserves and villages in the County Land Use Element, to facilitate access to existing infrastructure and economic support systems as well as protect the natural environment of rural areas.

**Goal EE 4: Provide support for economic development in San Luis Obispo County.**

While the designation of sites for economic development is an important component of building a regionally vital economy, other types of support are necessary too. Examples of supports include, but are not limited to permit processing, access to financing, adequate infrastructure, education and training of workers and future workers and enhanced community awareness.

[This page intentionally left blank.]



CHAPTER 2

# CHAPTER 2: GOALS AND POLICIES

The intent of the following goals and policies is to establish a commitment to economic vitality, set priorities for types and locations of economic development and identify strategies for retaining existing businesses and attracting new ones.

**GOAL EE 1: PROMOTE A STRONG AND VIABLE LOCAL ECONOMY BY PURSUING POLICIES THAT BALANCE ECONOMIC, ENVIRONMENTAL, AND SOCIAL NEEDS OF THE COUNTY.**

**POLICIES EE 1.1 TO 1.8**

**Policy EE 1.1:**

Encourage economic activities that promote sustainable economic vitality.

In the context of this Economic Element, the term “sustainable economic vitality” is defined as follows:

A region is experiencing “sustainable economic vitality” if its economic activities are vigorous, growing and are able to remain vigorous and growing well into the future because the factors necessary for those economic activities will not diminish. Many factors combine to support such long term economic vitality and they include, but are not limited to, access to capital, a suitably trained workforce, housing for the workforce, infrastructure (water, sewer, transportation, etc), and a diverse and ample collection of quality of life amenities that attract highly qualified and talented persons.

**Contrast with “sustainable development”**

There are many definitions of “sustainable development,” but they generally suggest that development is sustainable if it does not compromise the ability of future generations of people to meet their needs. They often focus on intergenerational equity and the capability of the environmental systems and resources to enable future people to survive and/or thrive.

*See also: “What is Sustainable Development,” by Robert W. Kates, Thomas m. Parris, and Anthony A. Leiserwitz, April 2005 Issue of Environment: Science and Policy for Sustainable Development, Vol 47, Number 3, pages 8-21*

<p>CHAPTER 2</p>	<p>GOALS AND POLICIES</p>
<p style="text-align: center;"><b>Opportunity for Broader Participation</b></p> <p>The Economic Strategy has created a unique opportunity to bring business owners, who may otherwise have been only one-time users of the land use process, into the broader public, private and non-profit dialogue of what it takes to create a diverse economy. Greater participation and involvement from citizens and all sectors, can lead to a better understanding of the issues and foster balanced and informed decisions.</p>	<p><b>Policy EE 1.2:</b></p> <p>Maintain and enhance the quality of life for county residents by pursuing economic development activities.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>While it is important to protect the environmental features (whether natural or working landscapes) that make San Luis Obispo County a desirable place to live, it is equally important to nurture a strong local economy to provide well-paying jobs for county residents housing for the workforce and public revenue to support needed local public services.</p> </div> <p><b>Policy EE 1.3:</b></p> <p>Balance the capacity for growth with the efficient use or reuse of available resources (energy, land, water, infrastructure) and reasonable acquisition of new resources.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>The amount of all types of potential new development envisioned in the Land Use Element should not exceed the amount of development that can be supported within the capacities of available resources, especially water. By the same token, the capacities of resources and infrastructure to support new development can and should be enhanced through efficiency, design features and potential recycling and conservation programs. Finally, resource capacity is not static and will change over time as resources are consumed and as new resources are made available.</p> </div> <p><b>Policy EE 1.4:</b></p> <p>Work closely with federal, state, regional, and local agencies and economic and business organizations to achieve common economic development goals.</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>Including economic and business organizations in regional collaboration on economic development goals, policies and implementation will enable priorities of mutual interest to move forward.</p> </div>
<p>2-2</p>	<p>Economic Element</p>

**GOAL AND POLICIES**

**CHAPTER 2**

**Policy EE 1.5:**

Recognize and protect property rights by:

- a. Seeking to maintain a balance between the rights of property owners and efforts to plan for the community.
- b. Not taking property without just compensation.
- c. Recognizing and protecting the rights of all property owners, individuals and groups to participate in planning and land use decisions.

Protection of private property rights helps encourage private investment, which in turn, contributes to economic vitality.

**Policy EE 1.6:**

The County should develop and maintain staff trained in and committed to facilitating economic development opportunities.

Having staff with training in key economic development concepts including but not limited to infrastructure funding and financing, business retention, expansion and attraction strategies will foster a culture among County personnel to collaborate with the EVC and other organizations to pursue opportunities geared towards sustainable economic vitality.

**Policy EE 1.7:**

Whenever there is a possibility of economic effects from projects of regional significance, economic impact analyses should be used to enable consideration of both positive and negative effects of proposed plans, policies and projects on capital, jobs, incomes, sales and public revenue.

It is important for the County to understand the potential economic effects, in addition to environmental impacts, when it is considering proposed plans, public policies, and development projects. The economic effects to county residents could be both positive and negative. This information helps the County balance the pros and cons of its significant decisions. However, incurring the cost to produce this economic information may not be warranted in all cases.

**Examples of resource and infrastructure expansion projects.**



*Completed and operational by 2011, the Nacimeinto Water Project increased water supply for many communities in the county.*



*Construction of the Willow Road Project in Nipomo began in 2010.*

**The Economic Strategy has created a unique opportunity to bring business owners, who may otherwise have been only one-time users of the land use process, into the broader public, private and non-profit dialogue of what it takes to create a diverse economy. Greater participation and involvement from all sectors can lead to a better understanding of the issues and foster balanced and informed decisions.**

**CHAPTER 2**

**GOALS AND POLICIES**

**Civic Entrepreneurs**

Civic entrepreneurs help communities collaborate to develop and organize their economic assets and to build productive, resilient relationships across the public, private, and civil sectors. They forge the ties that bind economy and community for their mutual benefit. They provide continuity to work on tough issues over the long haul. The term civic entrepreneur combines two important American traditions: entrepreneurship--the spirit of enterprise--and civic virtue--the spirit of community. Entrepreneurs are change agents.

*“Civic Entrepreneurs: Economic Professional as Collaborative Leader” by Douglas Henton, John Melville and Kimberly Walesh, Center for Community Economic Development, University of Wisconsin – Extension, Community Economics Newsletter, No. 269, March 1999*

**Policy EE 1.8:**

Provide employees and business owners more opportunities to minimize their need for automobile trips by supporting strategies such as live/work, telecommuting, satellite work centers, vehicle pools, carpooling, home occupations and mixed-use developments.

One possible strategy for the County is to encourage new developments to include design features enabling employees and business owners to minimize their need for automobile trips. This may include reducing transportation impact fees where design features can be found to result in fewer vehicle trips. Another strategy might be to revise plans and ordinances to improve the jobs/housing balance by designating complementary commercial and residential land uses and by improving the feasibility of such developments.

**GOAL EE 2: RETAIN AND ENHANCE A DIVERSE ECONOMY.**

**POLICIES EE 2.1 TO 2.4**

**Policy EE 2.1:**

Support efforts of business leaders to take initiative and act as “civic entrepreneurs” to implement the Economic Strategy which the local business community created to improve economic conditions in the county.

While the Clusters of Opportunity Economic Strategy was created by the business community for implementation by the business community, the County can provide important support. For example, timely provision of information to the six clusters regarding proposed public plans or ordinances may enable the businesses most affected to participate in the planning process and help the County make more informed decisions. The County has facilitated opportunities for businesses to succeed and flourish by zoning sites for businesses and housing where there are appropriate services.

**GOAL AND POLICIES**

**CHAPTER 2**

**Policy EE 2.2:**

Consider strategies to enable agriculture to remain economically viable such as continuing to allow non-agricultural activities and uses in rural areas where supportive of agricultural uses, avoiding land use conflicts and consistent with the General Plan.

Where an agricultural use does not by itself generate adequate income to support the landowner, supplemental small business activities that occupy a small portion of the site may help preserve a farm or ranch. Existing County plans, policies and ordinances allow such supplemental business activities, but limit their type and scale so that they do not diminish their site’s agricultural potential or result in considerable land use conflicts with nearby agricultural activities.

**Policy EE 2.3:**

Continue to develop a diverse, countywide tourist industry that relates to the historical, cultural, recreational, agricultural (working landscapes) and natural attractions of the County.

One way the County furthers this policy is through the business improvement district (BID) formed in 2009 for tourism marketing.

**Policy EE 2.4:**

Encourage community and business support of arts and culture throughout the county.

The active recognition of a community’s arts and culture assets (and the marketing of them) is an important element of economic development.

**Vibrant Example from the Uniquely SLO Cluster**

*“It cannot be overemphasized how important these winery visit and tasting room experiences are to the growth of brand and the development of brand loyalty in today’s wine market. Ample research has shown that word of mouth based on personal experience is the ultimate driver of wine selection for today’s wine consumers. This development will also drive high end tourism to San Luis Obispo County.”*

*Economic Impact of Wine and Winegrapes in the Paso Robles*



*A local chef at work in the kitchen*

Economic Element

2-5

**GOAL EE 3: PROVIDE FOR STRATEGICALLY-LOCATED OPPORTUNITIES FOR ECONOMIC DEVELOPMENT.**

***POLICIES EE 3.1 TO 3.8***

***Policy EE 3.1:***

Encourage commercial and/or industrial development consistent with the General Plan by employing strategies such as master-planning sites in advance of development proposals and other streamlining strategies.

Commercial or industrial development does not need to be limited to locations within incorporated cities. There are communities in the county where commercial or industrial development is appropriate because of local access to major transportation systems, agricultural activities needing processing or other services, and residential areas from which employees can be drawn. Once commercial and/or industrial land has been designated in the Land Use Element, strategies such as master-planning, and expedited permitting can encourage developments supporting businesses in the six clusters. Finally, up-to-date information regarding locations of such master-planned sites could be made available online for businesses wishing to relocate or expand.

***Policy EE 3.2:***

Foster development that is compact and in reasonable proximity to necessary infrastructure and existing development.

A pattern of compact urban development can provide public benefits through minimized environmental impacts and increased health and social benefits. It also provides the benefit of efficient use of critical public improvements such as roads,

GOAL AND POLICIES

CHAPTER 2

water distribution, sewage collection, and drainage systems. Public improvements have grown challenging to fund or finance over the past twenty years, so the importance of their efficient use and maintenance has also grown.

**Policy EE 3.3:**

Work closely with cities and community services districts to provide continuity of land use planning and to achieve a balance between economic and housing growth.

This can be pursued through concurrent planning and coordination between the County and community service districts as they prepare their respective capital improvement plans (for infrastructure), and may take advantage of opportunities for joint financing and/or grant applications.

**Policy EE 3.4:**

Encourage economic development that will provide employment opportunities especially in existing communities with higher unemployment.

For example, it may be possible to accomplish this through state or federal grants or low interest loans for infrastructure improvements or master-planning in communities that are economically distressed and/or that lack employment opportunities.

**Policy EE 3.5:**

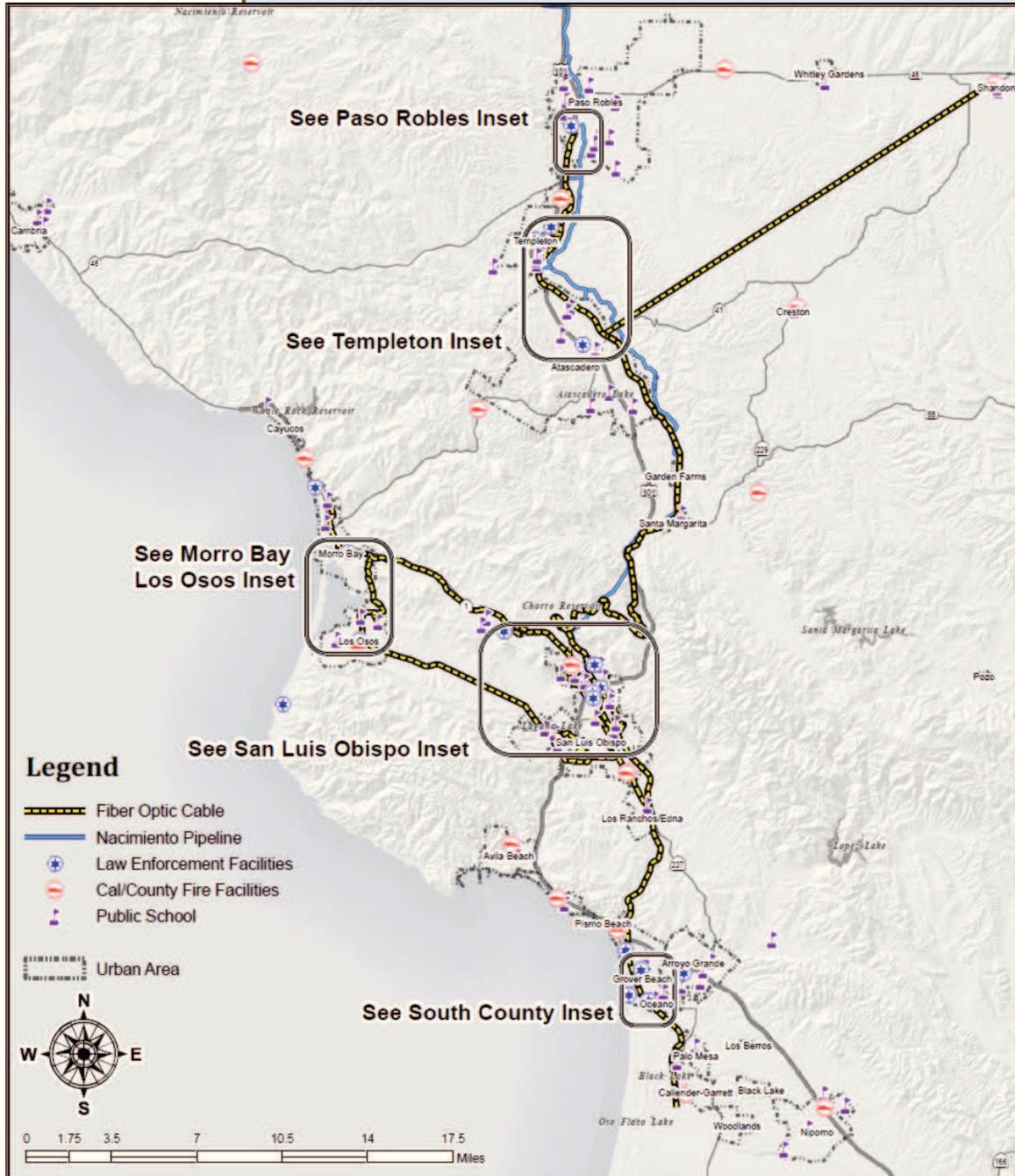
Collaborate with public and private entities to expand local access to reliable, high bandwidth connections to global data networks.

San Luis Obispo County is one of just three major landing points for globally-connected fiber-optic cables crossing the Pacific Ocean (see Figure 1 below). This represents an economic opportunity for local businesses and the County may have a role in enabling local businesses to take advantage of it.



*Workers sort recycling on a conveyor belt at the Cold Canyon Processing Facility.*





Insets are located in Appendix B.

**GOAL AND POLICIES**

**CHAPTER 2**

**Policy EE 3.6:**

Ensure that the county remains competitive with other regions, particularly for the business types which comprise the “clusters of opportunity.”

The County recognizes that, in order to sustain economic vitality, it must compete with other regions to retain or attract businesses that provide quality jobs. One of the strategies for maintaining its competitiveness is to make continuous improvements to its development permit approval process, especially for the business types included in the six clusters of the Economic Strategy. Another strategy relates to quality of life factors that attract highly qualified entrepreneurs and/or employees.

**Policy EE 3.7:**

Encourage increased access to locally grown, produced or provided goods and services.

This policy is intended to encourage increased access to agricultural food and fiber products, as well as other locally produced or provided goods and services, especially those represented in the Economic Strategy.

**Policy EE 3.8:**

When preparing a comprehensive update of a community land use plan, the County should prepare information describing needed public improvements, their probable costs, when they will be needed, and methods for funding or financing them (e.g., Public Facilities Financing Plans).

The County recognizes that, when it updates a community land use plan to designate sites for new housing, commercial and/or industrial projects, it must also prepare information describing the public improvements needed to

**Leveraging Creativity**

“As we have seen, companies increasingly go, and are started, where talented and creative people are.

Instead of subsidizing companies, stadiums and retail centers, communities need to be open to diversity and invest in the kinds of lifestyle options and amenities that people really want. In fact you cannot be a thriving high-tech center if you don't do this.”

*Richard Florida, The Rise of the Creative Class, 2002*

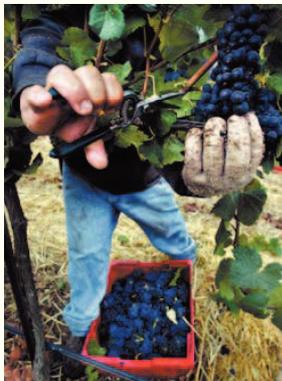


**An example of access to locally grown food**

*A small pilot project of “vertical farming” operated in Los Osos by the Northern Chumash Tribal Council spokesperson Fred Collins. Strawberries grown here are sold to local residents.*

## CHAPTER 2

## GOALS AND POLICIES



*A worker harvests  
Pinot Noir grapes*

support the new development. Otherwise, development may not proceed as envisioned in the Land Use Element and problems such as traffic congestion can result. The County began preparing Public Facilities Financing Plans with the Shandon Community Plan update, which was adopted in 2012. In communities with independent community service districts, coordinating with those districts will be an essential part of preparing Public Facility Financing Plans.

**GOAL EE 4: PROVIDE SUPPORT FOR ECONOMIC DEVELOPMENT IN SAN LUIS OBISPO COUNTY.**

***POLICIES EE 4.1 TO 4.9***

***Policy EE 4.1:***

Develop programs for the retention and expansion of existing business, and the attraction of new businesses that are consistent with community goals and the Clusters of Opportunity Economic Strategy.

One strategy available for the County to pursue this policy may be to continue supporting the nonprofit Economic Vitality Corporation as it implements business retention and expansion programs including but not limited to training and loans for small businesses.

***Policy EE 4.2:***

Support efforts to identify job training needs and job opportunities for existing county residents

For example, it may be possible to enhance the ongoing efforts of Cal Poly and Cuesta College to meet the local job training needs and thereby improve opportunities for county residents and students entering the workforce, particularly in the clusters of opportunity.

**GOAL AND POLICIES**

**CHAPTER 2**

**Policy EE 4.3:**

Encourage provision of an adequate supply of appropriately-skilled labor for economic development by supporting a full range of educational opportunities, including vocational, technical, and professional education.

In 2011, with funding from the American Recovery and Re-Investment Act (ARRA), the County collaborated with Cuesta College to establish (1) a Best Performance Institute (BPI) training class for local contractors so that they could perform energy audits associated with statewide rebates and (2) an energy tool lending library for qualified BPI contractors so they needn't invest in these specialized tools. Through this collaborative effort, 29 local contractors were trained in 2011.

**Policy EE 4.4:**

Encourage infrastructure investment through a comprehensive capital improvement program guided by the Clusters of Opportunity Economic Strategy and the County General Plan in coordination with incorporated cities and other entities.

The County's capital improvement program should address not only infrastructure for which the County would be the lead agency, but also should consider that of neighboring cities and community services districts. Opportunities may arise for the County and one or more cities or community services districts to jointly fund mutually beneficial infrastructure improvements.

**Policy EE 4.5:**

Provide housing opportunities for worker households of all income groups.

The Housing Element of the San Luis Obispo County General Plan stresses that affordable housing "strengthens the local economy by ensuring that employers have access to high



*Animation supervisor works on the animation for a scene of a movie.*



*PG&E is recruiting and training the next generation of California utility workers.*

CHAPTER 2

GOALS AND POLICIES



*Federal and State Government and utility companies are providing large home energy retrofit rebate programs to stimulate job growth and the economy, and to reduce home energy use.*



*GRID Alternatives, Oct 22, 2011 Solarthon rooftop photo includes: Solar power demystified while fighting global warming, educating job trainees and bringing needed energy cost savings to eight low-income families all in one day.*

Quality workers and by enabling people to spend more of their income on goods and services rather than on housing.” (Pg 1-2) The Housing Element also acknowledges the need for farm worker housing.

**Policy EE 4.6:**

Continue working toward improved predictability and competitiveness by simplifying and streamlining land use procedures and considering provision of incentives for development to locate where encouraged by general plan policies.

Economic regions such as San Luis Obispo County compete as locations for expansion or relocation of businesses that create quality jobs. Regions develop reputations for the degree to which they are “business friendly” in terms of predictability and timeliness of land use procedures. In this regard, the County’s continuous process improvement efforts can enhance predictability of the permitting processes.

**Policy EE 4.7:**

Support programs that will facilitate progress toward economic development goals and monitor such programs’ success.

**Policy EE 4.8:**

Consider supporting reliable, sustainable and cost-effective energy resources and the infrastructure to deliver them.

As much of the Eastern United States found after a violent storm in the Summer of 2012 disrupted power supply for millions of residents and unknown number of businesses, reliable energy resources and infrastructure can help prevent serious problems with economic vitality.

GOAL AND POLICIES

CHAPTER 2

**Policy EE 4.9:**

Support and maintain existing energy programs.

The County could continue to build a collaborative network with local cities, other local and state agencies, utilities, the California Energy Commission and Public Utility Commission to support and implement a wide range of energy efficiency and renewable programs

APPENDIX A



# APPENDIX A: SAN LUIS OBISPO COUNTY CLUSTERS OF OPPORTUNITY ECONOMIC STRATEGY

*Photo: Pete Dominguez tightens bolts on a solar sunflower being installed at the Children's Museum in San Luis Obispo. Designed by three Cal Poly students the 24 foot tall flower will have a solar panel that can be rotated and will power a fountain. PG&E provided the workers and equipment to get the 1650 pound structure into place.*

Note: Except for photographs, the content of Appendix A is excerpted from the San Luis Obispo County Clusters of Opportunity Economic Strategy, November 2010, which was created by the Economic Vitality Corporation (EVC).

Clusters of opportunity provide the logical starting point for an economic strategy for the county. Five industry clusters were responsible for ninety percent of the county's new economic vitality since the 1990s. They are: Building Design and Construction, Health Services, Knowledge and Innovation Services, Specialized Manufacturing, and "Uniquely SLO County" (a combination of agriculture, wine, recreation, accommodation, restaurants, and other specialty products and experiences). The initial economic analysis by Collaborative Economics, Inc. identified five clusters. A sixth cluster, the Green Energy cluster, was later identified from businesses in some of the five clusters because of the important and emerging businesses involved in energy efficiency and renewable energy generation.

Clusters of opportunity, if innovative, competitive, and healthy, will drive the "vital cycle" needed for economic prosperity and community quality of life that benefits residents across San Luis Obispo County. They generate jobs and wages for residents to buy products and services from local suppliers, thereby creating a positive ripple effect to create benefits for every community in the County. They generate tax revenues that pay for local public services and support the outstanding quality of life enjoyed by local residents.

Business leaders convened in cluster groups to identify the most promising opportunities for their industries to prosper in San Luis Obispo County. They identified a wide range of opportunities -

even in the face of a global recession - that could drive their prosperity in the years ahead, including emerging markets for their products and services, new innovations that will enable them to stay competitive, and changes in public policy that could spur new vitality in their industries.

To capitalize on these opportunities, business leaders created cluster action plans, including specific strategies and measurable outcomes, as well as specific actions to take immediately. Virtually all of these leaders have signed on to be “champions” of the action plans, which together constitute the Clusters of Opportunity Economic Strategy for San Luis Obispo County.

As of 2008, the five clusters accounted for 36% of the County’s jobs, but have been responsible for 89% of the County’s job growth since the mid-1990s. From 1995 to 2008, the number of jobs in San Luis Obispo County’s cluster-based economy grew 59%, while the number of jobs in the rest of the region’s economy increased by less than one percent. More recently, while the number of jobs in non-cluster industries actually decreased eight percent from 2003 to 2008, those in the cluster-based economy grew nine percent.

As the chart below shows, the five clusters all experienced average annual growth rates ranging from about two to six percent between 1995 and 2008. Every one of the clusters is more concentrated in San Luis Obispo County, compared to the California average. For example, Specialized Manufacturing is four times more concentrated in terms of employment in San Luis Obispo County when compared to California as a whole. While the current global recession has adversely affected virtually all sectors of the local economy, the long-term record of these five clusters has not been erased: they remain as key drivers of the County’s economic vitality and community well-being.

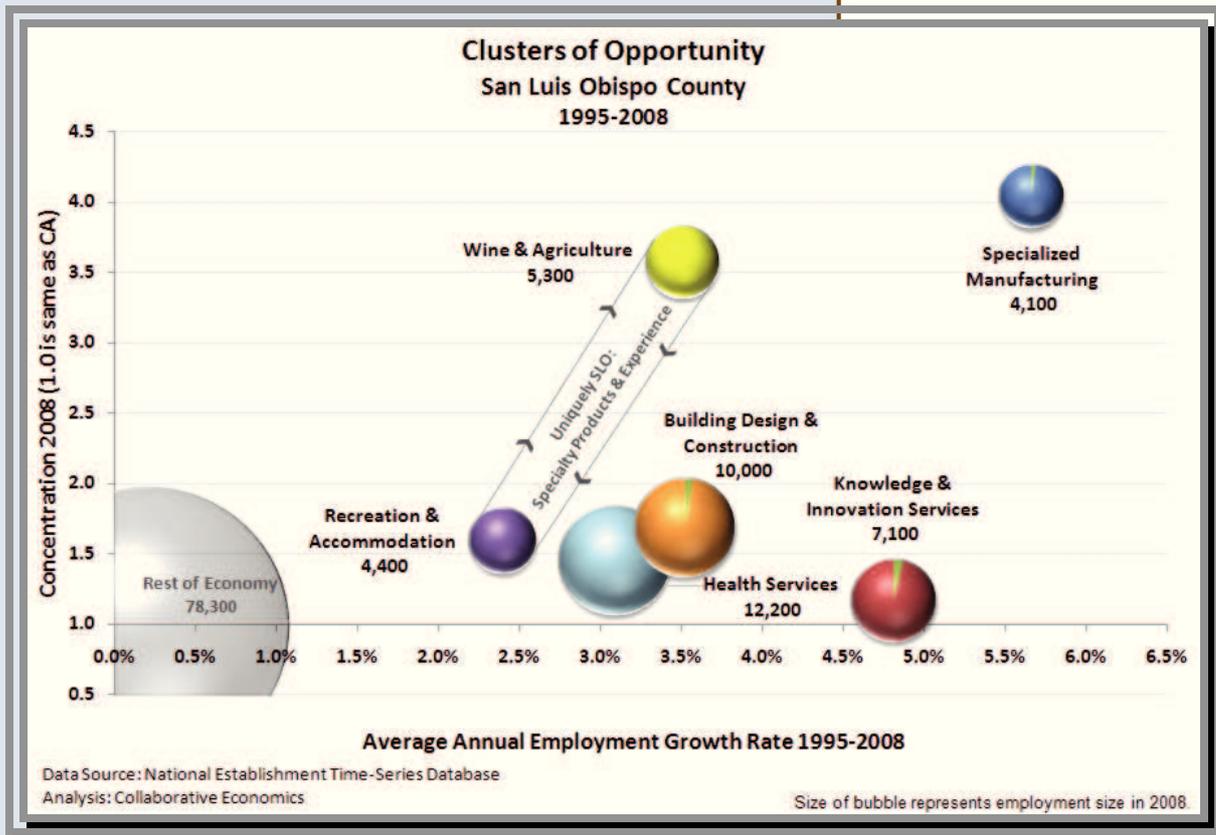
Once the clusters of opportunity were identified, business leaders were convened into five cluster groups. In May 2010, more than 100 senior business executives gathered to discuss the most promising opportunities for their industries to prosper in San Luis Obispo County. They identified a wide range of opportunities—even in the face of a global recession—that could drive their

ECONOMIC STRATEGY

APPENDIX A

prosperity in the years ahead, including growing markets for their products and services, new innovations that will enable them to stay competitive, and changes in public policy that could spur new vitality in their industries. They also identified the critical requirements to capitalize on these opportunities in San Luis Obispo County.

Between May and October 2010, these business leaders focused on how best to capitalize on the most promising opportunities for their clusters. They developed action plans that include specific strategies and measurable outcomes, as well as specific actions to take immediately. Virtually all of these leaders have signed on to be “champions” of the action plans, which together constitute the Clusters of Opportunity Economic Strategy for San Luis Obispo County.



**WHAT ARE CLUSTERS OF OPPORTUNITY?**

Clusters of opportunity are sectors of the economy identified by growth in one or more areas: value, jobs or wages. A cluster of opportunity elaborates on the concept of an industry cluster – traditionally seen as export-oriented, geographically-concentrated, relationships, as well as shared labor pools and other specialized infrastructure – by including a mix of export and population driven sectors.

**BUILDING, DESIGN & CONSTRUCTION**

To create head of household jobs and housing designed for personal enjoyment, create a sense of place and demonstrate the efficient use of resources.

Business leaders in the Building Design and Construction cluster identified opportunities to serve growing markets in energy efficiency (including retrofits), renewable energy production and applications, and innovative design and building. They identified retirement housing, especially opportunities linked to active lifestyle, health, and related services, and opportunities to serve the need for workforce housing, infill development, and community infrastructure.



*Photo: Workers use a tool to vibrate air pockets out of concrete at the Hollister Bridge over Chorro Creek at Cuesta College.*

*The bridge takes its name from the nearby 1840's era adobe. Concrete is being poured for the bottom deck and supporting stems.*



**ECONOMIC STRATEGY**

APPENDIX A

**GREEN ENERGY**

To establish SLO County as a world class leader in green energy through the implementation of a diversified portfolio of key initiatives, which includes energy efficiency, distributed generation systems, and utility scale generation.



Green Energy business leaders identified opportunities to facilitate resolution of issues affecting approval of local projects, help develop, package, and publicize incentives for energy efficiency upgrades, and work with local educational institutions to prepare local talent for design, installation, maintenance, and other jobs

**HEALTH SERVICES**

To establish San Luis Obispo County as a center for wellness excellence by expanding the range of care facilities, new technologies and services, enabling residents to “age in place” without need to travel outside the area.

Leaders in the Health Services cluster identified opportunities to serve growing markets in destination health care, wellness, medical specialties, health information technology, telemedicine, and medical and social support for a growing elderly population. In addition, leaders identified opportunities to have more residents make use of local specialties rather than looking outside the County for these services. The implementation of national healthcare reform was also viewed as a potential driver, with the



APPENDIX A

ECONOMIC STRATEGY

expansion of health insurance to those previously lacking coverage.



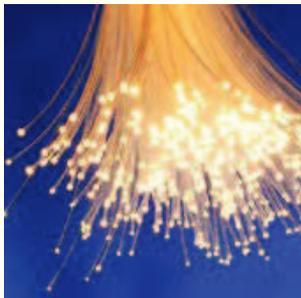
*A doctor and a cardiovascular technologist work on putting a stint into a patient having a heart attack.*



**KNOWLEDGE & INNOVATION**

To achieve recognition of SLO County's cradle of innovation and technology infrastructure which offers a superior set of resources available to plant, grow and sustain each business with a competitive advantage

Business leaders in the Knowledge and Innovation Services cluster identified opportunities to serve growing global markets for knowledge, engineering, and other technical services, enabled by rapid innovation in mobile technologies and platforms. Because of this enabling technology, firms can deliver their services in education, healthcare, and other technical fields to a far-reaching global market without having to be located in a major metropolitan area. In this vein, business leaders identified the County as a good location for incubating and launching new services and entrepreneurial start-up companies.



**ECONOMIC STRATEGY**

APPENDIX A

**SPECIALIZED MANUFACTURING**

To leverage the strength and quality of San Luis Obispo County's Specialty Manufacturing Alliance to grow business, collaborate on projects, share and develop knowledge, and make a positive impact on our region.

Business leaders in the Specialized Manufacturing cluster identified opportunities to serve growing markets for customized, specialty equipment in such areas as sub-systems manufacturing, design, and support; aerospace and defense; energy efficiency and exploration; health technology; commercial applications of defense-originated technologies; and others. This cluster has the greatest concentration and highest growth rate of all the clusters, but since cluster companies typically provide products or services outside the County, specialized manufacturing is one of the least visible of the clusters. However, the benefits to the region are significant, with the potential to expand further.



*Workers powder coat parts.*



**UNIQUELY SLO COUNTY**

To position, brand and promote San Luis Obispo County as a choice destination for regional, national, and global visitors

Business leaders in the Uniquely SLO County cluster identified opportunities to serve growing markets for unique regional products and experiences. In particular, growing interest in unique blends of wine, agricultural, educational, and culinary tourism could be drivers of prosperity for the industries in this cluster.



APPENDIX A

ECONOMIC STRATEGY

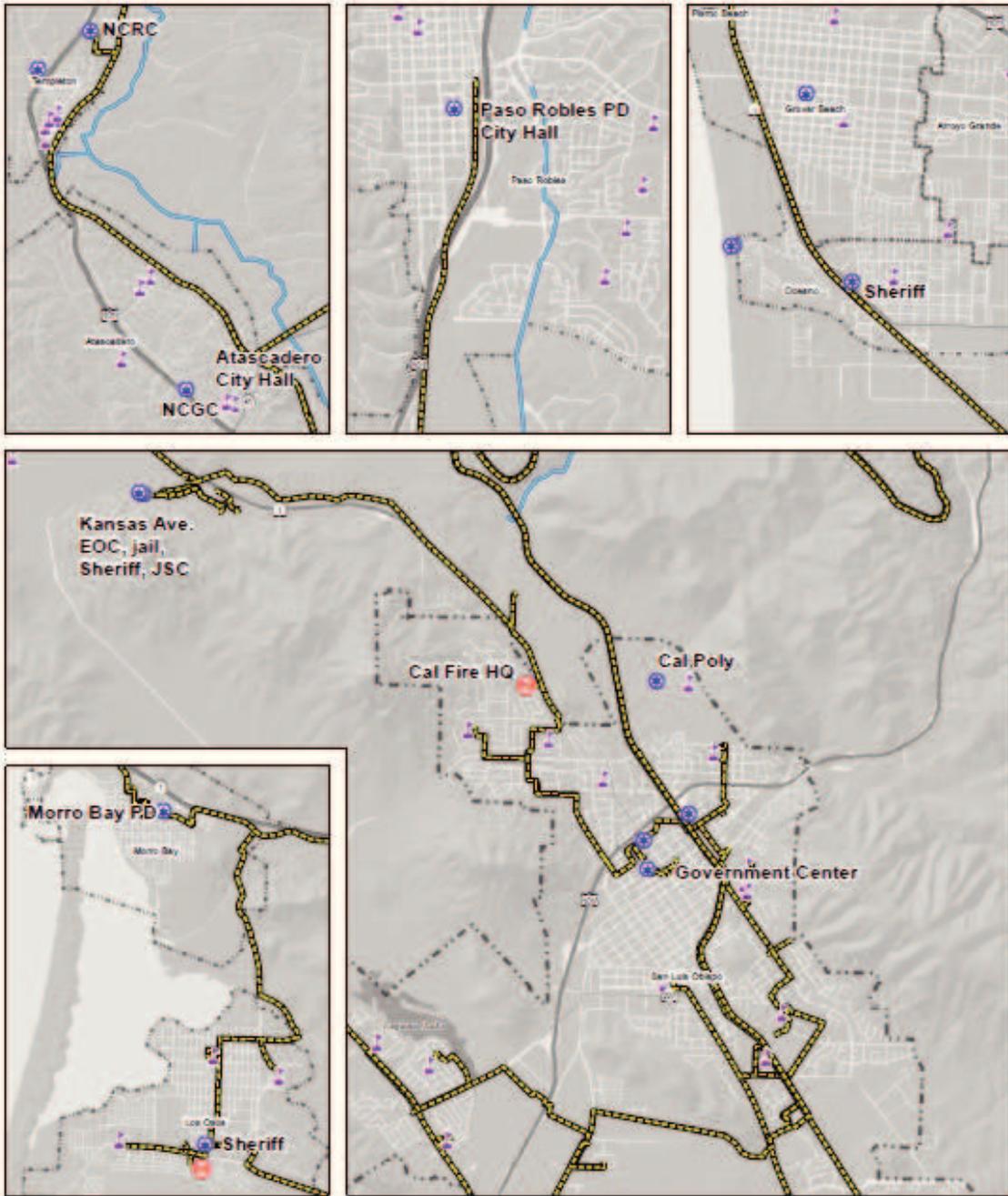
The cluster would benefit from expansion of: tours that involve multiple destinations (including those outside County), new and diverse attractions, meet the farmer opportunities and on-site sales (beyond wine), winery events, growing specialties (e.g., abalone, olives, olive oil, and walnut oil), and showcasing of agricultural innovation. Business leaders also noted that by connecting these elements and making them more visible to County residents would create better understanding and support for maintaining the future prosperity of this cluster.

*Workers load up a trailer with freshly picked nappa cabbage.*



# APPENDIX B:

APPENDIX B



Economic Element

B-1