

Appendix F: Summary of Focus Group and Public Comment; and CFSC Summaries

Focus Group: Finance, Developers, Real Estate

- Restaurant leakage: there are no anchor restaurants. Mostly mom and pops that people aren't familiar with.
- Can't seem to approve hotels or conference facilities that would generate traffic for restaurants
- The Seascape Golf Course has a club house but can't fit 200. The Chaminade is very expensive. Seacliff is a better location.
- The entitlement process is painful. Aptos Village was a 9-year process, and we spent \$2.5 million on entitlements. It took 6 years to procure water, which cost \$700K + \$1M penalties. Very painful. At this point, we're still trying to get a road crossing and 2 left turn lanes. Barriers to entry are huge. That's why it's so expensive to live here. Easement, land assemblage, etc. are very difficult. Developers need a lot of staying power and capital to work through this.
- The number of tourists staying at the beaches in Aptos and in the vicinity is increasing (especially at Campgrounds). Cabrillo expanded its campus, and the number of students is on the rise. But don't see there's recognition of this, in terms of getting projects get approved. We're behind the 8 ball, especially in Aptos because we didn't have redevelopment money. The infrastructure is antiquated and we need ways to overcome this, or there's never going to be economic vitality brought to that area.
- The cost of living is a major challenge here. There will become a time, when Santa Cruz County may be an affordable alternative, to Silicon Valley and San Francisco. But we don't even have internet capabilities (fiber and speed) for a Google satellite campus. If you're tearing up Aptos Village, it would be wonderful to lay the fiber at that time. Cruzio brought fiber downtown. UCSC has fiber. Slow coming to the rest of the county.
- There's a difference between Santa Cruz City and Santa Cruz County. The City has done a great job, with incubators on the west side that's made it easier for development. We always add \$15-20 per square foot for county development because it's more expensive in terms of time. At the City, there's a lot of progress and movement, but still more work to be done. The lack of land is both a strength and a weakness. There's strong demand; at the same time, entitling scarce land is hard. And what you do with it is important.
- With respect to the incubator space in west Santa Cruz, in the 1970s, there was a big push for R&D in parts of Santa Cruz, and in some places in Soquel. Do we need to go back and develop more of that space, especially in parts of South County? Also we need to look at zoning. Multi-residential should have its own zoning, rather than R-1.5. What we have is not considered high density in any other community. There's lots of talk about mixed use, which is tricky, because you need sufficient density.
- Geography is both a strength and weakness. South County is geographically isolated because of the Arroyos, but now we've bridged over that. Need rezoning along transportation corridor, so we can do mixed-use and multi-family housing. We need to look carefully at those corridors. Right now, it's a nightmare getting across town. It's not just the large industry we need to cater to. It's building a whole system from the inside out and give people room to grow while they're incubating their businesses.
- You lose affordability when it takes that long to build.

- It's not necessarily the fault of the staff. It's a historic and cultural choice to make development difficult and make infrastructure difficult. The upside was to limit population growth. Downside is job losses, underperformance in job sectors. For any project that comes along, there's huge neighborhood opposition, which is particularly difficult for County Supervisors. They each have their districts, and if neighbors are angry, they have to respond if they want to get elected. For our high educational attainment, people don't understand market and real estate economics. They think, for example, a developer will spend 10 years messing around a project, and it won't make any difference. Or there's always a better project that will come along. There's some sense that there's a huge demand to build new projects, but that's not necessarily the case. We have a habit about how we think about projects. It's politics, not the county staff. County has a deep-seated attitude that doesn't really prioritize economic vitality.
- If you are Supervisor, you have your own area and may not know the others well. In Santa Cruz City, everyone is walking around the same area. Our county system is flawed, and it's one of the limitations that we should recognize. To enhance economic opportunities, look at traffic impact fees, which are onerous and range from \$200K-\$800K.
- I came out of UCSC and worked for a high tech company. During those times, we wanted to keep Santa Cruz the way it was, so businesses went over the hill because of the high cost of living and zoning issues. We're discouraging high wage earners by making it hard for businesses to get their foothold here. Don't even bother with the county. We have to go around the county.
- On top of that, we don't have large swaths of land to develop. It's assembling 9 parcels, like what Jesse is doing. Then you can't get the businesses in there because it's so expensive.
- Dirt costs \$50/sf. Hard construction \$200/sf. Soft costs are \$90/sf. Rent needs to be \$3.20/sf with \$0.65 NNN (b/c need to pay for private roads). You can't get the debt ratios to work, and tenants say they can't pay that rent.
- There are positives. To enhance opportunities, let's think about single person, two-person, small home businesses and figure out how to provide services to those entrepreneurs to grow their company.
- NextSpace! Cruzio!
- For the longest time, we wanted to keep Santa Cruz weird. I know people who don't want to go downtown because of the transients.
- Downtown is really vibrant now.
- What is your impression of Santa Cruz when you hit Ocean Street? If all you see are cheap budget hotels, giant traffic jams on Ocean Street, by the time you hit the Beach Boardwalk, you just want to turn around and go home. We want them to go to other parts of the county. We're losing people because they do a surgical strike, in and out of the Boardwalk. The corridors aren't bringing them to other businesses in the county.
- We've missed a huge opportunity with our river.
- Yes, we need to think about the San Lorenzo River in a different way.
- Look at the rebirth at lower 41st. Whole Foods, whole east side and parts of the west side. We do have areas we could assemble in Santa Cruz. What we have at Aptos and Rancho del Mar – I think we're close, especially with some help from public entities in eliminating obstacles.
- People used to talk about not wanting tourists. I think we need to find a way to do something about conference space. This is still the single biggest untapped resource. Start a conference center.

- Don't forget about UCSC. Santa Cruz encouraged R&D on the west side. We're scaring people away from Santa Cruz, while others are luring them in. Let's create zones that encourage that. We want to keep university students here.
- I've heard that the Hotel Paradox figures aren't that great. We need to acknowledge the seasonality of this market. Winter months are slow around here. How do we increase off-season tourism?
- There are bike races. How do we keep them to stay longer? Stickability.
- It'll take a marketing effort that somebody needs to coordinate. County or chamber.
- We're doing something like that with Team Santa Cruz. If there was a concentrated area where all these businesses could locate. Now everything is so spread out.
- But we don't have the room to put this all in the same place.
- This came up with the Poor Clares site. It was zoned for hotel, but some economic study said we couldn't support a 5-acre hotel. But now we're hearing there's a big need for a conference-sized hotel, which is probably more than the 5 acres that's been discussed. Has there been a change in hotel demand in the last 5 years?
- The community at large will tolerate tourism from Memorial Day to Labor Day. Shoulder season is tough, and the community doesn't want to support more tourists. Locals get on Mission, not Ocean. There's not much tolerance for tourists, and this topic generates a huge firestorm politically from community.
- But the study for the Poor Clares hotel site was based on economic factors
- We haven't hit on the topic of affordable housing yet. If we're going to get workers and talent here, we have to house them. Design standards and regulations around building multi-family housing only allow 2 stories now. We need intensification of our urban areas in order to preserve open space. We have suburban type development standards in our urban areas. The prices are high because there's not enough housing.
- Yes, there are beautiful urban developments, like in parts of Denver. Our regs prohibit that.
- We have a champion in the county, and we need to support that. Retain businesses rather than chase new businesses. Reach out to businesses and make sure they have all the support they need to grow here.
- Everyone here is interested in moving forward. People in development would love to move more product. We've talked about regulations that restrict that. I want to commend the county on some changes to streamline the permit process and development application process. It recently reduced parking requirements for new commercial developments. But there are still some restrictions that prevent things from moving forward. I have 10-12K sf user for an athletic facility, but the county doesn't have a parking designation that covers this, so I need to look at the code and guess.
- Is there a way we can share in a pool? If Swenson does a study, can another developer tack onto that? It would help make things more cost effective.
- Do a better job of not being so Balkanized. If there's really a way to get more collaboration from all the Chambers, so they're not duplicating services, we can get more out.
- And it's expensive being a member in all of them. Each Chamber has its own events. Supporting nonprofits that bring people together might be a good idea.

- Zoning has been an impairment on the Poor Clares site. There's been interest from multiple parties in developing that, but they can't meet the affordable housing requirement.

Focus Group: Local Economic Developers

- One of the main County challenges is transportation. We're strangled, and this affects our economy, retail, and quality of life.
- Stormwater regulations are insane. They can add up to 40% to the cost of construction. We're missing access to telecommunications infrastructure. We don't have a single point of presence in our region (Watsonville). Cruzio is good. But after that, there's no way to get the network outside. Our urban cores need to have the same kind of access as Scotts Valley and Santa Cruz City.
- It's beautiful here, and we're desperately trying to communicate how great it is to live here. We need a unified voice on how to communicate this message. There's nothing I could easily communicate when trying to tell a business to relocate and stay.
- On my business walk last week with Scotts Valley businesses, people kept saying how much they love being here.
- UCSC is a strength we love to hate. There are some amazing things going on there, like the genome project, which started with UCSC students.
- At the city, we've been trying for years to engage the university. Yes, it's an untapped potential for the city, but it's bringing the university from the campus into the city, and engaging the whole region economically. It's one thing to have an initial conversation, and another to get the partnerships started. There are examples out there to draw from, but it remains a challenge. They're removed and up the hill. Silicon Valley is a great opportunity and another challenge. If UCSC has a direct relationship with Silicon Valley, they're going to bypass us.
- It's not just UCSC and Cabrillo. There are other institutions, including the Monterey Institute, the Naval Post Graduate School, CSUMB. These are untapped resources.
- Tourism and hospitality are important to the San Lorenzo Valley. There are lots of people coming into the San Lorenzo Valley, including Big Basin State Park, etc. For our community, that's a lot of people. What we see happening, people are going to the parks, but they're not stopping along the way and staying. Town plans in the San Lorenzo Valley - that's a good step. We need to find a way to keep them in our local community, and with that, you'll see more job opportunities, but they may not be high paying jobs for people to live here. To make that possible, we need to make it attractive for small businesses to open, but it's a difficult situation. A lot of the properties and businesses in San Lorenzo Valley are owned by a few people who've had these for a long time. There's no incentive to make a big change. We don't have a lodging facility to capture the visitors. If you add all the visitors coming to Felton, etc. there's a lot coming through. Businesses are all trying to make it off the tourism dollars. That's what we're dealing with in San Lorenzo Valley.
- I noticed the clothing leakage. They're going to Valley Fair and Santana Row.
- We're losing a lot to the internet too.
- The CVC has a great marketing plan to market us here for tourism. There are some grassroots efforts, but more can be done. Representing the Soquel area, we have a lot of money to market our area too, and we target certain magazines. Coming up with an additional marketing plan that represents all areas of Santa Cruz County would help too. In terms of retail, Capitola Mall is an

example. There's a B/C class Macy's because everyone will still go over the hill to shop. How do we attract an A+ Macy's? Attracting a bigger business will help local businesses.

- We are talking about the great higher ed institutions, but there's a disconnect between higher ed and basic education. Our school districts are suffering. This is an area of improvement. In Watsonville, we have a loyal and hardworking workforce. For the youth, we're not providing the basic education they need to access the great higher education institutions.
- One weakness is constrained resources. Water is the number one constraint. As development increases, there's competition for these resources. Retail: I've talked to the larger retail folks, and they're interested in areas where there's growth. Because of our constrained growth, Santa Cruz County is not a county known for growth, which will keep the larger retail folks away. Not sure if that's something we want to change, but that might change the way we look at retail.
- What can we as leaders do? Share our ideas. One of the hallmarks of Santa Cruz County is that we're willing to work across boundaries and recognize that there are skills and resources. In Santa Cruz City, they allowed exceptions to parking requirements on the west side. Problem is that we don't have financial resources being invested into businesses as in Silicon Valley or San Francisco. Land trust raised \$13.5 million to protect land. We're willing to invest in some things, but we haven't made the shift to investing in business development.
- We need access to debt capital. The county doesn't have a micro loan fund. We've lost our enterprise zones and redevelopment. It would be great to leverage a loan fund for projects like Carmen's shared commercial kitchens.
- I'm one of the first cottage food holders in the county. Recently, there's been a huge influx of interest in the cottage food industry. We have something really special here. People have been talking about ways to promote this industry. It's also what we can offer from the environment.
- We have constraints. The question is whether they're ordained or self-imposed. I believe a lot of our constraints as a region are self-imposed. The results of a lot of things over time have influenced the trajectory of this economy. People probably go back over the hill and don't stay here. With a blessed environment for tourism, we end up with such heavy visitation that the community locks up. We feel like we're really constrained and can't do anything. Part of it is that the visitation doesn't pay its own way. We haven't prioritized infrastructure. We have to deal with water and transportation, and we're playing catch up. Carmel and Monterey Peninsula were geographically isolated. They capture so much more of the wealth of the visitation.
- There aren't enough hotels here in Santa Cruz, and we have to send them to Monterey. I wish the CVC were here as well, so we can have a discussion about county-wide branding. Highway 1 is backed up, and that's a problem. If there was political will to push that forward, county-wide, we'd all benefit. County-wide the issues we need to support are broadband access, Highway 1 expansion, hospitality branding, eco tourism, and water.
- I have an inn and am part of a bed and breakfast association. Some B&B operators have been inn keepers for 25+ years. Hotels are a different type of business than B&Bs, and are privately-owned establishments. We weren't supported well by the CVC, who supported the big hotels and drive businesses to Santa Cruz City. We pulled our money out of the CVC and started our own grassroots marketing campaign. The tourists are driven to the larger hotels or just drive home. How do we support the entire tourism industry, including the small businesses? The County is very restrictive on B&Bs. We're only allowed to have four rooms. The numbers don't pencil. You need a lot more rooms than that. People probably do it because they love it while others do it to maintain their areas as vibrant places. Word of mouth is how people know I exist. The smaller businesses aren't being served well.

- The visitor information center on Pacific Avenue provides an understanding of the tourists who come downtown. It's made us understand the assets we have, zip lines, etc. There's a huge disconnect in the hotel/lodging industry, and we'd like to work more at bridging these connections. We've gone through this issue of identity. 90% of what is a strength is also a weakness. SC's identity is hard to articulate because it's so diverse. If you talk to the surfers, it's the surfing culture. There's the Hawaiian culture. Next week it's the championship basketball team. The struggle is to find a brand to express that. We've tried to do that with Santa Cruz City, but it's important to manage the county identity, even if it's impossible to articulate. It's a challenge that I look forward to working on.
- A lot of what we're talking about is money. The CVC is funded by Santa Cruz County. There should be more talk about the regional economy.
- The Monterey Bay Heritage Association was leading an effort to brand our entire area, Monterey, Santa Cruz, and San Benito counties. They wanted to get us registered as a national heritage area. Bill Camp of Monterey was leading this effort. They were trying to figure out what each area brought to the table, and how to market that, and found it was very difficult to put this large area into a box.
- Another group is working on regional branding too, the Joint Venture Monterey Bay. It's hard to keep track of everyone working on this. But I think people generally think that Santa Cruz is very different from Monterey.
- We're not pulling from enough. Our workforce goes over to Silicon Valley. There needs to be some help from UCSC and the county. Let our workforce stay in our community. Go to NextSpace, expand that, so entrepreneurs can come and open up.
- Culturally we're really good at stopping things but we're not really good at starting anything. I've been in local government for 30+ years, in both Santa Cruz and Monterey. In Santa Cruz, we have better weather, are closer to the airport, and were supposed to get the aquarium until we ran them out. We are really good at stopping things. We have no visitor convention center that brings in high paying tourist \$ mid-week. Until we can culturally change our attitude, and I don't know if we can. It seems to me that Monterey was dying on the vine when the sardines left and they had Cannery Row. We wouldn't go there in the 1970s. Now, they have so much money for tourism that they have special funds for what the neighbors want, and it's because they have the convention center. Restaurants, retail, and Cannery Row was redeveloped. We have not been culturally prepared to do that. We have an opportunity right now with leadership in the community looking at things differently. We've had 30 years of anti-development. An important issue is water. If we do not solve the water supply problems, the water district will need to issue a 35% mandatory rationing in order to recover the water storage levels for 20 years, which would mean a moratorium on new development, which will kill our economy. We've got to look at water. If this doesn't happen within the next 2 years, all bets are off.

Focus Group: Agriculture, Food, Wineries

- The primary agriculture issue that is typically brought up is regulation/red tape. Other important issues are water, land availability, price of land, and workforce.
- The County has been an obstacle in keeping working agriculture. Historically, the county would rather see small housing developments in Bonny Doon than working agriculture. Newer wineries are highly regulated with visitor hours, if they're allowed at all. The County is a huge obstacle. The wine industry in Santa Cruz goes back to the 1850s, and there's a huge revenue impact.

- It's stifling that we have to close down shop and are limited by hours of operation. People in Mendocino County were open to increasing tourist flow into agriculture. We're so regulated in terms of hours of operations. We are a small wine industry. 3 counties, 68 wineries 5,000+ cases. Our challenge is to get people here. Direct to consumer is our primary business model, not really retail sales.
- If we have businesses that were able to draw tourists from other counties or internationally, as destination businesses, those are the types that the county should be fostering, and not restrict our hours of operation.
- If we look at the restraints, how are we supposed to grow our businesses, if there are County roadblocks? The economy is not stopping us. We've got great people in this room. Wine industry is agro-tourism. At every step, the county says we don't want this or that. We don't want signs on the road. We don't want deer fences to protect your crops. The County won't allow us to put up fences, but food safety say we need fences!
- A lot of counties over the last 5 years have updated their winery ordinances to allow more events, based on reasonable things like acreage. I have wording from a lot of ordinances from different jurisdictions, if the county is interested.
- We have a lot of people doing great things. We need to turn this into more of a yes culture!
- On the retail side, our challenge is mostly the number of people who commute out of the county. Most retail businesses depend on discretionary dollars. If they work elsewhere, they'll spend money where they work. The strength here is the relative affluence. Our business thrives when the entire economy thrives.
- There are many creative and intelligent people in the cottage food industry. I've been trying to set up relationships with farms and use the seasonal produce from Santa Cruz. Some may need a commercial kitchen, to aid in developing a brand, and putting their products inside local stores. Partnerships with farms. If we can create this brand – and know what that means – more people will come here, and that means more opportunity.
- Branding is important – with everyone feeling a part of that cohesiveness.
- We have businesses that have been here a long time. There's always talk about bringing in new people and new businesses. Look around and see what we have. Martinelli's Cider. Driscoll's strawberries, biggest in the world. Granite Construction. Granite Rock, the largest quarry west of the Mississippi. We can do this amongst ourselves. Kathy with Farm House Culture. She can't find a place to build her business. Help the ones here grow.
- We have some great wineries and incredible things to promote, but the restrictions on events are very difficult. Bringing non-summer activities is important, and special events can play a role in that. The majority of our businesses are small businesses. These regulations are particularly strangling for small businesses, particularly onerous paperwork. That's an important message for the county to hear.
- I came to Santa Cruz 40 years ago, and it's been an uphill battle with the planning department. I congratulate county government today for changing their attitude and the legacy of Gary Patton. Finally in the last 5-10 years, I've had more reasonable dealings with local businesses. Jon Leopold understands the agriculture needs of this county. This change in attitude towards business that's taking place, I can't tell you how important it is. We have to keep this change going in the right direction. It was a 10 to 15 year battle to open up a tasting room. It cost more money to comply with the regulations than to keep the tasting room open, but at the end, did it because wanted the winery open. The hours are limited, to only one day out of the week. There's

a lot of talent in this county. And if the industry was not as restricted, there could be a lot of improvement. County will benefit fiscally if we generate more money.

- Yes there's a lot of talent in this room, but there's another part: that the county doesn't appreciate the value of agriculture. There has to be a concerted effort to help the entire county understand agriculture. For the industry that drives the economy in this county, help the public understand their value. Signage has been brought up before. Electric boxes in Santa Cruz have been painted beautiful designs. Why is ag prevented from putting up signs, but electric boxes can be painted in creative ways? Why can't we do that?
- We tried for years to get signs for wineries, tasteful signs to put up wine trails. We've been trying and trying. Since 2008, we've been trying to get signs off Mission Street, where there are 12 wineries you can walk to and restaurants on the west side.
- A famous winery in that area just closed up shop because he couldn't attract the traffic there.
- The State of Pennsylvania launched an important campaign promoting agriculture. Wish we could do something similar in Santa Cruz County to show how important ag is.
- The farmers take gigantic risks (lots of agreement in room). People don't understand how that works. SC is an epicenter for sustainability and organically grown food. For every 5 applicants qualified to get into the agriculture program at UCSC, they only accept one applicant. That's a problem, turning down 4 out of 5 applicants. There are also glaring problems in Watsonville, based on the social indicators. If we need commercial kitchen that requires a relatively low cost set of laborers to manage things. Margins matter. Processing plants could work here. When you get bigger, a lot of times you leave because bigger facilities aren't available here.
- In looking at the fiscal vitality data, it looks like Santa Cruz County's charges for services are 50% higher than the average CA county. Does that include permits? Maybe that explains why permits are so expensive here.
- To help educate people about Santa Cruz County, the wines here are as good as anywhere else in the country. The problem is that we don't produce enough of it to have a large following. We're such small producers.
- Many boomers have money and would love to start a winery. But they take one look at the regulations and find that they're too onerous. In the 1850s, Santa Cruz had 3,000 acres of wine grapes. All of Bonny Doon used to be vines. We've been an ag county, and now we're facing not in my backyard business.
- Anita runs a program that brings in 5,000 kids a year, from Merced, etc. and they get pie. She says that's 5,000 families that could be my customers.
- Timber harvest used to be a significant part of county economy. Redwoods grow really quickly, and we pioneered sustainable agriculture here, and this model has been exported. Yet, there are enormous barriers to timber harvest in the county. Continual efforts to reclaim jurisdictional harvest at the county level has made it difficult for this industry to persist.
- We're starting to see specialty cupcakes, organic ice cream, etc. People are saying that there are some things that are part of our heritage that we can build on, especially the beauty of this area, like agriculture, and restaurants that feature local foods. There are some things we want to encourage, and maybe there are some things we don't want: like Walmart. And if we don't make those choices, we'll never be successful at building what we want. We've never made a commitment to go one direction. It's either nothing or indecision.

- Do we allow farm stays, B&Bs on agriculture land? Commercial land is really restrictive, which is ironic. It comes from coastal laws. Yet, there needs to be diversification. Want to do more hospitality. For wineries, we want to be able to put them up close by, but getting permits is hard.
- The county doesn't treat small and large ag differently. What about some gal up in Boulder Creek who wants to have a farm stay?
- Nobody on our ranch that makes minimum wage. I know retail, fast-food places that may minimum wage. Edgar, who works for me, started as a radish picker, and because he did so well, was promoted to foreman. He takes pride in his work, has a family in Pajaro Valley, and is proud to be a part of the community. The trend is away from seasonal workers. That's all changed. People live in the community.
- What percent are seasonal workers versus permanent year-round workers?
- Strawberry pickers are more seasonal (3-4 months).
- Farmers can't find laborers. Make sure workers are able to stay on year round.
- We understand agriculture is a main industry in this county. Focus on the organic and sustainable food movement, which may have started here. I've heard that 30% of food sales in Santa Cruz County are organic.
- The local farmer needs margins to grow organic. Restaurants also need margins to buy from local organic producers. I can count the number of farm stands in the county on one hand because the county won't let you have a farm stand on your own farm. Every little farm should have a farm stand, for people who are driving by on a wine tour, etc. In order to make money, we have to do something else besides competing on wholesale. It's hard to get into farmers markets, and going to a farmer's market isn't always feasible. Need someone selling the produce, pay fees, and wages for staffing.
- To defend the Farmer's markets, they've done a good job with attracting different vendors at different price levels, for a diverse selection. A farmers market almost every day of the week.
- There's a parallel law going on at the state. We should take a look at that.
- Driscoll's, even though it's a big name, is made up of many smaller farms. Someone asked how much of what we grow goes out of town, and how much stays here? Laura: nationally it's 2% stays. If we're growing it all here, then it should be staying here.
- We can't replace this ground anywhere else in this world. We've certainly never torn anything down to accommodate farm land.
- When it does happen and it works, it's an authentic experience. We just went through a branding exercise for the county.
- Tourists want to go to a local restaurant that serves local wines and meet the winemaker.
- The trend is that farmers want to do more retail on their farms, where tourists can go and visit. It's a natural place for the tourism business, if farms could put on events. If people aren't allowed to come visit your CSA, that's a roadblock on a perfect marketing connection for agro-tourism.

Focus Group: Health Care, NGO, Non-Profits

- Consider comparing Watsonville to other agriculture based economies of similar size. Suggestions included Yuma, AZ, Salinas, CA, Ventura, CA

- Only 10% of incoming students are ready for college level work, and 77% finish in 6 years. The link between education and incomes is not just about getting a degree. What you study also affects your income. The Santa Cruz County Commitment is working with K-12 and UCSC to improve outcomes. Helping students focus on career objectives and preparing them for the workforce is essential.
- California's disinvestment and budget cuts have had profound effects on this county. While graduation rates are somewhat picking up, dropout rates are still in the double digits in Pajaro. There are initiatives we can implement. Some counties are talking about Pre-K education. There's summer education for disadvantaged youth, so they don't lose two months every year. Funding for adult training and education is shrinking, and the pathway for getting adults back into the workforce is challenging. Cabrillo is trying, but adult education has taken a big hit here and in the state. The beginning teacher's salary in Santa Cruz County is \$10K-\$15K less than Santa Clara County. The governor's new proposed formula for public education funding will change the landscape. Cabrillo, WIB, and SC County can all work to embed a culture of going to college by 4th grade.
- Networks are important. Health care is a burgeoning industry with potential. There are changes in how care is being delivered, and people who are tech savvy, can think critically, and are systems oriented will be positioned well. There's a need for bilingual and bicultural staff that can perform these functions. The demographics of our community are changing, and there will be a greater need, especially with more people coming online for coverage.
- Even though we expect an increase demand for health care, in the last few years, there's been a bit of an oversupply. We also see a need for bilingual and bicultural staff. With the high dropout rates in Watsonville, there's a need to re-engage adults to improve basic skills so they can access jobs. The folks who are struggling with basic skills (numbers, grammar) are having difficult time. There's also an ongoing frustration with housing costs, and salaries are never as competitive, especially in light of the high cost of housing.
- We have training for medical assistants, dental, etc. Cabrillo convenes a consortium of colleges in the Greater Bay Area, and we've been working with Kaiser and Sutter to craft a regional strategy for Santa Cruz that lines up with the Affordable Care Act.
- Help those accessing the labor market with a better sense of the skills they'll need to enter that market. Cabrillo has been tracking outcomes of students who graduate. We started this during the recession, and as a result, have been making dramatic changes to our programs. Among medical assistants surveyed, for example, only 30% were getting employed in their field of study. We had to have difficult discussions with employers, and then we revamped our programs.
- Cabrillo College is not in Watsonville. Students have to come to our Aptos campus for these problems. It would be hard to scale a satellite campus in Watsonville.
- I see 3 distinct issues for the county: education capacity, transportation, and land use. In terms of educational capacity, we serve 12,000 people in our catchment area, and if you look at the number of seats at Cabrillo or UCSC, it's very difficult to get someone that we serve access to these institutions. There's more online capacity – some folks are taking courses from Boston College or University of Florida, and Goodwill runs a career center. A small fraction graduate from high school and attend a four-year institution, and even less are college ready. Among the students that finish college, many don't come back once they're done because there aren't a ton of jobs. For transportation, we have 435 employees in South County, some of whom live in different parts of the county. During the recession, there were fewer vehicles, but now we're seeing more cars and the roads are congested. In terms of land use, because of water scarcity,

developers are encouraged to build big houses, and this low supply leads to an increase in housing costs. We need development now with density.

- Acquire the rail line and use that for transportation, but there's a contingent of people who don't want to put rail back. For adult schools, we need more active internship programs. It would be great to see internship opportunities for green energy programs.
- We need to take the long view, otherwise we will review this again and again in the future. In Pajaro, we have some of the lowest performing schools, and at the same time, we have a lot of Head Start slots, with high-quality programs. We need a comprehensive plan for babies to access Pre-K education. This is an investment that will pay off in the long term. We also see people who are eligible for food stamps and earned income credits who don't enroll, either due to language barriers or documentation issues. With the backlash on immigration, we're also seeing a lack of an agriculture workforce too.
- Middle class families are being squeezed out, especially the lower middle class, who can't access Head Start slots and don't have enough money to pay for private schools.
- We have to look at housing and land use, and build up infrastructure
- Some of our clients spend over 50% of their income on housing. We're still living the Gary Patton legacy. We could build on COPA and broaden the base beyond COPA, which would go a long way , especially if we went through a community visioning process.
- Is the county pursuing an accessory dwelling unit (ADU) policy?
- Discussion that ADUs are exempt from cap, and no need to be low-income to qualify. But the water district may require a full water connection.
- Wages over the hill are 7% higher in Santa Clara County and we have fought being a bedroom community to Silicon Valley forever. But it may be worth taking a look again. If we can't grow and get mass here, perhaps we should think of ourselves as part of the Santa Clara jobs market. Scotts Valley looks more east to SV than it looks south, and people who live in the Summit go to Los Gatos.
- Encourage infill and incentives, especially since we no longer have enterprise zones or redevelopment. High speed internet and fiber is not evenly distributed in the county. Watsonville has no high speed fiber access. There has been a regional effort, but qualifying for federal funds is hard and there are terrain issues.
- San Luis Obispo faced the same issue. If they could only get fiber to Paso Robles, that would expand jobs. If we're looking down the road, the sooner we can do that, the sooner we can allow kids to think beyond what their parents do. There was a rumor that the County refused to let AT&T bring in high speed cable.
- Another area we can promote in Santa Cruz are dinners in the field, celebrating food, Michael Pollan, beautiful eating and farmers markets
- That would help with us. 1out of 11 people in this county work in the tourism sector. If we promote tourism, there are benefits from occupancy taxes that we can funnel back into the local economy. A conference facility is another opportunity to pursue.
- I take my conferences to Monterey because there's nothing in Santa Cruz. We've really haven't capitalized on agritourism. We should have a package for eco-tourism: stay green, eat green, and enjoy outdoor learning experiences, but this just hasn't been packaged! But the farms have to do the heavy lifting themselves because they don't get that support from the CVC.

- I don't think the CVC would agree that they don't lend any support. I think the impediment is the lack of hotel options. 80% of tourism comes from two counties, and most are day trippers. So much of our rail line abuts scenic areas, and we can attract a different set of visitors than those who just come for the beach.
- 75% of people who attend farm dinners in the fields come from over the hill
- Most hotels in Santa Cruz are mom and pop hotels, and there's not a lot of incentive to improve their properties.
- In Santa Cruz City, if you upgrade your hotel and attain a certain standard, the city will refund a portion of the TOT.
- Could something like the Chaminade be built today?
- Have governments facilitated the expansion of Airbnb.com, especially in light of this discussion about needing higher quality places to stay.
- In 1999, we completed a cluster analysis and had both Gary Patton and Reagan in the room at the same time. There was a momentary consensus when we agreed that the 3E's were important: equity, education, and economic development. Perhaps there's no opportunity to create this again.
- Let's talk about the senior population. Before, we used to serve 3,200 seniors, and now we're at 4,200. We see a higher interest in South County, and the need everywhere is substantial. Seniors are often on fixed incomes, and food is essential, and we've been buying a lot more food, and leveraging money where we can. We got a state grant that allowed us to buy food from local farmers and providers, so that was one way to keep money circulating in the community. As seniors age, it's harder for them to get a job. The demand for senior services is high, and people are visibly in need. There's a level of desperation we haven't seen.
- We see a similar issue in the population we serve. The median age used to be in the mid 30s, and that's risen now to the mid-40s. It's so much harder to find work. There's both a youth employment problem and an older worker problem. We have a small program for seniors. Having broadband access is important for the cottage industry folks, who could sell goods on Etsy, etc.
- The time it took for someone aged 52-65 to get a job was 7 times longer than other age cohorts.
- What about the reprocessing industry. Rather than shipping our waste to China, we can take over a processing facility and reprocess materials to make them into useable goods?
- There's one in Stockton that does that.
- Goodwill and Ecology Action should collaborate. Also need to ensure we have a good flea market.
- Another thing we can do is to empower the community to figure out what they can do. Among the seniors we work with, many are socially isolated, and that impacts their mental health. The idea of creating neighborhoods that engage people is attractive.
- How do we build a culture of philanthropy? We don't have a lot of financial advisers. We find that people often give where they work. Getting people to embrace giving locally is important. There's a ton of money in this county, and we're not seeing it because people are distracted. It's easy to not give, and easy to hide. How do we engage them?
- I just want to commend the county's efforts on economic development and encourage the continual funding of this. Others agree.

Focus Group: Tech, Innovation, and Creatives

- We need to compete with jobs over the hill in Silicon Valley. Retail jobs don't earn enough money to be able to afford the high cost of living here. We haven't had a lot of public/private collaboration with the county and city. As an internet service provider, we have a lot of strong competition from national firms, and luckily, people in this county are willing to go with alternatives, like local companies. We've been able to stay alive by shifting our focus. Many tech companies that started in the 1985-1995 period were small start-ups, and many are gone because it's a competitive industry. We recently made a big infrastructure investment, adding 5-10 good jobs, but it's been a struggle. We hire across the spectrum, and often compete with Silicon Valley. Often we hire UCSC grads, and other works as well, including people in Watsonville. Bilingual skills are a plus. All of our employees live in the county.
- We've increased our fiber infrastructure in Monterey County, and have done so in parts of Watsonville. Lately, our efforts have slowed tremendously because we're not allowed to build out infrastructure in unincorporated parts of the county. This was at no cost to the city or county. Infrastructure creates jobs. Our technicians need at least high school equivalency + some community college, and starting salaries are \$45-50K. As beautiful as it is to live here, there's a lot of opposition, but then people in Boulder Creek ask why there's no service. We have plans for 38 new builds in Santa Cruz County (wireless cell towers), which is an opportunity to support jobs. But when we try to build a tower, we get a lot of community backlash, and the county pulled back. There needs to be a whole different mindset in government that the world is changing, and we need infrastructure to match. Wireless is the future, and we need to educate people that times are changing. In the summit, it's very expensive to run fiber. We entered into a partnership with satellite companies, but that's also a choice that people make to live in remote areas.
- It's the same scenario for us. We focus on fiber, and one of our biggest barriers is the government allowing us to burrow the holes we need to deliver service. Times are much longer in Santa Cruz County, and we do a lot of work in San Francisco, where there are barriers too. Permitting in Santa Cruz takes a long time too. We have a company college that offers training to help our employees succeed, and there's a lot of opportunity for growth internally.
- Deregulation has made it so that public utilities are no longer available for use. Suddenly, everything was privately owned. It would be great if we would work with the bigger companies. Rural communities are starved because the larger telecom companies go for the low hanging fruit. It's not just that the regulatory process is difficult in Santa Cruz. We're also a small community, and it's expensive to build over the hill.
- Yes, we need to pick it up. We're relying on our current infrastructure now.
- There's a lot that local governments can do. Look at the Central Coast Broadband Consortium. There a lot of simple things we can do, like coordinate street openings so if one provider opens it up, others can jump in if they need to improve. There's one building in downtown Santa Cruz that's wired, and the rents are higher, and the vacancy rates are low.
- Downtown Santa Cruz has high capacity, but the problem is delivery. Because of deregulation, service is spotty within the county. We're spreading as fast as we can, and looking at the option of laying fiber in South County. AT&T Uverse serves Watsonville now. We need to link North and South County together. Capacity is high in downtown Santa Cruz. Problem is delivery. Because of deregulation, service is spotty within the county. We're spreading as fast as we can. We're studying laying fiber optic to South County. We're in our second big effort to get that done. Will still continue to work.
- AT&T has fiber down Highway 1, and wants to extend fiber to businesses and households. We need the permits.

- We're in the food service distribution business, and work mainly with the hospitality industry. Most our customers are in this county. In the next year and a half, we'll need to build a new warehousing facility and would like to stay in this county. We're looking at a facility of 150,000-250,000 square feet, 5-acres. Our corporate headquarters is based in Richmond, VA, and our focus is more on independent restaurants rather than big franchises. When looking at locations for our new facility, it'll come down to crunching numbers, especially if corporate is involved.
- Doing business in this county is difficult. Highway 1 is a nightmare, especially in South County. Even fire trucks have difficulty getting down there, and it's awful that the Highway hasn't been expanded down there. It took us 11 months to get a permit to match fencing. The process needs to be more efficient.
- The Salinas Valley is known as the "salad bowl", and there's tremendous growth there. We buy mostly from the Salinas Valley, although we source most of our mushrooms here in Santa Cruz. All of our pre-cut produce is also from here (strawberries, etc.).
- The UC system should be expanding, but due to the fiscal issues at the state level, we're not seeing much growth. UCSC has taken a 33% budget cut since 2008. Although there's opportunity for growth, we also face resistance from the community (housing, traffic and water). At the School of Engineering, there's a niche in gaming, with connections with high tech in Silicon Valley. The School is trying to foster connections with NASA AAMES. I do research on sensors and how to use technology to capture solar radiation traveling through a window. In the physics department, there are efforts to spinoff research, especially with companies over the hill. There's so much infrastructure support already over the hill. Not just telecom, but more places where you manufacture and press board.
- Co-working is a great way to foster spinoffs. We'd love to work with an incubator, support technology coming from the university, and encourage young businesses to grow here.
- Makers Factory started in a co-working space, and there are lots of teenagers who come in for classes.
- Agriculture tracking technology is on the rise.
- Many incubators started in Santa Clara County. By fostering more incubators, businesses might stay.
- Our business started with a mission dedicated to better civic participation, and we developed a software product to achieve that. The reason why we exist is that we've been able to take advantage of the university. Santa Cruz still has affordable student housing. We've taken interns from UCSC with mixed success. UCSC doesn't have an entrepreneurial culture yet like schools over the hill. Juniors and seniors haven't dedicated their education to relevant tech skills, and often, students come in for one term, and they're done.
- Two of my engineers commute to Santa Cruz on Tuesday and Wednesday from San Francisco.
- Why are we competing with San Francisco? Why aren't they living in Santa Cruz?
- Because they want colleagues their own age. UCSC students leave after they're done, because we don't have cornerstone tech employers in Santa Cruz. There are Google, Apple, and Twitter buses – can we convince them to have a local branch? Even if they allowed their employees to work locally a couple days per week, that would really help. We're not going to be able to be the new start-up force in the tech community, but we can leverage our assets, and the lifestyle here.
- It doesn't help that Ray Tech, Seagate left.

- It would be helpful to start regular tech meet-ups and fundraising events, perhaps through an independent 501(c)3 , with a formalized process for tech transfer. We could use this to leverage a formal network of advisors. We have the ingredients here.
- NextSpace has a coworking space with 200+ people that essentially functions as an incubator space. Cruzio has a 100+ person coworking space. I don't think we can attract a large tech company or a medium sized one, but we can attract their employees. There's no reason why they have to drive to Mountain View if they can work from home, stay local, and spend locally. Some would even take a pay cut if they could work from home.
- Don't discount Santa Cruz's ability to grow a tech company. If we involve the university, we could do something similar to Fort Collins, where researchers move from the university to the labs close by.
- There's a lot of talent and money from older tech folks here who are tired of going over the hill.
- There's a bias towards North County, which controls Highway 1. South County is hurting, where there's poverty, lack of education, lots of immigrants, and hard-working people. They're not going to work for these tech companies. Many from Watsonville barely have a 9th grade education.
- What about fostering an agriculture tech super cluster? Companies like Plant Sciences are attracting similar companies who'd rather be in Santa Cruz than in Salinas.
- Permitting - Create a common vision so that academic, business, and government can work together. A lot of the things we're already doing, but aren't formalized
- What can you all do for each other? Join the Santa Cruz Business Council
- Engage the community in a visioning process. A lot of residents are sympathetic to ecological values.
- Growth can achieve a more vibrant culture, and we need to come up with a vision that the population can buy into.
- Use the Civinomics platform to engage citizens. For example, rail trail or desalination plant?
- Business people used to be more extreme , and now are more aware of environmental issues

Focus Group: Hospitality, Tourism, Arts, Sports

- Tannery Arts is an organization that has changed over time. Last year, we opened working studios and have seen a shift in traffic coming through. The opening of the San Lorenzo bike path, which connects downtown to other parts of the county, has led to an increase in traffic. We have one board member from UCSC and Cabrillo. This is a creative hub and we're still growing.
- Santa Cruz has a bounty of natural resources. There are very few places where you can get redwoods next to a Mediterranean climate. We have mountains next to the River, and are poised in close proximity to large economic engines in Santa Clara and San Francisco. People are willing to commute because they like the lifestyle here. We have incredible outdoor recreational opportunities, and there's a focus on healthy living and sustainability. We just need to build on what we have. This is a creative place to work, being a pocket and not a big city, which gives people inspiration to do creative work. We haven't done a good job of branding. We have an opportunity to get more sophisticated, and take people away from being so summer-centric, and capture more during the shoulder seasons. We can bring art institutions to the forefront, encourage outdoor recreation in Mount Hermon, Pasatiempo, etc. If we can do that, we can attract more companies to move here.

- Santa Cruz has the 5th highest number of artists per capita in the US, after New York, Los Angeles, San Francisco, and Santa Fe. What is not well known is that Santa Cruz is an arts community. There are homegrown artists who live here. One challenge is that artists don't have a place to show their work. Thank God for Open Studio, because artists depend on this for 75% of their art income. That's when people know to come. Art tourists spend more money than regular tourists. We need to have spaces where artists can show and sell their work.
- We need to harness what we have here. Historically, we were a summer resort town, and have grown since then, and need to tell a more sophisticated story. San Luis Obispo is a leader in this. Bloggers are hired by the tourism board to blog about SLO, and the city is throwing resources into this. We're still a hidden jewel.
- We're the biggest stop at Open Studio. It would be great if I got a call from someone who said, Google folks are coming in this week. I would stay open for them. People want to sell their work, but they also want to contribute to Santa Cruz and make it a place where people want to come. My goal is to have three dedicated galleries, and would love to bring in younger, edgier shows. Also, to spotlight Live Oak- it's an amazing place! We should be a destination for art.
- Where will all these high end people stay? There's a lack of good hotels. This is a big part of the problem.
- I've worked closely with the hotel industry association, and there's more demand than we have supply. There are more people who want to come here than there are decent places for them to stay. Some of our nicer hotels get booked out far in advance. There's been some improvement. Capitola opened up a new hotel on 41st, and the Paradox has been rehabbed. Hopefully there's more change because many come in the summer, and are shocked at paying \$300 per night for the quality they get.
- 50% of the Santa Cruz coastline is within a state park. Seacliff has the 3rd highest day use visitation among all State Parks in California. It's great that Santa Cruz is big on supporting its parks. There's always a high voter approval rating for funding parks.
- At Mount Hermon, we're looking to develop a 15-acre site at Granite Road as a recreational destination for people who like mountain biking, tracks, and ropes courses. The zip lines we operate get about 30,000 visitors, and are successful because people like the novelty of being in redwood trees. When people come from out of town, they often ask us where to go and what to do afterwards. We need more places to eat and stay, maybe a conference center that can accommodate 800 people. There's been a surge of interest in mountain biking in the community, but a lot of roads don't feel safe. We also have summer camp, and many groups stay with us.
- Yes we get referrals from Mount Hermon!
- We need more customized packages, and should work with Seaside, Roaring Camp, and Mount Hermon. Philadelphia had a "you wish you knew" feed, and we need to be smarter in our marketing. Also weave in agritourism, with offerings that cater to foodies, farm-to-table dinners, etc.
- The Cabrillo music festival is internationally known but very small. 35% travel from outside the county to attend. Summers are strong but not as strong as they can be. We also don't have a performing arts center, and can't seem to get momentum around that because there are limited funds. People know Santa Cruz is an artsy place but don't know where to go. If this doesn't change, our tourism sector won't grow.
- It feels like we're so heavily impacted and overloaded during the summers that we think we don't need more people. We want to bring people back after beach season for the Clam Chowder festival in February, cultural events in March, etc.

- Circling back to the notion of marketing Santa Cruz better, the Issue isn't getting people here. The beach boardwalk gets over 3 million visitors in the summer. The issue is retention, and how to get people to come back and stay for other reasons. Nobody is taking a unified approach, and that's a vital part of the puzzle. By collaborating better, we can bring more people back for other reasons. Nobody is going to build a hotel so they can fill it for 3 months. And getting a hotel approved requires a friendly planning process, and getting people to come out who are vocal about supporting a hotel project.
- There are lots of groups doing different things: the CVC, Downtown Association, etc. There's lots of politics, who will pay to advertise where, etc. It's not a united front.
- If the availability of land for a hotel is an issue, given the boardwalk's success with day trippers, why shouldn't we just focus on day tripping?
- If we tried to build a big hotel, there would be a big outcry.
- If you've ever driven from Los Gatos to Santa Cruz on a Saturday morning, it's awful. It sometimes takes over 3 hours for people to make it over the hill, which is a big issue. I've become fond of the Amtrak bus, which takes me to Diridon station in San Jose. If we had a unified front and planned events, maybe people could take special buses to and from Santa Cruz.
- Open space is one of our biggest assets, and Californians love open spaces and parks. We have a beautiful, undeveloped coastline, and redwoods, and there's a lot of philanthropy money dedicated to preserving our open spaces. At Castle Rock State Park, we're building a new entrance to the park, which will not only address the parking problem but also ensures the economic viability of the park. The land trust recently acquired a portion of the Cemex property and wants to convert it to a park, which could be a huge asset.
- This is relevant for international travelers, who want to see big open vistas because they don't have these back home.
- Extreme sports - that's a growing sector, but I don't think it's wise to brand ourselves only as an extreme sports destination. We have it all. In Boulder Creek and Ben Lomond, we have more than just extreme sports - there's something for everyone.
- Until I moved here, I didn't know about the weather, which is spectacular every month. I don't think we've done a good job about promoting the weather. Also, I tried reserving rooms for an October Golf Tournament at one of the nicer hotels, but they wouldn't save rooms for us, because they were holding out for the tourists. Having a united tourism effort is vital. It's good the county is having this discussion because I wouldn't know about these issues. People often come to the golf course counter and ask, where do we go now? At the golf course, we've eliminated 32 acres of irrigated turf, and are trying to gray water so we can free up water for everyone else. We think we could free up 45 million gallons of fresh water.
- Sacramento State commissioned a study on the economic benefits of parks, and found that for every dollar spent on parks, \$2.35 went to the General Fund. Art is an economic driver.

South County Community Meeting Comments

- Need to find way to get housing costs down, to support economic vitality. Too high % income spent on housing costs
- Role for City of Watsonville in County economic strategy? – Collaborate –Economic Development “Summit”
- Watsonville should promote tourism more – e.g. birds, sloughs, etc.
- Need more shopping opportunities in Watsonville: shoes, dresses, suits, etc.
- Water overdraft, traffic gridlock, greenhouse gases, etc.
- Opportunities: multi-cultural; e.g. cherry blossom, Buddhist festival, etc.;
- Airport – market it better
- Rail trail corridor needs to address Walker Street
- Make it easier for kids to get to Pajaro’s new soccer fields
- Expand R.O.P. and job-training programs
- Community Choice Aggregate (CCA) – Alternate power source – green energy
- Coordinate water supply strategies
- Mello Center programs – market / cross-promote
- Publicize Country Crossroads (farm map)
- Multicultural aspect is an asset (Hispanic, Japanese, Filipino, Portuguese)
- Promote Open Studios
- Promote Monterey Bay Sanctuary
- 14 State Parks – cross-promote
- Need equitable flood control – business won’t come until solved
- Need good technicians, fabricators, agriculture workers
- County lift restrictions on Manabe-Ow
- Airport is an economic asset – protect and ensure safe use, promote 10 large corporate hangars
- Need to modernize codes – planning, building, don’t enforce obsolete “stupidity”. Put updates on fast track; e.g. farm stands, agricultural grading permits etc. (signs for labor being enforced?)
- Need to address divisions between agricultural community and City Council
- Focus on jobs for South County
- Help Watsonville youth – ask them what they want and need
- Need Economic Development “Master Plan” for whole County – not by areas – and prioritize actions – Year 1, 2, 3, etc.
- Look at it as a “Tri-County” Area (Monterey, Santa Cruz, Hollister) Hwy 152
- Put emphasis of Master Plan on City of Watsonville – been neglected for long time

- But we are a “pass-thru” city – how can we make people stop – on way to Monterey and Santa Cruz, e.g. “Casa de Fruta” – effective branding
- Need more cohesive marketing strategy especially for Watsonville area
- Softball tournaments – host them here – sporting events – e.g. bicycles
- Tremendous assets in Pajaro Valley – living, tourism, business – Need to better promote, individual events, identity and dollars for South County
- Regional Transportation Commission – needs to reflect City’s trail map – get service to South County
- 25% of population is in South County
- South County needs to be a higher priority
- Build roads, activities etc. for visitors – attractions, events, County \$, State \$
- Real potential in South County to be developed
- “Pathways” – both Watsonville high schools are participating in program
- Need modernized “shop” program (vocational) at high schools
- Stop fighting – focus on what we agree on
- Jobs, address/preserve water, events, Cabrillo, airport, rail, etc., etc., West Marine, beach, agricultural produce, National Marine Sanctuary, Granite – so many good things to promote
- More resources for the agriculture and shop programs at the high schools
- Manabe-Ow – rezone to commercial (not current industrial)
- Need those who do go to college to come back here – how do we do that?

Live Oak Community Meeting Comments

- Business Licenses? Why don’t we have them? Being able to reach out to industries – training – registration portion – support.
- Unemployment problem resolution should be a goal. Farm worker analysis – fund for start-ups would not address this.
- Each gallon of gas sold goes out of area – travel, commuting, etc. Have there been any studies?
- Top three categories of jobs = 51% – What is the balance of jobs. Need information on other jobs.
- Annoyed with Branding Santa Cruz. Obscene housing costs. No one can afford to live here. How do we make affordable housing? County needs a rent control ordinance – not just mobile homes.
- Infrastructure as theme – water is most serious factor of economic vitality. Until solved, no economic development. Soquel Creek Water District moratorium would be devastating. There used to be several dams planned for Santa Cruz.
- Manufacturers have been “run out”. Lipton, Wrigley, Cement Plant, Slaughterhouse.

- CA Association of Realtors – studies in Rent Control. One side or other loses. For every area of rent control (Berkeley, San Francisco, etc.) the supply becomes limited. Creates an odd mix. Inclusionary zoning – Measure J homes were more than market, plus they were controlled.
- Development within our footprint – not adding more people. Tourist destination = higher housing costs – service workers can't live here. Work on our own economy, not tourism.
- Growth percentage of population? ½ % per year
- Education – sad amount of resources. Want schools to perform. Harder for field workers – working 4 a.m. to 6 p.m. and not conducive for children. Wonder what County is doing. People will be out of work from mid-October to spring. Immigration policy problem.
- Should identify sectors that should grow. Education, Health Care, Agriculture, Tourism. Is that all we want? What other strategies should be what we want and then go after. Technology jobs – 3-D technologies, FoxShox, Zero Motorcycles, target sectors and how to building those.
- Economic Vitality discussion is a first and should be commended. Everyone should be involved – theme among entire County. More regional – thru all four cities – move forward as a County in cohesion as a group.
- Enough talent in County to grow in different ways. Agriculture could be used for ethanol production, green collar economy. Make this place more livable.
- Award-winning – helps turn ideas into businesses – SBDC will find funding. Water – Santa Cruz Sanitation District – tertiary treatment and injection. Underscore broadband issue – expansion of home based businesses. Santa Cruz is perfect for home farm. Distribution of agricultural goods.
- County has reach to convene people together – draw all cities together – to focus them on what Economic Vitality means for region – not just a city. The County is the one entity that can do this. High paying, career ladder jobs – human genome from UCSC, great future potential from UCSC – bring ideas to market. All the rest comes along for free.
- Access to financing and finding locations for businesses

Aptos / Cabrillo College Community Meeting Comments

- Disconnect between low-paying service jobs in agriculture/tourism and high cost of living
- County needs more mobile home parks with manufactured homes
- How can the County work collaboratively with the cities?
- One participant questioned if it should be the County's role to convene discussions on economic development or should that be left to other business groups?
- County can play a greater role in resolving water and fire issues among disparate service districts
- Balkanization within County – residents don't frequently go outside of their neighborhoods. Few people who live in North County visit Watsonville. He believes people don't travel outside of their neighborhoods because traffic on Highway 1 is so terrible, and there is a lack of good public transportation. Need a new campaign to "Get to Know Your County".
- One participant who owns 22 acres wants to develop his property. Unfortunately, the County, passed regulations that were not friendly to development and are now outdated. County needs to invest in better infrastructure, including roads and broadband.

- Suggested ways to incentivize property owners to develop, including property tax freeze after project is completed
- Central website to coordinate all activities and festivals in the County
- Over 900,000 Santa Cruz County residents fly out of San Jose Airport every year. Propose running a direct METRO Express bus to SJ airport.
- Remove perception that County is anti-business. There are few positive stories about developing or opening up a business in the County.
- Economic development has different meanings to different people. Growth limits concentrated growth within the urban service district and the absence of investment in infrastructure means we have congested highways and street.
- People are too tolerant of the homeless. Show of hands among attendees revealed that approximately half thought homeless were a barrier to economic development.
- Need a thorough examination of policies of the Soquel Creek Water District
- Another participant agreed that securing a dependable water supply is critical to economic development
- Transit Corridor Plan provides opportunities to increase density. Need to be more open and flexible for all types of uses.

San Lorenzo Valley / Felton Community Meeting Comments

- Need to improve marketing of festivals and activities in the San Lorenzo Valley (SLV) including Henry Cowell State Park, Big Basin, Roaring Camp, redwoods, etc.
- How to change structure at the CVC in order to get mass marketing for SLV
- Who can we work with to market our local assets? Eco tourism is strong in the SLV.
- Medical marijuana is a major industry that's vital to the San Lorenzo Valley. If we market this appropriately, it can be a huge economic powerhouse.
- There's a need to expand broadband service in the San Lorenzo Valley to support home-based businesses.
- Need more local hotels and places to stay, especially for day-trippers who come for mountain biking, hiking, motorcycle riding.
- Revitalize Brookdale Lodge and support more bed and breakfast establishments
- Community residents would be comfortable with a hotel similar to the Brookdale Lodge (66 rooms); Quality Inn is renovating and will have 80 rooms
- At the same time, there are some residents who don't want any more hotels
- Another asset is the former Hewlett Packard "Little Basin" facility – used to be used as a corporate retreat.
- A facility that could accommodate music festivals would be beneficial.
- Lots of camps in the SLV (i.e. Girl Scouts, Quakers, YMCA). Some are not used or used very infrequently. Opportunity to turn these into special event spaces?

- There are a lot of “secret places” in the San Lorenzo Valley, including microfarms, wineries, etc. Even people who live here don’t know about all these treasures.
- Many residents work in Silicon Valley and live in the SLV but don’t engage or spend money in the local community. People tend to spend money where they work, and there aren’t stores here they need.
- One participant made a distinction between destination shopping and strolling shopping. SLV stores can do a better job of providing a strolling experience for visitors to linger and shop.
- Water infrastructure is a key issue for SLV
- The non-profit sector is large and organized; they are an important part of the local economy and support jobs.
- The SLV has a 30% higher rate of volunteerism compared to other areas.
- SLV has a reputation for “dirty, low-lives, homeless, druggies” – need to step up and address these issues
- What can the County do?
- Open up Covered Bridge Park and cut down some brush so you can see the bridge.
- Create an easier path to walk downtown
- Start a County park ranger program to discourage homeless sleeping in state parks
- More community leader and public involvement
- Make sure economic development doesn’t happen at the expense of the environment. County has to protect the environment because so many people who live and visit appreciate the natural resources
- Reduce greenhouse gas emissions
- County to encourage the right kinds of businesses in the right areas
- Work closely with Cabrillo College, UCSC, Cal State University Monterey Ba, County Office of Education to encourage workforce training
- Create maps of SLV tourist destinations and assets and market to day-trippers

Written Comment Cards/Online Comments Received

WHAT ARE THE MAJOR ECONOMIC OPPORTUNITIES OR CHALLENGES FACING SANTA CRUZ COUNTY?

Being rather parochial, I can only focus on my sector of the County: Aptos, "a hotbed of rest" to quote the journalist, George Murphy writing about the 1960s-era of San Mateo County.

Aptos is comprised of neighborhood 'tribes' with segmented clusters of retail goods. During the 1970s/1980s, there were two serious waves pushing for Aptos to incorporate as a city rather than continue as an unincorporated, census designated area in the County.

To have done so would have severely compromised the long term quality of life of the Aptos coastal area. Aptos's potential to sustain itself as a city would most likely have to come from its strongest resource: tourism. The Porter-Sesnon property would be leased from the State for a high density, hotel-condo development masquerading as a faux resort hotel. Ditto for Poor Clares; Par-3 and so on with every large parcel of buildable land.

Setting that 'build it and they will come' scenario to the side for the moment, Aptos does need to grow itself up. Aptos Village must be built. Seacliff Village must be upgraded. CA State Parks has to co-operate with the County to create a JPA and make the Seacliff State Beach upslope parking lot available for local employee parking as well as the diners and visitors that will be vacationing in the new boutique hotels that will be built in the heart of Seacliff Village, thus fulfilling the prescient vision of a quaint, yet sophisticated coastal village.

State Park Drive, which bisects the Seacliff neighborhood, is THE gateway entrance to the Monterey Bay National Marine Sanctuary - let's get on with making this draw work for us!

Enormous tourism development; services supporting tourism, including restaurants, accommodation, beachfront services, and personal services; sensible land development (ignoring the NIMBY attitude). And agriculture is the natural mainstay of the economy, and for that we need not the piddly little planned desalination plant, but a major one allowing for much more development of land for agriculture, and the employment it brings. Agriculture requires a consistent supply of water.

Challenges:

State Parks control over land required for our economic development (ie. get rid of State Parks Seacliff Beach); parking, if we do not succeed in getting control of State Park land; vastly cutting construction costs, and the appallingly overpriced permit taxes (sometimes called fees), and the bureaucratic nonsense associated with construction (which is state and national, as well as local); requiring appropriate and prompt service from PG&E, and phone and cable companies; much improved street layout, for both traffic flow and, particularly, road safety; establishing walking paths away from traffic.

Opportunities:

The residents- lots of educated, hard working people many with entrepreneurial spirit the place

- tourism;
- educated workforce
- entrepreneurial activities in hidden small businesses
- existing business clusters: art, wine, technology, antiques, tourism

Challenges:

- poor infrastructure: transportation, internet, cellular, other utilities
- highway 1 widening to south county
- water
- high cost of living here
- poor medical options
- high hurdles in planning and permitting regulations and costs

Challenges:

Traffic, water constraints, affordability, lack of large employers, increasing the tax base

The biggest challenge is the lack of infrastructure to support existing uses let alone new development (traffic and water supply impacts) and the costly mitigations that would support new development.

4th lowest median salary & 2nd highest median home price of all CA counties

Creating jobs that can be partly performed remotely to reduce traffic and greenhouse gasses that also pay a living wage.

Government regulation

Opportunities

include agrotourism, ecotourism and tech

Agriculture, tourism, education, the arts, tech development, Monterey Bay

Strong, multi-dimensional economy: business, government, academia, non-profit. More specifically, we have opportunities to grow the private-sector with a more business-friendly, pro-economic development partner with the County of Santa Cruz.

Major economic drivers continue to be tourism and agriculture.

Challenges:

- A history of being business un-friendly, or at least a strong perception that this is true. Our infrastructure (roads, water, broadband, mobile phone service, etc.) needs significant improvement.
- Income inequality
- Not very many high paying jobs
- Reducing the burden of government taxes, fees and regulations

WATER, TRAFFIC, KEEP sc WEIRD IMAGE

Water and dysfunctional planning departments. Lack of accountability by these departments and in some cases, the people making decisions are not even local - SV planning subcontracts to have their plans looked at and approved out of the county.

Outdated utilities prove to be a challenge for encouraging tech back to the area. Fees and process of building entitlements are also a challenge when looking at new supply to stimulate business. These same forces also provide barriers to entry which constantly drive up real estate values.

One that I experience often is going outside of the local area for services.

The major challenges are, inadequate transportation solutions, and the burdensome cost and time associated with the planning process.

Two big ones: 1) we need to recognize that our primary economic asset is our natural beauty, so we need to create visitor-serving facilities (roads, hotels, parks, amenities) that make it easy to come here and spend money, and 2) we need to engage in an all-out marketing and branding effort to communicate to the rest of the world why Santa Cruz is such a special place.

Opportunities: We have an incredible arts community in Santa Cruz County, many organizations and groups with national/international recognition. We have a strong brand that draws many big name artists who want to perform here. However, our facilities are too small to be economically viable. There is an opportunity to invest in our arts infrastructure (Civic, Mello, etc.) to increase day or evening visits from the Bay Area to see what we have to offer.

Challenges: I was in the SJ airport returning from a trip, and a driver near me was picking up a tourist bound for Chaminade. I overheard a conversation where the driver was telling the tourist not to visit the City of Santa Cruz, saying it just wasn't safe. Now I feel safe in Santa Cruz, but that reputation HAS to be changed if our tourism economy is to thrive.

Infrastructure, water, poor business practices, uneven county funding

Two of the countys largest sectors, agriculture and hospitality, pay very low wages. Why would we want more of this?

High unemployment in Watsonville: overdrafting water countywide/flood control; traffic gridlock & CO2 pollution;

Job creation; economic development; education improvements; disparities of economics & education attainment; restrictive land use planning w/limited sites for retail, hotels, truck plazas, etc.; fix traffic & roads

No jobs; stringent rules to do anything; education needs improvement; water innovations

Top heavy county administration; outdated procedures; duplication of functions. Need top to bottom salary restructuring.

Transportation - huge waste of fuel & labor hrs. on Highway 1 traffic; expand pipelines to make more use of recycled water

Redundant rules for finances; over regulation

well paying jobs; saving natural resources

mismatch of wages vs. housing costs;

economic barrier>fear of country process = risk; risk= time, energy & money @ risk.
County must create a new perception!! Remove fear;

Econ challenge> future availability of water

Opportunities:

Tourism

How can Watsonville be better utilized as a pass through from SC to Monterey? How can we piggyback off of our neighbors' success?

Ecotourism, green jobs, infrastructure; multicultural festivals, restaurants, cherry blossom, strawberry, flying, birding

South county; housing - turn empty building into residence; Watsonville patch -

untapped opportunities

Challenge & Opportunity:

Dealing w/the few families who own much of the commercial lands; challenge: expanding water supply

PLEASE INDICATE THE TOP STRATEGIES YOU BELIEVE THE COUNTY SHOULD PURSUE TO ENHANCE ECONOMIC VITALITY THROUGHOUT SANTA CRUZ COUNTY FOR ALL RESIDENTS

Continue discouraging meth as an alternate form of a home enterprise.

Build the enthusiasm and civic pride in being an Aptosian! Own it!

For Seacliff, until there is adequate parking and the obstructive and very expensive circumstance of the building department is eliminated, nothing will happen. So there should be a strategy to accommodate this.

Recruit a couple of larger employers, fix the traffic situation on Hwy1- it makes working and living here very inefficient.

Clean up the county- crime and homelessness don't help drive business to local stores
help stakeholders develop their properties

Institute and/or bring back some form of redevelopment (improvement?) districts where property tax increments could be reserved to improve specific blighted areas.

Consider tax breaks for businesses, including high density residential rental properties, who actively maintain and improve their parcels - including public frontage improvements such as sidewalks, driveway & street repair.

- lower the cost of doing business in the county, eg regulations, fees, time to complete projects.
- complete the highway 1 widening
- high speed internet county wide
- turn railway into a viable commuter line - eg San Diego

Find out current commute patterns and routes so more efficient means can be offered to workers besides driving. Institute trade programs for high schoolers that match the economic needs of the county.
promote new business and help to enhance tourism

Continue to improve infrastructure, neighborhood connectivity, public spaces, support medium-density multi-use growth

- Rewrite of codes that are hindering efficient, responsible growth.
- Better engagement with municipalities throughout the County.
- Tell some "positive stories" about the work being done at the County.

Continue to engage the private-sector in advising on certain policy issues and activities.

Develop sensible zoning regulations and then stick to them

Protect the green space we enjoy, smooth traffic flow, continue with the 20 look forward plan for the region

Reduce/streamline taxes, fees and regulations

Decide on desalination or no desalination.

Streamline planning/permit process.

Pay more attention to the lifestyle/sports offering that is unique to our area. This should be a bid draw for out of town \$.

- 1.) Improve internet speeds and connectivity
- 2.) Decrease fees and complications pertaining to building and redevelopment
- 3.) Widen the highway

Ensure that services and products are provided by local service providers.

The County should expedite the widening of Highway One along with other transportation options.

The County should simplify the planning process, make it more transparent, predictable and less onerous.

More hotels. Better roads. Better signage. Better technology to serve visitors (for example, better technology around parking).

And (most important!) a better global brand for Santa Cruz. Like, didn't Zach just write a book about branding and narrative?

I like the common brand idea that was mentioned at the meeting. Allowing local groups to use it, and allowing local groups access to CVC promotion of the county as a whole.

Improved internet, improved public transportation, remove outmoded ordinances, land use planning for business activities.

Review and eliminate anti business practices in the county.

Spend more money on marketing the county.

Improve infrastructure, as that benefits all residents.

Ag-related biotech; agritourism; university ag & water research; broadband access; road improvements; agtech education & training; employee housing of all kinds; hotel expansion; tech career education; economic promotion

1. transportation corridor (rail/trail) to allow alternate N/S movement
2. ROP or apprentice opps for job opps
3. alternative power supply to decrease greenhouse gasses & slow global warming
4. coordinate water supply strategies for people/ag/wildlife

1. not just "tourism"; underwrite a strong "agrotourism" program that has int'l appeal, i.e. Croatian farmer; German farmer, etc.
2. more emphasis on public art events, i.e. sculpture exhibitions like at Sierra Azul & possibly some large scale farmlands;
3. the Pajaro River

Let's talk about broadband upgrade, leadership: who will organize the marketing programs and make them happen?

1. provide incentives to business (incubators, careers, etc.);
2. uncomplicate the code & permit structure;
3. improve education & inspire children

Modernize & streamline bldg & planning functions. Give priority to business use permit applications; support agricultural businesses, especially organics & sustainable practices;

Support alternate tourist transit to the car; subsidize buses for tourist use;

Improve broadband access in fringe areas: S. County. alternatives to Comcast & AT&T;

Coordinate enforcement & inspection functions for businesses; fire, health, bldg inspection; establish one stop boutique service for businesses

Partner w/UCSC/Cabrillo/other employers to expand opps. I have a lot of education & experience & would be happy to utilize my talent and contribute more to the area.

Update land use regulations for businesses to prove more flexibility, esp. for start-up businesses & engage family owners of commercial properties to reinvest & improve properties

Localization-cooperatives-assume slow growth; maintain strong safety net to maintain property values;

Stop widening Hwy 1; encourage walking; dense central living; broadband; more cultural events; per serving fee on alcohol; market excellent public health (smoking bans, car-free areas); start on time to demonstrate skill, efficiency, respect, seriousness;

prevent more foreclosures - eminent domain, county way to forgive or work off/serve student loans; streamline-reduce regulations, fees, licenses

promote new or streamlined county process; transparent processes, defined costs, etc., defined timeline

PLEASE PROVIDE ANY ADDITIONAL FEEDBACK OR INPUT YOU HAVE ABOUT ECONOMIC VITALITY

Bring more e-biz campus sites to our side of the hill.

With the seaside location and far more comfortable climate than exists in Silicon Valley, we should be able to attract business associated with the computer/internet/smart phone/electronics industries to Santa Cruz County. To do so we have to make the business environment attractive. Local bureaucracy is so heavy and expensive it is not inviting. And we need a better way to get to San Jose than Highway 17. Perhaps a new road tunnel through the hill, or a high speed train through a tunnel - 12 minutes by train from downtown Santa Cruz to downtown San Jose. Think about it.

I think traffic congestion in general is such a big issue. In the summer, I only patronize businesses across the county with parking spaces since finding a space has become a major issue downtown and anywhere in Capitola.

help increase businesses prosper

Santa Cruz County is an awe inspiring destination point for a multitude of activities & sites - the ocean, mountains and local produce markets provided by our agricultural regions. Existing resources need to be better promoted and marketed to garner income from tourists.

Downtown Santa Cruz is no longer a destination to bring visitors. The pan handling & tolerance of disruptive behavior brings the area down.

- seek business/economic input outside of the traditional county sources which have traditionally been the area chambers of commerce and visitors bureaus.

- need to seek out the hidden entrepreneurs, they don't participate in the above groups.

permits and water fees make it next to impossible to create new business

Economic vitality is strongest when everyone has a stake in the society. Finding ways to engage the citizens in community effort, like this, encourages some "skin in the game". Economic vitality is not served when directed from above; talk to the business owners.

The County has started the ball rolling toward a more positive future. I'd like to see the commitment continue to grow.

The new Economic Development person is going to develop a system of business licensing. Government is going to get in the way so they can create a revenue source.

http://www.santacruzsentinel.com/opinion/ci_24197992/doug-kaplan-economic-development-plans-kiss-death

The reality is that many of these things will not happen, or if they do, will take generations. In the interim, I think we need to embrace our unique culture and do every possible to increase communication between the public and private sectors.

nothing comes to mind at this time and it's a long discussion.

Economic development is provided by people with ideas in the community. It is not a function of government. Government can help to provide infrastructure to support economic development. Making the process of interacting with government agencies onerous stifles economic development.

Our economy is based on transportation. If visitors, workers, and goods and services cannot move freely, the economy will suffer.

Let's work with what we've got (which is pretty damn world-class) and stop feeling sorry for ourselves.

Again, it's all about branding, messaging, narrative, and communication. Um, like, I think I already said this: didn't Zach (um, I mean, Supervisor Friend) just write a book on this stuff?

Income and expenses are interrelated. We need to do a much better job addressing transportation and housing. Having our low income workers commuting by car from Monterey or San Benito counties or even Watsonville is not sustainable in the many meanings of that word.

The county needs to promote business, not regulate it, and the economic vitality will follow.

The county needs to understand that we need to be together not separate when approaching county problems. (Where is all the affordable housing, certainly not in the northern part of the county?)

Put county resources where the people are, not where someone hopes they will be.

airport, county crossroads, open studios, Mello Center - cultural, Phillipine community, Buddhist Temple, Portuguese Hall/parade, Mexico/Central American communities, Serbs/Croatians; YMCA, Little League, AYSO soccer; sloughs; Monterey Bay Nat'l Marine Sanctuary > tourism; 14 state parks

Community Foundation of Santa Cruz County (CFSC) Summaries of Community Conversations

Attached is an Appendix F Insert, which is a 10 page document prepared by the Community Foundation of Santa Cruz County, of six “community conversations” regarding the following questions:

- What are the issues we most need to attend to as a community in order to help ensure a vibrant and prosperous future for Santa Cruz County?
- What can the people in this room do to address these issues?
- How can the Community Foundation of Santa Cruz County be of help?

Public Comments Received on May 2014 Public Review Draft of Economic Vitality Strategy (PRD-EVS)

The Board of Supervisors formally opened a 45-day public review period on May 20, 2014, for the initial Public Review Draft of the initial Economic Vitality Strategy (PRD-EVS). Due to the level of interest and extent of public comment on the PRD-EVS, staff extended the period for an additional 45 days. The following public outreach efforts occurred during the 90-day Public Comment Period:

June 4, 2014	Santa Cruz County Workforce Investment Board, Live Oak
June 11, 2014	Santa Cruz County Farm Bureau, Watsonville
June 12, 2014	Santa Cruz Chamber of Commerce, Santa Cruz
June 19, 2014	Santa Cruz County Business Council Board of Directors, Live Oak
June 23, 2014	University of California Santa Cruz, Santa Cruz
June 25, 2013	Santa Cruz Chamber of Commerce Workshop, Santa Cruz
June 27, 2014	Santa Cruz County Realtors Association, Soquel
July 2, 2014	Santa Cruz County Business Council, Watsonville
July 9, 2014	Santa Cruz County Business Council, Santa Cruz
July 10, 2014	Santa Cruz Arts Council, Aptos
August 8, 2014	S4C, County Office of Education, Santa Cruz
August 11, 2014	Santa Cruz County Business Council, Felton

The document was also discussed as regular monthly agenda items for the Santa Cruz Chamber of Commerce Government Affairs Committee, and the Santa Cruz County Business Council Government Affairs & Economic Development Committee, during the public comment period. The initial EVS was also reviewed and discussed by the following Santa Cruz County Commissions:

- Santa Cruz County Planning Commission
- Santa Cruz County Housing Advisory Commission
- Santa Cruz County Commission on the Environment

Copies of all of the public and agency comments received during the public review period are provided in this Appendix, including comments obtained through the County’s “Open Town Hall” website. All public correspondence received after publication of the revised Economic Vitality Study, as well as on the new companion Santa Cruz County Economic Development Vision and Strategy, are also included in this Appendix, which will be added to until final acceptance of the EVS and approval of the EDVS.



Community Conversation Summary
July 18, 2012 (a.m.) - Aptos

What are the issues we most need to attend to as a community in order to help ensure a vibrant and prosperous future for Santa Cruz County?

The issue that emerged as the highest priority was **Economic Development/Local Economy**, with a particular emphasis on encouraging innovation, entrepreneurship, creativity and leadership. Stimulating the creation of jobs with viable career ladders (e.g. the Human Genome Project) was another important theme, specifically jobs located close to where people live or with adequate transportation.

Four additional issues were identified as significant priorities:

- **Promote communication and problem solving across sectors/communities** countywide on issues such as water, transportation, housing, youth, education and the environment. Bridge the North-South divide, engage the next generation and build connections among communities throughout the County.
- **Health, Wellness and Quality of Life**, including access to care for all and promoting policies that "make good choices easy" to address childhood obesity and foster safe neighborhoods.
- **Early Intervention/Invest in Children and Youth**, particularly education, job training, positive environments, personal healing from trauma, nutrition and environmental consciousness.
- **Address inequities in access to opportunity** by strengthening the nonprofit sector and encouraging new forms of leadership development to increase the ties among nonprofits, newer businesses such as bioscience, and more traditional ones such as agriculture.

What can the people in this room do to address these issues?

There was general agreement among the participants that they could do a lot to model the kinds of actions they wished to encourage across the County. Specifically, they could:

- **Promote a positive consciousness** by spotlighting what's working, spreading messages of hopefulness, connecting with others to end polarization and specifically addressing local "progressives against change" who frequently create roadblocks to new ideas and actions.
- **Initiate collaborations across our silos** by working with other community partners to coordinate efforts and leverage collaborative relationships.
- **Volunteer and "walk the walk"** by joining or creating advisory groups, serving on nonprofit boards, providing pro bono services, and by generally "being available." Also encourage and support employees to volunteer and educate them about the benefits of philanthropy.

- **Communicate** about these issues by sharing information within our spheres of influence, helping publicize local issues through media outlets, advocating for better ways of outreaching to various communities and utilizing local artistic talent to creatively communicate messages.

The participants in this conversation also identified the need to reach out to “over the hill” commuters to help them identify more with the County in which they live. Finally, there were a number of creative suggestions about building the civic fabric by reinforcing and supporting existing institutions devoted to the common good and by fostering innovation and participation at the neighborhood level.

How can the Community Foundation of Santa Cruz County be of help?

There was a strong consensus for an expanded vision of what the Foundation’s role could be beyond its traditional efforts in donor development and grantmaking. Specifically, the group called on the Foundation to play a **leadership** role in connecting and bringing people together to ensure diverse input and promote cross-pollination, partnership and innovation. As one participant observed, this would “change the community’s perception of what the Foundation stands for.” Among the many specific ideas generated, these rose to the top:

- **Educate** donors and the public at large by raising awareness of hidden issues and informing them about the good works of nonprofits and other community efforts across the county. Connect the well-served and the underserved to facilitate “deep dives” into tough issues and promote a change in consciousness toward the common good. Acknowledge the difference in generational approaches to philanthropy and pioneer the use of a “different language” to encourage broader engagement.
- **Promote a community of innovation** and serve as a catalyst for change by helping everyone to “see the whole” and how the different issues and parts of the County are interrelated. Identify and connect existing resources so they can leverage each other in innovative ways. Link the sectors and break down silos to promote innovative approaches and share new ideas from elsewhere.
- **Foster leadership development** among the next generation and across the North-South divide to engage them in civic life. Connect businesses and nonprofits and model inclusiveness and big picture thinking. Promote voluntarism and service by young people and retirees.



Community Conversation Summary
July 18, 2012 (p.m.) - Aptos

What are the issues we most need to attend to as a community in order to help ensure a vibrant and prosperous future for Santa Cruz County?

Three inter-related issue clusters emerged as the highest priorities for this gathering:

- **Education**, including the entire spectrum "from cradle to career" was viewed as the most important social investment in a positive future for the County.
- **Addressing issues of equity and diversity** to heal divisions in the County and to make sure that all voices are heard in order to promote quality of life for all County residents. Strategic public-private partnerships were seen as a potential strategy to bring people together to converge on shared perspectives and priorities.
- **Environmental Stewardship** that fosters wise land use and transportation planning to promote sustainability by balancing environmental concerns with equity and economic vitality. Water was singled out as a particularly contentious yet significant issue for the County's future.

Two other issues that attracted significant interest from the group were **economic vitality** (including creating job opportunities beyond the service industry) and **building community empowerment** (moving beyond conventional models of leadership development to support the emergence of a new generation of leaders "from the top down and the bottom up.").

What can those of us in this room do to address these issues?

This round of the conversation generated a rich array of potential actions that the participants themselves could take. Interestingly, very few of the ideas generated specifically call for the need to raise new dollars. Instead, they felt they could:

- **Catalyze dialogue to promote a shared community vision** by educating oneself and others on these issues, raising awareness among those in one's personal networks and by outreach to the local media, and by participating in public decision making and influencing local government action. Get to know your neighbors; get together to talk about these issues.
- **Embrace Change** by being open to new ideas and willing to take risks. Engage in conversation with people with different points of view and build openness and tolerance for different ideas.
- **Forge new and different strategic partnerships** among businesses, government and non-profits and across communities within the County. Commit to participating in countywide efforts and collaborations, and connect ideas, people and resources.

- **Volunteer** and be a role model for others in supporting programs addressing the issues we have prioritized. Develop a Volunteer Village to strengthen our community. Stay vocal and engaged.
- **Build/Support Neighborhoods** through community organizing that directly involves marginalized populations in the conversation to understand the issues and create solutions.

How can the Community Foundation of Santa Cruz County be of help?

The participants in this conversation would like the Foundation to capitalize on its credibility and position as a neutral space to become a **catalyst for change and foster a culture of innovation**. The Foundation was challenged to lead by example. Given the Foundation's strong connections with traditional power brokers, it is in a unique position to promote conversations and creative connections across geographic, sectoral and economic boundaries that otherwise would never happen. It could:

- **Be Bold.** Bring new voices to the table. Create dialogue and be a new kind of vehicle for community building. Change the conversation. Act as a change agent. Facilitate, host, convene and promote a positive visioning process for the County's future.
- **Connect People.** Host conversations with different kinds of community leaders and community members to address questions of community direction. Build bridges between different regions and subpopulations of the County. Sponsor "mixers" to bring diverse individuals together around an issue. Create "marketplaces" where good ideas, people and resources can connect. Seed collaborations with special funding specifically for that purpose.
- **Communicate Strategically.** Play a more active role as an information source. For example, Host Forums to explore complex ideas with thoughtful experts like Manuel Pastor, and make them widely available via the web. Be more proactive with the use of social media to engage the next generation in community change.
- **Develop strategic partnerships** among the public and private sectors, bringing power players together with new faces. Provide facilitation and encouragement to sustain those efforts. Foster innovation by incubating and sharing new ideas. Be the "go to" place for innovative approaches.
- **Foster leadership** among the next generation and within the nonprofit sector to strengthen organizations, boards, and promote philanthropic values. Go beyond traditional leadership programs for the elite to support emerging leaders in unexpected places all over the County.



Community Conversation Summary
Santa Cruz, July 25, 2012 - Watsonville

What are the issues we most need to attend to as a community in order to help ensure a vibrant and prosperous future for Santa Cruz County?

The overriding theme of this conversation was the need to provide **"social bridging"** across all regions and subpopulations of the county in order to build a more unified and cohesive community. The participants specifically identified the goal of bridging divides of generations, geography, ethnicity, income and municipal entities to promote inclusivity and **"coming together for the common good."**

Two additional issues rose to the top in the group's prioritization process:

- **Economic Development**, specifically the need to develop "a new conception of a sustainable economy for Santa Cruz County;" and
- **Education**, including adult educational opportunities to prepare for better-paying jobs.

Other issues that attracted substantial interest from this group were **inequality of access** to a decent standard of living, **access to health care** (specifically prevention), **support for the arts**, and strengthening local government's efforts to improve the **coordination of services**.

What can those of us in this room do to address these issues?

The groups identified a creative assortment of potential actions they could undertake, including:

- Utilize our human resources to **create more collaborative groups like this** and promote structured opportunities for discovering common ground, including listening sessions, inter-generational dialogues, and support and encouragement for younger, diverse leaders.
- Support **micro-economic development**, small enterprise incubation, loans, and grants to support entrepreneurial efforts and job creation, particularly in South County.
- Advocate for **increased government funding**, and promote individual giving to support specific school programs.
- **Build on local assets** such as the environment and the arts to leverage increased tourism (e.g. agro-tourism) and appropriate economic development.

- **Engage the local media** such as the Sentinel to promote cross-county communication and provide more effective ways of sharing information with affected populations.

How can the Community Foundation of Santa Cruz County be of help?

The participants in this conversation encouraged the Foundation to lead a county-wide effort to “bridge” the divides they identified. They would like to see the Foundation serve as a convener, broker, facilitator, connector and communicator to catalyze a groundswell of volunteer/donor energy across the County to build a more positive future for all. Specifically, they recommended that CFSCC:

- **Convene** groups that don’t generally talk to each other (e.g. school districts) to promote dialogue about common challenges and brainstorm solutions. Be the neutral party who helps galvanize partnerships to apply for external funding opportunities such as Community Transformation Grants to more effectively leverage local dollars.
- **Bridge** business leaders, non-profits, and local residents to build common understanding of needs and develop collaborative approaches. Bring donors into those conversations as partners in problem solving.
- Play a more prominent role as an **educator/communicator** to inform the broader public (and potential donors) about issues, encourage joint problem solving and promote a cross-county perspective.
- **Partner with local community resource centers** across specific populations (e.g. seniors, youth, family, immigrants) to better coordinate existing resources, improve communication and encourage innovations in practice. Incentivize collaboration through your funding practices.
- **Raise money** and collaborate with potential allies like the Workforce Investment Board to fund **micro-economic development**, including micro loans and training. There is a particular opportunity to address the needs of prisoners who are transitioning back into the community and in need of employment.
- **Support the development of a new generation of leaders** from underserved communities that would otherwise not be reached by traditional leadership development programs; provide mini-grants to support their change work. Sponsor Community Fellows for a summer program to foster cross-pollination.
- **Promote the arts** as a way of bridging gaps and bringing people together.



Community Conversation Summary
Watsonville, July 26, 2012 – Santa Cruz

What are the issues we most need to attend to as a community in order to help ensure a vibrant and prosperous future for Santa Cruz County?

Two inter-connected issues were identified as the highest priorities for the County in this conversation. Both are seen as essential areas for community engagement and investment for the future:

- **Economic Opportunity** is a powerful theme for addressing a variety of issues, including development of a more diverse economic base that provides appropriate job training and access to living wage jobs. It also encompasses attention to pressing environmental issues such as water and transportation. Another dimension is “overcoming resistance to economic opportunities” by those opposed to change, no matter how beneficial it might be for the county as a whole.
- Equally important is **Education** for all age groups from infants to adults that recognizes different types and styles of learning. A first-class public educational system is seen as the doorway to equity of opportunity and to meaningful job opportunities. It’s important to learn from the successes of other districts. But ultimately, there also needs to be support for a countywide movement to promote leadership among parents and young people to prioritize education.

Three other issue clusters that attracted significant attention at this conversation were the need to **bridge disparities** and divides between communities, to create greater consensus on significant **environmental issues**, and to promote **equity in access to health care** and other basic services, including mental health care.

What can those of us in this room do to address these issues?

The participants in this conversation responded enthusiastically with a number of ideas about how individual residents of the County could exercise leadership in promoting their priorities for the future.

- **Be the leadership for change**, by publicly embracing economic opportunities, and modeling openness to new forms of dialogue among environmental and business interests to find common ground and to foster a business-friendly climate together. “Bridge the county: North, South, SLV, Beach.”
- **Foster mutual respect and understanding** across lines of difference through dialogue. Educate ourselves on the issues and encourage community conversations like this to challenge stereotypes and perceptions and create cultural compassion. “Engage the middle.”

- **Work together to build partnerships** to support families and parents and promote educational achievement. Create action-focused alliances/coalitions that model "smart" (efficient) collaboration and build on best practices. Engage with the County Office of Education to provide ongoing community support for a cradle to career approach to education that will eliminate the achievement gap.
- **Donate** in support of these activities and help recruit and educate other potential donors to do the same, particularly the next generation of donors.

How can the Community Foundation of Santa Cruz County be of help?

The participants in this conversation would like to see the Foundation play a more proactive and visible role as an **advocate for common ground**. The way in which the Foundation brought diverse interests together to collaborate on Healthy Kids was cited as a highly successful example of the kind of work it should be doing in the future. Funding is seen as only part of what the Foundation brings to the table, and potentially less important than its ability to:

- **Convene** community leaders and donors from across sectors and different parts of the county for community dialogue and collaboration. Bring the right people together with new ideas and some risk funding tied directly to action.
- **Be a bridge between the business and nonprofit communities** to address community priorities and foster new forms of partnerships and collaboration. Facilitate and incentivize cooperation.
- **Leverage** the Foundation's dollars and connections and provide assistance with grantwriting to maximize the flow of outside foundation and government dollars into the county. Serve as a clearinghouse for information on best practices to inform local innovation.
- **Nurture long-range planning** by supporting collaborative efforts to address high priority issues such as education, jobs, water, and land use in a non-partisan fashion. Commission background research studies to support their work as necessary.
- **Develop leadership** among youth and at the grassroots. Engage in regular grassroots outreach efforts to promote community education on the issues and to ensure feedback from those most affected by policy decisions at the neighborhood level. Attain and retain cultural competence and a high level of community knowledge.
- **Take on a more active role in communications** to educate potential donors, disseminate knowledge, data and other information to support community change efforts. No one else is poised to play that kind of leadership role in promoting community awareness and understanding of the keys to a successful future for all.



Community Conversation Summary
September 13, 2012 - Aptos

What are the issues that we most need to attend to as a community in order to help ensure a vibrant and prosperous future for Santa Cruz County?

Three issues were identified as the highest priorities for this community conversation group:

- **Economic Vitality** with a special emphasis on supporting local entrepreneurs, providing training for young people to get jobs that pay a living wage, and capitalizing on local strengths such as agriculture, tourism and the arts to grow the County economy.
- **Community Building** that engages all sectors and levels of the community in civic dialogue and other activities to develop a unified voice and identity for the entire County that bridges traditional North/South divides.
- **Education**, including mobilizing public support for investing in quality education from K-12 through postsecondary studies. Cabrillo College and UCSC received special mention as valuable assets and potentially critical partners in this work.

Two additional issue clusters that received significant attention in this conversation were **Public Safety** (including neighborhood safety, drugs and gangs) and the **Environment** (particularly water and transportation).

What can those of us in this room do to address these issues?

The participants in the conversation enthusiastically generated a long list of potential actions that they could take to advance the issues identified. In no particular order, they are:

- **Get involved/do something** by volunteering, voting, giving, identifying and growing new givers, encouraging young people to get involved. Some even discussed running for public office!
- **Buy local and invest local** to foster economic vitality by employing local people, supporting local businesses, and advocating for smart economic growth.
- **Advocate and organize** in support of countywide progress on these issues.
- **Foster neighborhood development and community identity** through block parties and social exchanges with sister neighborhoods from other parts of the county.
- **Support Education** by volunteering in schools, advocating for better educational opportunities for youth and encouraging the use of schools as community centers to advance "open source" teaching of all kinds.

- **Engage others** in meaningful conversations across dividing lines to build partnerships and develop action plans. "Grow your circle" and inspire others to exercise leadership.

How can the Community Foundation of Santa Cruz County be of help?

When asked to share one idea for the Foundation, one conversation table nicely captured the theme of the gathering by asking CFSCC to "own its role as a serious power broker and capitalize on its unique role as the holder of the virtuous circle that connects economic development with the social safety net and well-being for the underserved." The Foundation is viewed as the best venue to bring business interests, nonprofits and government officials together for dialogue and problem solving. One table recommended the creation of a "Locals Center" to nurture collaboration among business and community resources and to engage the younger generation in service opportunities. Among the other specific suggestions offered:

- **Convene and connect** diverse voices from across the county to build on this conversation; sponsor work groups to follow through on the issues identified; create countywide awareness of issues through creative communications strategies, public gatherings, and workshops on how to get involved with local non-profits. Lead meetings directly with community residents.
- **Lead a countywide effort to promote economic vitality.** Host a continuing series of conversations specifically on economic development that transcend parochialism and traditional North-South divides.
- **Incentivize and reward collaboration** across regions of the county and across sectors. Connect community groups with each other. Assess the footprint of existing organizations and identify areas of overlap and duplication of services. Require collaboration as a condition of funding. Promote consolidation where appropriate.
- **Sponsor on-line mechanisms for crowd sourced giving** to attract and multiply individual donations and encourage community-driven matched giving to local non-profits... and expand the Foundation's reach to a younger generation of donors.
- **Identify and grow new leaders** through funding for leadership development. Scholarships could be provided to existing leadership programs and new opportunities could be created to nurture leadership in underserved communities.
- **Leverage** the Foundation's staff and resources to attract funding from other foundations and provide training and technical assistance to non-profits on grantwriting and evaluation to help them seek that funding themselves.

Economic Vitality Strategy
Public Comments Received
(Alphabetical Order)

Association of Monterey Bay Area Governments (AMBAG)
Arts Council Santa Cruz County
Astromoff, Kathy
Big Creek Lumber Co.
Boulder Creek Business Association
Brocklebank, Jean
Cabrillo College
Cabrillo Festival of Contemporary Music
Cal Poly State University, College of Agriculture, Food & Environmental Sciences
Caras, Sylvia
Central Coast Small Business Development Center
City of Watsonville
Colligan, Bud
Corralitos constituent
Eschen, Jake
Grunstra, Judi
Hamilton Swift and Associates
Kanpp, Ray
Koenig, Manu
Koht, Peter
Land Trust of Santa Cruz County
LeRoy, Paula
Lewis, Michael
Longinotti, Rick
Lyness, Richard
Supervisor McPherson
Pacific Oaks Vineyard Estate
Regional Artisans Association
Resource Conservation District of Santa Cruz County
S4C, Santa Cruz County Office of Education
San Lorenzo River Alliance
San Lorenzo Valley Chamber of Commerce
Santa Cruz Chamber of Commerce
Santa Cruz County Association of Realtors
Santa Cruz County Business Council
Santa Cruz County Commission on the Environment
Santa Cruz County Regional Transportation Commission
Santa Cruz Mountain Alliance
Santa Cruz Mountains Winegrowers Association
Seacliff Improvement Association
Seniors Council/Area Agency on Aging of Santa Cruz & San Benito Counties
Soquel Creek Water District
Think Local First
University of California Santa Cruz
Water Resources Division

Barbara Mason

From: Sarah Neuse
Sent: Tuesday, August 12, 2014 3:17 PM
To: Barbara Mason
Subject: FW: Comments on the Draft SSCC Plan and Economic Vitality Strategy
Attachments: AMBAG Comments on Draft SSCC Plan_August 2014.pdf

Sharing with you.

From: Heather Adamson [<mailto:hadamson@ambag.org>]
Sent: Tuesday, August 12, 2014 1:48 PM
To: Kathy Previsich
Cc: Paia Levine; Sarah Neuse; Heather Adamson
Subject: Comments on the Draft SSCC Plan and Economic Vitality Strategy

Kathy-

Attached is AMBAG's comment letter on the Draft Sustainable Santa Cruz County Plan. The original hard copy is in the mail. Additionally, I've also included a few technical comments (below) on the Draft Economic Vitality Strategy.

Technical Comments on the Draft Economic Vitality Strategy:

"AMBAG Population and Employment Trends and Projections" (page 78)

Should be updated to reflect that the AMBAG 2035 MTP/SCS was adopted in June 2014 and the Regional Housing Fair Share Plan should be revised to Regional Housing Needs Allocation Plan. Both the 2035 MTP/SCS and RHNA Plan were adopted in June 2014.

"AMBAG Regional Fair Share Housing Allocation (RHNA) 2014-2023 for Unincorporated Area" (page 80)

Please correct the name from Regional Housing Fair Share Housing Allocation to Regional Housing Needs Allocation. The RHNA Plan was adopted in June 2014. The Plan allocates 1,314 housing units for the unincorporated area of Santa Cruz County. The table on page 80 requires a minor adjustment to be consistent with the adopted 2014-2035 RHNA Plan. Please revise the "Moderate" Income Level to 239 units and the "Above Moderate" Income Level to 551 units.

"AMBAG 2010-2035 Job Growth Projections" (page 81)

Please update the text to reflect that the projections were adopted by AMBAG in June 2014 as part of the 2035 MTP/SCS. Also, please remove the word "DRAFT" from the table on page 81.

Please let me know if you have any questions.

Thanks,
Heather

Heather Adamson, AICP
Principal Planner
AMBAG
(831) 264-5086
hadamson@ambag.org



Suggestions for changes in the Draft Economic Vitality Strategy

Goal 4: Enhance Growth Opportunities for Emerging Sectors of Technology/Innovation and the Arts, and Support Small Businesses

Title of Goal: the Arts is not an emerging sector; and the reference to outdoor recreation, 4.14, could be more robust and have multiple strategies of its own. Suggested new title:

Enhance Growth Opportunities for Technology/Innovation Sector, the Arts, Outdoor Recreation, and Support Small Businesses

Page 22 – Seems inappropriate to mention the Warriors as a type of “performance art”, or really to have the Warriors mentioned in this section at all

Strategy 4.11

- Several of the organizations listed are listed with incorrect names. Correct names are: Arts Council Santa Cruz County, Regional Artisans Association, Museum of Art & History at the McPherson Center.

Strategy 4.12

- Agreed that the TMD needs to be supported, but the CVC does not currently heavily invest in cultural tourism. We suggest that there be clear strategies to ensure the CVC board understand the economic impact of cultural tourism and to invest accordingly.

Strategy 4.13

- This is a huge missed opportunity. The CVC invests minimally in this and there is little focus to increase this revenue. Filmmakers invest heavily wherever they go, and we need to attract them. Plus, filming here gives great opportunities for extras and small players.
 - o We suggest investing in a partnership with the CVC or another entity to build out a simple website that lists all resources, locations, incentives, etc. for filmmaking in this county

Strategy 4.14

- This seems out of place here and also seems to deserve more and more robust strategies for development.



Strategy 4.15

- A group called the Arts Council Associates already exists, and with further investment could be expanded, including creating meetups. The Associates is a group of 50+ arts organizations that meets every other month to network and share skills.
- 4.15.2: There is already a "Business of Art" seminar series which is a collaboration between Arts Council Santa Cruz County, Cabrillo College VAPA division, Cabrillo College Extension, and the Small Business Development Center. This training is part of that partnership but could be further expanded.
- 4.15.3: the Arts Council is interested in supporting this effort as well.

Strategy 4.16

- Agreed that this is an important area of focus, but part of the strategy needs to include identifying leadership that can properly lead this effort. Part of the strategy also should include the current live/work artist housing that is in Santa Cruz, with a focus on the Tannery Arts Center.
- The Tannery Arts Center also should be considered as part of this strategy, i.e. what further investments could make that center thrive as a hub for culture in the county? We need to invest in the infrastructure we already have.

Strategy 4.17

- We would like to have "support and enhance" defined. Both are very successful programs that could have an even greater community impact with increased investment.

Barbara Mason

From: Kathy Previsich
Sent: Monday, June 09, 2014 4:51 PM
To: Barbara Mason
Subject: FW: Tweet from Bud Colligan (@collbud)

For the comments file --

From: Kathy Astromoff [mailto:kathy.astromoff@gmail.com]
Sent: Monday, June 09, 2014 4:29 PM
To: Kathy Previsich; Bruce McPherson
Subject: Fwd: Tweet from Bud Colligan (@collbud)

Thanks for sharing this document.

Amazed there is no mention of mitigating the impact of homeless/mentally ill/drug addict population on our public spaces - particularly in the Leisure and Hospitality section.

I'm grateful to live in an area where most agree that transients have as much right to congregate unhindered in public spaces as the rest of us. That said, the byproducts of this population massively impact outsiders' perception of Santa Cruz County as a desirable place to visit. It will take more than just good marketing to offset the negatives of trash from homeless camps in our waterways, public scuffles over drugs, needles in parks and beaches and human fecal bacteria polluting Cowell/Main Beach.

We need to make a huge effort to make all that disappear, while respecting the human rights of the troubled folks that share our county's public space.

Kathy Astromoff
Bonny Doon

----- Forwarded message -----

From: Kathy Schoback <kathy_schoback@yahoo.com>
Date: Wed, Jun 4, 2014 at 3:55 PM
Subject: Tweet from Bud Colligan (@collbud)
To: kathy.astromoff@gmail.com



Bud Colligan (@collbud)

6/4/14, 3:15 PM

Download the #SantaCruz County Draft Economic Vitality Strategy Today:
supervisorbrucemcpherson.org/santa-cruz-cou... via @Bruce McPherson

Download the official Twitter app [here](#)

--

Face to Face Marketing Strategy Consulting

+1.415.259.9340

@KathyAstromoff

kathyastromoff.com



"Growing Redwoods for the Future"

July 8, 2014

Barbara Mason
Economic Development Coordinator
Santa Cruz County Planning Department
701 Ocean Street, 4th Floor
Santa Cruz, CA 95060

Dear Ms. Mason,

Big Creek Lumber Company just became aware of Santa Cruz County's Draft Economic Vitality Strategy. While it appears that the tentative close of comment occurred recently, we are hoping that you will consider the following in your final report:

In what we suspect is an oversight, the Agriculture Sector does not mention local forestry or forest products. Big Creek Lumber has been operating in Santa Cruz County continuously since 1946. Our company helped pioneer sustainable forest practices that decades later were established as regulatory policy on the Central Coast. Forest management and lumber production provides a number of jobs in Santa Cruz County and further assists the local economy through business relationships with numerous service providers. Additionally, every county landowner who harvests their timber pays a Timber Yield Tax to the State Board of Equalization. Approximately ninety percent of this tax is returned to the County and is allocated to education.

The forests of Santa Cruz County are growing at a rate in excess of four times the annual harvest rate. Only single-tree selection harvesting is permitted. This ensures that a complex forest ecosystem remains after harvest operations.

There are substantial environmental consequences associated with importing agricultural products from distant lands. Conversely, providing local forest products for local markets helps to protect the environment by reducing carbon emissions associated with transporting out-of-area products.

We would greatly appreciate the inclusion of Forestry and forest products in your final Economic Vitality Strategy. We would be happy to provide you with any additional information you might need regarding forest agricultural activities.

Sincerely,

Janet McCrary Webb

President



BOULDER CREEK

Downtown

The Boulder Creek Business Association

President Justin Acton
Vice President Hallie Greene
Treasurer Abigail Rohrbough
Secretary Ann Marie Conrad
Eric Hammer
Tamara O'Kelly
Chris Currier
Sher Leclear
Joe Maggio

P.O. Box 611, Boulder Creek, CA 95006 - www.bcba.net -

The Boulder Creek Business Association is regarding the draft of the Economic Vitality Strategy as a consequential document affecting those who conduct business in the San Lorenzo Valley. We are enthusiastic about the recent efforts by the county to compose this broad and multi-topic report, and we share your desire for a bright economic future for everyone. After discussing the report with our membership, representatives from the San Lorenzo Valley Chamber of Commerce, and business owners in the SLV area, we decided to provide some comments on the report before the final draft is accepted. Our comments relate to how the report addresses vitality in the San Lorenzo Valley. Many of these comments are interconnected, and need to be addressed in the aggregate for them to be effective.

While there are many ideas that could be explored in attempt to augment economic success, the economies of the San Lorenzo Valley are being hindered by lack of infrastructure. Without significant investment in the area, existing business will have a hard time remaining viable, while new businesses will be deterred. Specifically, sewage, Internet, road maintenance and parking concerns should be addressed in the EVS report.

Implementation of a sewer system serving businesses along HWY 9 corridor. Having an environmentally responsible, reliable, clean, and affordable solution to our ongoing waste concerns would eliminate the hurdle that many businesses face with septic systems. There is no existing sewer system, and all businesses are on aged septic systems. Lodging is a top concern for maintaining a strong local economy in the valley. The report addresses lodging possibilities, but it neglects to address the difficulty of running such operations on a septic system. Old septic systems cause pollution to the watershed and hinder attractive businesses from taking root in the valley. Water intensive industries such as medical clinics, restaurants, lodging, and other industry would be more feasible if a solution for sewage was addressed. Further, tourists visiting the area are not provided public bathrooms, reducing the time they spend in the downtown areas. Public bathrooms are feasible with a sewer system.

High-Speed Internet. There is a high-speed fiber optic internet line that runs down the valley on Highway 9 to UCSC. The beauty of the area attracts educated and skilled high-tech workers to live here, and even open up businesses from their homes and small offices. Unfortunately, the requirements of internet bandwidth to run these businesses is dramatically increasing, and the existing internet options are not keeping up with current standards. Fast internet would help the valley stay relevant to our neighbors in the silicon valley.

Road Maintenance. The report suggests that the County work with CalTrans to maintain the corridors. This has been a source of frustration in the valley. Many projects that have been discussed for years, yet are not advancing at a detectable pace. Our roads (both highways and county) throughout the area are in poor condition and not being maintained. Fire fighting is a top concern in the valley, yet many roads are in poor shape to serve large emergency response vehicles. Money needs to be allocated in budgets with a greater emphasis on road repair and maintenance.

Parking. Lack of public parking in the San Lorenzo Valley has derailed growth and success of business. There is not enough public parking to accommodate and entice the many visitors to spend time and money in the area. The county needs to invest in parking to spur tourist and local dollars to land in the area. Many tourists pass through the local downtowns on busy weekends when parking spots cannot be found along the highways. They leave without shopping in our downtowns. Most residents of SLV commute to the Silicon Valley. Many of these local residents shop near their workplaces, because parking in SLV is limited. Solutions can come in the form of many options, ranging from very

inexpensive to greater capital investments. Simple acts of pouring of pea-gravel into degrading roadsides and painting parking spots would alert people to spots that would otherwise be looked over. There are numerous lots owned by private parties that could be purchased and purposed for parking.

Tourism and hospitality. In addition to addressing parking, there needs to be greater emphasis on how to capture the dollars that come with the tourists. This is our biggest opportunity for a strong local economy. Hundreds of thousands of people visit Henry Cowell and Big Basin state parks annually, yet most are forced to lodge in Santa Cruz. The San Lorenzo Valley has a unique forest environment which attracts visitors. There is a booming yet expandable wedding industry in the mountains. The problem with adding more wedding venues, as the report indicates, is the lack of lodging options. There needs to be effective and diligent efforts to attract and retain quality lodging operators. With more lodging rooms in place, we can convert the valley into a unique destination apart from Santa Cruz attractions. Assistance for lodging operations is key to increasing tourism dollars spent in the valley. The report suggests the county force closure of current unpermitted lodging and wedding venues. Until sufficient lodging is available, eliminating the few places in the valley that serve as alternative forms of lodging and venues would be counterproductive. Rather, the county should come up with a set of guidelines and rules that can be applied fairly across the various operators of wedding venues and bed and breakfast operations. There should be efforts made to turn unpermitted operations into regulated businesses. This would enable the county to collect tax revenue, ensure public safety and attract more people to the area.

Public Safety. The valley has experienced tremendous growth in the population of transient offenders. These offenders hurt the downtown area by deterring shoppers, polluting the river and contributing to crime. There is inadequate sheriff presence to patrol the problem, as we need more deputies on the streets. Response time to calls is too long. Boulder Creek needs a sheriff satellite office. Sheriff office representatives should walk the corridors and speak to business owners to hear concerns on a more regular basis. Efforts made by sheriffs are derailed as they do not have support from the court system to ensure proper consequence for criminal activity, which has lead to our expanding population of transient offenders.

Branding. Main-street-like programs, heritage marketing and branding efforts for the valley would spur increased tourism in the local downtown areas. We already have the traffic going to the state parks, we just need the traffic to stop in the towns as they drive through. The report is vague on how partnerships with state parks and business can be achieved. The CVC promotes the valley, but does not work to give it the individual branding and attention that we need to attract additional tourists. There are grants available to fund historical downtowns. Perhaps a committee of grant writers could apply for funds that could be purposed for tourism growth. Having a professional branding effort would be helpful for marketing purposes.

New Taxes. The report suggests explorations of Business License Taxes, at modest levels, to ensure public safety, infrastructure and public services. In most areas, including the San Lorenzo Valley, additional taxes will hinder business from coming into the area. Creating additional taxes does not effectively convey the message that Santa Cruz County is "open for business". Most areas of Santa Cruz County have historically received greater public safety, infrastructure, and public services investments. Unfortunately, the valley has had components of basic infrastructure neglected for decades. Taxes and fees have been collected from business in the valley yet services are scarce, particularly when compared to the rest of the county. We do not want to see additional taxes on businesses without clear explanations of how that tax money will be reinvested in this area.

In short, the EVS report addresses some excellent possibilities for brightening the valley's economic future. Our letter serves as commentary and suggested additions from organizations in our community. We hope it can influence the final draft, and help to augment meaningful projects for our area. The valley's natural resources, proximity to the Silicon Valley and historical background make for tremendous economic potential. The Boulder Creek Business Association looks forward to responsible growth for our economy through long-term and focused efforts from our county. We are appreciative of the opportunity to work in partnership with other valley organizations and the county to continue dialogue on economic planning.

Kathy Previsich

From: Jean Brocklebank [jeanbean@baymoon.com]
Sent: Thursday, June 19, 2014 8:55 AM
To: Kathy Previsich
Cc: Paia Levine; Barbara Mason; John Leopold
Subject: Economic Vitality Strategy - pardon/re-sending to correct address

Follow Up Flag: Follow up
Due By: Thursday, June 19, 2014 4:00 PM
Flag Status: Flagged

Hello Kathy ~

In reviewing the May 2014 staff report to Supervisors, I noticed on page 2 a reference to an "Open Town Hall" public comment mechanism... on the County Economic Development website.

Granted the staff report also gave PLN001@santacruzcounty.org as an e-address for sending comments. Still, I cannot find that Open Town Hall mechanism mentioned in the staff report for purposes of commenting prior to the July 7th deadline. Nor have I heard about the importance of reviewing this EVS document at any of the Sustainable Santa Cruz County Plan (SSCCP) workshops I have attended thus far.

There is a lot happening in government this summer and a lot of people who ordinarily would care to become involved who are not at all aware of what is going on!

I am greatly concerned that the EVS has been subsumed by the SSCCP and/or vice versa and that the only people who know about all of this are Economic Development and Planning Department staff and possibly the business community. At the Grange, people said no to 4 stories, yet the EVS banks on 4 stories. The EVS focuses on Capitola Road and 17th and on Brommer & 7th. The SSCCP focuses on Brommer & 17th and never mentions Brommer & 7th. Which is it?

In reading through the very long draft EVS document I notice on p. 7 and again on p. 34 that we finally see the words General Plan amendments and EIR required to basically change the way the County "urban core" will be developed.

We never heard the words General Plan or an EIR for the new Land Use designations during the SSCCP workshops. Why is that?

I think it is time to put on the brakes and reschedule everything. We are in the midst of a parallel planning process and the EVS (and its assumptions) has become invisible to the general public.

I respectfully request that you consider the following:

1. Let the EVS review by the Planning Commission proceed.
2. Send an announcement to every SSCCP workshop participant for whom you have an e-address and alert these residents to the importance of the EVS as a document that is driving the SSCCP.
3. Re-schedule the July 23 SSCCP Planning Commission hearing and the August 5th BOS until the both the Planning Commission and the BOS have had a chance to digest the EVS and make a decision about it.

4. Move the SSCCP hearings to September/October or even October/November.

With so much at stake, especially a dramatic proposed change in development in mid-County, residents deserve not to be rushed about the future of life in this County. Had there been a chance for the public to comment first on the draft EVS especially with regard to things like more tourists needed year round rather than seasonally and more hotels and conference centers, the SSCCP may have been a very different animal. People need to know this.

Sincerely,
Jean Brocklebank

Barbara Mason

From: Laurel Jones [lajones@cabrillo.edu]
Sent: Saturday, June 07, 2014 10:29 AM
To: Cheryl; Rock Pfothauer (rock@cabrillo.edu); Teresa Thomae (tethomae@cabrillo.edu); John Gaulty (jogault@cabrillo.edu); Kathleen Welch (kawelch@cabrillo.edu); Victoria Lewis (vilewis@cabrillo.edu); debailey (debailey@cabrillo.edu); tewillet@cabrillo.edu
Cc: Dan Borges (daborges@cabrillo.edu); Barbara Mason
Subject: Santa Cruz Economic Development plan
Attachments: Santa Cruz County Economic Development Report.docx

All:

The Santa Cruz County has developed a comprehensive economic development plan that will impact Cabrillo College on several levels. I am including the link to the draft plan that is begin vetted to the county and that I am sure will be approved (great work Barbara!).

http://sccounty01.co.santa-cruz.ca.us/bds/Govstream/BDSvData/non_legacy/agendas/2014/20140520/PDF/022.pdf

I would advise that you read through this in light of the attachment I have provided that shows the synergy with our Cabrillo Connects annual plan for 2014-2015 as well as our five year plan. I have contacted Zach Friend to discuss possible partnerships, and I am including Barbara Mason so that she can see how our own college planning has included several 'like' recommendations. For all, the summary I have attached include all the collaborative goals we can include in our own strategic plan – these have already been 'pre-approved' and can be part of our follow up. Finally, we have completed our South County Business Roundtable and these efforts also correlate to those goals we are now prioritizing for Cabrillo College in our economic development response for this section of our district. Please review the list and look through the draft plan provided by the county so that we can integrate possible connections and promote the economic vitality of the county.

I am presenting this summary to the board of trustees Monday evening as part of my president's report. Barbara, just keeping you in the loop to ensure you of our college interest and willingness to participate in your wonderful efforts. Once your plan is approved, let's meet.

Take care all,
Many of our efforts are finding a wonderful home!
Laurel

Barbara Mason

From: Ellen Primack [ellen@cabrillomusic.org]
Sent: Wednesday, May 21, 2014 7:13 PM
To: Barbara Mason
Subject: Re: Santa Cruz County Economic Vitality Strategy

Dear Barbara,

Thank you for inviting my input.

On Page 27 of the document re: Arts and Creative Enterprises, Paragraph 3: The statement begins "Performance art is also an important component of the arts and leisure sector in Santa Cruz." And then leads with the Santa Cruz Warriors. Forgive me, but despite their supposed success during the short time they have been here, they are not the performing arts. For decades the Cabrillo Festival of Contemporary Music, Santa Cruz County Symphony, Kuumbwa Jazz Center, and others have significantly contributed to the economic vitality of our county. When speaking of the "arts and creative enterprises," I believe the arts and creative enterprises should take precedent in the statement. Sports and leisure activities should be considered differently, or at least not upstage the former.

As well, the brief closing sentence "It is important that appropriate performing arts venues continue to exist." says very little and is only meagerly supported by the strategies which follow. Strategy/Action 4.11 seems only to address visual arts institutions and artists.

You may be aware that the Santa Cruz Civic Auditorium is our county's largest performing arts venue and there are planning efforts to help support the renovation of the facility as a performing arts and cultural center. I strongly believe that the County should acknowledge and support these efforts, which can have a significant impact on the economic vitality of our community. The Arts Council can share with you the recent Economic Impact Report completed by Americans for the Arts, which indicates more than \$38million+ impact of the arts locally. A significant portion of that is attributable to our largest performing arts facility, the Civic Auditorium.

I appreciate the breadth and scope of the work you've undertaken, but believe the great number of arts organizations that exist in the county, as well as the needs related to venues, hasn't been adequately represented—especially if, in the one page dedicated to our sector, we're going to be upstaged by a basketball team, however much we like them.

Again, I appreciate the many many interests you're trying to represent here. The arts are a key contributor to the quality of life in Santa Cruz, to our tourism industry, and to our economic development. I hope their importance, which is so often diminished in our society, can be reflected with unequivocal conviction, and strategies to support them can have real action and vision behind them.

Thank you again.
Respectfully,
Ellen

Ellen M. Primack
831.426.6966
ellen@cabrillomusic.org
Executive Director
Cabrillo Festival of Contemporary Music
147 South River Street, Suite 232
Santa Cruz, CA 95060
<http://www.cabrillomusic.org>

Breakthrough creativity occurs at the intersection of previously unconnected planes of thought.

On May 20, 2014, at 10:05 AM, Barbara Mason <Barbara.Mason@santacruzcounty.us> wrote:

Thank you so much for participating in our stakeholder interviews last year regarding the County's effort to create an Economic Vitality Strategy. As promised, we are sharing with you the working draft copy. This morning, the Board of Supervisors released the draft for a 45 day comment period. Please read the document and email me any comments you have. I am always available for questions and for presentations to your organization or company.

http://sccounty01.co.santa-cruz.ca.us/bds/Govstream/BDSvData/non_legacy/agendas/2014/20140520/PDF/022.pdf

Thanks again for all your vital input into this document! We look forward to working with the communities to bring this effort to the goal line.

Best Regards,

Barbara Mason
Economic Development Coordinator
County of Santa Cruz
Planning Department
701 Ocean Street
4th Floor
Santa Cruz, CA 95060
(831) 454-2728

Barbara Mason

From: Jess Brown [jessbrown@sbcglobal.net]
Sent: Tuesday, June 10, 2014 8:59 PM
To: Barbara Mason
Subject: SCC - Economic Vitality Strategy

Good to see you today. Steve is unable to attend tomorrow but sent these comments. Jess

Jess,

I won't be able to make it tomorrow. Apologies. Sons birthday and my daughter is graduating 6th grade.

In any case, I did read the whole document and have the following comments:

1. Page 4, bottom of page, SAT CRITERIA: I think there are a few other categories that should be considered for SAT review: Environmental sciences/education or environmentally-oriented business. This should include different forms of habitat restoration work. Maybe the suggested terminology encapsulates bio and marine sciences?
2. Page 12, top of page, Strategies to Strengthen the Agricultural Sector: Feeling the effects of rural theft, camping, dumping, graffiti, homelessness and trespass I can't help but think that a commitment to increased law enforcement in this section would be an additional strategy to strengthen the agricultural sector or all sectors for that matter...
3. Page 15, towards bottom of page, Strategies to Strengthen the Education Sector: I think specific support should be identified in this section for any educational programs related to sustainable resource production or environmental restoration. Both are important components of the education sector that promote local economic vitality.
4. Page 21, middle of page, Strategy 4.8 Work with Property Owner and Stakeholders for Reuse of CEMEX Site to Foster Job Creation: I appreciate the meeting that was held at Pacific School a few weeks ago regarding this very issue. I'm concerned that the opinions generated at this meeting might have been quite a bit different had the community known the cost to raze the facility or portions thereof. Ultimately the report from the consultants will represent a period of time when the "sky was the limit" so to speak. I did not provide an opinion as to what should happen at the cement plant at the meeting because the cost of project/projects were unknown.
5. Pages 49 – 75: Good to see that there is much agreement among commenters: Increase fiber optic potential, agriculture, agri-tourism, make regulations/ordinances more conducive to building, conference center, better climate for business! Favorite comment, page 53: "We have constraints. The question is whether they're ordained or self-imposed. I believe a lot of our constraints as a region are self-imposed. The results of a lot of things over time have influenced the trajectory of this economy. People probably go back over the hill and don't stay here. With a blessed environment for tourism, we end up with such heavy visitation that the community locks up. We feel like we're really constrained and can't do anything. Part of it is that the visitation doesn't pay its own way. We haven't prioritized infrastructure. We have to deal with water and transportation, and we're playing catch up. Carmel and Monterey Peninsula were geographically isolated. They capture so much more of the wealth of the visitation."

I'm completely supportive of the Economic Vitality Strategy however, like most large plans they can become grey, hard to implement and result in few tangibles. The test of this plan will be to see how many goals, pages 37-46, are actually completed within two years. I would encourage the county to re-evaluate the goals section and pick the five most important goals for each larger Goal (1 – 7) as a more reasonable target for the first two years.

I'll look forward to more discussions on proposing specific language for agricultural regulations.

Steve

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Barbara Mason

From: Sarah Neuse
Sent: Tuesday, August 12, 2014 3:14 PM
To: Barbara Mason
Cc: Paia Levine
Subject: FW: FBC's

From: Sylvia Caras [<mailto:Sylvia.Caras@gmail.com>]
Sent: Saturday, August 09, 2014 3:19 PM
To: Sarah Neuse
Cc: John Leopold
Subject: FBC's

<http://formbasedcodes.org/definition> - these seem a simpler way to revise building and zoning codes. The comment should also go to the Planning Commission and the Economic Vitality group since the issues are all overlapping - I don't see where to do that.

Sylvia Caras

EU Plan comments

Teresa
Thomas
SBDC

pg 10 - add SBDC to strategy 1.3
(4)

pg 13 2.7. LAPP- ^(contextualize) applies to residences & businesses?

pg 17 3.1. inc^{omplete} sentence - "also review code"

pg 22 stronger mention of conference facility as a
weakness in P1. midmarket and attraction

~~pg 22 3.24 - SBDC add ^{collage} kitchen?~~

pg 22 (19) mention success of existing co working spaces &
continued support of that trend - Satellite
~~font smaller on 4.1.1.~~

typos

22) strategy 2.5 = space

22)(20) space ^{ebay} etc.

~~22 (20)~~

26 4.9 SCORE mtd named
retired, not responsible

27 Santa Cruz warriors now segue to arts

22 4.15 ^{s/b} "Arts" Council

29 - Satellite left off of coworker sites

30 - SBDC nationwide, replace business plan w/ workplan

strategy 4.20 - mention sales tax leakage &
framing of sm bus on taxation?

4.23 - over the counter - Revenue for Conf? or
free

(31) 4.24 add SBDC!

Conference Center
more mention of city collaborations? Wrigley, Hwest & Co
H2O!!

Barbara Mason

From: Kurt Overmeyer [kurt.overmeyer@cityofwatsonville.org]
Sent: Monday, July 14, 2014 9:14 AM
To: Barbara Mason
Subject: Memo from Mayor Cervantez
Attachments: Edits_Economic Vitality Strategy Memo (1).doc

Hi Barbara,

As you are aware, we are concerned that our fastest growing industries are not identified in the Economic Vitality Strategy. We applaud your efforts, but we would like you to make some modest adjustments to recognize our growing manufacturing and office sectors. Given that this growth has substantially outpaced growth in food processing and agriculture support, we think it is vital to have the EVS to acknowledge this growth. We obviously understand the problems with available data sets, but we do have a wealth of anecdotal and observational evidence that there is growth in manufacturing especially. Thanks and please see the attached memo making this request.

--
Kurt T. Overmeyer
Economic Development Manager
City of Watsonville, California
(831) 768-3087 (direct)
(831) 768-3080 (main)
kurt.overmeyer@cityofwatsonville.org

www.GrowInWatsonville.com



**City of Watsonville
Community Development Department**

M E M O R A N D U M



DATE: July 17, 2014

TO: Barbara Mason, Economic Development Manager, Santa Cruz
County

FROM: Mayor Karina Cervantez

RE: Target Industries in South County and the Economic Vitality
Strategy

Dear Ms. Mason,

Thank you for all of your hard work and diligent efforts to bring forth the Economic Vitality Strategy for Santa Cruz County. As a city, we are pleased to see that Agriculture and Food Processing have been identified as vital industries to the County at large, and especially to South County and Watsonville. However, we were disappointed that some of Watsonville's fastest growing sectors have not been included as vital and target industries. As I am sure you are aware, Watsonville is home to a number of companies that are growing in the light manufacturing sector. Specifically, high-tech manufacturing of components and products used in lifestyle, racing and aerospace have seen tremendous growth. Fox Racing, for example, has grown from under 100 employees to a seasonal high of over 700. We are aware that the labor market data fails to capture much of this due to the high utilization of staffing companies to fill many or most of those jobs, but we also think these companies represent the most important sector in Watsonville.

In addition to the vital light manufacturing sector in Watsonville that has been left out, we also noticed that some of our "hard to categorize" companies that have seen tremendous growth are not represented. Companies like West Marine, the largest distributor and retailer in marine parts and accessories in the world, are headquartered in Watsonville. Companies like Elecraft, Orion Telescopes, Photoflex, Westek, Schmid Industries and Nordic Naturals have made Watsonville home and have continued to provide good-paying jobs for Santa Cruz County residents. We would like to find a way to make sure that these growing and important industries are included in the strategy and that as a County, we continue to focus on providing the workforce, infrastructure and lifestyle options that have allowed these companies to grow and thrive. We look forward to working with you to ensure that these industry sectors are included and supported by your efforts. We recognize the hard work you have accomplished

to date and thank you for your efforts to increase coordination between the various entities in Santa Cruz County working to improve our economy. If you have any questions, concerns or ideas, please contact Kurt Overmeyer, Economic Development Manager at kurt.overmeyer@cityofwatsonville.org or by phone at (831) 768-3087.

Sincerely,

Karina Cervantez
Mayor
City of Watsonville

June 17, 2014

To: Santa Cruz County Board of Supervisors

Cc: Susan Mauriello, Kathy Molloy Previsich, Barbara Mason

From: Bud Colligan, Founder and CEO, South Swell Ventures

Re: Comments on the Santa Cruz County Economic Vitality Report

I have read the Economic Vitality Strategy (EVS) for the County of Santa Cruz prepared by BAE Urban Economics. First, I would like to commend the Board of Supervisors and staff for undertaking this study and spending the time and money to produce a draft economic vitality strategy for the county. Below I have provided my feedback and ideas about the report, first with some broad observations and a summary of my conclusions and then with specific feedback on each of the seven goals articulated in the report.

Summary

The *overall* direction of the draft EVS is encouraging. The EVS acknowledges that we must "expand the county's economic base in order to create fiscal sustainability for local government." The report is also clear that we must balance growth and development with local values of sustainability and adopt a "21st Century forward looking view." These statements imply a more "business friendly" and proactive approach by the county to promote business formation, growth and retention, while respecting our heritage in environmental stewardship.

The report has some good suggestions, but also reads like a laundry list of half measures, many starting with the recommendation to "encourage and support X, Y or Z." There is no indication of the relative importance of each item in the detailed two year work plan. It would be useful to have an indication of which initiatives are believed to be the real game changers, which ones are table stakes for establishing a level playing field with other communities, and those which will have minor, if any, impact.

It's also important to note that the quantity of specific items in the two year work plan will lead to a expansion of county staff (many small items that require lots of people power to accomplish). Although some staff increases will be needed, I would propose organizing a training workshop for all county staff who touch planning, infrastructure, and economic development issues to better understand the needs of business for start-up, growth and retention. This may reduce the need for hiring additional staff in times of tight budgets, and focus discretionary money on big initiatives.

My major conclusions are summarized below and detailed in the specific write-up which follows:

- Articulate and promote a clear vision and strategy for the county, and provide training to all staff to support the strategy.
- Address critical infrastructure issues (water, roads, bandwidth, affordable housing) as soon as possible, at the very least with directional policy, so that private enterprise can understand the direction and make appropriate investment decisions to support the county's strategy. Keep it consistent.
- Focus action items around building a diversified, sustainable, small company economy leveraging distinct regional assets while preserving and enhancing our environment.
- Employ the work force that actually lives here now (and leaves daily) by creating high wages jobs via the strategy above.
- Take a regional approach in sectors like agriculture and tourism, our two biggest private sectors, to leverage existing excellence and magnify its impact.
- Invest increasing tax revenue to provide the services in education, health care, public safety, infrastructure, parks and recreation, and the arts that the community desires.
- Articulate and rally around a holistic brand for the county which is aspirational and encompasses the attributes and passions of the community.

Goal 1: Create a Shared Vision and Organize for Action

I agree that we need to create a shared vision which is fully supported by the Board of Supervisors and the community. Collecting the right data, and establishing and tracking appropriate metrics to know where we stand on the playing field, are essential. The adoption of an EVS is the first step. Another important step is the report's recommendations to streamline regulations and permits and focus on expediting key projects identified as critical. A *regional* economic development approach is the right way to go. Incorporating into the plan collaborative efforts with Monterey, San Benito, Santa Clara and San Mateo counties is an effective way to ensure less commuting, shared infrastructure, common permitting and regulation, and cooperative efforts to attract and retain businesses. I am not proposing that we stop Santa Cruz County specific actions to coordinate with other counties. I am proposing that we attempt to understand, harmonize and leverage cross-county issues *in the future* to maximize the impact in our county.

I believe it is difficult to create a strategy for the county without agreement about a shared vision. Specific actions must flow from a shared vision. Simply saying we want to promote "world class" Santa Cruz is not a vision or a strategy. If one were to look at the county website, there is no indication of vision...just a listing of various departments, services and resources. The City of Santa Cruz web site is oriented around tourism and outdoor activities, with a couple of visuals on the arts. The Convention and Visitors Council web site sports the theme "Let's Cruz," which is

oriented around tourist events and opportunities. Obviously, we live in a beautiful place with ample recreational opportunities, but is that all we want to offer or be known for? I have proposed in a presentation, entitled Economic Development Strategy for the Central Coast (<http://www.slideshare.net/budcolligan/economic-development-strategy-for-the-central-coast-with-notes>)

that we adopt a vision for "a diversified small company economy leveraging distinct regional assets while preserving and enhancing our environment." Full details can be found in the presentation. Regardless of which vision we adopt as a community, it is important that the county be explicit so that we can prioritize the many competing demands for public resources and channel private investment to support the vision.

Goal 2: Support Sustainable Development and Availability of Housing

Sustainable development is the key to creating a consensus around an economic development strategy. The report states, "no change can lead to decline just as too much change." The policies of the last 30 years have led to economic decline for Santa Cruz County, with companies leaving, a preponderance of low wage seasonal jobs, poor county wide community health indicators (public safety, schools, health care, roads, infrastructure, deferred maintenance, etc.), and the highest relative cost of housing for a city its size in the United States! I would argue that if the county adopts the vision for a diversified small company economy *leveraging distinct regional assets*, public policy and investment should be focused on establishing the conditions to support the creation and growth of companies with 50 – 500 employees, with those employees coming from the 18,000 community members currently commuting over Highway 17 every day. For starters, this would mean weighing all the action items of the EVS against how they support this objective. We have the human and intellectual capital to create these companies in the county, but incentives, regulations, permitting, infrastructure decisions, affordable housing, business development efforts, and the like must be focused on supporting this objective. Many of the strategies in Section 2 of the report seem reasonable for encouraging sustainable development of this type.

Clearly, affordable housing is a HUGE issue, not only in Santa Cruz County but statewide. In some areas of California, population growth is far outstripping housing stock growth. This should be less of an issue in Santa Cruz County, which has only gained 5% in population since 2000, compared to 11% in Santa Clara County and 13% statewide. Some cities are taking an aggressive approach to address the affordable housing issue. For example, San Francisco Mayor Ed Lee recently proposed spending \$94M of city money to build affordable housing. We will need to be very creative due to the demise of Redevelopment in California and the lack of other public money in Santa Cruz County for affordable housing. What can we do with land use policy and incentives for private developers to build affordable housing in areas where we are also targeting job growth? The EVS has some suggestions for actions in the affordable housing area, but it's not clear which ones are believed to be game changers. Given the severity of the housing problem

for college students, young workers, agriculture workers, seniors and those with limited incomes, it is incumbent upon us to understand which policies and investments will have the *most* impact.

Goal 3: Strengthen Key Economic Sectors – Agriculture, Health, Education and Leisure & Hospitality

The EVS identifies the above sectors as the basis of the current economy, and I agree. The other large sector that goes along with health and education is government. If you combine government, education and health (sectors that receive the large majority of their funding from federal, state or county tax dollars), the group accounts for 35% of the county economy. Agriculture and Leisure/Hospitality are the next two biggest sectors of the economy, both largely private. Agriculture is also the largest driver of the Monterey County economy (about 30%), so Santa Cruz County is linked to that large economic engine as well. Leisure/Hospitality is also large in Monterey County, so integrating strategies between both counties on tourism and agriculture could provide substantial leverage. I would encourage us to explore ways to invest in a regional approach to both of these large dynamic sectors.

In agriculture, the EVS has several sensible suggestions regarding agri-tourism, cottage food industries, winery signage and tasting rooms, and workforce training, given the average age of farmers nationwide is now just under 60. Organic agriculture is our best bet for focus and growth given the county's organic history (CCOF, OFRE, and CASFS) and the current success with organic farming, food products and supplements. Organic agriculture grew 11.5% in 2013 vs. 4.4% growth for conventional agriculture.

Education and health appear to be two segments of the local economy that are growing and provide good jobs. Building a modern well equipped hotel in the medical corridor could help families visiting their loved ones, as well as provide a much needed location for off-season business, sports, food, wine and general event meetings. In addition, suggestions to link education and training in high schools and community colleges to job prospects in the county economy are spot on.

I am not in favor of any public money being invested in incubators. An incubator needs to be run like any business. NextSpace and Cruzio are businesses that provide affordable shared office and co-working space and serve an important need. NextSpace has in fact successfully taken its Santa Cruz grown concept to other cities nationwide. If a private investor wants to start an *incubator* like Y Combinator (here's a list of 20 incubators in San Francisco: <http://uipalette.com/top-startup-incubators-in-the-sf-bay-area>)--great! He or she will run it as a business and make their money from successful start-up exits. The county has no particular expertise in building start-up businesses nor should it contract with someone that does. If it makes sense, a private party will do it.

The EVS suggests a number of strategies in the Leisure/Hospitality sector that would appear to have minimal impact. We have a vibrant tourism sector now, but one characterized by short visits and high seasonality, dominated by the Boardwalk. I believe that our best efforts would focus on traffic mitigation and flow, amenities, good restaurants, regional integration, and off-season opportunities. No one likes the traffic and parking issues in the summer, but what can we do to deal with it in a way that makes the visiting experience delightful for tourists (and residents)? I'm sure the Boardwalk would have many ideas on how to optimize the experience. When summer is over, what festivals, business, cultural, and recreational events can the county encourage to create a year-round calendar of sustainable tourism? Regarding restaurants, it starts with good food! We have many examples of profitable and well run restaurants—Soif, La Posta, Assembly, Café Cruz, Paradise Grill, Akira, etc. A well run restaurant with good food has plenty of customers. If the SBDC can provide specific training to improve the quality of food and the management of restaurants, that would be a big help.

Goal 4: Enhance Growth Opportunities for Emerging Sectors of Technology/Innovation and The Arts and Support Small Business

There is large potential, and the biggest growth opportunity, in software, marine science, ag tech, computational genomics, and gaming. There is also a robust volunteer eco-system which has done a fabulous job nurturing the innovation community in Santa Cruz County. UCSC has not been as connected to the entrepreneurial community as would be optimal, and provides an area for improvement. The EVS lists several strategy recommendations, some of which have potential for moving the needle. My suggestions would include:

- Support the \$50M fundraising effort to establish the UCSC Genomics Institute under David Haussler's direction. The institute has the potential to be a real game changer for perceptions of Santa Cruz and also the relationship between UCSC and the Santa Cruz community. (Bonus: locate the Institute downtown to occupy empty office space, create a more vibrant downtown atmosphere, and solidify a strong working relationship between the city/county and UCSC).
- Invest county money to sponsor ongoing eco-system efforts, which include New Tech Meet-up, Tech Raising, Event Santa Cruz, and Santa Cruz Tech Beat. These efforts exist due to the incredible volunteer commitment of their leaders and provide a strong foundation to leverage county support. The county does not need to pay for everything, but it should be an active sponsor of these efforts—it's the best form of leverage.
- Engage UCSC to create a strong linkage between UCSC entities like the Center for Entrepreneurship, School of Engineering, and the Department of Physical and Biological Sciences and county/business efforts around company/job creation. I would make this investment only if there is an incremental set of actions and investment from the university that demonstrate a strong and ongoing commitment to nurture entrepreneurship, spin out more

technology, and engage with the local tech community. The investments recommended here do not need to be large—they should be highly focused and coordinated with incremental investment from UCSC. A good example is the recent UCSC Hackathon, which initiated this type of cooperation and joint investment.

- Zach Friend and the Central Coast Broadband Consortium have provided excellent leadership to modernize ordinances and spur the creation of a modern Internet infrastructure in the county (we should support and accelerate the implementation of these initiatives). Steve Blum has noted in his blog that "broadband is as vital as water to the Santa Cruz County economy." As a smaller community, we MUST have the infrastructure to compete on a worldwide basis—designing products here, manufacturing in Asia, delivering via the Internet anywhere in the world, video conferencing in HD with suppliers, partners, distributors everywhere. If we have an advanced infrastructure, we can play "above our weight," create competitive companies that operate worldwide, and keep desired high wage clean jobs in the county. Suggested actions would include increasing competition among current service providers to provide faster bandwidth at lower cost, competing for gigabit to home and business infrastructure build-outs being proposed by Google and others (which will spur the incumbent service providers to change their approach to doing business here, as it has in Kansas City and Austin), leveraging the new Sunesys fiber build-out with spurs to business clusters in the county, and exploring new opportunities for fiber build-out, like the Rail to Trail pathway.
- Encourage continued formation and deployment of venture capital, particularly smaller funds making \$250K - \$1M investments in order to get more capital and technical advice to start-ups in the area.
- Housing appears here again as it does in almost every section of the EVS, which underscores its importance!
- I am not excited about encouraging satellite operations of Silicon Valley companies. First, the people that get on buses every morning do not work on the same projects, and therefore clustering them has little impact on productivity or project progress. Second, we will again be subject to the vagaries of big company human resource decisions, which has not been a successful strategy in the past (e.g. Texas Instruments, Seagate, Capital One in Monterey County). We have companies like NextSpace and Cruzio that can fulfill this need if companies see it as an effective strategy for their Santa Cruz resident employees. Finally, a strategy of self-reliance is much more sustainable.

The arts are very important in Santa Cruz County and an important part of our identity as a community. I don't feel qualified to comment on the recommendations of the EVS, but as previously stated, it reads like a litany of "support and encourage" suggestions. We have an Arts Council and a number of successful arts organizations in the county. I would encourage us to narrow the list of strategies in which we invest and emphasize leverage as much as possible in our approach.

In small business, the biggest leverage will come from increased capital. Helping small business "modernize" through training programs from the SBDC and mentoring from Pacific Community Ventures' advisors is also beneficial. Opportunity Fund has brought micro loans to the county and has been very successful in its first year, already deploying 25 new loans for a total of \$400,000. With help now from the Packard Foundation and the Community Foundation of Santa Cruz County, this support will only increase. More efforts to make capital available through the SBA, credit unions and commercial banks, and *to help small businesses find it*, are critical for the county. The ideas to assist home business formation with an "Over The Counter" business permit and designate a small business ombudsman are good.

Goal 5: Expand Public Sector Capacity and Infrastructure

Rather than responding to specific strategies mentioned in the EVS, I would simply say that Goal 5 should be Goal 1. The primary responsibility of the Board of Supervisors *and related infrastructure agencies* is to establish a long-term strategy for sustainable economic development and work backwards to make the necessary policy and infrastructure investments in roads, water, electricity, bandwidth, and affordable housing to support the strategy. The EVS is the beginning of the formation of a vision and strategy, and it's hard to make choices among a myriad of action recommendations without first knowing where we are going. Some of the infrastructure issues like water have eluded a consensus to date. It is my hope that the Board of Supervisors will clearly articulate a vision and overall strategy, and then focus on the infrastructure improvements that support its strategy.

Goal 6: Revitalize Town Centers and Commercial Areas

The biggest thing we can do to revitalize town centers and commercial areas is follow through on specific actions to effect the realization of the *other* goals in the EVS. For example, building 10 - 15 new companies of 50 - 500 employees will lead to 3,000 new high wage jobs in Santa Cruz County. If hundreds of new small businesses and start-ups are formed, another 2,000 jobs could be created. The wages and tax revenue from these jobs will lead to more vibrant commercial areas. The EVS points out that the size of our community and its proximity to San Jose will always make it challenging for some large retail enterprises, but other communities our size have succeeded in having a strong retail sector. Again, I would look at narrowing the focus of the EVS recommendations and prioritize the top ones for impact, but the long-term success will be built on the realization of the *other* goals.

Goal 7: Promote Santa Cruz County to Local, State, Regional, National and Global Markets

The EVS has some good suggestions about attracting off-season visitors and providing better conference facilities to achieve a more stable year-round economy. It is also clear that the Boardwalk's three million visitors per year provide a ready

audience that could be channeled into other tourist activities spread throughout the county. There is substantial opportunity in coordinating strategies with Monterey County to leverage the large number of annual tourists to the Monterey Aquarium, Pebble Beach, Carmel and other destinations there. I would put our focus on enhancing the main traffic corridors between the counties (road, rail, bus), updating/building modern hotel and conference facilities, ensuring a better experience (traffic mitigation, signage, parking, public safety, and other leisure opportunities) for the three million Boardwalk visitors we are attracting now (and a better experience for residents dealing with the influx of summer tourists), providing awareness and incentives for the tourists coming to the Boardwalk and Monterey County to spend more time in Santa Cruz County, and develop a calendar of off-season festivals, events, and cultural activities to provide a *steady* level of economic stimulus. We have much to build on—let's leverage what we already have, driven by data and local/regional cooperation to extend its impact.

I have outlined around Goal 1 the need for a consensus vision and strategy. The communications plan for the county needs to be based on this work as well. Today, the Santa Cruz "brand" revolves around a laid back lifestyle. If one goes to the Santa Cruz City web site, the visuals are all about surfing, ocean, forests, and recreation. The county website is moot on any positioning. The Conference and Visitors Council sports the tagline "Let's Cruz" on its web site. The CVC's new site has done an excellent job in offering visitors many alternatives for spending time in Santa Cruz County and has already moved beyond the sole beach/Boardwalk orientation. I am not a proponent of multiple brands, where we have one brand for tourists (Let's Cruz), another brand for locally grown products (Santa Cruz County Grown), and still another brand for other products (Santa Cruz Authentic). "Let's Cruz" works for tourists and the CVC web site is a good foundation for building on the leveraged Boardwalk and regional tourism strategy I am proposing.

For the county overall, I would like to see a more aspirational brand that can work across cities and economic sectors and speaks to the type of region we want to be. I suggest that we move toward a more holistic view of Santa Cruz County, not just as a recreational tourist destination, but as a safe, creative, innovative community with good schools, a beautiful environment, ample recreational opportunities, great place to raise a family, cooperative attitude to business, and a local government with a "can do" attitude. I am suggesting a brand that encompasses these concepts: *"Invent Your Future Here."* It works across industries and is targeted at families, students, young workers, seniors—basically anyone who wants to do something creative, forward-looking, exciting, and significant—this is the place to make it happen. Whether you want to make your mark in the non-profit world, environment, small business, arts, technology, agriculture, marine science, hospitality, recreation or the like, we offer an environment, mentality and the infrastructure where you can realize your dreams. It's so important to get our strategy right up front, because everything the county and cities in the region touch IS our brand: website, signage, social media, interactions with public employees, brochures, elected officials, the attitude of influential stakeholders, and the obvious facts on the ground.

Barbara Mason

From: Kathy Previsich
Sent: Tuesday, June 17, 2014 6:15 PM
To: Zach Friend
Cc: Barbara Mason
Subject: RE: EVS Comments from Constituent

Thanks Zach – you can forward any comments you receive to either or both of us here in the Planning Department. We share and are keeping a file with all of the comments.

From: Zach Friend
Sent: Tuesday, June 17, 2014 6:09 PM
To: Kathy Previsich
Subject: EVS Comments from Constituent

Kathy-

Not sure where you want me to send these to – I received these from a constituent in Corralitos

Airbnb.com

For me an interesting issue was airbnb.com. While I have not participated in this venture, either as a property owner or as a renter, it does provide room space for short term visitors. The plan now states on page 17, 3.23.1, that the Treasurer will continue to audit websites that advertise illegal housing such as airbnb.com.

But on page 59, bullet 9, there is feedback from the community to encourage Airbnb.com. I personally would vote to not have airbnb.com be declared to be illegal. If there were illegal rooms that were substandard as regards health issues, that should be addressed separately.

Caution about Garage Conversions

While I support increased housing for lower incomes, I would not want it to be possible for the kind of garage housing that I have seen so often in Watsonville where many persons are housed with no bathroom or window space and with a major impact on the neighborhood as regards tenant car parking.

Privileges for Non Citizens

I personally also have a issue with non-citizens being provided with project housing while our citizens who have been laid off and turned out of their properties have no place to go. If they want the housing, I would like to see a requirement to become a citizen within one year. The same applies to HeadStart, where non-citizens can send their children but there is no room for the children of our citizens. A third point, I have had a nurse at Dominican Hospital say that she sees persons bring in their family member straight out of Mexico for hospital treatment and stay and end up paying nothing. While we need the workers, I remain very concerned about the sometimes

extreme advantages we hand out that are disproportional to what our own citizens are able to access.

Barbara Mason

From: James Eschen [eschenlaw@cruzio.com]
Sent: Wednesday, June 25, 2014 10:43 AM
To: Barbara Mason
Subject: Typographical error in draft economic vitality study

Ms. Mason:

In reading the draft study, I saw on page 11 a reference to Storr's winery. It's actually *Storrs*, without the apostrophe. After having spent too many years in graduate school at the University of Connecticut in Storrs, Connecticut, I just couldn't ignore the slip.

Happens all the time.

Jake Eschen

James C. Eschen
Attorney at Law
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Barbara Mason

From: Kathy Previsich
Sent: Thursday, July 10, 2014 3:19 PM
To: Barbara Mason
Subject: FW: Economic vitality public comments

Want to make sure you got this one ... might be a repeat

From: Judi [<mailto:judiriva@hotmail.com>]
Sent: Wednesday, July 09, 2014 10:24 AM
To: Kathy Previsich
Subject: Economic vitality public comments

I have lived in the city of Santa Cruz for 21 years. Here are a few of my suggestions to improve economic vitality for the county:

1) Tourism will remain a major industry yet distance from the major airports is an obstacle. There needs to be easily accessible, regular service between Santa Cruz and the San Jose airport (if not SFO). I realize gas is expensive but if possible an individual fare shouldn't be more than \$30-40, or a van-load for a fixed amount. (or even a classy limo)

2) Upgrade the hotel stock that offer services that appeal to more upscale visitors (spa services, fine dining, winery visits).

Boutique hôtel rather than another Best Western or similar.

3) We have a few quality festivals that attract out of towners (Capitola Art & Wine, Santa Cruz Blues Festival) but nothing that attracts nation-wide attention like the Monterey Jazz Festival, San Francisco's Outside Lands, etc. Year after year it's the same old same old - Clam Chowder Festival, boring Japanese Cultural Fair, a few newer beer-oriented festivals. We need a savvy person to head a cultural affairs planning team to gets some new events going. (beyond the limited audiences for events like Santa Cruz Shakespeare or Cabrillo Music Fest) Yes, there will probably be complaints about traffic, noise, etc. by the usual factions, which will need mitigation. We have under-used park spaces in the county for these types of events. I really enjoyed this year's Redwood Mountain Fair at Roaring Camp.

4) Capitalize on "foodie" trends, namely streamline the process to encourage a lively food truck scene (such as exists in other Bay Area cities). No need to re-invent the wheel here - see the web site for Moveable Feast as an example. The recent Bacon Festival and Taco Truck Festivals in San Jose attracted tens of thousands. We are way behind in this trend. It expands our food options AND gives entrepreneurs a great opportunity to grow a start-up business. Also, establish a year-round indoor artisan food marketplace (like San Francisco's Ferry Building, Monterey's Wharf Marketplace, and another in Sand City). This expands opportunities for start up businesses.

Thanks for considering these ideas.

Judi Grunstra

Barbara Mason

From: Charles Eadie [hs-charlie@pacbell.net]
Sent: Thursday, June 12, 2014 3:38 PM
To: Barbara Mason; Barbara Mason; Barbara Mason
Subject: Suggested Edit for 3.20

3.20 Provide Technical Assistance to Support New Investment and Increase Utilization of Lodging Properties

Provide technical assistance to encourage and facilitate new investment in upgrading, expanding and/or redeveloping properties currently or historically used for lodging so as to create economically viable businesses that provide jobs, contribute to the vitality of surrounding areas, increase available lodging and related facilities for visitors, and increase revenues to local government.

Charles Eadie
Principal Associate

hs-charlie@pacbell.net

Hamilton Swift and Associates

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 Please consider the environment before printing this email.

Barbara Mason

From: Ray Kaupp, S4C ED [ray@sccommits.org]
Sent: Wednesday, August 06, 2014 10:26 AM
To: Barbara Mason
Cc: Carol Polhamus; Karen Beltrano
Subject: Statistic fix in Draft EVS

Hi Barbara.

Great piece of work, on the Draft Strategy. One concern we ran across:

In the Draft Economic Vitality Strategy document, page 24, it says "...almost 82% of all jobs in Santa Cruz County are with companies of 10 employees or less." In the cited source document, from Table 3, page 18, of the "Economic Trends Report" I think the number was derived by adding up the first two columns, to 81.6%

Problem is, Table 3 is not % of jobs, it is % of employers. Even though 82% of employers are 10 or less employees, the other 18% of employers, who have a larger number of employees in each firm, clearly will account for a larger proportion of the jobs in the county.

That 82% number is startling, and people will start using it to make a point that I'm not sure is actually supported by the underlying data. (I was going to use it in a grant application, until I looked at the source table.) Make sense?

Unless I misunderstood, I think you'll want to correct that sentence on page 24.

-ray

Ray Kaupp, Ed.D., MBA
S4C Executive Director
Santa Cruz County Office of Education
400 Encinal Street, Santa Cruz, CA 95060
(831) 466-5813 (direct)
(831) 466-5814 (S4C office)
(831) 295-2590 (txt and voice)



<http://sccommits.org>

Barbara Mason

From: Manu Koenig [manu@civ.io]
Sent: Monday, July 07, 2014 9:17 AM
To: Barbara Mason
Subject: Fwd: Comment on the Economic Vitality Strategy

Hi Barbara,

My feedback on the EVS below. FYI, the pln001@santacruzcounty.org address included in the EVS bounced for me, not sure why.

cheers,
Manu

----- Forwarded message -----

From: Manu Koenig <manu@civ.io>
Date: Sat, Jun 28, 2014 at 3:01 PM
Subject: Comment on the Economic Vitality Strategy
To: PLN001@santacruzcounty.org

Dear County Economic Development Team,

I applaud the fact that you took into consideration input from so many different parties to write the EVS. Now it is time for synthesis. The EVS currently reads like a laundry list of half measures. It is full of "support this" and "facilitate that's without clearly defining what will be done in what time frame.

I would highly recommend that you consolidate the document to 20 or less "strategies" instead of the current 131.

Here is a short list of just 10 that I would recommend:

1. **Increase Zoning Density and Zoning Types.** Housing is too expensive in the County, we need more. Let's build smart, sustainable cities and create housing options for residents near jobs, seniors, and the currently un-housed.
2. **Increase Bandwidth.** It's how we think these days. Install fiber along the Rail Trail and Soquel Blvd. as soon as possible.
3. **Develop Parking and Public Transportation Projects to Facilitate Tourism.** As far as our local economy is concerned, tourism is and will always be a huge piece. Lets continue to share the love that is Santa Cruz, but let's do it in a way that reduces traffic congestion and allows people spend more time outside of their cars in the fresh air. (Note – most transportation related infrastructure is the purview of the SCCRTC and doesn't fall into the economic development strategy directly).

4. **Jointly Promote Monterey Bay with Neighboring Counties.** Identify three opportunities to promote the Monterey Bay Region. Execute the first opportunity no later than June, 2015.
5. **Permit Cottage Industries.** This includes allowing Bed and Breakfasts and shops on agricultural plots.
6. **Reduce the Shortfall of Agricultural Workers.** 15% of all crops wither on the vine because of a shortage of labor to harvest it. There is hundreds of millions of dollars for the county to recapture. Possible solutions include education, work programs and more temporary housing.
7. **Develop 3 New Policies to Support High-wage Employment.** We want residents to have good jobs. That means supporting small-to-mid size businesses (1 – 500 people).
8. **Sponsor Tech Events.** This includes ongoing eco-system efforts such as New Tech Meet-up, Tech Raising etc. and possibly new ones (Santa Cruz Gaming Conference, anyone?)
9. **Support the Human Genome Project in Raising \$50M.** It's only, like, the most important scientific research of our time. And it's right here in our city. Let's get these guys some support!
10. **Streamline Working with the County.** Establish an "Over the Counter" business permit system and provide training to County and City staff to be "intra-preneurs" and eliminate repetitive tasks.

Instead of 7 categories, this breaks down as follows: 3 of the strategies are related to infrastructure, 3 are related to ag and tourism, 3 are related to tech and high-wage jobs, and 1 is related to an entrepreneurial spirit at the County.

Sincerely Yours,

Manu Koenig, Corralitos

Barbara Mason

From: Peter Koht [peter@opencounter.us]
Sent: Thursday, June 26, 2014 1:20 PM
To: Barbara Mason
Subject: Re: County ED Strategy Document

I wish I had more time to write everything down ...

I am excited to see so many reasonable suggestions around broadband.

Revolving loan programs are very tricky to run in a public-sector situation. The local banks won't like it, especially if you're using an SBA program like 7A which has competitive offerings in the private sector. Plus the fact that most high-growth sectors / start ups will be unbankable. Which is where groups like Central Coast Angels or the opportunity fund can come into play.

Increasing digital service and access to simple services like home occupation /cottage food permits or zoning clearances is always essential. Not only do they reduce transaction costs for the county ... they will improve customer service levels and satisfaction with government.

On a dollar to dollar basis, humans are hard to scale especially with the balance sheet at the county. The advantage of digital services as they also collect metrics that can be leveraged for grant applications and reporting purposes.

Staffing for small-business support is a great idea. Entrepreneurs are forced to have a regulatory conversation versus an optimistic/forward thinking conversation when they interface with the county now. The key is to pair that increase in human sources with tools to help funnel the pipeline of opportunities into the county and it's existing workflows. Here I am obliged to put in a plug for OpenCounter.

I was a little disappointed to see less focus on technology transfer and/or collaboration with the university the plan. That will be key in the coming years.

Well it's one problem amongst many, out of county commuting for highway jobs is of particular concern for this region. Clearly broadband initiatives help with this but we also have to consider the ramifications on sales tax collection and property values because wages over the hill are higher than in Santa Cruz County. It is also a reasonable way to open up dialogue with groups that are traditionally arrayed against economic development (i.e. environmental groups).

In this case, economic development efforts to reduce out of county travel will have a net positive impact on the environment -- if we are able to reduce vehicle miles traveled as well as carbon emissions.

Another area for discussion that you may want to think about is including a hotel renovation programs like the one Palm Springs instituted in 2008. It is based on using TOT returns much like TIF financing. Bonnie knows it very well, you should ask her about it. It might be a nice addition to all the very good language around hospitality / agricultural tourism and other elements that are already in the plan.

Again, wish I had more space to write, but have to run. Good luck and congratulations!

You're doing a great job!

Best,
P

iSpelled on my phone

On Jun 26, 2014, at 11:46 AM, Barbara Mason <Barbara.Mason@santacruzcounty.us> wrote:

Thanks Peter. I have put that in the comments so it will be reflected as a suggestion. Do you have more suggestions for the document?

Barbara Mason
Economic Development Coordinator
County of Santa Cruz
Planning Department
701 Ocean Street
4th Floor
Santa Cruz, CA 95060
(831) 454-2728

From: Peter Koht [<mailto:peter@opencounter.us>]
Sent: Thursday, June 26, 2014 11:36 AM
To: Barbara Mason
Subject: County ED Strategy Document

I read it fairly thoroughly and am disappointed that the Sentinel choose to highlight a very small, rather inconsequential part of the plan rather than the many forward thinking elements in it.

Like Teresa, I too think you should implement OpenCounter as well ;)

Best,
Peter

--
Peter Koht
Co-Founder: OpenCounter
831.419.3064
opencounter.us

Watch our 2013 Code for America Summit talk on Economic Development

Barbara Mason
Economic Development Coordinator
Santa Cruz County Planning Department
701 Ocean Street, 4th Floor
Santa Cruz, CA 95060

July 7, 2014

RE: Comments on Draft Economic Vitality Strategy

Dear Ms. Mason,

I write to submit a few comments on the Draft Economic Vitality Strategy released May 20. We applaud the effort by the County to capture the perspectives of county residents and to chart a course forward for enhancing the economic vitality of the region.

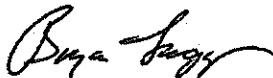
The Land Trust of Santa Cruz County works to ensure that open space and a healthy environment are all around us in Santa Cruz County. This work is guided by the Conservation Blueprint for Santa Cruz County, a plan developed in 2011, which followed a two year process that included input from over 100 local technical experts and the public.

A major strategy that arose in the Conservation Blueprint is that by supporting working agricultural lands, we can protect open space, provide jobs, and retain the leadership role the county plays in the development of innovative industries that emphasize sustainability. As the Economic Vitality Strategy celebrates, Santa Cruz exports this innovation to other parts of the country and world, leveraging additional economic benefits to the county.

The Draft Economic Vitality Strategy acknowledges this role as it is played by row crop, berry production and organic agriculture. Santa Cruz County foresters pioneered selection timber management, where second and third growth forests are harvested such that two thirds of the trees are left standing, with minimal impact to the watershed. These techniques stand in sharp contrast to practices in places like British Columbia, where old growth is clear cut, and 80% of the wood is shipped to California. Selection timber management is now spreading around the state and country. This is clearly a market opportunity.

In the plan, under Goal 3, Agriculture Sector, we encourage you to add to your introductory paragraph the second sentence in our paragraph above, which describes this innovation. Under Strategy 3.8, we encourage you add a sentence that reads: "Recognize the importance of selection timber management in providing sustainable building materials and model forestry practices."

Warm regards,



Bryan Largay
Conservation Director



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Barbara Mason

From: Zach Friend [zach.friend@gmail.com]
Sent: Thursday, August 14, 2014 4:15 PM
To: Barbara Mason
Subject: Fwd: [Comment or Information Request] Econ Vitality Plan-we need school buses

For EVS :)

Begin forwarded message:

From: paulaleroy7@gmail.com
Date: August 14, 2014 at 3:56:32 PM PDT
To: zach.friend@gmail.com, contact@bootsroad.com
Subject: [Comment or Information Request] Econ Vitality Plan-we need school buses

Paula LeRoy (paulaleroy7@gmail.com) sent a message using the contact form at <http://www.zachfriend.com/contact>.

Dear Zach,

I huge boon to our economic vitality would be to bring back school buses. The major traffic between 7:30 and 9, and 3-5pm is parents driving their children to and from school. There are at least 13 public schools between Freedom Blvd and Morrissey exits on South 1. That's 1000s of drivers. It is also extremely stressful for parents to deliver children around their work schedules, and reduces income with lost work hours.

The Metro most likely has an abundance of buses that could be used. Apparently, they have to have special credentials to drive children. The buses should be children only for the special routes, with "bus patrol" as oldest students in the school or volunteer parents.

Yes its an expense, but much much less than highway widening. Buses build community and safety.

Even Truckee California has school buses that go up remote snowy roads. I think in SC we should be able to deliver some sort of bus service and take the parents off the road.

Sincerely, Paula LeRoy

Kathy Previsich

From: Paia Levine
Sent: Wednesday, June 18, 2014 10:25 AM
To: Kathy Previsich; Barbara Mason
Cc: Sarah Neuse; Annie Murphy
Subject: FW: Economic Vitality Strategy - Sustainable Santa Cruz County

Since his comment is more economic than SSCC, would either of you prefer to respond?
I will look into what he says about the OTH not working.

We can discuss as needed.

Paia

From: Michael A. Lewis [<mailto:malewis@calcentral.com>]
Sent: Wednesday, June 18, 2014 10:21 AM
To: Paia Levine
Cc: Sarah Neuse; John Leopold
Subject: Economic Vitality Strategy - Sustainable Santa Cruz County

Hello Paia, Sarah and John:

Since the "Open Town Hall" electronic forum seems to have lapsed and does not include a category for the Economic Vitality Strategy, I am sending this email message directly to the principals.

After the last "Sustainable Santa Cruz County" workshop at the Grange, I came away feeling that something is wrong with the process, that the public is being herded into a pre-determined outcome, and that the economic planning process for the county is basically flawed.

I've spent some time going over the Economic Vitality Strategy (EVS) of May 2014, as well as the Sustainable Santa Cruz County/Transportation Corridor web site. This effort has confirmed my suspicion that this process has become hopelessly muddled, in large part because of the change in name and emphasis of the Transportation Corridor Plan (TCP) to the Sustainable Santa Cruz County Plan (SSCP).

While the SSCP has received considerable publicity and public participation, the EVS has received much less emphasis in the public comment process. This is odd, since the May EVS document contains many of the same recommendations presented in the most recent SSCP workshop (20 minute neighborhoods and new Land Use designations). These plans are being developed concurrently, but the relationship between the two plans and the process of their development has not been adequately explained to the public.

Perhaps more importantly, the economic strategy document contains assumptions and definitions based on unattributed and what I consider to be outmoded economic theories.

For instance, the definition of "sustainability" in the EVS states: "Most communities in California, including Santa Cruz, have begun to embrace the concept of sustainability, which means making decisions and strategic investments to sustain the community over the long-term. (Economic Vitality Strategy, page 6)

This is a purely economic definition of sustainability which does not address economic and environmental effects and constraints of economic growth and development, and merely assumes a continuation of the economic status quo indefinitely into the future. Inclusive of environmental considerations, community

sustainability means "making decisions and strategic investments that are not harmful to the environment or deplete natural resources, and thereby support long-term ecological balance."

Judging by the comments recorded in the EVS and SSCP workshops, there is a basic disjunct between the County's perception of "sustainability" and that of the public, which much more clearly embraces the environmental effects of economic growth.

The web page: "What is the Sustainable Santa Cruz County Plan?" asks the question: "How can we ensure that all residents benefit from **economic growth** and development?" This questions assumes that continuing economic growth is both desirable and beneficial, assumptions that are increasingly called to question by contemporary economists, based on recent economic and environmental trends and realities.

I am concerned that the future of Santa Cruz County's economy and the well-being of its residents are being planned without considering local, regional, national and global trends. It is vitally important to include current economic, environmental and social realities in the planning process, so we plan for the future, not for the past.

I've included three references from Steady State economists concerned with the inadvisability of economic planning under the assumption of continuing economic growth.

I would be happy to discuss these concerns with you at your earliest convenience.

Sincerely,

Michael A. Lewis, PhD
Live Oak

Steady State Economy links:

Center for the Advancement of the Steady State Economy homepage: <http://steadystate.org/>

CASSE position statement: <http://steadystate.org/act/sign-the-position/>

Supply Shock: Economic Growth At the Crossroads and the Steady State Solution: supplyshock.org

Barbara Mason

From: Rick Longinotti [longinotti@baymoon.com]
Sent: Tuesday, July 08, 2014 9:37 AM
To: PLN001@santacruzcounty.org
Cc: Barbara Mason; John Leopold; Peter Beckmann
Subject: Economic Vitality Strategy

Hi Kathy,

Thank you for accepting these comments on the Draft Economic Vitality Strategy

-Rick

Statement of Purpose: Prosperity for All

The Economic Vitality Strategy would benefit from an explicit mission statement or statement of purpose. The following sentence was the closest I could find to a statement of purpose:

“The Economic Vitality Strategy presents a series of goals, strategies and actions to promote job growth, expand workforce development, strengthen public revenues, and improve the quality of life for residents and businesses in Santa Cruz County”.

This statement could be improved since the first three phrases (re: job growth, workforce development, public revenues) are really means to an end. Ideally, the statement of purpose articulates what those strategies aim to achieve.

Here is my suggestion for statement of purpose:

The Economic Vitality Strategy aims to achieve prosperity for all residents of Santa Cruz County through an economic development that supports all aspects of human well-being. The EVS aims to nurture our county's culture of *interdependence*, the awareness that our personal well-being is connected to the well-being of others, and *sustainability*, that the well-being of future generations depends on the vitality of natural ecosystems: farmland, forests, streams, aquifers and ocean.

Prioritization of living wage jobs

Given a value of *prosperity for all*, it is apparent that it is insufficient to describe “job growth” as an effective strategy. What kind of jobs are desired? For example, do we want Walmart jobs? An article in Forbes reports on a study that states : “Walmart’s low-wage workers cost U.S. taxpayers an estimated \$6.2 billion in public assistance including food stamps, Medicaid and subsidized housing,”

The EVS calls for “strengthening key economic sectors”, including agriculture and hospitality. Yet those are sectors in which wages are often below poverty level. The EVS needs strategies that would encourage businesses in the low-wage agriculture, retail, leisure and hospitality sectors to pay a living wage and support the market conditions that enable them to do so. Figuring out how to do this is a serious analytical task that should be undertaken as a next step in the EVS process. But it starts with making *prosperity for all* the overarching purpose of the EVS.

There are some local agricultural businesses, for example, whose practices could be emulated. Example: Lakeside Organic, the largest organic grower in the county, has profit-sharing for all employees. Swanton Berry Farms has an employee stock ownership plan (ESOP) that will eventually result in total employee ownership of the company.

Aside from meeting the fundamental goal of prosperity for all, improving the income of workers in agriculture, retail, leisure and hospitality would have a significant multiplier effect. Low-wage workers would have more discretionary spending ability and the local economy would benefit. Not only is there an economic multiplier effect, but a social multiplier effect. Families who are less economically stressed would place fewer demands on our social service system and would have an increased ability to participate in the life of the community: schools, neighborhoods, etc.

Prioritizing Locally-owned Business

- The “localist” movement has made a convincing case that locally-owned businesses are beneficial to a community in a variety of ways:
- • There are many studies that find a larger multiplier effect associated with locally-owned businesses compared to chains.[1] Local businesses spend profits locally; procure more supplies and inputs locally; and employ local accountants, attorneys, marketing consultants, builders, etc.
- • Local owners tend to participate in civic life and local charities and are affected by local environmental impact.
- • Locally-owned business is less likely to relocate elsewhere, meaning that local jobs are more secure.
- • The variety and diversity of locally-owned business (versus chains, for example) contributes to a making our county an attractive place to live and visit.
- • Local ownership tends to promote personal relationships between owners, employees, customers, suppliers and neighbors.

The Draft EVS has several important strategies that would benefit local businesses. Here are some other strategies that the EVS can include:

- Government procurement and contracting policies with preferential incentives for locally-owned businesses
- promote a *Buy Local* ethos among consumers
- encourage businesses to *Buy Local* for their inputs, supplies, and services
- identify opportunities for locally owned businesses to produce goods and services that are currently sourced outside of the area (import substitution)
- deposit government funds in locally owned banks or credit unions.
- establish revolving loan funds for micro-lending
- facilitate local equity investing strategies to help start and grow locally-owned businesses ---e.g. start a local Slow Money group

- support the retention of local ownership upon sale by business founders e.g. organize workshops in employee stock ownership plans; facilitate local investor groups to purchase local businesses
- engage in ongoing analysis that identifies areas that would enable locally owned small business to start-up and prosper. For example, we don't yet have a good understanding as to which of the needs of small businesses are most pressing. For example, to what extent are the following needs impairing the starting and growing of small business: acquiring investment capital, debt financing, management expertise, workforce skills, local markets?

In 2007 the Locally Owned Merchants Alliance of San Francisco commissioned Civic Economics to perform a Retail Diversity Study. The study found that 3.7 jobs were created in locally owned limited-service dining establishments per million dollars in revenue, compared to 2.8 jobs per million revenue at Starbucks, McDonalds, etc. The study estimated that if consumers shifted their purchasing so that market share of independent businesses increased by 10%, 1300 new jobs would be created. The shift is actually going in the other direction as chain merchants are increasing market share in San Francisco.

Barbara Mason

From: John Leopold
Sent: Thursday, August 07, 2014 11:44 AM
To: Barbara Mason
Subject: FW: Santa Cruz County Economic Vitality Strategy

Barbara

I received this email when I was on vacation and I am not sure it made it to you.

John

John Leopold
Santa Cruz County Supervisor, 1st District
831-454-2200
John.Leopold@santacruzcounty.us

From: Richard Lyness [mailto:rnlyness@me.com]
Sent: Tuesday, July 01, 2014 9:34 AM
To: John Leopold
Cc: rnlyness@me.com; Larry Lopp
Subject: Santa Cruz County Economic Vitality Strategy

July 1, 2014

John Leopold
Santa Cruz County Supervisor
701 Ocean St., Suite 500
Santa Cruz, CA 95060

Re: Santa Cruz County Economic Vitality Strategy

Dear John:

I was recently made aware of the current initiative being developed by the County's Planning Department — The Santa Cruz County Economic Development Strategy, Public Review Draft dated May 2014. I understand that the deadline for public comment is July 7, 2014. It is unclear to me from the documents and websites I've been able to review how one submits comments and feedback on a timely basis. I trust that you will pass my thoughts along to the appropriate point of review.

Let me briefly offer the following observations with regard to the draft document, which I have reviewed carefully.

> I begin with the observation that I have been a resident and property owner in the Summit/Loma Prieta area of District 1 since 1994. For much of this time I have been actively engaged in community affairs, including efforts managing two parcel tax campaigns for the LPUSD and serving on the board of the Loma Prieta Community Foundation.

> Despite the fact that I think I pay attention to relevant community issues, I was unaware of this new public policy initiative. Perhaps in the Summit/Loma Prieta area we continue to be somewhat more isolated than “mainstream”

Santa Cruz County residents. I hope that the Planning Commission and the Board of Supervisors will consider extending the period for public comment — since I know that various interested parties are, like me, are probably unaware of this important effort/process.

> I applaud this initiative. I note that, as the draft document observes, “it has been well over twenty years since the las County economic development strategy was created, . . .”; and I agree that a great many current County regulations, processes and procedures now inhibit Economic Vitality, and fail to maintain our shared commitment to a balance between “growth and development” and “local values of sustainability”.

> I applaud the range of organizations that were consulted and involved in this initial process. I note the absence of any representation from the Summit/Loma Prieta area. If a Stakeholder Focus Group was held i this area, I didn’t hear about it. To the best of my knowledge, it hasn’t be featured in the Mountain Network News, a monthly publication that reaches more than 3,500 homes in the Summit area.

Although I have thoughts on various other elements of the draft document, let me focus my thoughts and feedback on the discussion on **Goal 3: Strengthen Key Economic Sectors — Agriculture, Health, Education and Leisure & Hospitality.**

> The emphasis on the Agriculture sector [p. 11 — 13] is appropriate, and perhaps deserves more emphasis.

> Within this sector, I note that issues with regarding policies and regulations affecting Santa Cruz vineyard growers and Santa Cruz winemakers also cross into and significantly contribute to the Leisure and Hospitality sector. A great many emerging craft brewing companies and a few local craft distillers should also be recognized in this category.

> I strongly agree with the observation that Santa Cruz County is home for a range of nationally and globally recognized brands — and none stronger than the 50+ owners/proprietors of Santa Cruz Mountain vineyards and wineries. While there are some large enterprises, the majority of these entities are small, family owned businesses.

> It is certainly true that many policies — both in Santa Cruz County and within local civic jurisdictions — unnecessarily constrain and restrict the activities and viability of some of these ventures. I could provide numerous examples, but here are a few with which I am well acquainted:

> Despite having been established more than 30 years ago, Jerrold O'Brien's Silver Mountain Vineyards is limited to being opening one day per week — on Saturday, with a very limited number of private events. In my view, the County has given inordinate attention to a very very small number of disgruntled neighbors — most of whom bought their properties with the knowledge that Silver Mountain was their neighbor.

> An Pelican Ranch Winery and St. Adarius Brewing made significant investments to locate in Capitola. Various arbitrary local policies made this process difficult. Current local policies prevent these businesses from placing temporary signs along the freeway access road that would allow them to more effectively promote their businesses. Many counties in California actively promote and maintain attractive signage to attract tourists to local wineries — Santa Cruz County would do well to follow this example.

Seriously, John, there is much more that we can and need to do to nurture, support and promote this important segment of our local economy. Apart from their direct contribution to local employment, I believe that Santa Cruz Mountain vintners and brewers are among the most important pillars supporting the Santa Cruz leisure and hospitality industries. Perhaps you need objective market research (my expertise) — but I believe more people come to Santa Cruz to drink wine than come here to surf. Regardless, there is no doubt that Santa Cruz (city and county) needs to do all that it can do to encourage these growing enterprises.

> A minor segment now, but a growing trend, is Farm to Table. Santa Cruz County has a growing number of small but sustainable farms; and these enterprises pair with local wineries and caterers. With appropriate leadership and encouragement, Santa Cruz County could/should be a lead destination for such efforts.

> In my view, the County has paid far too much attention to a very small but vocal set of local residents seeking to maintain and even strengthen unreasonable and often arbitrary restrictions on local wineries and similar businesses. In my experience all of our local wineries are conscientious about operating responsibly, and maintaining good relations with their neighbors and the local community.

> I agree with the conclusion that California Homemade Food Act creates important opportunities to encourage the growth of sustainable small entrepreneurial businesses addressing the growing interest in “farm to table” and similar trends. It is both socially and economically responsible for the County's policies to support and encourage such trends.

In conclusion, let again emphasize the tremendous contributions that Santa Cruz Mountain vintners and wineries make to the economic vitality and the quality of life and the economy of Santa Cruz County. They deserve the active and conscious support of our various public agencies and policy makers.

Thank you for your attention. I look forward to following this process closely, and participating in further forums and discussions.

Sincerely,

Richard

*Richard N. Lyness
23575 Skyview Terrace
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County of Santa Cruz

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July 2, 2014

Kathy Previsich, Planning Director
Barbara Mason, Economic Development
Coordinator
Planning Department
701 Ocean Street
Santa Cruz, CA 95060

**RE: COMMENTS ON THE SANTA CRUZ COUNTY ECONOMIC VITALITY
STRATEGY – PUBLIC REVIEW DRAFT – MAY 2014**

Dear Ms. Previsich and Ms. Mason:

Thank you for the opportunity to comment on the Santa Cruz County Economic Vitality Strategy – Public Review Draft – May 2014. The County has several primary and pivotal roles to play in assuring that our region has a sustainable economy. The working draft acknowledges these roles and outlines strategies that provide a good start. I would like to add my support for most of the strategies and suggest more that I think are particularly applicable to the economic vitality of the San Lorenzo Valley.

GOAL 1: CREATE SHARED VISION AND ORGANIZE FOR ACTION

- Strategy 1.2 outlines actions to organize the County's staffing and resources. Of particular importance are the actions under 1.2.1 that acknowledge the need to retain and expand businesses, organize regulatory reform, market Santa Cruz County with community partners, and strategically collaborate with private and public partners.
- Action 1.2.3, which addresses the need for an interdepartmental team to oversee streamlining of regulations and permits and facilitation of key projects, will be an excellent means to identify solutions to barriers as well as economic benefit. I am sure that the Strategic Action Team will be useful in the re-opening of the Brookdale Lodge and the proposed remodel of the Quality Inn.

GOAL 2: SUPPORT SUSTAINABLE DEVELOPMENT AND AVAILABILITY OF HOUSING

In its regulatory role, the County is mandated to ensure the health and safety of the community, but this role needs to be complemented by providing good customer service and reasonable rules. Whether investors are renovating a private residence or starting/expanding a business, the regulatory path they must follow should have a predictable timeframe, cost, and process. The public perception that the County works as a sensible partner with businesses and property owners to solve problems, not create unnecessary obstacles, is key to creating an atmosphere of confidence that Santa Cruz is worthy of investment from the private sector. Achieving this balance will give the public renewed confidence in the processes of local government.

- Strategies 2.1 through 2.7 are very important to support sustainable development.
- Strategy 2.4 in particular would create a "one stop" development model which, in combination with customer service training, many cities and counties have found expedites project review. Constituents in the Fifth District most often have smaller projects rather than large developments. They would welcome a simplified "one stop" model.
- Strategy 2.7 is to support a "Legalization Assistance Permit Program." How will this be different than past similar efforts?
- Strategies 2.9, 2.12, and 2.13, which address affordable housing, will be particularly effective in supporting the availability of affordable housing. I would request that the issue of bank-owned homes which were vacated during the Great Recession and are just now coming on the market be addressed. Per County Code, because those homes have been vacant more than three years and don't meet current regulations for septic tanks, they can't be occupied. I believe about a dozen affordable homes in the San Lorenzo Valley are in danger of becoming neglected properties in neighborhoods.

GOAL 3: STRENGTHEN KEY ECONOMIC SECTORS – AGRICULTURE, HEALTH, EDUCATION AND LEISURE & HOSPITALITY

All of the strategies listed under this goal are a good start, but many of them begin with the word "support". This is not specific regarding what actions the County intends to take that will result in the desired outcomes.

- Strategies 3.1, 3.3, and 3.6 are very important to strengthening the Ag Sector.

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- Strategy 3.2 is fine, but the County's role should be to complement what Ag stakeholders are already doing. This sector is particularly well organized and the County can add value but should not attempt to duplicate. The stakeholders should also be the determiners of the format and topics to be discussed (i.e., what will be the most helpful?).
- Strategies 3.4, 3.6, 3.7, and 3.8 are "support" actions. Can these be better defined? It is very important that existing Ag Sector organizations are recognized and the services they provide are complemented, not duplicated by the County.
- Strategies 3.9 through 3.14 are laudable and will help to strengthen the Health Sector.
- Strategies 3.15 and 3.16 are "support actions." Can these be better defined? It is very important that existing Education organizations are recognized and the services they provide are complemented, not duplicated by the County.
- Strategy 3.17 is very critical, but more specifics relative to the County's role and point of influence would be helpful.
- Strategy 3.18 sounds good, but more specifics relative to the County's role and point of influence would be helpful.
- Strategies 3.19 through 3.27, relative to the Leisure and Hospitality Sector, are a good start, but there are omissions relative to District 5 and the San Lorenzo Valley.

Additional suggestions:

- What locations are anticipated in the San Lorenzo Valley for small to medium-sized new hotel projects?
- What historic lodging facilities in the San Lorenzo Valley would benefit from technical assistance from the County (i.e., Toll House Resort, Brookdale Lodge, Hartman House, Merrybrook Lodge, etc.)?
- Weddings are a large and growing economic driver in the San Lorenzo Valley. I applaud the Planning Department's efforts to work with wedding venue owners to legalize, rather than close, existing venues, such as Stones and Flowers. Please include a specific strategy that would promote wedding venues as a distinct business sector.

- Add a strategy addressing the economic potential in large group camp facilities. The San Lorenzo Valley has combined visitor accommodations for more than a thousand people at camps such as Redwood Christian Park, Camp Hammer, Mount Hermon Christian Conference Center, Camp Krem, City Team Camp MayMac, Camp Harmon, Mission Springs, and others. A cross-marketing effort to bring those guests to other locations would be very beneficial to small businesses in the Valley.

GOAL 4: ENHANCE GROWTH OPPORTUNITIES FOR EMERGING SECTORS OF TECHNOLOGY/ INNOVATION AND THE ARTS, AND SUPPORT SMALL BUSINESSES

There are numerous proposed strategies that move toward a more structured partnership role for the County to support key business sectors, including agriculture, health, education, leisure and hospitality, the arts, emerging businesses that focus on technology, and support for small businesses. These strategies are among the most innovative and entrepreneurial within the document. However, other than facilitating occasional regional meetings and communicating local business success stories, it is not clear how the County envisions “partnering” with local economic development organizations.

For many years, the County has been a very engaged and active partner with dozens of social service, environmental, and tourism non-profits. The services these non-profits provide complement County services in a highly leveraged manner, both in terms of cost and positive outcomes.

In a similar manner, the County needs to be an active partner with all of the local economic development organizations (i.e., the business associations and chambers located within the county). Developing a productive partnership with each will require identifying specific ways the County can support (not attempt to duplicate) the services already provided by these organizations to their business members. Most of the other major public entities within the county are partners in the governance, membership, networking, education, and other services provided by these organizations. By playing an active membership role in one or more of the non-profit economic development organizations within the region, UCSC, Cabrillo, K-12 school districts, the City of Santa Cruz, and hundreds of prominent non-profit organizations are connected to thousands of businesses that are the backbone of the local economy, the majority of which are small and encompass all of the key business sectors identified in the working draft as worthy of the County's support.

One simple and inexpensive strategy that comes to mind is becoming a member of all of these existing organizations that are already providing comprehensive assistance and networking services to their business members. The County should be considered a prominent public partner on the same level as other well-regarded public entities that are already actively involved. Membership in these associations is a minor financial investment (less than \$7,000 annually to join all of the business associations and

chambers located within the county) and will provide the County the opportunity to develop collaborative initiatives that leverage and complement the services already provided to the each association's business members.

- Strategy 4.21 to support expansion of broadband infrastructure is a strategy I strongly support as one of the most needed support services for small companies and home businesses, especially in the San Lorenzo Valley where internet options are not keeping pace with current standards.
- Strategy 4.23 includes more flexible permitting procedures for home occupations and small businesses, which I strongly support. Likewise, designation of a "Small Business Ombudsman" will support the vast majority of Santa Cruz County businesses, which are small businesses.

GOAL 5: EXPAND PUBLIC SECTOR CAPACITY AND INFRASTRUCTURE

- Strategy 5.1 is extremely vital and the proposed Action 5.1.1 to support high speed broadband infrastructure throughout the county is the most appropriate role/point of influence for the County.
- Strategy 5.2 – How can the County actively partner with the RTC in accessing more funding for critical transportation projects?
- Strategy 5.5 is really important to promoting dense use within the current urban services line, while conserving the greenbelt.
- Strategy 5.8 proposes preparing an infrastructure master plan. Businesses in the San Lorenzo Valley, and particularly in Boulder Creek, are hindered by the high costs of septic tank pumping and sewage disposal. A valley-wide sewer system was proposed and rejected about 30 years ago. However, smaller sewage treatment systems that would serve businesses in each town core are feasible and would greatly improve the potential for successful businesses in the San Lorenzo Valley.
- Strategy 5.14 proposes working with fire departments to identify road improvements. Private roads projects should also be identified.
- Strategy 5.15 addresses density. Greater density within the existing urban services line is one of the best tools available to the County to provide for beneficial mixed use (commercial use and affordable housing) along existing transit corridors.
- Strategy 5.17 mentions partnering specifically with the Santa Cruz Business Council. What about the other economic vitality organizations in the county?

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- Strategy 5.18 should include youth in general, not just disadvantaged youth.

GOAL 6: REVITALIZE AND STRENGTHEN TOWN CENTERS AND COMMERCIAL AREAS

- Strategies 6.7 – 6.11 encourage revitalization of obsolete retail and engaging in a Main Street approach. Downtown areas in the San Lorenzo Valley could revitalize and make their businesses more inviting if there were sidewalk café areas, benches, and other sidewalk improvements. Unfortunately those amenities are excluded by Caltrans, whose jurisdiction includes the sidewalks and walkways in the San Lorenzo Valley.
- Please add a strategy to work with business and property owners to develop public parking in San Lorenzo Valley downtown areas.

GOAL 7: PROMOTE SANTA CRUZ COUNTY TO LOCAL, REGIONAL, STATE, NATIONAL & GLOBAL MARKETS

All of the strategies listed under this goal are a good start. The comments under Goal 4 regarding the importance of identifying specific ways the County will partner with the local economic vitality organizations apply here as well. This includes not only the business associations and chambers, but the Farm Bureau, arts organizations, and the Conference and Visitors Council. The County should be a full and active partner, a member of all these organizations, and fully involved/complementing (not duplicating) the services offered to their respective business members.

- Strategy 7.1, with regard to branding efforts for Santa Cruz County, should include an additional and separate Santa Cruz "Mountains" branding based on heritage tourism and lifestyle tourism, bicycle tourism, winery tourism, weddings, and visits to Castle Rock, Big Basin, and Henry Cowell State Parks. The "Santa Cruz Mountain" activities are different than Santa Cruz beach tourism and have not been adequately branded.

Thank you for the opportunity to comment. I look forward to working on the implementation of the Economic Vitality Strategy report.

Sincerely,



BRUCE MCPHERSON, Supervisor
Fifth District

BAM:ted

2107A5

Rick Longinotti
July 8, 2014, 2:41 PM

OPEN TOWN HALL COMMENT

1. What types of jobs would you like to see more of in Santa Cruz County?

The EVS needs strategies that would encourage businesses in the low-wage sectors of agriculture, retail, leisure and hospitality to pay a living wage and support the market conditions that enable them to do so.

2. What types of businesses or stores would you like to see in Santa Cruz, that are not here now?

The EVS should identify opportunities for locally owned businesses to produce goods and services that are currently sourced outside of the area. A companion strategy is for local businesses, consumers and government agencies to preferentially procure their needed goods and services with locally owned businesses.

3. What are the three most important things that Santa Cruz County government should focus on in order to help improve the economic vitality of our County?

The EVS needs a statement of purpose, such as, "The Economic Vitality Strategy aims to achieve prosperity for all residents of Santa Cruz County through an economic development that supports all aspects of human well-being. The EVS aims to nurture our county's culture of interdependence, the awareness that our personal well-being is connected to the well-being of others, and sustainability, that the well-being of future generations depends on the vitality of natural ecosystems: farmland, forests, streams, aquifers and ocean." Secondly, the EVS needs to recommend metrics that are aligned with the purpose. The metric would include indicators of economic well being (wages, housing affordability, unemployment, etc.) as well as other indicators of human well being (health, education, happiness, social capital). It would also have metrics for ecosystem well-being (indicators for the health of forests, farmlands, aquifers, streams, ocean). Third, the EVS needs to expand its strategies to achieve the purpose, especially in the areas of social equity, ecosystem health, and social capital.

Name not shown

OPEN TOWN HALL COMMENT

July 11, 2014, 11:30 AM

1. What types of jobs would you like to see more of in Santa Cruz County?

In general, jobs that pay a living wage. Jobs in publicly owned enterprises.

2. What types of businesses or stores would you like to see in Santa Cruz, that are not here now?

We need a much better public transport system. In the US, there will be a growing market for public transport solutions once oil becomes less affordable. We ought to have people designing such solutions.

3. What are the three most important things that Santa Cruz County government should focus on in order to help improve the economic vitality of our County?

I am baffled by the fact that water issues received such little attention in the report. If a comprehensive review of our water needs exists in other places, the report ought to make reference to them. Without water there will be no vitality! We need to have the water districts force the farmers and other well users to report their usage of water so that we can plan ahead of time for further depletion of wells and increased intrusion of salt water. Secondly, the report appears to adhere to traditional measurements of vitality, mostly oriented along economic growth. This widely used method regularly focuses on business interests and omits or downplays the contributions and concerns of people officially considered "unproductive", typically all those who are not employed. The vitality of our current society is hugely dependent on volunteers and all those who do work without pay. While business activities are clearly important, there are other ways of determining the vitality of a society. The happiness of people has been made the focus of studying the vitality of economies and we ought to add this lense to the report. Worker ownership of businesses, workers involvement in decision making, publicly owned businesses, - all of these tend to increase people's participation and provide more meaning in people's lives. Lastly, we ought to have a publicly owned bank. The State Bank of North Dakota is a good model; there have been several attempts to promote such institutions in California as well; these attempts ought to be considered in a plan for the next ten years here in Santa Cruz.

Steve Tedesco

OPEN TOWN HALL COMMENT

July 14, 2014, 10:12 AM

1. What types of jobs would you like to see more of in Santa Cruz County?

see below

2. What types of businesses or stores would you like to see in Santa Cruz, that are not here now?

see below

3. What are the three most important things that Santa Cruz County government should focus on in order to help improve the economic vitality of our County?

I am surprised and concerned that the EVStudy does not give much if any attention to the Bay itself for job growth. Marine Biology with UCSC here, puts SC County right in the heart/middle of many jobs from Half Moon Bay to Monterey .I would encourage the study to include more analysis of the potential jobs from fishing to scientific studies focused on Monterey Bay. I am aware of many non-profit and for profit businesses that with some attention could grow and add significant jobs to our base. I have been to several presentations on the EVS and don't recall any significant discussion on Marine based careers.

Chris Nunez

July 22, 2014, 10:57 AM

1. What types of jobs would you like to see more of in Santa Cruz County?

Quick review of the EVS shows that 1) you can only access this 'online' so if you're not able to access a computer and it's not part of your life yet then your voice isn't heard — so much for 'community input'. This says something about who those entrepreneurs will be, and who won't be. You might want to look at the Sunday Chronicle and see who's gentrifying Mill Valley, as well as what we've seen of San Francisco's effort to re-brand itself as Silicon Valley. As for 'affordable housing' that's an empty and meaningless phrase that's been used over and over for decades by developers who don't quite deliver. What I don't see is any kind of consideration of the reality that throughout California we are being asked to create communities with infrastructure for the reentry of people who have been incarcerated and are now being sent back to their counties. While some of them will do the remainder of their time in the county jails, others will be out and in need of 1) job training; 2) group homes to re-establish themselves into civilian life; 3) rehabilitation services for alcohol or other substance abuse problems. These are not services that are fully paid for by the savings from emptying our prisons, but there is a need there. To assume that all new jobs will be high tech shows that there is a disconnect with the reality of our communities. There must be a mix of job training and opportunities that include blue-collar jobs, service jobs, and not just high-tech that will serve only UCSC grads. This smacks as discriminatory and self-serving and could create a backlash like the one that's been brewing in San Francisco. If you haven't seen how long-time residents, and service workers who actually lived in San Francisco have been displaced by high-tech wannabe entrepreneurs than you're not paying attention. The request for funds to support this dream ignores that it is the taxpayer, many of whom are not UCSC grads, and many of whom are blue-collar and service workers is myopic. Where is the opportunity for anyone but the UCSC grads? Where are the real opportunities being ignored? There are real needs, and the 'visionaries' of this EVS plan seem only to be seeing their own futures and not the whole of Santa Cruz County. Time to get those feet back on the ground and think as a real community and not just an exclusive little group of cohorts. And it's a relief that the 'feedback' opportunity has been extended

through August. But where other than online can people provide feedback and engage in a real face-to-face discussion and some brainstorming?

2. What types of businesses or stores would you like to see in Santa Cruz, that are not here now?

No Response

3. What are the three most important things that Santa Cruz County government should focus on in order to help improve the economic vitality of our County?

One would be: Oh, yeah, I forgot to mention, we will also have veterans returning from the wars in the Middle East who will have some important skills, but will those skills be needed in the EVS vision? And we have vets who've returned and some have been maimed by that war and in need of rehabilitation and services that are not as readily available as could be. Maybe folks have seen some of those vets on the street looking an awful lot like 'homeless' folks. And have you seen the vets whose limbs are amputated? They have needs too like jobs, rehabilitation, housing and community. I don't see any of that in this EVS plan. Those of us who have benefited from college educations should not step in front of the line when tax money is available for 'improvements' when there are all these other fellow citizen who have more pressing needs. But perhaps there is mutual opportunity in helping one another, maybe? And the second would be that for all the buzz about 'sustainability' and 'environment friendliness' our community seems to ignore that we have a river and a levee that separates us from any rising water, and we are on the coast, yet there seems to be no consideration for the eventual impact of rising waters in the future. Nor is there any consideration for what will happen to those folks with either residences or businesses on these flood plains. Can we plan better in anticipation of these eventualities, and can those residences be improved or moved? Can we look at what will happen to those businesses and think ahead with better planning, whether it's architecturally sound, or relocating businesses and services? How do we prevent Katrina-like devastation to our communities? And how can we plan for a better response to natural disasters such as Katrina -- or man-made disasters? That community (New Orleans) still has not recovered, and people have migrated elsewhere. That may not be a viable alternative and we will wind up with families poorer than they already are, with no ability to recover. Computers will not help this.

Thomas John Batley
August 5, 2014, 6:01 PM

OPEN TOWN HALL COMMENT

1. What types of jobs would you like to see more of in Santa Cruz County?

Jobs that provide living wages. Jobs that provide dignity to all employees.

2. What types of businesses or stores would you like to see in Santa Cruz, that are not here now?

Businesses that provide a living wage to employees and share profits with all. Businesses that are mindfull of their ecological footprint. Businesses that wellcome eveyone in.

3. What are the three most important things that Santa Cruz County government should focus on in order to help improve the economic vitality of our County?

- 1.) Count all parts and individuals of the community as being important.
- 2.) Give voice to all sides of the society and really listen with your heart to what they have to say.
- 3.) See the community as a whole, not just a part, it can't be successful without everyone coming along for the ride.

John Hunt
August 10, 2014, 3:46 PM

OPEN TOWN HALL COMMENT

1. What types of jobs would you like to see more of in Santa Cruz County?

Santa Cruz County has three primary sectors that bring money into the area to support local economic development: agriculture, tourism, and education. In addition, two potential areas that could bring money in are tech and local distributed energy sourcing and management. Jobs creation should focus on adding value to the big three through: (1) Creating higher value agricultural products through organic standards, processing, and marketing. (2) Developing public private partnerships with local universities, including policy think tanks. (3) Including public safety, aesthetic and activity-related requirements in re-development to create opportunities for tourists to spend the night in the county rather than just go to the Boardwalk for the day.

2. What types of businesses or stores would you like to see in Santa Cruz, that are not here now?

(1) Businesses that add value to agriculture, tourism and education. (2) Light manufacturing and engineering so that local workers will design and build creative transportation alternatives based on the rail line, bike/pedestrian bridges and alternatives, and new vehicles (like electric motorcycles, carts, and segways). (3) Businesses that not only install solar panels but add value to alternative energy systems through creative design and components for homes, businesses and public areas. (4) Energy distribution management businesses that can transform Community Choice Aggregation into a distributed system or local power generation and transmission, including development of a local smart grid.

3. What are the three most important things that Santa Cruz County government should focus on in order to help improve the economic vitality of our County?

(1) Improving broadband access, with more flex working spaces linked to transportation and broadband networks. (2) Building infrastructure for sharing of water resources (SC surface water and Soquel groundwater). (3) Promoting systems to capture waste water and storm water. Waste water (sewage) should be recycled. Stormwater should be spread, treated, and infiltrated

using biological infrastructure (wetlands, buffers) and recharge devices (permeable pavement, catch basins.) All of these efforts provide jobs while improving the natural environment that tourism depends on. They also lessen our dependence on increasingly expensive outside energy sources and improve our self-reliance and quality of life.

Ben Vernazza

August 12, 2014, 11:40 AM

OPEN TOWN HALL COMMENT

1. What types of jobs would you like to see more of in Santa Cruz County?

John Hunt describes my opinion well

2. What types of businesses or stores would you like to see in Santa Cruz, that are not here now?

Again, John Hunt is same mindset

3. What are the three most important things that Santa Cruz County government should focus on in order to help improve the economic vitality of our County?

Third time is the charm again -- I'll go with John Hunt's expressed opinions.

Barbara Mason

From: Kathy Previsich
Sent: Tuesday, July 08, 2014 4:26 PM
To: Barbara Mason
Subject: FW: Economic Impact of Wedding Businesses in Santa Cruz County
Attachments: Economic Impact of weddings.doc

From: pacificoaksvineyardestate@gmail.com [<mailto:pacificoaksvineyardestate@gmail.com>] **On Behalf Of** Pacific Oaks Vineyard Estate
Sent: Tuesday, July 08, 2014 1:22 PM
To: Kathy Previsich
Subject: Fwd: Economic Impact of Wedding Businesses in Santa Cruz County

Hello,
I submitted this letter yesterday; however the email address was incorrect.
Thank you for submitting my letter for your future economic planning.

Judy

----- Forwarded message -----

From: Pacific Oaks Vineyard Estate <Judy@pacificoaksvineyardestate.com>
Date: Mon, Jul 7, 2014 at 10:54 AM
Subject: Economic Impact of Wedding Businesses in Santa Cruz County
To: PLN001@santacruzcounty.org

Please find a file attached with an outline of the economic impact of wedding in Santa Cruz County.

Thank you for considering this information in your economic strategy for the county.

--
Judy

Pacific Oaks Vineyard Estate
www.PacificOaksVineyardEstate.com
(831) 531-7431

July 07, 2014

PLN001@santacruzcounty.org
Economic Impact of Wedding Venues

Santa Cruz County
701 Ocean St. #500
Santa Cruz, CA 95060

To Whom It May Concern:

I am writing concerning the economic impact of wedding ceremonies and receptions held on properties in Santa Cruz County. The impact of these businesses on the already fragile economy in Santa Cruz County is huge. Please consider the businesses positively affected and the jobs created:

Hotels, Caterers, Photographers, Restaurants, Videographers, Florists, Party Rental Companies, Shuttle Companies, Taxi Companies, Officiates, DJ's and Bands, Individual Musicians, Wedding Coordinators, Bakeries, Liquor Stores, Stationery Stores, Clothing Shops, Landscape Companies, Cleaning Services, Restroom rental services and Car Rental Companies to name a few. The impact on the environment is very small; these are very green business models.

Many weddings are "destination weddings" meaning couples from out of the county or state select a wonderful venue here in Santa Cruz for this special day in their lives. If these venues are not available to them they will select a location in another area of the state.

Family and friends fly into the area, stay in hotels, take in the sites and eat in local restaurants. The income to the Santa Cruz area results in tens of thousands of dollars to the local economy and tax base for each wedding held in Santa Cruz County.

Please consider these companies and the jobs created here in Santa Cruz County.

Thank you.

Barbara Mason

From: dawnteall@gmail.com on behalf of Dawn Teall [dawn@scottsvalleyartisans.com]
Sent: Wednesday, May 21, 2014 2:25 PM
To: Barbara Mason
Subject: Public Comment - Draft Economic Vitality Strategy

Thank you so much for giving us the opportunity to comment on this draft. We have one correction to make, which is to our name on pg 27, 2nd paragraph, 2nd sentence: Regional Art Association should be Regional Artisans Association.

Thank you !

Dawn Teall

--

Dawn Teall

The Regional Artisans Association

Scotts Valley Artisans, Art of Santa Cruz, SantaCruzArtists.com, Mural-in-a-Day, Art in Public Places

230-D Mt. Hermon Rd., Scotts Valley 95066

831-439-9094

www.scottsvalleyartisans.com



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Barbara Mason
Economic Development Coordinator
Santa Cruz County Planning Department
Office of Economic Development
701 Ocean Street, Room 400
Santa Cruz, CA 95060

July 7, 2014

RE: Economic Vitality Strategy

Dear Barbara:

Thank you for the opportunity to provide comments on the County's draft Economic Vitality Strategy. We applaud Ms. Mason and her team's work and are eager to continue to work with the County to realize our shared vision of continued and sustainable economic growth in Santa Cruz County. The Resource Conservation District of Santa Cruz County (RCDSCC) is one of 99 Resource Conservation Districts in California that support their local communities through technical assistance, outreach, education and project implementation assistance. Since 1941, the RCDSCC has supported landowners, land managers, and local municipalities and we are looking forward to continuing to play a pivotal role in both resource conservation and economic vitality in Santa Cruz County.

Through effective partnerships and programs, the RCDSCC addresses water quality, biodiversity, ecosystem health, and water quantity concerns. Not only is this work benefiting natural resources, it has and continues to provide important contributions to the County's economic vitality. These projects directly support the local economy through construction related activities, but more importantly they are benefiting our local economy through the protection of natural resources. There are three generally accepted forms of economic capital that form the backbone of our modern economies – human, built, and natural. While the first two are generally understood, appreciated, and valued it's only recently that we have begun to appreciate the economic value of natural resources.

Santa Cruz County hosts a diverse range of environments including grasslands, redwood forests, wetlands, beaches, fertile soils, rolling hills, and it is home to productive farms, rangelands, woodlands, and shorelines, all of which support a diverse and thriving set of economic activities, as well as enjoyable lifestyles both in urban and rural areas. This diversity of environments represents the County's natural capital wealth, from which local communities and economies derive a number of critical goods and services such as agricultural products and timber, a reliable water supply, clean air, natural pollination, water filtration, and natural flood attenuation. These services, also known as ecosystem services have traditionally been taken for granted and rarely accounted for in economic analyses- though their quality and function are foundational for our economies and lifestyles. As such and as part of creating a shared vision, we recommend placing a stronger emphasis on natural resource conservation and stewardship, particularly in relation to action strategies under Goals 2 and 3 of the Economic

The mission of the Resource Conservation District of Santa Cruz County is to help people protect, conserve, and restore natural resources through information, education, and technical assistance programs.

Vitality Strategy. We consider this to be foundational to support several economic activities and job opportunities within our County (particularly in agriculture, tourism, leisure & hospitality, and the arts).

The RCDSCC is currently involved in a regional effort (Healthy Lands & Healthy Economies (HLHE) Initiative) to demonstrate the economic value of local natural capital and the ecosystem services that flow from our intact natural capital. The HLHE Initiative will focus on not just the economic value of these assets and flows, but on how active stewardship plays a direct role in maintaining sustainable local economies and communities in Santa Clara, Santa Cruz and Sonoma Counties. We anticipate releasing a comprehensive report for Santa Cruz County in early fall that describes this body of work, creates clear, cogent, and locally applicable examples of how natural capital effects our local economy and provides new tools for integrating natural capital and ecosystem service values into traditional economic analyses. In the meantime, we are eager to share with you the attached a Highlights & FAQ document that summarizes our effort and findings to-date and will help demonstrate the link between the work we are engaged in and the Economic Vitality Strategy.

The report will describe how Santa Cruz County's economy is housed within a landscape of natural capital, which provides valuable benefits to people referred to as ecosystem services, such as water supply, clean air, food, fiber, soil fertility, flood protection, recreation opportunities, and more. Ecosystem services, which are essential to human well being, are rarely accounted for in traditional economic analyses. But using the latest advances in natural resource valuation methods and geographic information systems data, this study identified and assigned dollar values to bundles of ecosystem services by land cover type, and it estimated the total asset value of natural system within the County.

Some key findings from this study include:

- Natural capital in Santa Cruz County provides a stream of ecosystem services valued at \$800 million to \$2.2 billion to the local and regional economy every year.
 - Ecosystem services monetized in this study include but are not limited to clean water supply, clean air, local food, climate regulation, storm and flood protection, recreational opportunities, and natural beauty.
- Based on the annual flow of value, over a 100-year period, the estimated Net Present Value (or Asset Value) of Santa Cruz County's natural capital ranges from:
 - \$22 billion to \$61 billion at a discount rate of 3.5%, which treats natural capital like a short lived built capital asset, or
 - \$81 billion to \$220 billion at a discount rate of 0%, which assumes 100 years from now people will enjoy the same level of benefits from this natural capital as we enjoy today

The above values, while large, are likely an underestimate because this study was not exhaustive of all land cover types or ecosystem services represented in Santa Cruz County.

What is important to note, especially within the context of the Economic Vitality strategy, is that in contrast to built capital, the asset value of natural capital can actually appreciate with effective conservation and stewardship, thus highlighting the importance of such work. Land management strategies influence the kinds and level of ecosystem services provided in any given landscape. Land acquisition, conservation easements, and voluntary stewardship are key ways in which private citizens and governmental agencies are working together to protect, restore, and manage Santa Cruz County's natural capital and the valuable ecosystem goods and services it provides.

Open space can help to attract and retain businesses: it has been demonstrated that access to parks and other open spaces can be significantly more important to company location than a region's economic development goals. Over 105,000 acres, or about one-third of Santa Cruz County, are protected through

The mission of the Resource Conservation District of Santa Cruz County is to help people protect, conserve, and restore natural resources through information, education, and technical assistance programs.

permanent ownership and management by public agencies (State, County and City parks), conservation easements, and private funds and land trusts (Land Trust of Santa Cruz County, Sempervirens Fund, Trust for Public Lands). It is important to ensure stable and sufficient funding mechanisms to support stewardship of these areas, and we suggest that the Economic Vitality Strategy incorporate these concepts. While land acquisition clearly plays an important role in protecting natural capital, stewardship of open space in all of its forms (public, private, protected or productive lands) is equally or more critical. It is important to ensure stable and sufficient funding mechanisms to support stewardship of working landscapes and open space, and we suggest that the Economic Vitality Strategy incorporate these concepts. Finally, unlike factories that generally produce a single product, natural capital assets can simultaneously produce multiple ecosystem goods and services. These services can either conflict or synergize with each other depending on land conservation and stewardship strategies.

Several local examples illustrate these concepts, including Watershed Restoration Program (IWRP), from which the RCDSCC was able to leverage a \$40K annual tax funding base by several orders of magnitude through partnerships and investments from public and private sources in the amount of \$17.2 million over eight years. The analysis estimated that the activities supported with these investments resulted in about \$46 million to \$65 million circulating in the local economy. This includes wages from the jobs generated, which are estimated to be somewhere between 250 and 400 jobs.

The second example is a managed aquifer recharge (MAR) project (the Bokariza MAR site) in the Pajaro Valley. Management of the Bokariza recharge area offers at least five different types of ecosystem services, which are beneficial to the local economy: water supply, water quality, flood control, wildlife habitat and recreation. When bundling these benefits and averaging their economic value, the analysis estimated a \$9 return for every \$1 spent on the project. Under a more conservative scenario, the analysis still showed a significant rate of return of 21%.

We appreciate the work that has gone into preparing the County's draft Economic Vitality Strategy. As was recently highlighted at the County Planning Commission hearing, the County's natural resources are one of its most significant assets. The RCDSCC's HLHE study provides the data to support this notion, and we look forward to working with staff to include the need for stewardship of these resources in the EVS report. Please do not hesitate to contact me if you have any questions or would like to discuss this further.

Sincerely,

Chris Coburn
Executive Director

Barbara Mason

From: Ray Kaupp, S4C ED [ray@sccommits.org]
Sent: Monday, August 11, 2014 3:05 PM
To: Barbara Mason
Cc: Martine Watkins
Subject: EVS Feedback

Barbara,

Thanks for the lunch meeting last Friday, and sorry for not getting this to you sooner. Here's my "Top 10" on the EVS.

1. Housing cost is one of the factors that gets in the way of recruiting world class teachers to start their careers in SC County. Is a New Teacher Housing program of some kind possible.=?
2. In 3.4, Ag workforce training, Cabrillo and Hartnell have programs, and are building articulation with high school programs. Watsonville High is revamping their Ag program to align with industry requirements.
3. In 3.14 Medical education, nursing up through CSUMB, plus Cabrillo's Health Careers Partnership is the model for industry engagement across the state.
4. Distance education gets really tricky to implement well. Interest is high, but early results are not good for MOOC's and other scaled models. Just a caution, on the leverage that is, or is not, available from DE.
5. 3.16 Educator training; SC County is home to the nationally recognized New Teacher Center ... regarded as one of the best in the country, and the envy of everyone else in the country.
6. 3.17 Citing graduation rates just starts a debate about how the number is calculated, and educators will dismiss it, since our graduation rates are high by the standard measure, and have improved steadily over 20 years. Better to cite the problem as "College and Career Readiness": remediation required by 25% of UC Frosh, 57% of CSU Frosh, and 90% of Cabrillo Frosh.
7. Tech and innovation . . . Cabrillo should have a program in Entrepreneurship.
8. Arts: Catalog of venues should include facilities at schools and post-secondary; integrated presentation of performing arts events would help everyone.
9. Insure that WIB plan is integrated and aligned w. EVS.
10. In 5.20, S4C has just launched a work-based learning collaborative to coordinated internships, job shadows, career panels and such, with membership comprised of public education in the county--Cabrillo, ROP, COE, UCSC, CSUMB; and they're also working with the WIB, Work4Youth, and Your Future Is Our Business. (I'm pointing Matt Weis at you, who leads this collaborative.

Thanks again for putting this all together. Its a fabulous piece of work as is, just wanted to provide my suggestions.

Best,

ray

Ray Kaupp, Ed.D., MBA
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SAN LORENZO RIVER ALLIANCE

A PROJECT OF THE COASTAL WATERSHED COUNCIL



COASTAL-WATERSHED.ORG
*Preserving and protecting
our coastal watersheds*

Executive Summary

The San Lorenzo River Alliance is a community coalition focused on revitalizing the health of the San Lorenzo River and transforming this critical natural resource into a safe and welcoming community destination. Under the leadership of the Coastal Watershed Council, the San Lorenzo River Alliance (SLRA) objectives are centered on water quality improvement, habitat restoration, public safety and recreational improvements. CWC's vision for the SLRA is to create a thriving Santa Cruz riverfront, through an engaged coalition of environmental agencies, local businesses, nonprofits and stakeholders who are inspired to restore the river, renew community pride and support sustainable economic development surrounding this important waterway.

Statement of Need

The San Lorenzo River currently does not meet federal and state water quality objectives nor support beneficial public uses. It is listed on California's "303(d)" (impaired waters) list for nutrients, pathogens and sediment and Santa Cruz City Police Department statistics show a high concentration of criminal activity adjacent to the river. This problematic situation has supported a negative community perception of the riverway as a threatening, dirty and unsafe place to visit. Moreover, local policy prohibits recreational paddling on the lower river, further alienating the community from the river's recreational potential. Other communities throughout the nation have taken a different approach by restoring their riverways to establish vibrant urban spaces which are safe and inviting for residents and tourists. These efforts have also favorably contributed to their local economies and quality of life. The San Lorenzo River should instill a sense of local pride, become an engine of economic activity, as well as be recognized as a source of drinking water, fish and wildlife habitat, flood protection and a destination for outdoor recreation. The coalition of leaders in the San Lorenzo River Alliance recognize that restoring the river will transform the present river challenges and the current drain on public resources into a significant community asset for Santa Cruz's future.

COASTAL WATERSHED COUNCIL

345 Lake Avenue, Suite F, Santa Cruz, CA 95062 ~ (831) 464-9200

www.coastal-watershed.org

CWC's intent in forming this coalition is to obtain consensus on a common set of goals for the river. The process will include a review of multiple river plans which have been partially implemented over the past ten years. The ROC has initiated a community assessment process to give the public a renewed opportunity to share what they want from their San Lorenzo River. The result will be a prioritized list of immediate changes which can take place in and near the river, as well as longer term goals. In addition to leading the coordination effort, CWC's own immediate goals include getting more people in and on the river through enhanced recreational opportunities, and cleaning up the water in the San Lorenzo, starting with reducing bacteria levels.

An early ROC task will be to formalize a mechanism which allows stakeholders to clarify their roles, inputs and opportunities for shared funding. The mechanism may be as simple as a brief memorandum of agreement (MOA) or eventually as formal as the establishment of a Joint Powers Authority (JPA).

After the completion of some early milestones, the ROC will address the issue of sustainability. This will include developing a business plan and a long-term funding strategy. CWC's initial success in securing funding to lead the River Oversight Committee of the SLRA and the water quality and public recreation/access working groups bodes well for the success of the sustainability effort, though it will eventually require a combination of public and private resources. With a successful business plan to guide the SLRA and its efforts over time, this coalition structure will make a lasting difference in the community.

Measurements for success over the long term will be decided as the SLRA matures and establishes its own goals, objectives and evaluation metrics. The ROC has established initial objectives to ensure the resources invested by SLRA members produce measurable change. These objectives include:

- 1) **River Health:** 25% reduction in human fecal bacteria in the San Lorenzo River by 12/31/2018 (compared to 12/31/2013 baseline);
- 2) **River Revelers:** 40% increase in "River Revelers" (joggers, walkers, bikers, picnickers, families, paddlers) by 7/31/2016 (compared to 12/31/2014 baseline); and
- 3) **River Talk:** 50% increase in positive press mentions about the river by 12/31/2015 (based on 12/31/2013 baseline).

For more information about the San Lorenzo River Alliance, contact CWC Executive Director Greg Pepping at gpepping@coastal-watershed.org or (831) 464-9200, or visit www.sanlorenzoriver.org.



SAN LORENZO VALLEY
CHAMBER
OF COMMERCE
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**Santa Cruz County Economic Vitality Strategy (EVS)
San Lorenzo Valley Chamber of Commerce (SLVCC) Comments**

SLVCC appreciate how all areas of the county and diverse industries have been represented in the EVS document. Previous administrations have paid little attention to economic vitality in the San Lorenzo Valley. We've seen a serious turnaround in the last 2 years with town hall meetings and authentic collaboration with valley stakeholders in the early formation of the EVS. This document exemplifies and expands on those efforts. Great job! We're excited to be involved!

Issues of importance to the San Lorenzo valley business owners, employees, and residents who responded to requests for comment are included here as well as commentary from SLVCC directors. While some of the strategies specifically apply to the San Lorenzo Valley, we recognize that economic vitality in Santa Cruz County is synergistic.

Economic opportunities abound here in the San Lorenzo Valley and can expand with infrastructure, tourism/recreation, and public safety support. SLVCC agrees with strategies that support improved roadways, healthy waterways, a tourism/recreation brand, telecommunications upgrades, adequate parking, improved transportation options, and increased public safety initiatives.

Goal 1: Create Shared Vision and Organize for Action

It is a move in a positive direction that county planning leaders and staff recognize long-standing economic development organizations. We agree that county-wide partnerships with existing organizations are a healthy strategy and we wholeheartedly welcome county collaboration.

SLVCC supports utilizing existing county staff and funding for professional services and activities related to an economic strategy. Marketing and promotion of a "world class" Santa Cruz County begins with a more authentic conversation about public safety, health and human services, support for at-risk and homeless populations, and law enforcement resources for transient offenders.

SLVCC supports the concept of county department directors actively engaged in county processes and working towards streamlining projects which meet healthy economic development criteria. We would like to see the targeted industries expanded and to receive explanation on how targeted industries are selected. We support engagement between county staff and directors and

business organizations via networking meetings and economic development initiatives.

SLVCC does not have enough information from the draft EVS to comment on the viability of a business license tax for the unincorporated areas of the county and we therefore recommend a clarified plan before adoption within the EVS. While the accumulation and sharing of data is beneficial, it can be gathered from existing organizations and professional data services. Imposing more regulation and fees do not seem viable at this time. Compliance would be difficult and uneven. Code enforcement would be problematic. SLVCC supports the tracking of economic metrics and perceives that this data should be easily acquired from business organizations.

SLVCC agrees that an improved county website with economic vitality prominently featured would be a positive and easily implemented action. Improved communications regarding economic successes would be welcome as well. SLVCC recommends that the county move many of their service processes to an online platform.

Goal 2: Support Sustainable Development and Availability of Housing

SLVCC supports increased densities within the urban services line when in balance with natural resources and infrastructure. The San Lorenzo Valley has a unique set of environmental circumstances regarding the expansion of housing. The San Lorenzo Valley is a watershed from headwaters of the San Lorenzo River to Henry Cowell State Park and many tributaries along the way. Its mountainous terrain and numerous waterways create a deterrent to increased density. However, other California cities include accessory dwelling units (ADUs) or "granny units" in their affordable housing counts, Santa Cruz County does not. The San Lorenzo Valley has thousands of these units which could benefit from a green renovation or micro-housing program, streamlined permit processing, and subsequent inclusion in the county's affordable housing numbers. Mixed use spaces for working and living along with the Legalization Assistance Permit Program (LAPP) program are certainly worth exploring.

From a county-wide perspective we recommend broadening the pool of potential development partners to include the private sector and look beyond reliance of past nonprofit developer choices which have proven to be problematic. We'd like to see in-fill, affordable by design, transit-oriented housing, mixed-use, and green-building opportunities come to fruition.

SLVCC supports sustainable amendments to the General Plan with a focus on public safety, environmental protection and restoration, conservation of open space for recreation, and possible heritage designations of the historic downtowns of the San Lorenzo Valley. SLVCC supports benevolent amendments to county codes regarding zoning and signage, environmental and resource protection, permit procedures that reflect community values. We support reducing barriers to high quality new business development and existing ventures. A one-stop business services model with a robust online component is an excellent idea.

SLVCC supports comprehensive review of the County's affordable housing regulations and standard homebuilding regulations. The phrase "adopt refinements that reflect the loss of Redevelopment and recent court decision" must be clearly defined before it can be considered "adopted". Continue planning department streamlining and revisit concept of "in lieu" fees.

While updating the housing element is clearly a good thing, the goal seems backwards. Housing needs in balance with resource availability should dictate housing numbers. Is the point just to gain funding even though the housing mandate is not supported by water and transportation availability and public safety support? County housing policy would benefit from a fresh perspective. It's difficult to adopt a strategy that is so narrowly defined.

SLVCC supports opportunities for extremely low income households, farm workers, chronically homeless persons, and other facing significant housing challenges throughout the county. But is unable to comment on this strategy without more information. A clearer explanation of incentives discussed in this strategy must be elucidated.

Goal 3: Strengthen Key Economic Sectors – Agriculture, Health, Education, and Leisure Hospitality

Health

SLVCC supports county efforts to work with health care providers to provide mobile services in the San Lorenzo Valley. Currently Dignity Health Dominican Hospital Mobile Clinic serves Felton one day each week. A similar mobile service in the north part of the valley with expanded hours would benefit many residents.

Education

SLVCC supports county efforts to facilitate workforce training programs and other collaborative efforts with UCSC, Cabrillo College, Cal State Monterey Bay, San Jose State and other Santa Clara County educational institution. Efforts to retain and retrain quality educators and administrators in area institutions are to be lauded.

Many of these strategies may be a mandate of the County Office of Education in partnership with area school districts. Any support offered by the county would certainly be positive. But unclear how the county would create more value to already existing layers of educational bureaucracy unless it was an effort to streamline those layers.

We love the idea of business/education incubator facilities! Near transportation and housing, please.

Leisure & Hospitality

SLVCC supports way-finding signage and other strategies to support the tourism, recreation, and entertainment sectors in the county. Regarding restaurant training, this could be a good idea depending upon how it is implemented. Would like to hear more about this. A reduction in taxes/fees for small businesses would be a good consideration.

More information would be helpful in understanding the strategy to provide technical assistance to restore historic lodging facilities. Sounds like a good idea. SLVCC members have indicated support for a review of current regulations that have negatively impacted small authorized B&B and hotel establishments.

SLVCC finds the SBDC to be a valuable resource to the new business community. Comments from

some indicate lack of clarity about the value as outlined in this strategy item. Unclear what types of restaurants are targeted and how an outside entity would be able to redefine menu options. Sales and customer service training, however, would be beneficial across all industries.

Partnering with the State to enhance recreational opportunities on state lands is a great idea! Youth sports facilities and sporting events is an underutilized sector county-wide.

A river walk or increased recreation and visitor activity connected to the San Lorenzo River would be a boon to the area. We applaud the work of the San Lorenzo River Alliance in this regard and would like to see similar efforts reach the San Lorenzo Valley community. How about a birding festival? Kayak tours. These ideas are predicated upon a significant cleanup of the San Lorenzo River corridor.

Goal 4: Enhance Growth Opportunities for Emerging Sectors of Technology/Innovation and The Arts, and Support Small Businesses

SLVCC supports and applauds the ideas in the innovation and technology strategy section. Higher density housing in the urban core to support tech employees. Ramp up public safety and consolidate health and human services initiatives to complete this picture. Expand ideas on startups. Excited about these innovative strategies. There is a wealth of private sector leadership with which the county can partner to move these initiatives forward. Great concept!

The majority of businesses in the San Lorenzo Valley are small, along the Highway 9 corridor, and home-based. Once again, telecommunications improvements, road repair, transportation options, adequate parking, networking and co-working opportunities, expanded artisanal (e.g. cottage food) and startup support, streamlined online processes, strong branding, improved access to capital are all positive components to a healthy valley economy.

Regarding home occupation business permits - if the point is data accumulation there are more cost-effective and efficient ways to gather information. This concept needs more clarification in order to consider the possibility. What is regulatory compliance? Business organizations provide much of this data collection and analysis service currently.

SLVCC supports county collaboration with local Chambers of Commerce, SCORE, Educational Institutions, Private Sector Lenders, Real Estate Brokers, business associations, and other organizations which mentor and assist the small business community. Meeting quarterly or twice each year for networking purposes is a great idea as is an annual symposium. The EVS must broaden the scope of organizations involved.

GOAL 5: Expand Public Sector Capacity & Infrastructure

Infrastructure includes transportation, telecommunications, healthy water supply and management, strong public safety and health and human services support. An economic vitality strategy without a public safety component is incomplete.

Although it is not specified in the EVS, SLVCC does not support a sewer system in the valley. Small septic package treatment plants in the downtown cores are a more viable and environmentally appropriate solution.

Regarding a Development Impact Fee Study, there is insufficient information here to support the strategy. Existing taxes and fees support infrastructure. Let's have a closer look at how those fees are allocated.

SLVCC supports opportunities for grant funding and creative loan programs. Land/acreage-based uses outside the USL are a good planning strategy. Funding to increase access and mobility of people, goods, and services sounds good, but how would this strategy be implemented? Where would the funding be applied specifically? Many of the remaining strategies in this section sound good but are vague. 2035 Infrastructure Master Plan? How about 2020 or 2025. Encourage lodging development? How? Just zoning modifications? Maximize retail opportunities? How? How does the EVS support opportunities for new and existing retail and service businesses? Encouraging diverse businesses is a good thing. Best way to do that is to have strong infrastructure and public safety systems in place. Repeated strategies about funding mechanisms are too vague. More substance please.

Regarding a business license tax, if the intention is just data, there are more efficient ways to acquire it. If the claim is for public safety and infrastructure, regional business people and residents already contribute to those services.

SLVCC supports improved response times from both fire districts and law enforcement. We'd like to hear from the fire districts. And we'd like to see more law enforcement resources allocated to the San Lorenzo Valley.

SLVCC supports the EVS strategies on sales tax exemptions, hiring tax credits, and investment incentives. We'd like to hear more about initiatives that foster new business growth and existing business expansion.

Goal 6: Revitalize and Strengthen Town Centers and Commercial Areas

Yes. Increase destination opportunities – sporting events, festivals, business conventions, historic downtown designations. Increase new and existing retail and service business opportunities by streamlining/simplifying permit processes and reducing fees as incentive.

SLVCC recognizes that the county should already be supporting private shopping center owners in the revitalization of their facilities. And modifications to General Plan and zoning should be considered to address the changing landscape of work and commercial places with mixed-use, co-working, tele-working, and other flexible work space uses. Rental housing near such work centers is a good idea.

SLVCC supports the idea of working with CalTrans to manage Highway 9 in a manner that contributes to the economic success of Felton, Boulder Creek, Ben Lomond, and Brookdale businesses. A good example is parking and the impact of cars backing out onto Highway 9.

Note public safety in alignment with health and human services must be addressed first in order to support the marketing idea that our downtowns are safe, lovely places to visit.

Goal 7: Promote Santa Cruz County to Local, Regional, State, National & Global Markets

SLVCC would like to see the county support the Chambers of Commerce, business associations, and tourist and visitors organizations which work toward the economic well-being of the San Lorenzo Valley. The San Lorenzo Valley has art galleries, wineries, restaurants, a unique mountain culture and beautiful, historic downtown cores. Way-finding signage, median beautification, clean and functioning roadways are all key.

The Chambers have collaborated in the past via the Chamber Exchange monthly luncheons. This might be a good opportunity to revisit. Collaborating with other county cities is an intriguing idea. Worth a try!

SLVCC supports county economic development staff and economic development organizations attending industry events and conferences to promote the San Lorenzo Valley and Santa Cruz County.

SLVCC supports fostering events that celebrate County and San Lorenzo Valley assets and culture. Streamlined online event permitting processes is an excellent idea. Let's focus on the shoulder seasons.

SLVCC supports development of a "Santa Cruz Brand" that worldwide markets will recognize. The "Santa Cruz County Grown" and "Santa Cruz Authentic" brand for businesses, products, arts, recreation, wineries, events, and other products and activities are a wonderful idea. Regional branding within the county is an excellent opportunity as well – Santa Cruz Mountains Grown, for example.

EVS should continue to seek out established economic development organizations and experts for many of these strategies.

Thank you for the opportunity to comment!

San Lorenzo Valley Chamber of Commerce
Directors and Members
831-222-2120
info@slvchamber.org



Summary of Findings

Chamber Working Session on Santa Cruz County

Economic Vitality Strategy

Held June 25, 2014

Goal 1: Create Shared Vision and Organize for Action

Santa Cruz County has a diverse regional economy dispersed over a large geographic area, with numerous active economic development organizations. These organizations include the Santa Cruz County Workforce Investment Board (WIB), Central Coast Small Business Development Center (SBDC), Santa Cruz County Conference & Visitors Council (CVC), Santa Cruz County Business Council, Santa Cruz County Farm Bureau, Santa Cruz Area Chamber of Commerce, Capitola Sequel Chamber of Commerce, Pajaro Valley Chamber of Commerce & Agriculture, San Lorenzo Valley Chamber of Commerce, Aptos Chamber of Commerce, Pleasure Point Business Association, and many others. In addition, each incorporated city in the County has an economic development staff function, including the cities of Santa Cruz, Capitola, Scotts Valley, and Watsonville.

Area schools, training programs, universities and colleges also play a key role in economic vitality, and constitute important partners. These include area school districts and the Santa Cruz County Office of Education, the Regional Occupation Program (ROP), the University of California at Santa Cruz, Cabrillo College, Cal State Monterey Bay (CSUMB), as well as colleges and training programs in Santa Clara and nearby counties. In addition to business and educational organizations, many non-profit agencies as well as groups formed around various special interests including arts, lodging, technology and recreation all contribute toward the economic vitality of Santa Cruz County.

However, many of these organizations focus on a specific geographic area, or on a single topic, requiring partnerships across organizations to broaden each entity's breadth and depth. One of the most important roles that the County of Santa Cruz can fill to enhance economic vitality will be to serve as a coordinator and facilitator of partnerships among existing organizations. Strategies to implement this goal including adopting this EVS, dedicating staff to the economic vitality coordinating role, establishing an inter-departmental Strategic Action Team to support key projects; promoting the County through a regular communications program; and facilitating partnerships countywide among partners including business, residents, and local economic developers.

As of 2014, the County of Santa Cruz does not have a business license requirement. The EVS envisions a very modest business license tax, which will also enable collection of basic information so that the County may analyze business growth, further target economic vitality efforts, and communicate with businesses. This initiative will focus on educating and supporting small businesses and expansion efforts.

The Communications Strategy should provide for easy access to economic data of the County, the Economic Vitality Strategy, economic tools, and information regarding the progress of the County and its businesses towards a sustainable business environment. The Communications Strategy will emphasize sharing the accomplishments the local business community has made, as well as promoting the County as a place where businesses are celebrated and embraced.

Establishing and tracking appropriate metrics will facilitate efforts to benchmark communities, and create measurements and reporting mechanisms to measure success of economic vitality efforts related to job creation, investment and local fiscal revenues.

Preliminary Comments:

- a. Not confident County can be coordinator of county-wide economic development efforts. There are old wounds, questions about public v private roles in economic development, and the County's capacity given staffing and resource constraints.
- b. Much of this goal will depend upon funds available to carry out the plan... set priorities based upon probability and impact of outcomes.
- c. Building a 'consortium' of public and private would be a terrific outcome... avoid duplicating efforts and "share the credit."
- d. Begin with consensus projects – at least among the participating organizations.

Strategy 1.1 Adopt Economic Vitality Strategy (EVS) and Two Year Work Plan

The process of adopting the EVS can be used to publicize and build consensus toward economic vitality goals. The initial Public Review Draft EVS will be distributed to business organizations and all of those who participated in the Stakeholder Focus Groups and Community Meetings. Comments on the Public Review Draft will be used to develop the Draft EVS to be considered by the Board of Supervisors for adoption. The Board will also consider the proposed EVS Two Year Plan in the initial Public Review Draft during the process of allocating resources through adoption of the FY 2014/15 County

Budget.

- a. A broad Consensus... this is a good thing and a condition of successful ED efforts by the county
- b. The work plan needs to be comprised of:
 - a. broadly shared priorities... things for which there is support
 - b. perhaps, a couple of 'challenge' tasks
 - c. build effective project plans with dates and performance metrics

Strategy 1.2 Organize County Economic Vitality Staffing and Resources

Action 1.2.1: Dedicate appropriate staff; through an interdepartmental approach, and provide funding for targeted professional services, to implement the following activities:

- Business Retention and Expansion Program; Outreach and "Matchmaking"; with Technology/Innovation business cluster as a special focus
- Permit Assistance and Ombudsman; Land Use/Regulatory Assistance
- Disposition of RDA Successor Agency Real Property Assets at 71st/Brommer & 17th/Capitola Road
- Data Analysis and Research
- Grant-writing, Funding, Contract and Grant Administration
- Marketing and Promotion of "world class" Santa Cruz County
- Strategic Collaboration with a wide range of private and public partners; including creation and implementation of Communications Strategy
- Workforce Investment, Education, Job Training, Community Services

- a. There is no evidence the County has too much economic development staff
- b. Need realistic expectations for performance, especially when factoring others into EVS assignments.
- c. Must not create significant, unfulfilled expectations... under promise – over perform.

Action 1.2.2: Designate a Point Person for Economic Vitality in each County Department

This action will ensure coordination among County departments, and facilitate communication about the value of sustainable economic vitality to all county employees. This action will also support active engagement of economic development staff, department heads and department point people with the business community and its associations.

- a. You improve what you measure... set up performance expectations and publish them within the interdepartmental team
- b. Requires clarity about allocation of costs / staff within each department

Action 1.2.3: Direct the County Administrative Officer to Authorize the Planning Director to Lead an Inter-Departmental County Strategic Action Team (SAT) charged with overseeing Streamlining of Regulations and Permits, and Facilitation of Key Projects

This will create a Strategic Action Team, consisting of key department directors and agencies, to actively engage in an on-going review of permit processes, business development fees and regulations, with the objective of identifying to improvement areas and developing recommendations for consideration by the Board of Supervisors. This action will also establish a policy that development projects meeting one of the following criteria are eligible for preliminary project or pre-application review and meetings by the SAT to address requirements, potential barriers and proposed solutions to barriers; as well as to identify economic benefit, estimated fees, and process timing up front. Planning Director notifies County Administrative Officer (CAO) that such a project is upcoming, and convenes SAT Project Meeting.

SAT Criteria (project meets one or more):

- i. Project creates or retains more than 10 jobs
- ii. Project will generate or retain significant sales or transient occupancy tax
- iii. Project is initiated by a targeted industry, including manufacturing, recreation equipment design and manufacturing, food and food related processing, electronics, technology/innovation cluster, bio-sciences, marine sciences or marine-oriented businesses, health services fields, alternative energy.

- a. Measuring metrics will be key... average time-to-completion in each phase of permit process will be key
- b. Then evaluate the process... what would make that process more efficient
- c. Very worthy of benchmarking against other successful jurisdictions... look to their metrics and performance

Strategy 1.3: Facilitate Regional Economic Vitality Partnerships & Support Systems

Action 1.3.1: Establish Ongoing Relationships with Economic Development Staff in Each Incorporated City in the County and provide for quarterly meetings to network and share information and business leads
Action 1.3.2: Participate with Chambers of Commerce; Industry Meet-Up Groups; Joint Venture Silicon Valley, Silicon Valley Leadership Group; other Economic Organizations
Action 1.3.3: Partner with Chambers and Business Council members for Retention and Expansion Support to Local Businesses

- a. County staff needs to engage with private sector through business organizations... not just Kathy and Barbara
- b. Ask for project participation from business associations to achieve specific objectives; make them part of the project team.

Strategy 1.4: Consider a Business License Program for Businesses in the Unincorporated Areas

This strategy envisions a modest license fee or tax, and collection of basic information to analyze business growth, further target economic vitality efforts, and communicate with businesses. This initiative will help with a focus on educating and supporting small businesses, and business expansion efforts.

- a. This a high-conflict proposal... put this off.
- b. It is not just the imposition of a small fee but the County's history of uncompetitive regulation of business and assessments that will make this a hot topic.
- c. If data is the objective, contract with business associations to gather contact info and data... or buy it from a service.
- d. If pressing ahead... build uses of revenues that will persuade businesses of its benefit to them.

Strategy 1.5: Create Communications Strategy to Educate and Promote the Vision

The Communications Strategy should provide easy access to economic data, the adopted Economic Vitality Strategy, economic tools, and information regarding the County's progress toward measurable outcomes.

It should also publicize and share the accomplishments of local businesses, and promote the County as a place where businesses are celebrated and embraced.

Action 1.5.1: Improve and prominently feature Economic Vitality on the County website including presence on the County Home Page

Action 1.5.2: Distribute County Economic Vitality press releases or blogs via E-News email blasts

Action 1.5.3: If adopted, work with the business license contact information to create a network of emails to enable targeted information distribution

- a. Website presence is useful but should be focused on access to services and facilitation of development (e.g., open counter). It should not be the same as a website to promote Santa Cruz as a business location... which would also be valuable
- b. A targeted communication among economic development principals and participants would be smart... a weekly or bi-weekly newsletter or a blog would be effective. Invite essays and opinion pieces of other economic developers public and private. Make it a form.
- c. Perhaps this might include periodic meetings of interested principals (e.g., a business lunch or breakfast, to build community, consensus and courage.)

Strategy 1.6: Identify Appropriate Metrics to Track Economic Vitality

Action 1.6.1: Set up systems to track annual statistics of economic development impacts. Metrics may include: Unemployment Rate & Participation in Labor Force, especially by those aged 18 to 35 Building Permit Valuations

Business Census Surveys Personal Property

Assessments Local Industry Surveys

Office and Retail Vacancy Rates

Transient Occupancy Tax (TOT), Sales Tax and Property Tax revenues

- a. Desirable but challenging. If other than commonplace data (EDD, BLS, Sales Tax, Dept Rev. etc), for instance an analysis of building permit valuations by area, type, etc. or quarterly sales tax information from throughout the County divided by retail area and geographic area it will have interesting levels of cost.
- b. Would be an interesting exercise to first develop specific uses (e.g., how much parking is actually used by various types of development) and then think about how to gather that data.

Other Ideas

1. Partnered marketing – attracting business and businesses to region through a consolidated, public/private economic strategy including host teams, a website providing opportunity information, and participating in trade shows.
2. Develop industry-specific strategies to attract new companies that utilize private sector property owners, developers, realtors, and industry groups.
3. Focus on attraction of workers and the creative class. Build a business plan that focuses on attraction and conversion of out-commuters.
4. Develop regional / county identity – a general brand.
5. Quarterly economic developers meeting including gov't and private sector.
6. Build 'economic ambassador' program to represent SC County
7. If license fee adopted, all money collected should go back to econ vitality efforts... and should not be spent to increase County staff.

Goal 2: Support Sustainable Development and Availability of Housing

Santa Cruz has a long tradition and strong reputation for careful land use planning. Santa Cruz was at the forefront of "sustainability" before the term became a fundamental of land use planning in this 21st Century. Voters approved Measure J in 1978, which established policies that remain in effect today to manage growth, preserve agricultural lands, encourage production of affordable housing, and preserve rural and open space areas through concentrating infrastructure within an urban limit line. The upcoming "Sustainable Santa Cruz County" Plan and anticipated Sustainability General Plan Amendments will remain consistent with those core Measure J principles.

Strong public participation in decisions about key community issues and projects reflects the deep degree of caring and respect that the Santa Cruz community has for the need to honor the assets and qualities of this unique place that is Santa Cruz County. However, many participants in the focus groups and community meetings held during the process of developing this Economic Vitality Strategy urged the community and decision-makers to not allow "perfection to be the enemy of the good". A sustainable future for Santa Cruz County will involve change, and the community's challenge is to manage that change wisely.

This EVS Goal 2 regarding "Sustainable Development and Availability of Housing" is imperative to laying the groundwork for a vital, thriving economy in Santa Cruz County. The County has an exceptionally high quality of life, countless scenic assets, a myriad of precious environmental resources, and a very special mix of city, town, rural, agricultural, coastal, and mountain areas. Through decades of debate and periods of static growth, the County today has pockets of under-investment in its buildings, lands, and infrastructure. It also has a perceived set of barriers to new development and redevelopment. The overall effect of this situation in terms of land use, perceptions of business climate, and maintenance of a high quality of life, is uneven throughout the County.

Echoing trends throughout California, the County staff and elected officials have recognized that no change can lead to decline just as easily as too much change. Most communities in California, including Santa Cruz, have begun to embrace the concept of sustainability, which means making decisions and strategic investments to sustain the community over the long-term. One frequent way to describe this approach is to consider the three "E's" of "Environment, Economy, and Equity" in important decisions. In the private sector, this is sometimes referred to as the "triple bottom line." This approach can support the importance of investments in green buildings and infrastructure, interventions to reduce social problems such as low educational attainment and poverty, and careful management of environmental resources.

In addition to land use considerations, many communities include an optional Economic Development Element in their General Plan. Other communities do not create a stand-alone Element, but infuse economic vitality goals, policies and action items throughout the other elements of their general plans. Still other communities have created Sustainability Elements which reflect goals regarding climate change, energy use, and economic development in a consolidated manner.

In addition, one of the key concerns expressed in the focus groups and public meetings is the impact of some of the County's land use regulations and permits on the business climate. It is recommended that for each targeted industry sector described in this Strategy, that additional review of all relevant codes and ordinances—updated as necessary—are conducted by County staff. Changes to codes and ordinances require extensive analysis, public review, and adoption by the Board of Supervisors. While this requires a significant dedication of staff time, the effort is considered foundational to the success of any economic vitality program and should be completed within the initial years after adoption of the EVS. Most of the work will be the responsibility of the Planning Department, with other staff on the Economic Development Team advising on the objectives and providing comments on draft work products.

STRATEGIES TO SUPPORT SUSTAINABLE DEVELOPMENT

Preliminary Comments:

- a. Shift from "land-use" zoning to "form" based codes and share the responsibility among the private, government, and non-profit sectors for designing our neighborhoods.
- b. Sharing responsibility for design and implementation would attract optimism and investment.
- c. Shift all development fees to a model based on square footage – not e.g. number of bedrooms – and significant change parking requirements... do not put the burden of creating

- d. Sustainable place for job growth
- e. Needs more things included
- f. Starting point – need to incorporate policies into land use and transportation section.
- g. Needs to be transportation + Land use + Environment quality section of the general plan

Strategy 2.3: Modernize County Codes, Zoning, and Sign Ordinances

Adopt Code Modernization Amendments to County Code Chapters 13.10 (Zoning and Signage Regulations), Title 16 (Environmental and Resource Protection) and 18.10 (Permit Procedures), and Sign Ordinance to reflect current market demands, business needs, building practices and community values.

- a. This is important

Strategy 2.4: Pursue "One-Stop Development Services Center" Model

This model would consolidate all development project review, permit review, and related plan checks of agencies involved with permitting into a single service counter as "one stop." Many cities and counties have found that this model expedites project review. Enhanced customer service training for all staff and agencies involved with permit processes should be provided, including on-going "refresher" trainings.

- a. This is important
- b. We should be borrowing from other cities
- c. More public exposure
- d. Have these "one stop" people coordinate with economic vitality person
- e. Copy other city's processes and plan – do not create our own

Strategy 2.5: Continue Removing Regulatory Obstacles/Streamlining Permit Process

The County has worked to modernize its zoning codes, and has identified additional refinements to reduce regulatory barriers to high quality new development. In continuing the effort, the County will conduct a Key Industry Review to ensure that codes amendments address factors that impede business operations, job creation and business expansion. This strategy also assists applicants in obtaining permits within predictable timeframes and with reasonably predictable outcomes. The County needs to promote successes in order to improve reputation in development and business communities.

- a. Fees based on square footage
- b. Delay permit cost to after bank loans
- c. Permit pricing based on local labor cost
- d. Predictable time frame and costs
- e. Promote that 'government is on your side'

Strategy 2.6: Create "New Tools" in Zoning Districts & Development Standards

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Strategy 2.7: Support a "Legalization Assistance Permit Program" (LAPP)

This strategy will encourage owners to obtain permits to legalize unpermitted improvements as well as to reinvest and modernize properties in order to achieve greater utilization of investment for jobs, income and revenues. This program will improve public safety and assist with revitalizing the construction industry.

- a. Increase rental opportunities for next generation of delayed home buyers
- b. Looking at individual circumstances
- c. Case by case rather than by the rules

Other Ideas

1. Missing the three "Es"... the triple bottom line: missed the environment part.
2. Conservation
3. Watsonville sidewalk program
4. Incentivize (permit cost) to use local contractors
5. Permit fee deferred
6. Connection with capital for projects
7. Tie unto state street plan
8. Create a 3 "Es" vitality strategy to include more factors
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- m. Sharing responsibility for design and implementation would attract optimism and investment.
- n. Shift all development fees to a model based on square footage – not e.g. number of bedrooms – and significant change parking requirements... put the burden of creating a parking space on the developer/property owner in areas of increased density... make parking a "market feature" of the property, available in some, not in others.
- o. Faster and less expensive permit processing
- p. Develop triple bottom line expectations for all new buildings and then all current build stock.
- q. Build a successful example of where development, transportation, and land use investments serve businesses and neighborhood needs by providing services scaled to neighborhoods complemented by transportation choices that are comfortable and convenient – a model project. One improvement or demonstration project, deemed a success by all partners will be a catalyst to reducing some opposition and overcoming real and perceived barriers.
- r. A combination of increased flexibility to street design and land use that allows for and creates destinations and vibrant neighborhoods, corridors or nodes. Street designs can drive land use in a way that can create new destinations and promote effective and efficient exchange of goods.
- s. This section is underwhelming – it relies on fixing problems/land use policies rather than incorporating a broader sustainable development framework into the community. For example environment is largely left out.
- t. County government needs to be updating and provisioning needs to be a huge priority.
- u. Example SF – Presidio, Chrissey Field, GGNRA – environment, development, and economic vitality are integrated and promoted as a whole. \$100 millions of private investment has gone into these areas – increasing value, creating new businesses, establishing a completely new feel to SF.
- v. Coordination between county and municipalities.

Strategy 2.1: Support Adoption of Sustainable Santa Cruz County Planning Study

The Sustainable Santa Cruz County Plan will present a community-based vision for a more sustainable way of life in the County, with a focus on the urbanized area of Live Oak, Soquel, and Aptos. The Plan will foster an integrated land use and transportation pattern, through policies oriented to land use diversity, stronger "20-minute" neighborhoods, protection of environmental resources, and support for job creation and economic growth. Taken together, these factors can increase access to opportunity for all County residents. The Plan will focus on developing recommendations regarding land use, new regulatory tools such as a new Mixed Use zoning district, and transportation options to increase connectivity.

- d. Pilot partnerships that include transportation, other infrastructure, and private investment. Use form based code to encourage shared design.
- e. Develop stretch of Soquel as mixed use using the principles from the plan... a pilot project.
- f. Soquel artery in small sections & showing successes

Strategy 2.2: Update General Plan Elements; with Economic Vitality Goals/Policies

Identify a set of proposed General Plan "Sustainability" Amendments to Land Use, Housing, Circulation, Public Safety/Climate Adaptation and Community Design Elements; prepare a Master Environmental Impact Report (EIR), and adopt amendments with an emphasis on planning for improved functionality, meeting housing and workplace needs, protecting the environment, and respecting community character.

- h. Not a complete list
- i. Separate transportation and land use plan
- j. Environmental quality section
- k. Sustainable place for job growth
- l. Needs more things included
- m. Starting point – need to incorporate policies into land use and transportation section.
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SUPPORT AVAILABILITY OF HOUSING

For many communities like Santa Cruz, achieving economic vitality depends in part on having viable programs that support creation or availability of affordable and workforce housing. In addition to housing the existing workforce, and ensuring that new employees and/or new businesses have access to appropriate housing; it is important to recognize that available housing types that are matched to occupational income levels of the area is vital to the ability of households to spend on other goods and services. In other words, employees use part of their income to support other businesses through their purchases. If too much household income goes toward housing costs, less is available to buy other goods and services from area businesses, and less tax revenue is generated for public services.

As identified in the Economic Trends Report prepared for this EVS, the National Association of Home Builders (NAHB) found Santa Cruz County to be the least affordable metropolitan area in the US with less than 500,000 residents. According to the NAHB, the median price of homes sold in Q12013 was \$426,000, and only 37.1 percent of homes sold were affordable to households earning the area median income.

Prices have increased since that time, and in February 2014 the NAHB reported that within small housing markets, the Santa Cruz-Watsonville housing market was at the very bottom of the affordability chart, where 18.6 percent of all new and existing homes sold were affordable to families earning the area's median income of \$73,800. Also, prices for rental housing have been increasing, and a recent study indicated that a working resident of Santa Cruz County would need to earn \$28 per hour in order to pay the state defined "normal" 32% of household income to cover the average housing cost.

The County will be updating its Housing Element to cover the 2014 through 2023 timeframe, which will include policies and actions intended to ensure available land to meet housing needs. It will also establish priorities for expenditure of available funds to assist with affordable housing activities. Policies that would remove obstacles to creation of needed housing are also required to be addressed. Methods to develop new housing for all income levels will need to be included.

Assisting with affordable housing has become even more challenging for the public sector, with the demise of Redevelopment in California. Working with major employers, developers, and federal and state

agencies, the County should review its programs, explore potential new funding sources, identify land resources that may be underutilized, and promote demonstration projects providing housing to all income levels needing assistance, including middle income homebuyers.

The County currently undertakes affordable housing activities in coordination with many public and nonprofit agencies, including the Housing Authority of Santa Cruz County, which operates the Section 8 Voucher rental assistance program. South County Housing received county funding and recently completed 19 units of ownership housing affordable to low and moderate income households. MidPen Housing recently completed the 40-unit Aptos Blue and 68-unit Schapiro Knolls rental housing projects, both of which are affordable to very low and low income households. A 40-unit St. Stephens affordable rental project for seniors was recently approved by the County.

It will be important to review housing policies to ensure appropriate facilities for seniors as the Baby Boomer population ages. It is estimated that that by 2030, most communities will have twice as many seniors as they did in 2000. To accommodate this population, communities are re-assessing both physical infrastructure and land use, because many systems are not well-adapted to seniors, particularly as their senses (vision, hearing) and mobility decline. Experts recommend taking a close look at zoning regulations to ensure that seniors can "age in place" by living in smaller units, with easy access to groceries and medical care. New models of transit and service delivery may also be needed to reach people in their homes. In terms of physical infrastructure, it may be important to enlarge the print on road signs for easier legibility, and adapt new technologies that time crosswalk lights, assist the visually- and hearing-impaired, and provide access for those with mobility impairments.

STRATEGIES TO SUPPORT AVAILABILITY OF HOUSING

Housing is Santa Cruz County's core economic crisis of our time. While related to many others including transportation, water, and K-12 education, it defines our capacity and is significantly influenced by forces over which we seem to have little control such as land value and demand for housing by those not employed in Santa Cruz County.

Preliminary Comments

Economic impacts

- a. Plan for the creation of housing across economic spectrum. Farm workers, Executives, young professions, etc. Our core challenge is local jobs and the solution is to make it inviting to people who will work and invest here and to the workforce they need to succeed.
- b. Need an "in-fill" strategy for housing
- c. Need to address the critical housing needs for key industries – Ag, education, tech, etc.
- d. Reduce hurdles in the planning/permitting process
- e. Affordable by design... small units, less parking, higher density, modifications in FAR rules
- f. Emphasis on high-density housing near services and transit hubs
- g. Urban neighborhoods... e.g., Aptos Village... retail and residential mixed use
- h. Make it possible for seniors to age in place
- i. A competent assessment of the likely range of housing needs and the range of conditions in which that housing will have to be developed. This should include a plan that would meet these housing needs in the most likely conditions and be modifiable to address less likely conditions. This will have to also address issues such as required infrastructure. It should also include a 'do nothing' analysis. These projections should result in a clear understanding of what must be done, provide some options for correction, and provide motivation for getting it done.
- j. Create fee waiver incentives for the development of high density housing that meet all target conditions, e.g., transit, services including schools, employment etc.
- k. Imagine the full-employment commercial environment we would like and plan for development consistent with that including location and services.

Systems Impacts

- l. Incentives to encourage housing instead of rules to discourage development
- m. Increase predictability, reduce time in obtaining rights and permits.
- n. Avoid imposing the solution of existing problems on new development... it will multiply the problem rather than reduce it.
- o. Emphasize high densities including infill in zoning and permitting process... remove hurdles
- p. Build policy and regulation sets that are calculated to result in 'built housing', working with developers, builders, property owners, homeowners to create a policy frame work that doesn't bend to accommodate the whim of the moment including political push-pull.
- q. Continued efforts to make the planning department more user friendly.

Strategy 2.8: Review Affordable Housing Regulations & Programs for Efficacy

Conduct a comprehensive review of the County affordable housing regulations and program and adopt refinements that reflect the loss of Redevelopment and recent court decisions, as well as adjustments that ensure efficacy of programs.

- Strike "affordable"... County needs a comprehensive review of housing policies –
- Will elected officials respond to what the community needs, or NIMBY and other narrow constituencies? Take the political risk!

Strategy 2.9: Update County Housing Element

Update the County's Housing Element of the General Plan by December 2015 in order to ensure certification by the State HCD, to meet "fair share" Regional Housing Needs and ensure eligibility for CDBG and affordable housing funding, and to ensure that land use policies and zoning accommodate housing types and available sites to meet identified housing needs. Singles, seniors and students typically require smaller, less expensive housing units, and a new zoning tool may be needed to incentivize creation of this smaller type of housing unit at higher densities than currently allowed.

- Housing element needs to be based off current demand, not future growth

Strategy 2.10 Program for Successor Agency Affordable Housing Reuse Funds

In conjunction with the Housing Element Update, complete a strategy for expenditure of RDA Housing Successor affordable housing reuse funds, consistent with State law (SB 341). Focus on providing housing opportunities for extremely low income households, farm workers, chronically homeless persons, and others facing significant housing challenges.

Strategy 2.11: Maintain Partnerships with Housing Authority & Housing Non-Profits

Relationships and partnerships with the Santa Cruz County Housing Authority and with non-profit housing providers, including those who develop, acquire/rehab, and own or manage housing for low-income and special needs households, significantly enhance the County's affordable housing efforts.

Strategy 2.12: Consider High Density Overlay Zone for Small Unit & Supportive Service Housing

Consider adopting a "High Density Overlay District" (HD-O District) as it currently exists in the City of Santa Cruz zoning code, in order to accommodate needs for small units for single persons and those with special needs, especially in conjunction with supportive services. Re-zone site(s) only in response to specific development applications, through approval(s) by the Board of Supervisors.

- Agree with the notion of high density overlay district. Create a plan that could address the housing needs using highest estimates of growth with the assumption that the market will not "over-build" high-density housing that meets the requirements of the overlay district.
- Re no rezoning until specific development applications... should assume that few developers will undertake rezoning application and the quality of product will be reduced to reflect this significant cost and high risk.
- Do not wait for specific projects. High density should be based on location, infrastructure including transportation, availability of services including retail, etc.
- Need to be less specific and more open to options... e.g., form based code?
- Strike the last sentence. We need a commitment to higher-density housing that is codified, in which developers aren't asked to 'take the risk' to see if they can get through the 'eye of the needle.'

Strategy 2.13: Incentivize Second Units and Small Rental Units that are Affordable e By Design

Incentivize the creation of second units and small rental units that are "affordable by design", thereby serving the needs of workers, students, singles and seniors. Review fee structures applicable to small rental units, including for utility connections.

- Base fees on square feet of unit.

Other Ideas:

- Stop imposing fees on new development to pay for affordable housing – these fees deter the development of new housing – as we have proven over the past 20 years – and provide little funding for affordable projects. This is the combination of fees and/or affordable unit requirements. If these funds are necessary then impose them as a transfer tax on home sales. This would appropriately shift the burden for housing to the whole community including those

who benefit from housing appreciation. Under the current design it is reinforcing unaffordability by limiting development.

Goal 3.B: The Health Sector

The Health Sector is expected to grow during the next decade. It is already a large employment sector, with a high density of employment in the medical corridor that extends along Soquel Drive from the Dominican Hospital campus, to the Sutter Surgery Center, to sites in the Research Park Drive area. The former Skyview Drive-in site, currently the Flea Market site, is planned for the future Sutter/ PAMF medical campus. This sector traditionally offers a range of entry level and career-ladder job opportunities.

Many communities across the United States are expecting increased demand for health care services, as a result of increased participation due to implementation of the Affordable Care Act (ACA) as well as aging of the Baby Boomer generation. The ACA included funding for expanding the role of community health centers. In Santa Cruz County it will be increasingly important to ensure that health facilities are sited in convenient, transportation-accessible locations throughout the County. Staff should regularly meet with community health providers to learn of expansion plans and facility needs, identify sites/available buildings, coordinate with METRO for adequate bus services, and provide assistance with development.

The County will also need to work with Sutter/PAMF to coordinate on planning for its new campus on the existing Flea Market site, particularly given its challenges related to accessing the site. The County should review its land use development standards and permit requirements in order to ensure that they accommodate modern medical building designs that best serve clients and users of facilities.

Because the health sector is strong and growing, the County should collaborate with job trainers to ensure that education and training programs prepare local students and un- or underemployed adults with skills needed to obtain jobs in this sector.

Impacts

- r. Facilitate the nexus between higher education (from genomics to aging-well-in-place and nursing and dental tech programs) and local health care... build a reputation for excellence, e.g.
 - i. Increasing the efficient, high-quality use of assistants
- s. Addressing the relationships between housing, transportation and other infrastructure to the cost and quality of health care
 - i. This especially important in the delivery of health care to South County
 - ii. Importance to good health of the community, especially at lower incomes
 - iii. Widen hiway 1 and improve Soquel Ave/Dr-Hiway 1 interchange
- t. Importance to the health care system to addressing alcohol and other addictions and behaviors
 - i. Greatest health cost to County on many levels from delivery of health care to public safety to social services... by far
- u. The unaffordability of housing is a key factor in limiting the recruitment of MDs, especially among generalists such as family practice and pediatrician MDs
 - i. This also true re staff, e.g., PTs
 - ii. All young paying on student loans
- v. Arbitrary constraints –
 - i. e.g., high limits on structures along HiWay 1 (2 stories) limit the ability to build quality medical facilities... need density for efficiency both of cost and operational efficiency
 - ii. Inability of elected to stand-up to neighborhood demands even after adopting plans for higher density e.g., street closures next to Sutter's new building on Mission

Strategies to Strengthen the Health Sector

Strategy 3.9: Work with Sutter/PAMF to Support Future Campus Development, and on Reuse Strategies for Existing Medical Buildings

Work with Sutter/PAMF as they develop a campus master plan, in order to appropriately incorporate transportation access to and from the site, and to establish development parameters that reflect needs of specialized health-oriented uses, as well as needs of the community. Identify buildings that may be vacated as operations consolidate at Campus, and work with Sutter/PAMF and with property owners to re purpose the buildings for industries and uses that create jobs.

- a. Develop existing infrastructure
- b. Make economically-viable plans for reuse of medical facilities space

Strategy 3.10: Work with Dominican/Dignity Health, Sutter/PAMF to Improve Transportation Access and Campus Mobility

County transportation staff, as well as the Regional Transportation Commission (RTC) and METRO bus district, would work with the hospital organizations and nearby medical providers on mechanisms to address parking supply; and to identify improvements that would improve emergency vehicle, transit, auto, bike and pedestrian access to the medical corridor.

- a. Include community clinics e.g., Emeline, East Cliff family health, SC Women's health, Salude etc.

Strategy 3.11: Work with the Medical Corridor Property Owners to Attract Hotel

Work with property owner(s) and hotel industry representatives to explore the feasibility of and encourage development of a hotel within the medical corridor oriented to serving visitors of patients, as well as business and vacation travelers.

- a. This not a priority for health care
- b. Before investing anything in this, do a study evaluating demand
- c. Chaminade and other near-by properties address current needs

Strategy 3.12: Support Expansion and Strengthening of Community Health Centers

Ensure that County staff publicize the availability of grant funding opportunities that the County is involved with, such as the Community Development Block Grant (CDBG) Program, to community health centers such as Salud Para la Gente, the Women's/ Family Health Center, and Dientes; which have an important role in delivery of health care in the age of the Affordable Care Act.

- a. Develop programs for retention of those trained
- b. Study the Dientes experience regarding CDBG funding
- c. Opportunity for increased efficiencies – both facilities and operations
- d. These subsidized-care facilities are key to health cost management including community care costs.
- e. Look to other grant sources and funding strategies

Strategy 3.13: Meet Housing Needs of Health Workers

Identify needs of health sector employees for housing, and strive to facilitate creation of appropriate housing types near medical jobs, and along transit corridors.

- a. This requires both improved housing / development polices and a proactive effort to engage developers in housing projects near health facilities
- b. This as much a question of transportation systems – public transit / highway efficiency – as location of housing

Strategy 3.14: Encourage Expansion of Medical Education and Training Programs

Encourage Cabrillo and other local education and training institutions to increase available seats in nursing, medical and dental assistants, and other high demand medical job training programs.

- a. Develop programs for retention of those trained

- b. Develop a four-year nursing program in SC County or better access to 4-year nurses

Other Opportunities

- Organized communication between medical education providers and health care regarding growth plans and needed professions/skills
- Build on positive changes in Planning staff and supervisors... a reflection of changing needs and values of the electorate

The Education Sector

The Education sector plays a dual role in the economic vitality of Santa Cruz County; it is both a large employment sector, with over 11,300 jobs, and its key institutions (UCSC and Cabrillo College) are also key partners in supporting other economic sectors, through workforce training and technology transfer initiatives.

Exploring opportunities for UCSC and Cabrillo College to increase offering of "off main campus" distance learning opportunities may be one way of improving workforce readiness. To be able to improve the low educational attainment rates in South County, which is a key workforce issue for the County's economic vitality, strong partnerships with both UCSC and Cabrillo College should be supported. Moreover, Santa Cruz County is large and travel routes can be congested and difficult to traverse, meaning that it can be challenging to attend classes on-site at UCSC or Cabrillo. Thus, expanded distance learning options by both institutions should be encouraged by the County. It should be noted that with broadband access limited in certain parts of the County, a technology solution may also be needed. The University may have private broadband networks available to resolve this for distance learning along Highway 1, and the County could seek to help provide suitable gathering points in either leased or owned facilities made available to these institutions.

Although both UCSC and Cabrillo College have partnered with local government throughout the County for specific initiatives, these institutions have not had a clear mechanism to partner with the County and private business for broader economic strategies. The County can play a key role in bringing together UCSC, Cabrillo College, cities, school districts, the Santa Cruz County Office of Education, the Workforce Investment Board and private businesses and business organizations to discuss education and workforce training in these expanding sectors. For example, both two-year and four-year college courses are available in agri-science, but perhaps these could be expanded into bridge programs with at-risk high school youth working as apprentices. Programs tailored to education/health, agriculture, leisure/arts and technology industries would be well-suited for such efforts.

At various times, the concept of a public/private incubator facility has been considered in the County. With grant funding, potentially small amounts of County funding, and philanthropic support, a leased incubator facility targeting one or more key industry sector could help bring "startup" jobs and training to an affordable and accessible location. UCSC, Cabrillo and other educational institutions may be appropriate partners. If public sponsoring is not feasible, there may be other opportunities to foster addition of incubator facilities within the County (see other sections of this EVS).

Economic Impacts

- a. Create a system that 'grows' employees who live in Santa Cruz County ... decrease dependence on recruiting workers from outside county
- b. Create and support a system of work-based learning for all middle school and high school students in Santa Cruz County This would include internships, job shadowing, community classrooms, school business, etc.
- c. Business incubation will both create jobs and develop skills
- d. Bring Educational entities in the county together to address needs throughout the county
- e. Subject integration (e.g., common core processes)
- f. Course to education students on community cooperatives
- g. Develop expectations for college preparation and job readiness in schools
- h. Students well prepared for college work
- i. Support including teacher preparation for common core
- j. Public Private Business Incubator... would develop jobs

System Impacts

- k. Work-based learning with commitments from the business community to support internships and externships.
- l. County government should be engaged in Education
- m. Support Arts in Education
- n. Focus education on Students interest and students' joy
- o. Promote creative writing without punitive assessments

- p. Bring Business and education together
- q. Solve problems around housing and housing development
- r. County should take the lead in linking jurisdiction
- s. Importance of housing development... teacher recruitment, student residence, strength of k-12 families
- t. Changes in planning processes re housing
- u. Bring County jurisdictions together to pursue a shared vision
- v. Bring County Education entities together re vision... less likely to initiate on their own

Strategies to Strengthen the Education Sector

Strategy 3.15: Support and Facilitate Workforce Training Programs at Area Educational Institutions

Support positive relationships, collaboration and planning with UCSC, Cabrillo, Cal State Monterey Bay, San Jose State and other Santa Clara Valley educational institutions and partners; to support technology transfer, innovation, training and resources for entrepreneurs and business start-ups, to accommodate incubator workspaces, and to ensure available housing appropriate to income and lifestyle needs. Foster positive relationships with Cabrillo, the WIB, K-12 Regional Occupation Program (ROP), Adult Education programs, Goodwill/Shoreline and others to ensure we are training a competitive workforce.

Strategy 3.16: Support Increased and Improved Educator Training at All Levels.

Support the efforts of UCSC, Cal State Monterey Bay, Cabrillo and Santa Cruz County school districts to undertake programs and actions that support the attraction and retention of quality educators to teach in our educational institutions, from pre-school through college and post-graduate studies.

- a. Include Santa Cruz County office of Ed
- b. Identity resources

Strategy 3.17: Strengthen Youth Education and Training, and Improve Graduation Rates

Undertake focused efforts to create linkages between the business sector, job training programs, and middle- and high schools; in order to promote the benefits of high school graduation, college education and/or job skill programs. Improve mentoring, education, and job opportunities for local youth, particularly for South County youth.

Strategy 3.18: Explore Creating Incubator Facilities

Explore opportunities to create a public-private -sponsored incubator facility targeting key industry sectors, possibly in conjunction with development of housing.

Other

1. Adult Education
2. ESL programs
3. Strategic use of UCSC students
4. Broadband development
5. Business programs to teach entrepreneurship
6. Focus on Spanish Speaking / Latino
7. Report labor & education data

Goal 3.D Leisure & Hospitality Sector

The Leisure & Hospitality sector includes all tourism, hotels, arts, recreation, and entertainment economic activity. This sector of the Santa Cruz economy has

competitive advantages when compared to other economies in California, and although employment lost ground during the recession, recent employment figures from 2012 indicate the sector has recovered to pre-recession 2007 levels, with 11,000 jobs within the County. Nonetheless, hotel occupancy levels suffer from declines during winter months. Also, many stakeholders and visitors feel that the County is under-served by quality lodging facilities, with many facilities that have not been updated or modernized to keep pace with demands of today's visitors.

The strategies under this Goal are intended to strengthen the Leisure/Hospitality/Arts Sector from a physical, financial, and coordination standpoint. Strategies related to increased promotional activities for the County's many destinations, arts, cultural events and festivals is covered under Goal 7.

The County has several locations which may be appropriate for small to medium-sized new hotel projects, including the Upper Harbor 7th & Brommer site, within the Medical Corridor at sites visible from Highway 1, along the coast, at the Poor Glares site (now Foursquare Church), and in the San Lorenzo Valley. The County, as part of its Sustainable Santa Cruz County (SSCC) Plan and General Plan Sustainability Amendment process, should convene a workshop on eco-tourism and lodging opportunities, the benefits of overnight visitors to other sectors of the economy (with multiplier effects), and on communicating with stakeholders and the public about where to site new lodging facilities. To signal a change in approach, the County may want to consider sponsoring an eco-hotel design competition, or other promotional event, to attract the interest of high quality, environmentally sensitive hotel developers.

In response to noted under-performance of the restaurant sector, with market demand indicating growth opportunity, the County should consider sponsoring an informational/training program that could be offered to existing under-performing restaurants. The profitability of restaurants may improve by taking measures to improve the quality of menu offerings, carrying out marketing efforts to build stronger connections to local patrons in addition to tourists, and establishing good internal business controls.

Economic Impacts

- a. Improve way-finding signage for all major local attractions
- b. Improve transportation – focus on time to destination and “sense of motion” (vis a vis sense of gridlock)
- c. Address perceived and actual public safety... and our reputation in this regard
- d. Actively participate in the development and financings of a multipoint targeted marketing plan to attract overnight visitors
- e. Develop use of Kaiser Area for off-season events such as trade shows and concerts
- f. Reduce tax burden on small operators
- g. Improve overall service level at restaurants and attractions
- h. Improve overall image of Santa Cruz as visitor friendly
- i. Integration of infrastructure... reduce time to destination
- j. Recreational resources especially bike & pedestrian paths and rail access
- k. Develop attractors especially shoulder-season
 - i. Conference facilities
 - ii. Business Meeting attractors
 - iii. University meeting attractors
- l. Expand lodging especially higher and mid-quality properties

System Impacts

- m. Create “fast track” processes for priority conference, accommodation, and attraction facilities
- n. Reduce risk increase certainty in approval processes. Set measurable targets for timeframes and costs related to all commercial development including visitor serving. Communicate these changes to the community including property owners, developers, financiers, and franchisors
- o. Understand costs... insure there is adequate return to attract investment before subsidizing or encouraging new development

Strategies to Strengthen the Leisure and Hospitality Sector

Strategy 3.19: Facilitate Development of Visitor Facilities at Santa Cruz Harbor

Carry out RDA Successor Agency implementation of Long Range Property Management Plan (LRPMP) in a manner that maximizes opportunities for visitor accommodations, ecotourism, restaurant and recreation uses on the 71 h/Brommer site at the Santa Cruz Harbor, in collaboration with the Santa Cruz Port District.

- a. Monitor the economic viability of existing lodging properties regarding competitive impacts on existing properties of new projects such as this proposal.
- b. Invest in programs to provide capital in loans or tax credits/abatement from upgrade of existing lodging stock.

Strategy 3.20: Provide Technical Assistance to Restore Historic Lodging Facilities

Provide technical assistance to owners of Brookdale Lodge, and other historic lodging facilities in the unincorporated areas to create economically viable businesses that provide jobs, contribute to the vitality of surrounding areas, and increase revenues to local government.

- a. Justify assistance to individual properties such as the Brookdale Lodge. Such programs should not be drawn so narrow as to benefit pre-identified properties.

Strategy 3.21: Facilitate Development of Sustainable Visitor Facilities at Appropriate Locations

Work with the property owner (Dignity Health/Dominican) and hotel industry representatives to explore the feasibility of and encourage development of a visitor accommodations facility on the Poor Glares/ Foursquare site, and work with property owners at other appropriately zoned locations.

- a. Poor Clares / State Park Drive particularly well situated re park, Highway 1, Rail Corridor

Strategy 3.22: Explore Feasibility of Hotel in Medical Corridor

Work with property owner(s) and hotel industry representatives to explore the feasibility and encourage development of a hotel within the medical corridor, oriented toward visitors of patients as well as business and vacation travelers.

- a. There may be a market for an extended stay property, in Santa Cruz County but there should be market research prior to assuming it is so or is so in any particular area.

Strategy 3.23: Review Code for Bed and Breakfast Requirements

Conduct a review of current County Code regulations related to Bed and Breakfast establishments, to ensure that standards accommodate feasible business models.

Action 3.23.1: The Treasurer's/County Auditor's office will continue efforts to monitor websites and identify locations advertising visitor accommodations that are not allowed, such as airbnb.com, in order to support the viability of legally permitted locations

- a. Require short-term rental properties (AirBNB, VRBO, Etc.) to comply with BNB regulations and pay all associated fees including fees to CVC.
- b. Consider impact of such properties on neighborhoods.
- c. Limit to maximum of 5 bedrooms

Strategy 3.24: Contract with Small Business Development Center (SBDC) to Provide Business Support to Visitor Serving Sector

Contract with Small Business Development Center (SBDC) to provide training and support in association with local food, wine and restaurant groups. Help restaurant businesses improve menu options, service and sales to build a strong local base, in addition to attracting visitors, for greater success in the shoulder and off seasons.

- a. Expand this paragraph to all sectors of the industry... not just restaurants
- b. Shared standards re operations... including marketing or participation
- c. Certificate program for service and operations personnel
- d. Build expectations of business owners / principal operators

Strategy 3.25: Partner with State to Enhance Recreational Opportunities on State Lands

Explore opportunities to partner with the State Department of Parks and Recreation to enhance recreational opportunities on State lands, both to enhance recreational opportunities and to support businesses located in villages and commercial areas adjacent to State parks.

- a. Build this into part of the County / CVC promotional package

Strategy 3.26: Facilitate Establishment of Regional Youth Sports Facilities

Work with sports organizations to explore the need and potential for establishing new regional sports complex facility that could accommodate "traveling teams" youth sports tournaments, which would increase overnight visitors and spending in the local economy.

- a. Most useful for winter and shoulder-season sports.
- b. Suggest use of Kaiser Arena.

Strategy 3.27: Support Initiatives to Promote County Commercial and Community-Serving Sports Facilities

Support efforts of the Santa Cruz Conference and Visitors Council (CVC) to promote Santa Cruz County as a venue for high-profile sports and athletic events, as well as community athletic events. Work with the CVC and sports organizations to identify measures to strengthen the sports market sector through sufficient permanent sports facilities and high quality short-term events.

Other

1. Set Revenue goals for each sector and set targets for planning and execution
2. Create "development path" documents that outline development process & fee... e.g., City's Open Counter
3. Communicate the value of visitors to residents
4. Build 'best practice' strategies using policies and experience from other jurisdictions

Goal 4.A Innovation and Technology

Innovation and Technology, Including Recreation/Lifestyle Products

The University of California, Santa Cruz has launched a new Center for Entrepreneurship (C4E), which offers students across disciplines comprehensive, hands-on experience to bring innovations to market.

"Teaching entrepreneurship is like teaching medicine," said Dan Heller, the center's executive director. "You can't just teach it in a classroom. You have to apply theories in a real-world environment so students can observe and understand the realities of today's marketplace." The center is working with various campus departments and programs including computer science, economics, psychology, and digital arts and new media to create courses that focus on entrepreneurship. These courses will give students the opportunity to work with experienced industry veterans to create pragmatic business models for simulated startup companies. In some cases, the business models may be based on intellectual property created by UCSC researchers or students.

The agricultural technology sector also holds a lot of potential for local job creation, and links to UCSC and Cabrillo should be made to explore partnerships in this area as well.

Santa Cruz is well located with regard to proximity to Silicon Valley/San Francisco, one of the strongest areas for technology and innovation. About 18,000 people commute to that employment area for their jobs. There is opportunity to create satellite centers, start-up businesses, and co-working spaces that accommodate flex-time workers who may not commute to their regular workplaces each day.

Given the proximity to UCSC, as well as other world-renowned universities in the Bay Area; as well as proximity to Silicon Valley/San Francisco, Santa Cruz is well-positioned to grow a technology cluster of jobs for the future. A characteristic of technology companies located in Santa Cruz is that once they get to a certain size, they relocate to Silicon Valley. Many of those that remain are smaller companies, who say that they remain due to decisions about quality of life here in Santa Cruz. The ability to foster start-ups, and to be the home of small- and mid-sized technology companies, should be viewed as an opportunity and strength for Santa Cruz. In order to better support that sector, stakeholders have voiced a need for affordable workforce housing for employees, as well as a social environment attractive to young people, which suggests a desire for a greater community population of young professionals.

Santa Cruz is well known for the outdoor recreation opportunities that exist here, but also within the recreational products design and manufacturing sector. Surfboards, skateboards, wetsuits, "surfer" and sportswear apparel, paddleboards, bicycles, electric motorcycles, helmets, parts, nutritional, and more. Internationally known companies include O'Neill, Fox Racing Shox, NHS (Santa Cruz dot and Screaming Hand skateboards), Santa Cruz Bicycles, Zero Motorcycles, and many more. This sector is growing, and a natural fit for Santa Cruz. This sector has already helped to establish the "brand" of Santa Cruz and there are opportunities to capitalize on that. The Santa Cruz "Attitude and Authentic Lifestyle" brand has wide recognition and appeal, and could apply to other facets of strong employment sectors in Santa Cruz.

Promotion of opportunities for sports and recreation is related to the strength of this innovation/technology design and manufacturing sector.

Preliminary Comments:

- a. The county must present a more complete plan that supports a sustainable environment to develop and grow businesses here that will stay here (and attract new growth). It should address the needs of business (zoning, permits, funding/tax, infrastructure_ as well as the residents (housing, transportation, entertainment, healthcare) in a balanced approach.
- b. To be 'implementable' (and 'evaluateable') need more specifics about vision and plan
- c. How to know if anything has been accomplished without measurable goals?
- d. Need Sharper, measurable goal statement. County needs to take proactive convener role
- e. Need more specific measurements of success

- f. Need the **why** we want this. Because we want high paying jobs that can support our high quality of life
- g. Solve business needs that the county has ability to solve - space, infrastructure, tax incentives. Also with needs of the employee – housing, parking, transportation
- h. Affordable housing is important. Micro-housing movement. More density with green space
 - a. Identify 3 places where we can do this. Incentives private developers
- i. Incentives for private developers to generate housing and workspace for innovators
- j. Creating a business license fee is not a good way to promote business
- k. 10 year Master Development plan for county –
 - a. ID opportunity areas for businesses & how to retain companies with 50-100 employees
- l. Don't limit view to UCSC programs –
 - a. Larger tech knowledge/skill bas in community
 - b. Tech ecosystem that support them , e.g., tech meet-ups etc
- m. It is too narrow to talk about 1 program as UCSC → need a broader statement about what makes up an ecosystem
- n. Sustainability – building companies – and jobs – that will be here for the long term
- o. How do we get critical mass of 10-15 new companies with 50-100 employees that would get us to a point where there is more connection to UCSC and we have a self-sustaining ecosystem
- p. Create an ecosystem to support businesses across the spectrum to retain companies with 50-100 employees
- q. Improve startup pipeline – Attract start-ups & talent, link to capital, ease of establishment, minimize operations cost, generate exciting productive ecosystem
- r. Survey of the people that support investment in entrepreneurship and innovation
 - a. This data would be effective in the education of the public and building support
- s. Foster incubators + works spaces for tech transfer/entrepreneurs
- t. Need accelerators for start-ups
- u. Support the Genome Project – development of a UCSC Center for Genomics
- v. Increased focused on genomics as a core of life science community that embraces all of the natural assets of the region

Strategies to Strengthen the Technology and Innovation Sector

Strategy 4.1: Recognize Role of UCSC in Fostering Innovation

Recognize the role of UCSC in developing innovative technology and fostering scientific and technological partnerships with existing and start-up businesses in genomics, robotics, marine sciences, organic agriculture and new agriculture technologies, artificial intelligence and game and playable media.
 Action 4.1.1: Participate, where needed, in the conversation regarding UCSC's leadership role in creating the next generation of technology, arts, bio-med, marine sciences, agri-science and other disciplines which will inspire new businesses and technologies in the future.
 Action 4.1.2: Provide technical assistance, where warranted, to the UCSC Center for Entrepreneurship Program (C4E).

- a. Instead of "recognize" → "partner with UCSC" or "incentivize"
- b. Chamber coordinate internships for students with local businesses
- c. City needs to demonstrate partnerships. Support of growth industries e.g. genomics, ag, etc.
- d. 4.1.2 –more internships. Success of partnerships with UCSC hackathon.
- e. 4.1.2 (reworded) "partner with the UCSC Center for Entrepreneurship Program, to support students, faculty, and researchers attempting to establish new businesses.

Strategy 4.2: Support UCSC's Human Genome Institute Initiative

Support UCSC's efforts to raise \$50 million to create a Research Institute on campus for the Human Genome Project.

- a. What does "support" mean?
- b. This should be the #1 strategy
- c. Specific actions...
 - a. Don't so much need more people riding on this bandwagon... need some more horses to pull it
- d. Need a poll to show people's support of entrepreneurship
- e. Dedicate city resource (person) and tax incentives
- f. How can the county support this? What are some tangibles?

Strategy 4.3: Identify Locations and Encourage Adaptive Reuse for Innovation Sector Employment

Identify geographic areas that offer opportunity sites for new workforce development spaces appropriate for innovative technologies, such as the Upper 41st Avenue area at Research Park and South Rodeo Gulch and along the Soquel Avenue frontage road. Explore co-working models for areas.
 Action 4.3.1: Work with property owners in the upper 41st Avenue area around Research Park for the discussion to support the innovation sector including embracing broadband infrastructure into this area as a high priority.

- a. Incubators – more spaces like Cruzio and Nextspace
- b. Not "Identify" → "create"
- c. 4.3 and 4.7 appear to be similar
- d. Better to target areas that already show growth and support winning areas where the county has influence.

Strategy 4.4: Seek to Retain and Attract Innovation and "Maker" Companies

Focus retention and attraction programs on companies that develop, create, and produce or manufacture products for distribution and sale to broader markets.
 Action 4.4.1: Provide ombudsman assistance to locate and attract innovation companies that make products for worldwide distribution. Understand the hurdles that these companies are challenged with and work towards solutions to inspire success.

- a. Permit concierge to walk through permit process
- b. 4.4.1 this is too focused
- c. Not sure that the County will be very good at this role. Look to a private or public/private entity. And, make it County-wide not just for the County... Differentiate between encouraging development / recruiting of County tax base and the development of an industry segment that is not likely to be attracted or bound by geographies but, rather, by access to quality workers, access to capital, and nexus to "entrepreneurial ecosystem(s)."
- d. This focused on manufacturing? If so, the core needs shift to marketing, shipping, workforce development and access to appropriate real estate... even if all of the production is robotic.

Strategy 4.5: Encourage Satellite Locations for Silicon Valley Tech Companies in Santa Cruz County

Explore opportunities to create satellite center locations within the County for large technology companies such as Google, Apple, Facebook, Twitter, Ebay, etc. as well as for other prominent and emerging Silicon Valley/San Francisco technology companies, recognizing that we share a highly skilled workforce with these regions and that several of these companies are providing commuter busses for their employees that live in Santa Cruz, but work out of the County.

- a. Build a successful innovation community and the rest will come

Strategy 4.6: Work with Par 3 Property Owners on Potential Re-Use Options

Work with owners of the "Par 3" site in Aptos to explore opportunities to site an innovative business development that would provide high quality jobs, in combination with a developed recreational opportunity, for both the on-site employers as well as for community residents.

- a. Build a successful innovation community and the rest will come
- b. Interesting location for the "Tannery Center for Innovation (4.7).?" But will require a very significant change of heart by both the County and the neighbors to achieve it. Maybe better to

find another site like the Tannery of which nothing else could be made because of environmental remediation issues.

Strategy 4.7: Facilitate Development of a Work/Live Technology Incubator

Identify potential sites and funding to create a live-work Technology Incubator development that includes workspace and housing within a single development that is affordable for start-up entrepreneurs.

Action 4.7.1: Work with a property owner to explore the economic viability and sustainability to provide a "live-work tech" product taking into consideration potential development and infrastructure barriers.

- a. Responsibility of VC, not the county – better have private sector lead this
- b. Encourage private businesses and VCs to build, offer incentives, identify properties, streamline/fast-track permits etc.
- c. See note (b. to 4.6)

Strategy 4.8: Work with Property Owner and Stakeholders for Reuse of CEMEX Site to Foster Job Creation

Work with property owner, educational institutions, North Coast land preservation organizations, and expanding industries in key Santa Cruz employment sectors to explore potential for appropriate job creation on the CEMEX site in Davenport. Maximize the opportunity to re-use the CEMEX site in a manner that recognizes the natural attributes of the area, is compatible with Davenport community character, accommodates creation of jobs, assists with availability of public services to the community at reasonable rates, accommodates visitors, and generates revenues to support public infrastructure and services.

- a. We can't get people/infrastructure to SC, let alone to Davenport.
- b. This could possibly link to UCSC renewable energy research but it probably should be located in tourism/recreation section.
- c. Useful to remember the cardinal rule of university business incubators and business parks... location must be not more than a 10 minute bicycle ride from the campus... students/grad students have to be able to get their 'painlessly.'

Strategy 4.9: Tap Skills and Leadership of Innovation Sector Residents to Support Sector and Local Economy through "Encore Careers"

Work with Santa Cruz Service Corps of Responsible Executives ("SCORE") and other groups to identify entrepreneurs who may desire local "encore careers" in technology and other fields, who use their talents both to create new jobs, and to inspire and support the next generation of technology businesses.

- a. County doesn't need to do this – partner with score and SBDC

Strategy 4.10: Encourage Retention and Expansion of Recreation / Lifestyle Product Designers and Manufacturers

Recognize strength of recreational/lifestyle products sector in Santa Cruz, and ensure that business retention and expansion efforts focus on this sector. Action 4.10.1: Partner with Economic Development counterparts in the incorporated cities to ensure that the companies which are currently manufacturing products in the recreation and lifestyle market niche are visited on an agreed-upon schedule with the intent to address challenges identified by the companies and further their success.

- a. How is this actionable?
- b. We need stronger language than "recognize strength"
- c. This needs to include private-sector volunteers to be credible

Strategy 4.11: Develop Financing Incentive Program and Assistance Tools

The County will develop a menu of financial incentives and assistance that would be deployed on a case by-case basis to attract or retain a business development that met certain defined criteria.

- a. How can you have real leverage?
- b. Is this a sustainable role for the county? Link with private efforts like opportunity fund on county website
- c. This makes sense only as tax rebates and fee waivers. Maybe short-term county investment in e.g., site clean-ups or required site-specific infrastructure development
- d. Better to spend the money on infrastructure

Other Ideas:

1. Affordable housing for young people
2. ID 3 places for development of affordable housing and provide sufficient incentives for their development
3. Incentives for private developers to build micro housing and work space support & regional ecosystem and people who are doing it ie. Change perception of the county as unfriendly to business
4. Create and manage a unified collaborations plan between city and UCSC between counties (Monterey and SC) we need to all have same visions and work together

Small Businesses

The background Trends Report prepared as part of this EVS planning process identified that almost 82 percent of all jobs in Santa Cruz County (including within incorporated cities) are with companies of 10 employees or less. Clearly, small businesses are the backbone of the regional economy, and as such, require extensive support to ensure economic vitality throughout the County.

In addition, Santa Cruz County has a high concentration of home-based businesses, with 6.5% of its establishments based at home locations compared to 4.8 % statewide. Santa Cruz has a tradition of people operating small businesses out of their homes and garages. This hidden economic strength of the County offers opportunities for future expansion, including shifts into larger commercial quarters.

In 2007, BAE conducted a home-based business survey for the City of Santa Cruz, to identify support services that could help these small companies grow. Needs identified by these businesses included better broadband services, more flexible permitting procedures, access to small loans for start-up and working capital, and incubator space where businesses could share quality office staff and equipment. Since the time of this survey, the City of Santa Cruz has experienced substantial growth in a new form of private-provided incubator space known as co-working. NextSpace, founded in Santa Cruz, provides space to more than 200 small companies in its facilities, with services ranging from virtual (mailbox and meeting room time) to hourly and weekly desk rentals. In addition, Cruzio has also offered co-working facilities and has 100% occupancy in its facility in the former Santa Cruz County Sentinel building.

While these companies provide meet demand for shared office space, the role of a publicly-funded incubator is somewhat different; the structure of a publicly-funded facility is typically designed to reduce expenses through subsidized rent and shared equipment, as well as provide free or low-cost business planning and technical assistance. These services are particularly beneficial for businesses where start-up costs for equipment can be prohibitive. Examples include 3D printing, commercial-scale kitchens for food production/preparation, specialized arts equipment, etc.

Preliminary Comments

Economic Impacts

- Technical Assistance for start-ups... planning, contingency plans, etc.
- Improving public environment to attract workers and visitors... requires County/Cities collaboration... e.g., river walk, bicycle/pedestrian path
- Broadband access. Guaranteed access at affordable rates to every address. Best if public or local nonprofit ownership of systems as a utility.
- Food production... specialty products development
- One-stop portal for business, e.g., Open County, licensing/permitting, technical assistance, micro lending. Link all county departments including a small business "advocate"/ ombudsman
- Develop a vision/identity for the community, e.g., gateway to the Monterey Bay, or the creative capitol of California, that will rebrand and encourage engagement
- Improve the skills of small business owners especially re budget/financial management and business strategy
- Create an online elearning portal including on-demand individual consulting, perhaps through SBDC
- Increase building density and height limits
- A symposium or study regarding obstacles to small business
- Buy-local campaign and policies in the County
- Create a "Slow money" group to invest in sustainable agriculture
- Improve access to capital / resources for small businesses

- Build on the brand we have... it is strong. Don't be something else (e.g. and alternative wine country or mini-silicon valley)
- **INFRASTRUCTURE:** Put your money where it will have real benefit... repair roads, decrease travel time... will improve jobs, retail, tourism and sense of vitality

System Impacts

- Business License: opportunity for revenue from 1,000s of businesses at \$100 +/- 62% of Counties have such a license
- No business license and no revenue to the County – creates that perception that we are become less business friendly and see businesses as merely a source of revenue for government rather than the generator of jobs and economic vitality
- Change perception of County to become a “business friendly” environment
- Move the county to be an active participant in economic vitality with other public sector players and major participants such as the boardwalk and UCSC
- Streamlining County's planning and permitting processes.
- Increase funding, support and staffing for the County's Economic Development Manager
- Improve access to mentoring e.g., SCORE and SBDC

Strategies to Support Small Businesses

Strategy 4.19: Contract with Small Business Development Center (SBDC) to Support Small Businesses

This strategy builds on and connects with the statewide system of Small Business Development Centers to provide education, technical assistance and financial counseling to small businesses; and to offer specialized training based on annual work plans, with initial trainings related to cottage food, arts, lodging and restaurant businesses.

Action 4.19.1: Enter into annual contracts with the Small Business Development Center to provide training and support for small businesses.

Topics should be flexible to address the current market and may include online sales, business startup activities, financing, accounting, marketing, business plans, and many other topics.

- a. SBDC prepares businesses for success in every County
- b. Good strategy... how can we make this a competitive advantage vs other Counties' SBDCs
- c. Need to include SCORE in this framework

Strategy 4.20: Pursue Programs to Train Businesses in E-Commerce

This strategy envisions working with major online e-commerce companies such as Etsy (an e-commerce site for handmade and vintage goods), eBay (an e-commerce site where small entrepreneurs re-sell previously-owned items and new items), Kickstarter (an online crowd-funding site), and others to provide home-based and very small business an unprecedented sales channel for global sales of local products. This strategy involves the County working proactively with these site sponsors, or other intermediaries, to convene webinars or other training venues for local artisans and businesses, with the aim to increase sales, and in turn, capture sales tax revenues for local purposes.

Action 4.20.1: As the new retail landscape continues to evolve toward a model less dependent on storefronts, it will be imperative to train businesses on how to sell products online so they can compete in the new economic reality. Partnerships with Etsy.com and Ebay will continue to be pursued, as well as new partnerships with Kickstarter and other mechanisms that could support the technology/ innovation sector.

- a. Opportunity for home businesses using eBay and similar... needs SBDC and similar support
- b. Don't limit this to home-based businesses... nearly every business needs these competencies
- c. Not sure that this is a strategy for County government... a very narrow segment for a system with little staff and money.

Strategy 4.21: Support Expansion of Broadband Infrastructure throughout County

This strategy is key to enabling small and home-based businesses to fully utilize online e-commerce and other web-based support services. Improvement in access and high speed capacity is needed in a number of County locations to support business applications and web-based learning programs on an equitable basis.

Action 4.21.1: The County will continue a focus on expanding broadband infrastructure throughout the county to enable businesses to function in the digital era - including for those who periodically work from home and home based businesses. The County will work with industry providers to develop a Broadband Master Plan in order to identify focus areas within the county that will be most suitable for gigabyte services, particularly as the Sunesys backbone line is constructed during 2014 and 2015. The County will work with service (last mile) providers to ensure that these focus areas are deemed a priority, in order to support streaming requirements, product development, job creation and online selling capability.

Action 4.21.2: In recognition of the thousands of home-based businesses located within the county, it will be imperative to educate the last mile

providers that there is little differentiation between business and residential customers, and the speeds/capacity needed to perform viable business and home activities.

- a. This requires emphasis on 4.21.2 and the risks of high-cost/poor-service from AT&T or Comcast. Explore strategies for local-provider options, public utility control / ownership of the infrastructure, etc.
- b. Last-mile problems can't be resolved without a sharing of the costs of "expensive" last miles by less expensive. This may be a point of application for the urban

Strategy 4.22: Promote Export Assistance (Monterey) & Patents (San Jose) Offices

This strategy will support small businesses seeking global markets, and entrepreneurs needing intellectual property protection through patents and licenses.

Action 4.22.1: Partner with the Export Assistance Office in Monterey and the Patents Office in San Jose to provide technical assistance to businesses seeking export assistance and intellectual property protection.

- a. Great opportunities for small business... needs communication of opportunity and links to skills
- b. Isn't this included in SBDC consulting and access to Monterey Bay International Trade Association?
- c. This should be included in 4.19 (SBDC) and 4.20 (business training in eCommerce)

Strategy 4.23: Create an "Over the Counter" Home Occupation Business Permit and Designate a Small Business Ombudsman in the Planning Department

A home occupation business permit will recognize and ensure legitimacy of small businesses that operate from homes, and will be a simple "over the counter permit" for businesses that meet criteria for operating from residential homes. This strategy will also involve creation of a single point of contact in the Planning Department to serve as a designated "Small Business Ombudsman" to assist with regulatory compliance, permitting, and connections to technical assistance.

- a. General consensus (but not unanimity) at table this a bad idea unless significant value is established
 1. Some adamant in opposition
 2. Some see little value and significant risks to overall county plan
- b. Discussed possibility of tiered fee for access to ombudsman
- c. Discussed options of contracting with existing business organizations (Chamber(s)) to develop a communications network with small businesses
- d. Find other models of over-the-counter support systems and use them as models
- e. Need an analysis of ROI, revenue vs expenses in collection of a business license fee. Needs to include benefits of use of the revenue and costs of loss of goodwill among small business owners
- f. Don't perceive the benefit (to Small Businesses) of Small Businesses paying for a permit
- g. An Ombudsman would be good IF truly an advocate and resource for Small Business. Some risk of this becoming an apologist for the County.
- h. This requires a value proposition for a serious discussion

Strategy 4.24: Collaborate with Local Economic Development Practitioners to Support Small Business

This strategy will support collaboration with local Chambers of Commerce, SCORE, Educational Institutions, Private Sector Lenders, Real Estate Brokers and other organizations which mentor and assist the small business community.

Action 4.24.1: The County will collaborate with local economic development organizations such as the SBDC, SCORE, SCCBC, private sector lenders, Chambers of Commerce, downtown associations, real estate brokers and other organizations that assist the small business community.

Action 4.24.2: The County will facilitate a meeting twice a year, inviting local economic development organizations to exchange information on a regional basis.

Action 4.24.3: The County will facilitate a quarterly meeting with all incorporated city economic development professionals to exchange information and business leads.

- a. Should also involve Think Local First, SC Construction Guild, CVC, Farm Bureau

Strategy 4.25: Convene Annual Small Business Symposium

This strategy will involve County economic vitality staff working with the cities and the Small Business Development Center to fund and hold an Annual Small Business Symposium. The Symposium is envisioned as a learning and networking event for all active economic development stakeholders including: Chambers, business groups, lending institutions, economic development agencies, workforce training programs, UCSC Center for Entrepreneurship (C4E), Silicon Valley business organizations, and non-profit agencies. The Symposium will offer workshops for business initiatives and success, and foster new connections and synergy to improve economic vitality.

Action 4.25.1: Partner with the Santa Cruz Area Chamber of Commerce, the Santa Cruz County Business Council and the Small Business Development Center to expand and create a small business symposium to educate and grow businesses within the entire county.

- a. Should also involve Think Local First, SC Construction Guild, CVC, Farm Bureau

Strategy 4.26: Study Soquel Corridor Auto and Service Businesses

This strategy recognizes the need for and strong presence along the Soquel Drive Corridor of auto-service and repair businesses. Support continuation, while exploring opportunities to possibly consolidate and ensure efficient use of land along the corridor for jobs and services.

Other Ideas:

- What about input from Think Local First, construction guild, etc.

GOAL 5: Expand Public Sector Capacity & Infrastructure

One of the key issues identified during the outreach process for this Strategy was the lack of adequate infrastructure throughout the unincorporated area. The term "infrastructure" in this context means not only traditional systems such as adequate street capacity and maintenance, and available water supply, but also telecommunications and broadband infrastructure. Public safety, parks and recreation, and other publicly-funded services were also identified as important to maintain and enhance, in order to ensure a safe community and good quality of life.

From an economic vitality perspective, investments in both physical and social supports will be critical to ensuring a vital economy in the coming decades. However, in order to make significant investment in public infrastructure, county government must have the financial capacity to do so. Currently, the mix of land uses that require services and those that deliver revenues is an unsustainable one. It is important to continue work to diversify and expand the County's economic base, in order to create fiscal sustainability for local government, which is then able to provide quality facilities and services that are demanded by residents and businesses.

While since 2012 there are no longer redevelopment agencies in the State of California, there remain other tools that governments can use to promote economic development that generates public revenues. A remnant of redevelopment for Santa Cruz County jurisdictions is the disposal of real property assets that were unencumbered when redevelopment was dissolved by the State. Jurisdictions are allowed to use RDA Successor Agency funding to help dispose of those sites, and it is possible to do so in a manner that mimics redevelopment. There are two sites in the unincorporated area that will be "managed sales" and that have potential to contribute to economic vitality and public fiscal health: 7th/Brommer and 17th/Capitola Road.

Many communities are concerned about residential growth in their communities (heightened during periods of drought such as now being experienced) and more so if it occurs on lands that had been designated for commercial uses. The traditional understanding is that "residential doesn't pay for itself". This can certainly be true, especially in low density rural formats where it is expensive to provide public safety, roads, water and sewer lines, and other public services to a spread-out population. If commercial lands are converted to residential uses, then the sales taxes, property taxes, transient occupancy taxes and other revenues that might have been generated by the commercial use do not occur. These factors make it challenging to plan for accommodating residential growth.

Recent studies, however, are showing that for certain sites and areas a Mixed Use concept may not come with the negative fiscal impacts. A recent study for the City of Capitola showed that public fiscal revenues from a Mixed Use Development in 4-story format can equal or exceed that of a 1-story Commercial Development. Tax revenue continues from ground floor commercial uses, and the compact format of residential in the stories above means that public infrastructure and services can be provided in an efficient and cost-effective manner. Additionally, the people who live in the upper units have incomes, and their expenditures locally help to support other businesses in the community.

Strategies to Strengthen Public Sector capacity & Infrastructure

Preliminary Comments

Economic Impact

- THE two infrastructure issues: transportation and water
- Need dedicated money to infrastructure
- Broadband is transportation of the future
- Density makes infrastructure more affordable
- Regional planning – at least all within County – and across all infrastructure types will make for better outcomes
- Invest in the community infrastructure – the blocks upon which economic systems and economic development are built – to upgrade and maintain infrastructure: roads, sewers, water, etc.

- Integrate with external sources – federal , state, loans, grants, etc. – but provide for an option that guaranties baseline service utilizing local funds
- Lack of high-speed internet is limiting economic development... make this a public utility
- Reliable, plentiful supply water with scalability for future demands as they may arise
- Combination of transportation investment and allowing mixed-use, higher density develop will define the county's ability to meet economic vitality expectations.
- Look to integrated regional planning rather than planning in resource silos and artificial geographic boundaries. Transportation, zoning, water, etc. should be elements of an integrated plan adopted throughout the region.
- Repair rural roads... this deters development
- Widen Hiway 1 to three lanes, from 17 to Watsonville
- Water is key issue: build additional water storage or, just build a desal plant

System Impact

- Make plan now for highspeed internet
- Integrate infrastructure planning with land-use planning
- Develop an economic development council with state funding
- Streamline building planning and permitting
- Government agency integration/collaboration... engagement with business
- Create a plan for infrastructure investment that includes a funding strategy, sufficient flexibility to allow for changes in needs and requirements, but that is sufficient to meet the economic and quality of life requirements of residents and businesses.
- Land use planning that will increase density along transit corridors and allow efficiencies in infrastructure while preserving the quality of life the community desires.
- Build into the process guaranties, metrics, and process-checks that sustains the plan through generations of elected representatives and public staff members.
- Build a community consensus regarding growth, sustainability, community character, affordability and quality of life... and use this as a standard to which water, transportation, and other infrastructure investment will be made.
- Policies must accommodate new smart development in urban cores and relief to Highway 1 congestion
- Must integrate planning (and its funding?) with regional and local agencies and the university and other large institutions.
- Review and modify regulations designed to slow growth through complex and uncertain processes that require a decade or more of work and a significant amount of risk to complete. It drives away investment by property owners and existing businesses and deters others for relocated / investing in the County
- Increase multifamily complexes throughout
- Desal and reclaimed water need to be implemented
- Reduce red tape in development and redevelopment of land
- Develop master plan to combine/integrate more residential and commercial property to reduce traffic

Strategy 5.1: Support Expansion of High Speed Broadband Infrastructure throughout the County

Support the expansion of high-speed Broadband Infrastructure throughout County to ensure equitable access for all income populations within both urban and rural communities, and to support business.

Action 5.1.1: The County will continue a focus on broadband infrastructure throughout the county to enable businesses to function in the digital era, and students and households to have high quality access to information and communication. The County will work with industry providers to develop a Broadband Master Plan in order to identify focus areas within the county that will be most suitable for gigabyte services, particularly as the Sunesys backbone line is constructed during 2014 and 2015. The County will work with service (last mile) providers to ensure that these focus areas are deemed a priority, in order to support streaming requirements, product development, job creation and online selling capability.

Consensus: this is a priority

- a. Coordinate with utilities
- b. Insure that it is provided at reasonable rates

Strategy 5.2: Work with Regional Transportation Agencies to Achieve Balanced Funding for Improvements to All Modes

Work with AM BAG and RTC to ensure a balanced approach to the funding of local and regional-serving transportation improvements, such as Highway auxiliary lanes, maintenance and preservation of existing local roads, new local multi-modal crossings of Highway 1 as feasible, Monterey Bay Sanctuary Scenic Trail (coastal access and rail-trail), bus transit, bicycle facilities, pedestrian facilities, and connectivity improvements.

Consensus: concern about limited resources and limited support of any particular project

- a. Focus on goal: "relieve highway 1 congestion"
- b. Fear dilution of resources

Strategy 5.3: Prepare and Implement a Development Impact Fee Study to Support Adequate Infrastructure

Direct the preparation and implementation of a comprehensive Development Impact Fee Study, including expanding types of infrastructure subject to impact fees beyond transportation, roadside and parks.

- a. Impact fees suppose that the impacts requiring the fees (e.g. highways, water, transportation maintenance, etc.) are the result of new construction -- new jobs and new housing. This premise is not supported by facts. The County and all of the cities in it with the possible exception of Scotts Valley obviously have too few jobs and too little housing. This is in no insignificant part the results of impact fees and a variety of other taxes and fees on new development of the past several decades. More of the same will result in more of the same... few jobs and less housing than we need.

Strategy 5.4: Maximize Grant Funding for Infrastructure Improvements

Maximize opportunities to obtain grant funds, and creative loan programs, to finance infrastructure improvements.

Consensus: Yes

Strategy 5.5: Encourage land/Acreage-Based Uses to Locate Outside of Urban Services Line (USL)

Promote efficient jobs and housing development within the Urban Services Line (USL), and provide zoning for uses that need land or acreage outside the USL, such as for equipment and material storage, landscaping and tree services, and other uses that require a lot of land but involve relatively few employees and do not require a high level of urban infrastructure and/or services.

Consensus: positive

Strategy 5.6: Promote Local Airports and Proximity to SJC and SFO Service

Recognize and promote the capacity of and opportunities created by the presence of Watsonville Municipal Airport (WVI) and Monterey Regional Airport (MRV); and highlight Santa Cruz County's proximity to both San Jose International Airport (SJC) and San Francisco International Airport (SFO) in promotional materials.

Consensus: work on public transportation to airports

- a. Improve public transportation to to SJC and SFO

Strategy 5.7: Prioritize Funding to Increase Access and Mobility of People, Goods, and Services throughout the County

Prioritize and advocate for funding of public infrastructure improvements that will support business needs and that ensure the efficient movement of goods and services via roads, rail, air, internet, and package. Strategy 5.8: Prepare 2035 Infrastructure Master Plans
Support the preparation of 2035 Infrastructure Master Plans, and help incorporate priority projects into annual Capital Improvement Programs (CIPs).

Consensus: positive

- a. Include Internet

Strategy 5.8: Prepare 2035 Infrastructure Master Plans

Support the preparation of 2035 Infrastructure Master Plans, and help incorporate priority projects into annual Capital Improvement Programs (CIPs).

Consensus: positive

- a. Only if team effort, properly coordinated
- b. 2025 better than 2035

Strategy 5.9: Encourage Lodging Development to Foster Visitor Services and Fiscal Revenues

Generate potential for and assist with development of quality visitor accommodation properties. Key sites that are already designated for Visitor Accommodation include the 7th/Brommer (6.7 acres) and Poor Glares (12 acres) sites. Existing commercial sites in the medical corridor, with zoning that already allows hotel development, may also be appropriate, as well as sites visible and/or accessible from Highway 1.

Consensus: little interest... should be privately driven

Strategy 5.10: Maximize Opportunities for New Retail and Service Businesses

Maximize opportunity for new retail and services businesses; particularly to meet market demands identified in economic studies - for apparel, warehouse/clubs, home furnishings/household goods, general merchandise/variety stores, home improvement, new and used car sales, eating and drinking establishments, lifestyle and recreation goods.

Consensus: unimportant... too low-wage

Strategy 5.11: Encourage Non-Retail Sales and Use Tax Generators (B2B Sales)

In addition to retaining and attracting retail sales tax and transient occupancy tax (TOT) and property tax generators, the County can target attraction and expansion of non-retail industries based on Taxable Revenue Potential (TRP), as described below (source is an economic study conducted for Capitola):

"Types of companies offering the greatest potential include: computer and electronics manufacturing point-of-sale, wholesale trade/business-to-business distribution, rental/leasing of vehicles and machinery, professional, technical services involving taxable item sales (such as architects, designers or companies that acquire or install equipment; or sell software or communications packages), and construction contractors (through point-of-sale of materials, equipment, fixtures and other activities that involve purchases of high-value items that are taxable). Educational services, health care, financial services, real estate and insurance enterprises may also offer taxable sales potential."

Consensus: just don't obstruct; support relevant infrastructure development (?)

- a. Don't get in the way of these businesses

Strategy 5.12: Explore Business License Tax Commensurate with Firm Size to Recover Public Service Costs

In order to be able to collect and disseminate information, education and assistance, the County will explore a business license requirement. In considering a Business License requirement, evaluate a business license tax format (rather than license fee) at a modest level, in order to ensure that the business sector contributes adequate funding for public safety, infrastructure, and public service levels that support the overall success of area businesses, and other general purposes.

No consensus... little interest

Strategy 5.13: Explore and Implement Funding Mechanisms to Stimulate Job Creation, Affordable Housing, and Economic Vitality

Explore and implement public funding mechanisms such as impact fees, sales tax initiatives for specific public purposes, grants, low-interest infrastructure loans, affordable housing projects and programs, and possible economic development grants, loans and incentives for job- or revenue-creating businesses.

Consensus: Positive as a notion but specifics too uncertain for support

Strategy 5.14: Work with Fire Districts to Obtain Funding for Response Time Improvements

Work with Fire Districts to identify desirable road improvements and other features that would assist with faster fire and emergency response times, and pursue creative funding approaches that would allow for implementation of improvements such as district financing and disaster preparation/readiness grants.

- a. Consolidate Fire Districts as a condition of new funding
- b. MUST consolidate districts

Strategy 5.15: Consider New Zoning Tools to Accommodate Development Projects at Densities Which Achieve Fiscal Neutrality

Consider creation of new zoning tools, to be available especially for identified under-utilized and infill sites along transportation corridors. For example, the Planned Unit Development (PUD) or other zoning approaches could allow consideration of well-designed buildings of 3 or 4 stories in appropriate locations, and with appropriate mitigations. That development type would likely accommodate new mixed use and residential developments in a format that would not involve negative fiscal impacts.

Other Ideas

- Council of Governments
- Regional coordination of resources & impacts of individuals on resources
- WATER must be part of all conversations

Workforce Training

The Santa Cruz County Workforce Investment Board (WIB); in conjunction with the Workforce Santa Cruz County program operated by the County's Human Services Department, are lead agencies for workforce training in Santa Cruz. - In recent years, as needs have grown, particularly in South County where unemployment remains high and educational attainment remains low, these programs have faced declining budgets and increasing challenges. County economic vitality staff can promote expanded investment in workforce training funds and other financial mechanisms linked to training and hiring. The State of California recently reformulated and expanded tax credits for hiring unemployed workers, as well as for sales tax and investment credits, as summarized below. The County can encourage use of these new State sales and hiring tax credits, and it may be possible to leverage these credits by incorporating County-based incentives, to further enhance financial incentives for businesses to hire and invest in the County's under-employed workforce, especially in South County.

- **Sales Tax Exemption.** The existing sales tax credit for businesses located in Enterprise Zones will be expanded to a statewide sales tax exemption on manufacturing equipment or research and development equipment purchases by companies engaged in manufacturing or biotechnology research and development. A business will be allowed to exclude the first \$200 million equipment purchases from the state share of sales tax (4.19%) beginning on 7/1/14. The sales tax exemption will be available statewide until 6/30/22.
- **Hiring Tax Credit:** The hiring credit is for businesses located in census tracts with the 25 percent highest share of both unemployment and poverty in the state. The hiring credit also applies to current Local Agency Military Base Recovery Areas (LAM BRA) and Enterprise Zone boundaries excluding wealthy areas. The hiring credit also reinstates the boundaries for two recently expired Enterprise Zones in Antelope Valley and Watsonville. The hiring credit will be available for the hiring of long-term unemployed workers, veterans within 12 months of separation from service, people receiving the Federal earned income tax credit, ex offenders, and recipients of CalWorks or general assistance. The hiring credit will only be allowed to taxpayers who have a net increase in jobs. The hiring credit will be 35 percent of wages between 1.5 and 3.5 times the minimum wage for a period of five years. In five pilot areas designated by GO-Biz the credit will be calculated on wages starting at \$10 per hour. The hiring credit is available for employees hired between 1/1/14 and 1/1/21.
- **Investment Incentive - California Competes Credit.** This incentive will be created and administered by GO-Biz. Businesses will have the opportunity to compete for available tax credits. Criteria for competition include the number of jobs to be created or retained, the extent of poverty in a business development area, a minimum compensation limitation and a set job retention period. Approval of any proposed incentive will be made by a five-member committee comprised of representatives from the State Treasurer's Office, Department of Finance, GO-Biz, California Senate and California Assembly. Approved credits may be recaptured if a business fails to fulfill the terms and conditions of the contract. 25% of these credits will be designated for small businesses.

Preliminary Comments:

Economic Impact

- Educate business on the Hiring Tax Credit Program. For small and emerging businesses this is the easiest to access and use; Many startups, especially in IT don't purchase equipment and fixtures investment credits.
- Sales Tax / other tax exemptions/rebates to support new jobs / local hiring especially young workers
- A regional, well-coordinated County-wide approach to Workforce Development
 - Focus on growing / improving existing businesses
 - Focus on Santa Cruz County brand... what do we do well/better than others
 - Develop a strategy to focuses particular effort on niches rather than generic strategies
 - Focus on good jobs that support families and community investments

Systems Impact

- One Stop for permitting and licensing
- K-higher education connection to jobs / workforce
- Increase on the job training efforts

- Workforce Investment Board at the new One-stop for business services
- Provide referrals to WIA (WIB) services when business licenses are issues; also to
 - Hiring tax credits program
 - WIA Partners w/ CalWorks
- Incentives to hire/train workers... knowledge, skills, abilities
- Reduce the costs of doing business in SC County / incentives to grow here
- Promotion of OJT and linkages to Cabrillo, CSU and others to ensure a well-trained workforce
- Business Incubator
- WIB as a Strategic Convenor of Workforce Development extending to K-12
- Design and promote the workforce development system to be more employer-demand driven
- More money dedicated to Workforce Development... successful local program have many more potential clients than they can serve financially
- Increase funding to Economic Development Management efforts at the County
- Develop a coordinated, regional workforce development effort including an effective Website
- Recommend focus on: Ag, ag tech, tourism, gaming, genomics, big-data, marine science, astrophysics
- Ask businesses what skills they need

Strategy 5.16: Support Workforce Investment Board Initiatives

Support efforts of the Workforce Investment Board (WIB), including preparation of a Five-Year Comprehensive Economic Development Strategy (CEDS) in 2014/15, and annual CEDS updates, in order to ensure eligibility for federal funding of economic development and infrastructure projects.

- Support All Workforce Investment Board Initiative
- OK but hardly a strategy... just a condition of EDA funding of local projects
- There are opportunities for developing strategies through WIB as well as state and federal programs it administers.

Strategy 5.17: Forge Partnerships and Linkages to Workforce Education and Training Organizations

Forge linkages through the Santa Cruz County Business Council and the broader business community, to the Santa Cruz County Office of Education, Cabrillo College, UCSC, Cal State Monterey Bay and other regional educational and workforce training institutions, to ensure a match between education, job training and future employment prospects and needs of the business community in the Santa Cruz region. Work with the business community through the Santa Cruz County Business Council to determine business workforce needs and gaps in a sufficiently trained workforce.

- Add WIB to the list of partners
- WIB, Cabrillo, Shoreline, others already to analysis of workforce needs and gaps
- While the Business Council represents a number of the larger employers in the County, it is neither the only business organization with such relationships or the one representing those businesses who most need assistance in developing employees... expand this focus.
- Think in terms of industry segments and employers of less than 100 in developing business / education-training linkages
- Needs local k-12 connections
- Also add to the list: K-12 and other CBOs

Strategy 5.18: Promote Workforce Investment Board's Youth Program to Business Community

Actively promote the WIB Summer Youth Program and other mentoring and employment opportunities for disadvantaged youth to the business community.

- Fund this program

This programs serves only
Strategy 5.19: Collaborate with South County Youth Organizations to Foster Education and Job Training Programs

Collaborate with the Community Foundation of Santa Cruz (CFSC) and other non-profit and educational organizations to design and offer targeted, cost-effective programs for South County youth, as well as for unemployed and underemployed adults.

Use the structures of the WIB and its affiliated providers to administer these programs. There are existing efforts that are cost-effective and limited by funding.

Strategy 5.20: Encourage Youth Mentorship and Apprenticeship Programs

Encourage businesses and agencies to offer internships and mentorships to local youth, unemployed and underemployed in order to support life skills and job training. Work with the Chambers, the Business Council, the CFSC and others to communicate the importance of maintaining a high quality public school system to the success of retaining and attracting high quality job providers, through the availability of a high quality local workforce. Ensure on-going availability of English language competency programs, including through web-based models.

Strategy 5.21: Promote Hiring Tax Credits and Other Incentives to Business for Job Creation

Promote hiring tax credit programs and other initiatives and incentives to job providers to encourage job growth in the County.

Other Ideas

- Consolidate Workforce development strategies
- Provide greater clarity and detail
- Revise this section... and simplify it

Goal 6: Revitalize and Strengthen Town Centers and Commercial Areas

The Economic Trends Report found that the retail sector has 11,300 jobs in Santa Cruz County, but lost some ground during the Great Recession. Recent trends indicate a recovery, with sales rising since 2009. There are relatively low vacancy rates for retail real estate, and there are good opportunities to capture sales in clothing, restaurants and bars, and general/household merchandise. There are also opportunities to tie retail offerings to strong arts and cultural events/organizations. Other retail studies conducted over the last several years by other Santa Cruz County jurisdiction have revealed possible demand for the following types of goods and services:

Clothing/Apparel Warehouse/Clubs
Home furnishings/ Household Goods General
Merchandise/Variety Stores Home Improvement Materials
New/Used Car Sales
Eating/Drinking Establishments Lifestyle/ Recreation goods

Since the time of those studies, certain new retailers have entered the market, including a new Target at the Capitola Mall, a new Marshalls that filled the vacant Circuit City building on Soquel Drive/Commercial Way, and various other new restaurants and smaller stores. The locations and functions of existing retailing locations within the County are summarized below:

- Regional shopping and visitor-serving destinations that serve the broader Santa Cruz trade area as well as visitors include Pacific Avenue, the Capitola Mall/4151 Avenue Corridor, Capitola Village, and Santa Cruz Beach Boardwalk/Wharf area
- Community/Town Retail and visitor-serving areas include the Soquel Drive Corridor, Aptos commercial areas, San Lorenzo Valley commercial districts, Mission Street corridor, and Downtown Watsonville
- Neighborhood/Local retail and visitor-serving areas include the Portola Drive/ Lower 41st Avenue area, East Cliff Village shopping center, Seaciff, Rio del Mar/Seascape, Davenport

While it is true that there is "leakage" in terms of county residents making purchases outside of the County, the demographics of Santa Cruz (relatively low population in market area, high housing costs reducing level of disposable income, high unemployment and many low-wage jobs) make it difficult for many national or independent retailers to locate and succeed here. The fact that many regional shopping centers such as Valley Fair are located in close proximity to Santa Cruz will remain a challenge. The evolving nature of retailing, with more sales occurring on-line and in warehouse formats, further challenges traditional retailers and may dampen the market for additional retail stores in the unincorporated area.

The potential of the unincorporated area to accommodate more stores is somewhat limited by competing strong retail centers existing nearby in Capitola and Santa Cruz. A key finding of the retail sector review is that there is a strong need for renovation and modernization of existing commercial buildings, particularly in the unincorporated area. While there may not be a large overall demand for additional retail square footage in the market, quality spaces may be able to generate locational shifts - from outdated and lower quality spaces, to modern and better-aligned spaces that respond to current customer demands for vibrant, clean, attractive and active spaces. A challenge related to the presence of outdated retail spaces is that some facilities reflect "legacy owners" who may not have debt associated with the property and whose priority is cash flow. Efforts should be made to review opportunities with such owners.

Preliminary Comments

- a. Zoning overlays – county to keep up with modern use
- b. Zoning restrictions limit economic production – let the market achieve success without restrictions from government
- c. Convention center in downtown area
- d. Streamline/simplify permit process and reduce fees

- e. County not offering planning process/approval until complete
- f. Limitations on industrial use affect economic growth
- g. Destination locations (more of them)
- h. Improve the Capitola mall
- i. Lumber yard on upper 41st had opportunity for development
- j. Better public transportation (mass transit)
- k. Allow for multi-family permits to enable labor markets. Affordable housing

Strategy 6.1: Encourage Expansions and New Retail Development to Capture Sales

Maximize opportunity for expansion of existing and for new retail/services businesses; particularly to meet unmet market demands for clothing and apparel, warehouse/clubs, home furnishings/household goods, general merchandise/variety stores, home improvement, new and used car sales, eating and drinking establishments, lifestyle and recreation goods.

Action 6.1.1: Invest in public infrastructure and provide technical assistance to developers of the Aptos Village Planned Unit Development (PUD) mixed use project, which allows up to 69 dwelling units and 75,000 square feet of new commercial space.

- a. In general this requires two things: for the county to modify its planning and use restrictions to make clear what will be permitted and to modify its processes to make the permitting of things it says it will allow to be approved reasonably fast, with reasonably certainty.
- b. Needs additional action items

Strategy 6.2: Implement 17th Avenue/Capitola Road Plan for Retail/Community Hub

Carry out RDA Successor Agency Implementation of Long Range Property Management Plan for the 17th Avenue/Capitola Road site in a manner that maximizes opportunity for a Live Oak commercial center and community gathering place.

- a. Potential for economic vitalization in Live Oak
- b. High density on Capitola Ave mixed use

Strategy 6.3: Support Revitalization of Privately-Owned Shopping Centers

Support private renovation and revitalization of community shopping centers such as the East Cliff Village and Portola Drive shopping centers in Live Oak, and the Rancho del Mar shopping center in Aptos, in order to modernize, diversify and "activate" land uses in recognition of their new role in the spectrum of commercial places. Provide technical assistance to owners as requested. Allow addition of rental housing as appropriate.

- a. Political assistance
- b. County technical support
- c. Coordination between various county departments
- d. Promote a vision and public/county support
- e. Cost-based analysis of economic potential

Strategy 6.4: Encourage New Office and Workspace Development in Mid-County to Meet Market Demands

Work with property owners, commercial lenders and the commercial brokerage community to create modernized and/or new office spaces in Mid County, recognizing market demand evidenced by low vacancy rates and pent-up demand.

- a. Streamline zoning, zoning overlay
- b. Flexibility in usage

Strategy 6.5: Modify Land Use Regulations to Allow for Flexible Work Space Uses

Modify General Plan and zoning regulations to establish zoning districts and standards that accommodate modern workplace formats, with flexibility that accommodates a variety of common workplace functions including offices, light assembly, shipping/distribution. Also allow support retail, food and support services in or within walking distance of employment districts.

Strategy 6.6: Support Implementation of "Heart of Soquel" Project

Assist with implementation of the "Heart of Soquel" project in Soquel Village, to provide space for parking and events. In recognition of the antique store cluster, consider periodic outdoor antique fairs in the space to help support the growth of this market sector.

Strategy 6.7: Encourage Revitalization of Obsolete Retail to Attract Contemporary Design and Tenant Mix

Work with property owners and provide technical assistance to encourage renovation and/or replacement of functionally obsolete or deteriorated commercial buildings in order to create formats and retail environments that are more attractive, including outdoor gathering, eating and meeting places. Publicize new Nonconforming Uses and Structures ordinance which is more accommodating of existing buildings and uses, along with decreased parking requirements for office and retail uses, in order to encourage investment. Consider financing strategies to assist as feasible.

Strategy 6.8: Identify Opportunities for Small Specialty Retail and Eating Places within Neighborhoods

Identify opportunities for greater land use diversity in neighborhoods by supporting integration of small retailers into neighborhoods, to improve local resident access to convenience goods and services and to foster neighborhood gathering opportunities at coffee shops, cafes and restaurants. Create zoning tools to accommodate and support such land uses within walking distance of neighborhoods.

- a. Reduce parking requirements imposed in residential districts

Strategy 6.11: Engage in Main Street Approach to Revitalize Town Centers

This strategy emphasizes a comprehensive approach to improving town centers in the unincorporated area by focusing on organization, design, promotion and economic restructuring to improve business climate and linkages with the residents they serve, especially in towns with a high percentage of workforce that out-commutes. Consider creation of Property Based Improvement Districts (PBIDs) to provide modest levels of funding to assist with implementation.

Action 6.11.1: Work with the State of California, Seaside businesses and residents, and the District 2 County Supervisor to increase access to State-owned parking areas in Seaside during evening and off-season hours to support viability of businesses, and enhance the positive experience of visitors.

Action 6.11.2: Work with CalTrans to manage Highway 9 in a manner that contributes to the economic success of Felton, Boulder Creek, Ben Lomond and Brookdale businesses.

Goal 7: Promote Santa Cruz County to Local, Regional, State, National & Global Markets

Santa Cruz County has numerous natural and built attractions, including the ocean and beaches, great weather and scenery, numerous parks and beaches, quality golf courses, extensive active recreation opportunities, and a thriving arts culture. The Boardwalk attracts both day and overnight visitors, with visitation at a record high of three million per year at present. The new Santa Cruz Warriors Stadium in downtown Santa Cruz attracts basketball fans from throughout the region to follow this Division IV team. One of the major issues identified during stakeholder meetings is that the off-peak and shoulder season decline in tourism impacts overall vitality and business success, indicating the need for more strategies to offset this seasonal decline. Addition of conference facilities has the potential to attract off-season business travel, as there currently is not a critical mass of sufficient capacity and quality to attract the meetings market to meet its full potential.

A key component of Santa Cruz tourism is its many festivals and sports events, including live music, theater and plays, artist tours, food-based festivals, mountain biking, road cycling, and running events. These are the current focus of local strategies to increase tourism in off-peak periods. The rising farm-to-table movement, along with organic food production and local wine production, are contributing to the growing strength of agri-tourism.

Marketing and promotion of the wide array of tourism opportunities in Santa Cruz offers expansion opportunities. The Convention and Visitor Council (CVC), which focuses mainly on increasing overnight and destination tourism in the County, recently launched a branding message of "Santa Cruz - Let's Cruz."

The CVC has also recently expanded its website to include more robust offerings than when the county's Economic Vitality planning process started. Thus, while some stakeholders for this process commented on the need to further expand promotion and marketing to emphasize day visitor opportunities (arts and cultural events, fine dining, wine tasting, sports and recreation, and parks/natural features), the updated CVC website has now incorporated these items, and visitor-serving businesses and the Santa Cruz economy have benefited from implementation of the Tourism Marketing District (TMD) funding of the eve.

However, more work needs to be done. The goal of promotion should be to raise the profile of Santa Cruz County as a destination akin to Sonoma Wine County, Napa Valley, or the Monterey Bay, especially targeting visitors concentrated in the Bay Area to the north, or Monterey Bay to the south. The County can play a role in connecting and strengthening partnerships between the CVC and the myriad of arts, cultural, wine, and related organizations. The strategy process should include collecting data on visitation by sub region of the County, including current spending patterns, origin/destination information, and itineraries. Goals of this strategy should be to create a firm understanding of strengths and weaknesses in the tourism industry, to explore international promotion and marketing (and materials in other languages), and to foster a regular forum for arts and cultural groups to interact directly with the CVC.

Many stakeholders noted that in the short-run, simple cross-promotion at various locations around the County should be enhanced. Hotels and major facilities should have information readily available (e.g. brochures and web apps) for tourists and visitors to answer the questions of "Where else should I go in the County?" and "What else is there to do?" or "Where should I eat?"

Promotion of Santa Cruz County as a place that is "open for business" must also be a goal. Examples of success in helping business will be communicated so that this statement reflects actual and expected experiences for businesses locating and expanding in Santa Cruz County.

Preliminary Comments

- a. Continue to promote SCC as an eclectic casual fun family friendly destination
 - a. SC lifestyle
- b. There is no silver bullet for promotion. Simply speaking, the goal is to increase awareness of Santa Cruz arts, wine, culture, etc. Outside in surrounding counties. I think that being aware of how SC & promotion is experienced outside is especially important

- c. What is the goal? Who is the target?
- d. What is the SC Brand? What is our competitive advantage?
- e. Is this a CVC issue? How can we support the CVC?
 - a. Removing politics from the CVC
 - b. Collaborate with CVC. Business Committee to work with the CVC?
- f. Strategic analysis understand other communities and understand our competition
- g. Who pays for this?
- h. What does success look like?
- i. Promoting events
 - a. Schedule collaborations
- j. Parking – why people would rather dine in Los Gatos than downtown
- k. Santa Cruz = it's just fun!
- l. Narrow down to big hits: successes and not be political. trying to hit all stakeholders is just not deliverable
- m. Stop talking and get busy
- n. Travel package that include event tickets, hotel stay, parking, coupons, etc. Costco, for example, could be an ideal avenue to help book more travel packages from outside the local economy.
- o. Still don't have the impression that there are destination hotels in the area. I think enhancing the quality of accommodations would encourage larger demographics to visit and stay for longer.
- p. Traffic improvement measures, new signage, median aesthetics on area roadways
- q. Stay true to our authentic brand
- r. Infrastructure needs improvement. Make it easy to go from SC to Capitola to other places in the county.

Strategy 7.1: Support Marketing Initiatives by Conference and Visitors Council

Support efforts of and collaborate with the Santa Cruz County Conference and Visitors Council (CVC) and Tourism Marketing District (TMD) to promote County attractions, businesses, events, and activities.

- a. Requires investment and buy in but no collaboration. Someone needs to drive the ship
- b. Should the county support the CVC and how?

Strategy 7.2: Assist Chambers of Commerce and Other Organizations to "Tell Success Stories"

Collaborate with Chambers and Commerce, the Santa Cruz Business Council and other organizations to identify and "Tell the Success Stories" through a variety of media, newsletters and other channels in order to promote the County as a place for business.

Action 7.2.1: Work with the Chambers of Commerce, Business Associations, Economic Organizations and others to promote a cohesive, unified voice to "tell the story" of the successes of the business community through a variety of media - newsletters, press releases, and social - to promote the County as a place that is "open for business."

- a. SC branding – this is a process

Strategy 7.3: Consider Joint Marketing with Incorporated Cities

Consider working with other Santa Cruz County cities to create a strategy for sharing and maximizing impact of available resources for marketing and promotion efforts.

- a. This is really hard to do

Strategy 7.4: Attend Industry Events and Conferences to Promote Santa Cruz County

Attend industry, local, regional and statewide events and conferences such as CALED, ICSC, California

Main Street, Silicon Valley events, and Community Leadership Visits - to promote Santa Cruz strengths and opportunities, share successes, and network and learn from peers.

- a. Generally, people are more important
- b. Low priority
- c. Educational but not promotional

Strategy 7.5: Support Events Celebrating County Assets and Culture

Support current and future events that celebrate County assets and culture. Create streamlined event permitting processes, potentially consolidating one system handling permitting for all county jurisdictions, and collaborate on scheduling to maximize direct and indirect benefits to local economies, especially during the shoulder season.

- a. Non-peak event
- b. Yes! Coordinate for non-peak times
- c. Needs further definition
- d. Prioritize the shoulder season

Strategy 7.6: With Partner Organizations, Create Branding campaigns for Agricultural and Other Santa Cruz County Products and Events

Collaborate with all sectors to identify, name, and market a "Santa Cruz Brand" that worldwide markets will recognize. Consider a "Santa Cruz County Grown" label for agricultural products; and possibly a "Santa Cruz Authentic" brand for businesses, products, arts, recreation, wineries, events, and other products and activities that are made or that are available in Santa Cruz.

- a. These days both need some love

August 15, 2014

Ms. Kathy Previsich, Director
Planning Department
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Ms. Previsich:

The Santa Cruz County Association of REALTORS® (SCCAR) has taken the time to review the draft Economic Vitality Strategy (EVS) in order to provide meaningful feedback on behalf of the local real estate industry. As part of our internal review, SCCAR met with County economic development coordinator Barbara Mason on June 27th to discuss the draft EVS and share our initial thoughts. In addition to the list of individual comments (Appendix 1), SCCAR would like to offer the following general thoughts for consideration:

- **Streamlining internal processes:** First and foremost, the County must continue to expand on its current efforts to make it less burdensome to navigate the permitting process. As real estate professionals, we have noticed the process becoming less cumbersome, but there are still many improvements that need to be made.
- **Nurture a housing friendly environment:** Adopting and expanding (geographically) the housing provisions set forth in the proposed Sustainable Santa Cruz County (SCP) plan (greater density, easing of height restrictions, etc.) will assist in adding housing stock that is greatly needed. Additionally, encouragement of accessory dwelling units throughout the unincorporated areas will add to the growing demand for rental stock, thus alleviating some of the high monthly costs renters are currently facing.
- **Supporting local, homegrown industries/business:** Placing emphasis on nurturing key local industries and supporting new, local start-ups is a positive step. As one of the "frontline" industries in promoting local commerce, we are encouraged by the fact that the draft EVS recognizes that a key to future economic prosperity is enhancing and promoting what we have, while encouraging more favorable conditions for attracting new opportunities.
- **Engagement of stakeholders:** The draft EVS puts a great deal of stock in leveraging the assets that community partners (business, non-profits, academia, etc.) bring to the discussion. Holding quarterly stakeholder meetings to ensure that goals and objectives are being met will be necessary. SCCAR would welcome a seat at the table.
- **Fewer burdens for real estate professionals:** The draft EVS places emphasis on efforts to support countywide economic vitality. All policy decisions that are made going forward should be consistent in casting support for local professionals. Any additional fees, such as a business license fee for the unincorporated area, should be carefully looked at through the lens of whether or not the perceived benefit outweighs the additional burden placed on those that drive our local economy.

- **Doing more with less:** We would like to see the initial two (2) year work plan paired down to include a few key goals and strategies. Our thoughts on where to start include streamlining internal processes, addressing key infrastructure deficiencies (especially housing) and demonstrating a hand-in-hand working relationship with key community partners. Through focus on these areas, we see an adopted EVS making Santa Cruz County a more attractive place to live and work, which is vital to our industry.

Due to the expansive nature of the draft EVS, SCCAR is not writing this letter as a formal "endorsement" of the document. Rather, we see this missive as a way to let you know that, while generally supportive, we hope that the final, implemented version devotes resources toward the needs that should be addressed early on in the process. We are certainly optimistic about what the EVS will achieve and we look forward to our role as an active partner in the implementation process.

Sincerely,

Frank O. May
President
Santa Cruz County Association of REALTORS®

APPENDIX 1

As a reference, we have included "raw," general feedback that was collected by SCCAR members throughout our internal review process.

Individual Comments

- Let businesses guide economic development. Government needs to do their best to allow the private-sector to thrive. Do not put anything in place that will add another hurdle for businesses to jump over.
- Can't focus on trying to recruit new business; support core industries and support fledgling businesses.
- Put emphasis on County Planning staff walking businesses through the permitting process. Make it efficient and easy. Encourage folks to do business with the County.
- Everyone knows that the permitting process at the County is a huge issue. It takes too long. It is too confusing. There are too many layers. The EVS needs to prioritize making this easier for everyone that goes to the County for a permit.
- We are open to the process, but we are skeptical about the EVS accomplishing all that it sets out to achieve.
- Don't try to accomplish too much. Be simple. Do only what you can handle.
- Real estate professionals already have to deal with navigating the regulatory waters for their business and their individual clients. Please make matters dealing with the County more conducive to simplicity and effectiveness.
- Got to pair the draft down a bit. Focus on a few items and get some early "wins."
- How effective will the SAT folks be? Since they will be adding to their plates which are already fairly full. The SAT process should focus on making things easier for everyone. Maybe enhance moral.
- All strategies should save time, money and frustration for people doing business with the County.
- The EVS needs to succeed where the 1994 economic development failed. There needs to be regular "check ins" with external stakeholder/partner groups to make sure things are staying on track.
- People need to know, early on, how much \$ they are going to have to spend to get proper permits. They need to know how much time the process will take.
- Broadband access to all areas of the County should be a top priority. We need better and more reliable connectivity. Adoption of the County's broadband "master plan" needs to be refined and adopted.
- Having clear, measurable outcomes will be important due to the language being broad/loose. It will be important to track success metrics.
- We are not supportive of the business license fee. Other methods should be used to gather data on the businesses in the unincorporated better.

- The County needs to understand that individual REALTORS® should not require individual businesses licenses (if this is implemented). Each REALTOR® is part of a brokerage, and the brokers should be the only ones to carry a license.
- It is important for the County to work hand-in-hand with the partners that are listed in the draft EVS.
- No additional burdens for REALTORS®, please.
- Generally supportive of the efforts, but it is going to be very difficult for the County to accomplish all that is laid out in the draft EVS. The Board of Supervisors should select a few of the goals/strategies to include in the initial 2-year work plan. Keep it simple to start and add to the work plan once things get accomplished.
- It is going to be vital for the County to work closely with economic development professionals from the municipalities. Try not to duplicate efforts. Focus on working collaboratively.



**Santa Cruz County
Business Council**

August 15, 2014

Kathy Previsich
Director, Planning Department
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

Ms. Previsich:

The actions recently taken by the County of Santa Cruz to analyze, identify and address areas where the public-sector can support economic vitality efforts are a step in the right direction for our community. Placing emphasis on working collaboratively with business, academia, non-profits and fellow government agencies sends a clear message that the County is serious about working cohesively to ensure a strong economic future. The seven (7) goals and subsequent strategies (all 80+ of them) are comprehensive, ambitious and thoughtful in nature. While we appreciate the intention of being as inclusive as possible with the objectives outlined in the draft Economic Vitality Strategy (EVS), we also feel that certain items (outlined in sections 1 and 3 of this document) must be prioritized over others, at least initially, in order for real, tangible successes to be realized.

Over the past year, the Santa Cruz County Business Council (SCCBC) has made every effort to be involved in the development process of the draft EVS. Following its public release on May 20th, SCCBC has taken the time to thoroughly review the draft EVS in order to provide meaningful feedback on behalf of the countywide business community. In addition to our internal review, SCCBC also met multiple times with you and your staff to discuss the draft and share our initial thoughts on the plan and overall process. Based upon these efforts, SCCBC put together a portfolio of feedback for your consideration. The portfolio breakdown is as follows:

EVS RESPONSE OUTLINE

1. SCCBC Areas of Emphasis
2. General Assessment of Each EVS Goal Area
3. Comments on Selected EVS Recommendations
4. Appendix A - Recommendations Specific to the Sustainable Santa Cruz County Plan
5. Appendix B - Recommendations Specific to Affordable Housing Policy
6. Appendix C - Comments from Watsonville/South County EVS Study Session
7. Appendix D - Comments from San Lorenzo Valley Study Session



Santa Cruz County Business Council

1. SCCBC AREAS OF EMPHASIS

Supporting Core Industries and Local Business

An approach that emphasizes the importance of nurturing our current core industry sectors is of paramount importance to our county's continued vitality. With the limited economic development resources the County has at its disposal, allocation of time/funding should be directed at ensuring the industry sectors that supply a large portion of our local jobs are supported by programs and policy. Additionally, creating a climate of start-up business support for those in the unincorporated areas will see the County playing a role in helping many fledgling companies become future job providers. EVS efforts related to infrastructure improvements, housing availability and commercial investment will provide needed support in this area.

Adoption of the Sustainable Santa Cruz County Plan (Plan)

Under Goal 2, the draft EVS specifically mentions adoption of the Plan as a key recommendation. The Plan's blueprint for sustainable development in the Soquel Drive corridor is something that could be applied to other (appropriate) areas within the County. Piecing together a long-range plan for land use, zoning, mobility, transit and infrastructure affords the County, and its private-sector partners, the ability to create a comprehensive and sustainable vision for development in our County. Additionally, the proposed "community benefit" incentive program could be the foundation for a more robust incentive program related to both commercial and residential development.

Emphasis on Infrastructure Improvements

We cannot have economic vitality without a modernized, safe, and reliable infrastructure. When we refer to "infrastructure" we use a broad definition that includes transportation, water, broadband, housing and workforce development. The final EVS should place great emphasis on the need for renewed and continued focus on improving all aspects of our infrastructure. We need safer roads. We need more affordable and market-rate housing. We have to work collaboratively and decisively to alleviate our water issues. We need to train and retain a savvy, robust local workforce to meet the employment requirements desired by local businesses. All of these elements are critical to our future.

Collaborative Implementation and On-Going Success

While the draft EVS outlines specific strategies to achieve this, we would recommend the establishment of an External Stakeholder Technical Advisory Committee (ESTAC):

- Purpose is to provide guidance/feedback on the progress of the work plan implementation. This Committee would be comprised of partnering organizations that are identified in the draft EVS document. This Committee would help to ensure that goals/benchmarks are being met in order to keep the adopted "work plan" on track.
- Committee will meet quarterly from 1.5 - 2 hours. There will be monthly updates on the EVS's progress provided to the Committee. Special sessions could be called, if necessary.



Santa Cruz County Business Council

Streamlining Internal Processes

The draft EVS, through Goal 2, demonstrates an understanding that enhanced economic vitality is dependent upon the County establishing more efficient, streamlined internal processes. We have heard from our members about unpredictability, lag time and the overall frustration they feel when dealing with the Planning Department. We realize that processes are in place for a reason, but if the County is serious about supporting the work of the private-sector, the opportunity for our members to directly advise about their experiences and what improvements need to be made would be a step in the right direction. We have a handful of private-sector leaders ready to work with you to audit and improve the process. Included in this improvement process is an audit of current County fees. Before additional fees are considered, we need to determine if what is currently in place is working to the benefit of the community.

Additionally, we support adopted use of technology to promote greater ease of use when working with the County. This includes, but is not limited to, the development of software applications for submitting permit applications or when registering a business.

Establishing and Maintaining a Culture of Economic Vitality

It has been 20 years since the County embarked on a similar plan to play a pivotal role in economic development. While it is difficult to pinpoint exactly what went right or wrong with that plan, one thing for certain is that a re-imagining was necessary as many of the points raised in the 94 plan remain as cornerstones for the 2014 plan. That said, the past is the past. We ask that the County take into account what was envisioned in 1994 and determine how to ensure that we succeed now.

Prioritize Based Upon Community Feedback

The County's implementation of the final EVS is going to rely heavily on community partners. These partners have provided a great deal of feedback through this public comment process. When deciding what to cut or add into the final EVS, please factor in the enthusiasm and willingness your key implementation partners have for certain goals and recommendations.



**Santa Cruz County
Business Council**

2. GENERAL ASSESSMENT OF EACH GOAL AREA

1. Communicating a shared vision for the County economy is something that has been lacking. That said, prior to creating this "vision" and the strategy around it, we must put policies/systems in place to strengthen our case and instill confidence around a shared vision. We have to have something to "sell" that we are all behind.
2. The County has a long history of modest, responsible growth. While our population has increased, our guiding policies have remained largely the same. In order to better utilize the available land we have for residential and commercial development, we must refine policies to allow for responsible, infrastructure oriented, sustainable growth.
3. Nurturing key economic strengths is the appropriate fundamental starting point. These industries define our economy through jobs, tax revenue and general promotion. They are the ambassadors for and stewards of our community's brand. They prove to others that businesses can survive and thrive here. The County must support our established private-sector leaders through policies that encourage economic growth (infrastructure improvements, housing availability, incentivized commercial property modernization, etc.).
4. Putting systems in place to support and grow fledgling local businesses will set the stage for the future crop of thriving Santa Cruz County companies. Additionally, creating an environment that is conducive for starting, growing, and maintaining a business is a key consideration for policy decisions made at the County-level. Directly working with local entrepreneurs to better understand the issues they face and they needs they have will go a long way to keeping them local.
5. Assessing the condition of our infrastructure and identifying future needs is perhaps the biggest key for future prosperity. Our ability to have a modernized infrastructure will be the difference in retention, growth and recruitment of business. Our water systems, roadways and other key infrastructure elements (broadband, wireless, electrical, etc.) are deficient compared to many neighboring communities. The County must invest in infrastructure improvements if the EVS is to succeed.
6. Thriving town centers and commercial areas are vital to a community's cohesiveness and economic longevity. Our County is unique in that our unincorporated area has a number of densely populated, highly urbanized areas, as well as a rural element. One key to revitalization of these areas is the availability of housing and improved infrastructure.
7. Promoting the County can be done concurrently with all activities undertaken in the EVS. Additionally, playing a supporting role to the work being done by the CVC, as well as the other organizations promoting the County, is the best strategy for the County's efforts.



3. ANALYSIS OF SELECTED STRATEGIES

1.1 - Adopting Economic Vitality Strategy (EVS) and Two Year Work Plan

Instead of adopting the Plan as is, the Board should consider simply “accepting” the plan, while instructing staff to move forward on certain key initiatives determined by the Board. Goals, strategies and metrics will likely change over time, thus requiring a re-imagining of many of the items in the draft.

There should be a two-year work plan developed and adopted with the following in mind:

1. The scope should be manageable, and thus achievable, with the resources currently available.
2. Many of the individual strategies that are listed in the draft could actually fall under actions taken by partnering (not the County) organizations. That said, the County should look at its role as one of support, while not feeling as if it needs to take the lead on everything.

1.2 - Organize County Economic Vitality Staffing and Resources

Since hiring a dedicated economic development staff member, the County has made great strides in supporting the efforts of private and public partners. We hope that the proposed Strategic Action Team (SAT) will be encouraged/allowed to take an active role in the implementation of the Plan. If we are reading Strategy 1.2 correctly, the SAT will be called upon to assist/advise specific projects related to permitting, fees and regulations. In particular, the SAT will focus on priority projects that have major economic implications. Having the SAT focus on making things run smoother for existing and new business should be the key focus. By running things in a more streamlined, efficient manner, the SAT will see their efforts spill over into business retention/expansion, an enhanced image of the County’s image and the creation of new employment opportunities.

1.3 - Facilitate Regional Economic Vitality Partnerships and Support Systems

1.3.1. - Encouragement of quarterly meetings with economic development professionals throughout the County. We would like to participate in these quarterly meetings to ensure that we are providing the proper level of support for the County to achieve the EVS’s goals.

1.3.2 - We appreciate the participation that has taken place to this point, and we look forward to continuing that involvement.



Santa Cruz County Business Council

1.3.3. - We are very interested in working with the County, and other local business organizations, to establish a framework that will strengthen our collective ability to retain local businesses, and to allow those that want grow the opportunity to do so.

1.4. - Consider a Business License Program for Businesses in the Unincorporated Areas

An assessment of current County fees should be conducted prior to the adoption of new fees. That said, we understand that the four (4) municipalities have business license fees, but we also understand that most local counties do not have license fees for their unincorporated areas. Additionally, if the purpose of this potential fee is to simply gather data, we would suggest looking at alternatives before formally considering an additional fee.

1.5 - Create Communications Strategy to Educate and Promote the Vision

1.5.1 - We would recommend a complete redesign of the County's website. Many of the programs and services provided by the County directly impact our local economy and its ability to thrive. The current County website is difficult to navigate and displays information in an unorganized manner. The EVS is promoting a modernized face to County government. The County's website should reflect this.

1.5.2. - The County should not be expected to manage all of the information distribution channels. This is where the many external partners can come into play. The County should keep track of the groups that agree to disseminate information. From there, external groups can confirm that the County's information was distributed and to how many recipients.

1.6 - Identify Appropriate Metrics to Track Economic Vitality

The ability to measure/track EVS accomplishments will be imperative if it is to succeed. Additionally, having data that can demonstrate accomplishments will be useful in outreach messaging. Cabrillo College has shown interest in serving as clearinghouse for local economic data. Perhaps the County should partner with them to track metrics associated with EVS activities and the economic data that is/will be collected.

As mentioned earlier, in addition to the establishment of metrics to track success, we feel that there should be quarterly "partner" meetings convened by the County. These quarterly meetings will allow EVS partners to discuss progress being made, address voids that need to be filled and determine how best to fit in to each of our roles in the work plan. These meetings will hold all involved accountable for their responsibilities.



Santa Cruz County Business Council

2.1 - Support Adoption of Sustainable Santa Cruz County Plan Study

See Appendix A

2.2 - Update General Plan Elements with EVS goals/policies

Ensuring that the County's General Plan incorporates elements of the Sustainable Santa Cruz County plan, and ideals expressed through the EVS, is important to maintaining consistent policy and messaging throughout all County efforts/departments.

2.3 - Modernizing County Codes, Zoning and Sign Ordinance

Conducting a thorough review of County codes and making sure the language is consistent with the County's desire to promote sustainable economic vitality. The County has made strides related to analyzing and updating certain codes (60 in the past year) related to planning, housing, agriculture, etc. We welcome continued attention to making sure County codes encourage economic vitality.

Modernized zoning is somewhat addressed in the draft Sustainable Santa Cruz County plan, though the zoning discussed in the plan looks strictly at urban areas. The new zoning designations laid out in the Plan (height, arts, ag support, residential commercial, etc.) mixed with traditional zoning designations provides an opportunity to visualize and plan a diverse, modernized unincorporated area.

2.4 - Pursue "One Stop Development Services Center" Model

SCCBC would be happy to provide expertise from our members that have had to navigate this process in the past (and currently). We can advise on what works well and what does not. Basically, we would propose the business community provide an audit of our experiences and work with the County to improve the process.

2.5 - Continue Removing Regulatory Obstacles/Streamlining Permit Process

We are supportive of an effort to achieve positive direction in this area. Creating an environment that makes it easier for existing businesses to expand/grow is the fastest way to realize more employment opportunities. Our members possess years of experience with the County's permitting process. These members have expressed the desire to work as an advisory "task force" to suggest and implement changes that will make the process more efficient for all parties involved.



Santa Cruz County Business Council

2.6 - Create "new tools" in Zoning Districts & Development Standards

Allowing for more zoning flexibility will help with establishing a pattern of sustainable growth/development throughout the County. Less rigidity in land use practices will yield more mixed-use, high-density development, thus allowing for businesses to grow, and employees to have a place to call home. SCCBC would welcome providing input on what is feasible.

See Appendix A on the Sustainable Santa Cruz Plan for more information

2.8 - Review Affordable Housing Regulations & Programs for Efficacy

See Appendix B

2.9 - Update County Housing Element

Any update should incentivize/encourage the development of a diverse portfolio of housing (single-family, rental, mixed-use, etc.) throughout the unincorporated area. Incentives to encourage the development of housing would include: reduction in permitting/planning fee; reducing the affordable housing inclusionary rate; allowing for more density (on top of the allowances yielded through the State Density Bonus Law); allowing for taller buildings (case-by-case basis); and, adjustments to the setback regulations (case-by-case basis).

2.13 - Incentivize Second Units and Small Rental Units that are Affordable by Design

Make fees nominal to permit secondary and small rental units. To encourage property owners with lots large enough to accommodate a second unit, allow for a property tax incentive for developing a new rental unit. Make it easy for un-permitted units to become legal.

3.2 - Coordinate with Partners to Convene AG Stakeholder Meetings

SCCBC is refraining from too much feedback on the agriculture sector of the draft EVS. Our contributions in this area can be found in the comments that were submitted to the County from

the July 2nd Watsonville study session we co-hosted. Additionally, it will be important to include strong agriculture representation in (what will hopefully be) quarterly stakeholder meetings to gauge EVS successes.



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3.9 - Work with Sutter/PAMF to Support Future Campus Development, and on Reuse Strategies for Existing Medical Buildings

While Sutter/PAMF's future campus will expand and strengthen these services, it will also be important to support efforts taken by Dominican/Dignity to expand their services in the medical corridor. Ensuring that area zoning reflects the needs of both campuses, and their patrons, will be vital for our community's overall health. The Sustainable Santa Cruz County Plan draft provides guidance for traffic flow, land use/zoning and quality of life elements in this area of the County. Therefore, we refer back to our support of recommendation 2.1 for consideration in conjunction with this specific strategy.

3.10 - Work with Dominican/Dignity Health, Sutter/PAMF to Improve Access and Campus Mobility

In order to accommodate future growth in the medical corridor, certain roadways will need to be reconfigured/re-routed, while consideration for new connections will be on the table. The County should have a seat at the table in all development discussions with local health care providers, and area residents, to ensure that a comprehensive, well-planned approach is taken when planning future traffic flow in the area.

For additional reference, see Appendix A

3.15 - Support and Facilitate Workforce Training Programs at Area Educational Institutions

3.17 - Strengthen Youth Education and Training, and Improve Graduation Rates

See response to recommendation 5.17 for both 3.15 and 3.17.

4.3 - Identify Locations and Encourage Adaptive Reuse for Innovation Sector Employment

Refer to draft EVS recommendation 3.9 as a future reuse consideration.

4.4 - Seek to Retain and Attract Innovation and "Maker" Companies

Allow for modernized work spaces to be constructed/located throughout the unincorporated areas. Provide infrastructure improvements that will allow these companies to grow in our community: better/safer roads; increased broadband connectivity/speed; increase in the overall housing stock (market-rate and affordable). These companies depend upon a supportive County government to have the space and the talent they need to operate.



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4.11 - Develop Financing Incentive Program and Assistance Tools

Revenue that is generated through projects outlined in the EVS should be directed back into economic vitality efforts (i.e. for specific projects, personnel, incentive programs). Hopefully there will be fund generating sources identified in the final EVS draft.

As for specifics related to incentives, the Sustainable Santa Cruz County Plan draft document lays out a number of intriguing ideas that could serve as a basis for an incentive program. The most intriguing part is that the program is based upon "community benefit," and how specific projects better our local community. We are supportive of the incentives suggested:

- On-site and off-site parking requirement flexibility
- Reduction of cost related to planning and permitting fees
- Possible increase (in addition to the State Density Bonus Law) in the allowed density for residential unit development
- Allowance for an increase in the floor area ration (FAR) for projects meeting certain criteria. This would ultimately allow for height variances where appropriate.

5.1 - Support Expansion of High Speed Broadband Infrastructure throughout the County

The County's work to date on its broadband master plan includes several well-conceived steps which would lower barriers, and best of all, take an approach which considers the County's needs and resources as a whole -- rather than piecemeal, vendor by vendor and project by project. Considering broadband whenever planning to repave a street or construct or upgrade a facility will save time, effort and money. We would like to see continued efforts made to work with local ISPs to accomplish "last mile" projects when/where feasible.

5.2 - Work with Regional Transportation Agencies to Achieve Balanced Funding for Improvements to All Modes

Funding priorities for transportation should start and end with highway and road improvements, as all County residents and all modes of transportation use our roadways (personal vehicles, commercial trucking, cyclists, Metro users, etc.).

5.3 - Prepare and Implement a Development Impact Fee Study to Support Adequate Infrastructure

Prior to exploring new funding mechanisms (i.e. fees), we would like to ask that the County conduct an audit of the current fee structure to ensure that each fee is effective in accomplishing its intended purpose.



5.4 - Maximize Grant Funding for Infrastructure Improvements

The County must identify viable funding sources (state and federal) and partner with transportation agencies (and other appropriate groups) to apply for funding. Infrastructure priorities vary, for example the San Lorenzo Valley's septic issues impact local business and housing development, whereas the deteriorating condition of local roadways is a higher priority for Live Oak area businesses. The County needs to be mindful of the small needs, but should place emphasis on securing funding for infrastructure improvements that will be enjoyed by all County residents: local road repair/maintenance; high-speed broadband accessibility; water transfer capability between districts.

The RTC is exploring the possibility of seeking a 1/2 cent transportation-only sales tax measure for 2016. SCCBC has met with the RTC multiple times over the past six (6) months and shared detailed thoughts on the possible measure. If this were to become a reality (meaning that it is put before voters) we strongly encourage that revenue generated by a possible tax be steered toward road and highway projects, as the majority of County residents would benefit for work specific to these elements of our transportation infrastructure.

5.7 - Prioritize Funding to Increase Access and Mobility of People, Goods, and Services throughout the County

See response to strategy 5.2.

5.13 - Explore and Implement Funding Mechanisms to Stimulate Job Creation, Affordable Housing and Economic Vitality

See response for strategy 5.3

5.17 - Forge Partnerships and Linkages to Workforce Education and Training Organizations

There has to be better understanding about where and how the business community can be involved with workforce education/training efforts. A centralized information clearinghouse for ongoing efforts throughout the County would be beneficial. Cabrillo College has shown an interest to serve in this capacity. SCCBC is supportive of considering their involvement as a lead organization in this effort.

SCCBC plans to conduct its own, internal workforce needs assessments amongst its member institutions. Following this assessment, we are open to partnering with the County (and other key stakeholder groups) to conduct a countywide workforce needs assessment. The intended outcome is for there to be a better understanding of the job skills that are sought after by Santa



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Cruz County employers. From there, the intent is for the education community to work hand-in-hand with the private-sector to ensure students have the skill sets necessary to fill current and future voids in our local workforce.

5.20 - Encourage Youth Mentorship and Apprenticeship Programs (Change language to focus on internships)

Serving as a partner to establish new, and strengthen existing “internship” (rather than mentorship/apprenticeship) programs is welcomed. SCCBC will be devoting time and resources to play a role in establishing a better community-wide infrastructure behind programs such as the ones described in this strategy. Ensuring that benefits are realized for the participating youth, and participating businesses, is of equal importance. While the youth are the intended beneficiaries of such programs, having local business partners that are willing to support such efforts is of equal importance. Without business partners that see the positive impact from such programs, there will be fewer opportunities for youth.

6.5 - Modify Land Use Regulations to Allow for Flexible Work Space Uses

Changes in land use designations to encourage “mixed-use” and “workplace flex” commercial development, in addition to zoning changes for the same uses, will encourage a diverse portfolio of commercial space throughout the unincorporated area. Much of this is outlined in the “next steps” section of the draft Sustainable Santa Cruz County Plan. While the “Plan” is geared more toward a certain geographic area of the County, there are opportunities to take these recommendations and apply them to other areas as appropriate.



4. APPENDIX A - RECOMMENDATIONS SPECIFIC TO THE SUSTAINABLE SANTA CRUZ COUNTY PLAN (PLAN)

1. **Emphasize the goal of “ensuring that regulations encourage private investment.”**
Through flexibility, simplification and predictability, the review process in the Plan area can encourage private investment by working to make projects both economically and functionally viable.
2. **Encourage the development of market-rate and affordable housing through mixed-use, high-density projects.** The Plan area is the most densely populated unincorporated area. To meet current and future needs of the County, future policy changes must encourage housing development of all kinds to meet market demand. Therefore, mixed-use development must have more flexibility when it comes to the percentage of housing allowed in a specific project. Current regulations can make mixed-use projects financially infeasible due to constraints on housing.
3. **Re-focus the design review process in a constructive and efficient way.** Identify the most important design issues in the Plan area. Focus on a few priorities with specific rationale and in enough detail so as to provide real guidance to the overall process. Pay particular attention to the interface between the public and private space in key areas where design can catalyze sustainable change. Simplify the overall review process if the zoning and design criteria meet established, previously communicated County standards.
4. **Create ways to address the interface between Plan corridors and adjacent areas.** Sustainable development demands greater height and scale in urban corridors, but also must transition to adjacent areas used to a lower scale. Analyze conditions and understand where/how to implement a workable design and regulatory framework for making transitions. Identify future Plan area expansion options on the periphery.
5. **Address traffic/mobility issues holistically.** Emphasize and use the General Plan and Circulation Element for long range traffic planning. Use project level review in Plan areas to fine-tune implementation of transportation objectives and traffic measures. Ensure that piece-meal approach is not taken when it comes to mobility planning. Address traffic flow issues on Highway 1.
6. **Incentivize projects that are sustainable and provide a “community benefit.”** Set forth a clear, incentive laden strategy for development in the area. Allowing for flexibility in parking requirements, reduction in permitting/planning fees, expediting County review processes and allowing for increased density are possible incentive cornerstones.



5. APPENDIX B - RECOMMENDATIONS SPECIFIC TO AFFORDABLE HOUSING

The following are comments specific to the recent recommendations put forth by the County (and Keyser Marston Associates-KMA) for changes to the Affordable Housing Program:

KMA Report Recommendation 2 - Requirements for Ownership Units

The option to pay an in-lieu fee as an alternative to meeting existing inclusionary requirements is a step in the right direction; however, we feel the recommended fee level of \$15.00 per square foot is cumbersome and not reflective of what the market will bear. Looking at the additional cost of developing a single family home at 3,200 square feet will result in an additional charge of \$48,000.00, a non-trivial amount. The business community plans to conduct research to reach consensus on a feasible in-lieu fee for ownership units; one that will encourage construction.

KMA Report Recommendation 3 - Requirements for Rental Units

In updating the requirements for new rental units, the report states that under current conditions the development of new rental housing, even at market rate, is not economically feasible. Imposing a nominal fee of \$2.00 per square foot does nothing to incentivize the development of more rental housing, and generates reduced revenue. The EVS does mention incentivizing second units and ADUs. We are supportive of encouraging property owners to do so, perhaps through property tax incentives or a waiver/reduction in ADU/second unit permitting fees.

KMA Report Recommendation 4 - Requirements for Non-Residential Development

The report recommends that a fee of \$2.00 per square foot be imposed upon all new commercial development. This should be looked at on a case-by-case basis. If a project provides a "community benefit," the provision laid out in the draft Sustainable Santa Cruz County Plan could factor in to incentivize development (therefore, no fees or additional burdens).

KMA Report Recommendation 5 - Obligations for Properties Rezoned from Commercial to Residential

In response to the recommendation that addresses the rezoning of commercial properties to residential, we applaud the forward thinking shift towards loosening the existing requirements of Measure J, which has proved ineffective at generating more affordable housing. A more flexible approach that includes potential public benefits, while reducing the on-site inclusionary percentage from 40% to 15% is a positive step forward.

In summary, we have concerns about an approach that relies entirely on imposing fees on new development, as opposed to a plan that creates more flexibility and incentives (similar to those outlined in the Sustainable Santa Cruz County Plan draft). Furthermore, we worry that the message conveyed through the KMA report is inconsistent with the economic vitality messaging that has been strongly put forth through the County's Sustainable Santa Cruz County Plan and Economic Vitality Strategy (EVS).



6. APPENDIX C:

COMMENTS FROM THE WATSONVILLE/SOUTH COUNTY STUDY SESSION

Host organizations: Santa Cruz County Business Council, El Pajaro Community Development Corporation, Santa Cruz County Farm Bureau and Pajaro Valley Chamber of Commerce & Agriculture

The following notes were transcribed from the breakout groups at the July 2nd meeting on the County Economic Vitality Strategy (EVS) that took place at Watsonville Community Hospital. The notes have been edited for clarity with supplemental changes to content.

Group 1 - Create a shared vision and organize for action (EVS Goal 1)

- In regards to recommendation 1.2, there is a greater need for dedicated economic development resources and staff across the County for a more comprehensive vision. South County needs to have adequate representation when creating the “strategic team” envisioned in this recommendation.
- For recommendation 1.3, regional meetings with other economic development staff, both within the county and the cities, should take place quarterly, as opposed to twice a year. These meetings should also be placed on public calendars. Existing economic plans, including the EVS, could serve as the basis for these meetings to evaluate progress.
- In regards to recommendation 1.4 and the consideration of a county business license, this group recommends the “exploration” of a business license process, while not wholly endorsing a fee. This group recognizes the importance of having access to data that is both up-to-date and accurate, but the process of soliciting this data should be streamlined as much as possible. One potential model could be a voluntary submission of data through an open web portal, like OpenCounter, which was developed in partnership with the City of Santa Cruz and Code for America by Peter Koht. Additionally, both the County and the cities need to have more constant contact with businesses, and perhaps these collective databases could include contact information (business license databases).
- For recommendation 1.6, as previously mentioned, OpenCounter could be a software solution to help with this process, however other computer programs should also be explored.

Group 2 - Support sustainable development and the affordability of housing (EVS Goal 2)

- In general, everyone wants more affordable housing, it's just how we get there. Are we going to levy more fees on development to help makeup for the loss of redevelopment funds, or are we going to work with business stakeholders to create market incentives for the development of more affordable housing. This group prefers the latter approach and feels that more fees would punish further development.



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- In general we are happy with the initial progress being taken to shift the mindset of the County, in that they seem to be more willing to work with us than against us, however this needs to continue.
- There was widespread agreement concerning further sustainable development (mixed use and transit oriented) as talked about in recommendation 2.1 and the Sustainable Santa Cruz County Plan, General Plan updates (2.2) the modernization of county codes (2.3), the creation of a "one stop shop" development services center" model (2.4), and streamlining the permitting process (2.5).
- Another recommendation area of broad support was 2.13, which would encourage and incentivize the development of secondary units and units that are affordable by design.
- This group also stressed the need for the adoption of more policies that would encourage the development of more market rate housing, which would in turn put more pressure on existing homeowners and landowners to compete more. There is a general shortage of housing stock, not just affordable housing stock.
- Additional options for incentivizing more affordable housing (as opposed to more fees), include: greater density bonuses, lifting height restrictions, lower interest rate loans, small ownership unit (SOU) programs, income tax credits for equity, and property tax incentives. One thing that everyone in this groups wants is more flexible zoning, and higher density zoning!

Group 3 - Strengthen key economic sectors: agriculture, health, education, leisure & hospitality (EVS Goal 3)

- Recognition that agriculture is one of the top 2 industries in the County and that most of this is centered in South County.
- This groups supports changes to the county code that would promote more agricultural tourism, specifically recommendation 3.23, which applies to creating bed/breakfasts on site. This recommendation would help promote Santa Cruz as an ag-tourism destination, and would specifically help the Gizdich and Glaum Egg ranches.
- Agriculture is directly connected with all sections of the workforce, including but not limited to childcare, technology/innovation, education, retail, hospitality, etc. More workforce development is necessary to find qualified people in all lines of work.
- In regards to recommendation 3.15 more collaboration is needed with regional educational institutions, including evaluating the needs of local industries and tailoring educational programs to meet those needs. We need specific education tracks for the most needed positions, specifically for those in agriculture and healthcare (3.14).
- This group strongly supports the development of a hotel in the medical corridor (3.11, 3.22).
- In regards to recommendation 3.13, concerning the housing needs of medical workers, this group strongly encourages the County to further analyze the gap in affordable housing with specific focus on the medical corridor. As Sutter/PAMF continues to grow, it is estimated that 50-60% of newly created jobs will lower earning jobs, meaning that affordable housing is



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essential. One potential way to deal with this shortage, which would also facilitate the growth of these centers more sustainably would be allowing for the development of taller buildings/easing current height restrictions. As it stands now, you can only have 2 stories for new developments within the County. The current restrictions make a lot of needed development financially infeasible.

- This group supports the recommendations 3.9, 3.10, and 3.12, all of which deal with the expansion and future needs of the community healthcare centers, allowing healthcare to become more affordable.

Group 4 - Enhance growth opportunities for emerging sectors of technology/innovation and the arts; support small business (EVS Goal 4)

- In regards to recommendation 4.11 financing incentives are essential for supporting newer, high growth industries.
- This group strongly supports partnership with the Small Business Development Center (4.19) to expand training programs for small business owners.
- This group also strongly supports the expansion of more broadband infrastructure and greater access to high speed internet (4.21).
- This group does not feel that recommendation 4.5 is very feasible as most Santa Cruz tech commuters who work over the hill do not work together, therefore it is unlikely that creating satellite offices would be very appealing. Instead the County should work to promote telecommuting amongst this section of the workforce and support more co-working spaces like Cruzio and NextSpace.
- This group is also highly skeptical of recommendation 4.8, which relates to reuse of the CEMEX site to foster job creation. The CEMEX location revitalization represents a very expensive proposition, that may not prove to be viable in the end.
- For recommendation 4.7, which describes a live/work incubator for technology, this group is unsure as to whether or not this is necessary, though the idea is intriguing. They have confidence that the technology sector is managing just fine, and that the real problem is keeping local talent here. To this end more affordable housing in general is needed.

Group 5 - Expand public sector capacity and infrastructure (EVS Goal 5)

- Of critical importance is the improvement and maintenance of local roads. Farmers, who represent one of our largest industries, depend on these roads. This action item is not wholly addressed in any of the listed recommendations.
- In regards to tax credits and incentives for new businesses (5.21), this group strongly supports the use of tax credits to incentivize local hiring. From personal experience these types of hiring incentives have proven to be effective. However, more outreach and education is necessary to inform more businesses about the availability of these incentives. This could also be a part of



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the OpenCounter online portal for new businesses, with a prompt that asks if the company is hiring, and if so, displaying links to related incentives.

- In regards to recommendations 5.16, 5.17, 5.18, which relate to the Workforce Investment Board (WIB), this group strongly supports continued and expanded County support for this organization and its initiatives. This group discussed the connection between labor shortages, lack of affordable housing and the need for educating students for the career ladders within major sectors such as agriculture. Many of the mid – to longer- term priorities related to workforce, education and training were important to this group. This group further recommends the implementation of a workforce needs assessment to identify the positions most in need by local businesses, so that workforce training and vocational programs can be tailored to meet these needs, effectively creating career tracks for specific industries. Furthermore, this process would work best if the businesses involved agreed to hire those who had participated in these tracks.
- Concerning recommendation 5.15, which relates to new zoning tools, there was some question about whether this action item meant developing mixed use with higher housing density in town centers in order to make more development viable. If so, the County needs to be conscious of limited water resources when considering all new development. This group suggests the County convene with the cities to collaboratively address resource and infrastructure issues, such as water and roads.
- With regard to recommendations 5.2, 5.12 and 5.13, which all concern funding mechanisms for infrastructure, this group agreed that any fees would have to show results. For example, it wouldn't make sense to farmers for there to be a county business license fee with no improvements of rural roads.
- This group strongly supports the continued development and expansion of broadband infrastructure (5.1). In particular, internet infrastructure is widely used by those in the agricultural community because they do their business online.

Group 6 - Revitalize and strengthen town centers and commercial areas (EVS Goal 6)

- This group wanted the El Pajaro Community Development Corporation to also be listed as a resource with other local economic development organizations.
- In terms of recommendation 6.4, and the development of new office and workspace in mid-county, this group felt that the same recommendation can also be applied to areas in South County.
- This group felt the same about recommendation 6.11, with regards to revitalizing small town centers, in that this could also be applied to Watsonville and its surrounding communities, some examples include Day Valley, Interlaken, Corralitos and Aromas.
- In general this group felt that many of the non-location specific recommendations could and should be applied to areas in South County, which has been traditionally underrepresented in the planning process. Many questions were raised about how the EVS will intersect with efforts to revitalize downtown Watsonville.



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Group 7 - Promote Santa Cruz County to local, regional, statewide, national and global markets (EVS Goal 7)

- This group felt strongly that Santa Cruz County needs to be promoted as a whole and not just the City of Santa Cruz. (7.3, 7.4, 7.5)
- Additionally, this group encourages the County to support more cross county promotions, including partnerships with Monterey and San Benito.
- This group suggests that a potential way to fund more promotional efforts is to levy higher transportation occupancy taxes (TOT) on visitors.
- Sample slogan for the region: "Santa Cruz County, the Sunny Side of Monterey Bay".



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7. APPENDIX D: COMMENTS FROM THE SAN LORENZO VALLEY STUDY SESSION

On Monday, August 11th, members of the Santa Cruz County Business Council sat down with the San Lorenzo Valley Chamber of Commerce to discuss the County's draft Economic Vitality Strategy (EVS). Additionally, representatives from the County Planning Department and Supervisor Bruce McPherson's office were in attendance.

The discussion was both helpful and constructive in understanding the broad and unique interests of the San Lorenzo Valley. Keeping in mind the countywide scope of the draft EVS, the group spent significant time conversing about each of the seven (7) goal areas. The group discovered that most felt these seven (7) key areas do a good job addressing support for key local industries, creation and retention of local jobs, and taking into account our collective infrastructure needs. More specifically, the group applauded the County's recent efforts to update outdated codes (agriculture, recreation, cottage industries, technology and small business to name a few specific industries), and expressed encouragement by the future plans laid out in the draft EVS to review other codes and streamline processes within the Planning Department.

While most of the hour (plus) session was spent talking about the positive aspects of specific EVS goals, and the cohesiveness it will take between the County and external partners to accomplish them, there was discussion about how little is mentioned regarding public safety, health and human services, support for at-risk and homeless populations, and law enforcement resources for transient offenders. Like other areas of the County, issues related to those listed in the previous sentence have had a negative impact on economic vitality in SLV. Specifically, those in attendance expressed concern that residents and visitors alike, at times, do not feel safe. Furthermore, and again in keeping with other areas of the County, it was commented that many transient individuals disproportionately contribute to local public nuisance crimes, such as public intoxication and property damage in the area. The consensus around the table was that the final EVS must weigh the impact social issues have on our local economy. Ignoring this would leave a void in a final plan should it be adopted by the Board of Supervisors.

In terms of tourism and general promotion, participants expressed a desire for consistent, unifying messaging in the promotion of the County as a whole. The San Lorenzo Valley has a number of world class campsites, wineries, festivals and art shows that represent a unique offering to tourists and should be promoted to a greater extent than they are currently. The County should work closely with all local promotional groups, including the Santa Cruz County CVC, from around the County to ensure that all of our unique aspects are packaged under one, unifying "umbrella."



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Out of the seven (7) core goals outlined in the EVS, goal six (6), which focuses on revitalizing town centers in the unincorporated area, was of particular importance to the conversation due to 4 smaller towns of Felton, Brookdale, Ben Lomond and Boulder Creek residing in SLV. While those in attendance were quick to acknowledge the work of Supervisor Bruce McPherson in facilitating likeminded discussions aimed at improving these central spaces, they also noted that the current limitations related to septic treatment prevented further development and limited expansion. For instance, in some instance, current septic limitations constrain the number of onsite bathrooms a facility may have. Additionally, in terms of meeting the goals of the EVS, and the County's affordable housing program, these infrastructure constraints pose a challenge for new housing and remodels. However, amendments in how the County defines Accessory Dwelling Units (ADUs) would be a positive step toward alleviating the housing shortfall.

In terms of general feedback, participants acknowledged positive steps taken by the County at all levels, but cautioned that the EVS, while beneficial in much that it outlines to accomplish, must be focused and results-driven. Additionally, those in the room commented on benefit of different business groups sitting down together to explore one another's priorities, interests and concerns.

Economic Vitality Meeting at Watsonville Community Hospital

Host organizations: Santa Cruz County Business Council, El Pajaro Community Development Corporation, Santa Cruz County Farm Bureau and Pajaro Valley Chamber of Commerce & Agriculture

The following notes were transcribed from the breakout groups at the July 2nd meeting on the County Economic Vitality Strategy (EVS) that took place at Watsonville Community Hospital. The notes have been edited for clarity with supplemental changes to content.

Group 1 - Create a shared vision and organize for action (EVS Goal 1)

Designated Scribe: Erin Nelson-Serrano, erinNS@cabinc.org

- In regards to recommendation 1.2, there is a greater need for dedicated economic development resources and staff across the County for a more comprehensive vision. South County needs to have adequate representation when creating the “strategic team” envisioned in this recommendation.
- For recommendation 1.3, regional meetings with other economic development staff, both within the county and the cities, should take place quarterly, as opposed to twice a year. These meetings should also be placed on public calendars. Existing economic plans, including the EVS, could serve as the basis for these meetings to evaluate progress.
- In regards to recommendation 1.4 and the consideration of a county business license, this group recommends the “exploration” of a business license process, while not wholly endorsing a fee. This group recognizes the importance of having access to data that is both up-to-date and accurate, but the process of soliciting this data should be streamlined as much as possible. One potential model could be a voluntary submission of data through an open web portal, like OpenCounter, which was developed in partnership with the City of Santa Cruz and Code for America by Peter Koht. Additionally, both the County and the cities need to have more constant contact with businesses, and perhaps these collective databases could include contact information (business license databases).
- For recommendation 1.6, as previously mentioned, OpenCounter could be a software solution to help with this process, however other computer programs should also be explored.

Group 2 - Support sustainable development and the affordability of housing (EVS Goal 2)

Designated Scribe: Robert Singleton, robert@civonomics.com

- In general, everyone wants more affordable housing, it's just how we get there. Are we going to levy more fees on development to help makeup for the loss of redevelopment funds, or are we going to work with business stakeholders to create market incentives for the development of more affordable housing. This group prefers the latter approach and feels that more fees would punish further development.

- In general we are happy with the initial progress being taken to shift the mindset of the County, in that they seem to be more willing to work with us than against us, however this needs to continue.
- There was widespread agreement concerning further sustainable development (mixed use and transit oriented) as talked about in recommendation 2.1 and the Sustainable Santa Cruz County Plan, General Plan updates (2.2) the modernization of county codes (2.3), the creation of a “one stop shop” development services center” model (2.4), and streamlining the permitting process (2.5).
- Another recommendation area of broad support was 2.13, which would encourage and incentivize the development of secondary units and units that are affordable by design.
- This group also stressed the need for the adoption of more policies that would encourage the development of more market rate housing, which would in turn put more pressure on existing homeowners and landowners to compete more. There is a general shortage of housing stock, not just affordable housing stock.
- Additional options for incentivizing more affordable housing (as opposed to more fees), include: greater density bonuses, lifting height restrictions, lower interest rate loans, small ownership unit (SOU) programs, income tax credits for equity, and property tax incentives. One thing that everyone in this groups wants is more flexible zoning, and higher density zoning!

Group 3 - Strengthen key economic sectors: agriculture, health, education, leisure & hospitality (EVS Goal 3)

Designated Scribe: Tom Hart, hartt@sutterhealth.org

- Recognition that agriculture is one of the top 2 industries in the County and that most of this is centered in South County.
- This groups supports changes to the county code that would promote more agricultural tourism, specifically recommendation 3.23, which applies to creating bed/breakfasts on site. This recommendation would help promote Santa Cruz as an ag-tourism destination, and would specifically help the Gizdich and Glaum Egg ranches.
- Agriculture is directly connected with all sections of the workforce, including but not limited to childcare, technology/innovation, education, retail, hospitality, etc. More workforce development is necessary to find qualified people in all lines of work.
- In regards to recommendation 3.15 more collaboration is needed with regional educational institutions, including evaluating the needs of local industries and tailoring educational programs to meet those needs. We need specific education tracks for the most needed positions, specifically for those in agriculture and healthcare (3.14).
- This group strongly supports the development of a hotel in the medical corridor (3.11, 3.22).
- In regards to recommendation 3.13, concerning the housing needs of medical workers, this group strongly encourages the County to further analyze the gap in affordable housing with specific focus on the medical corridor. As Sutter/PAMF continues to grow, it is estimated that 50-60% of newly created jobs will lower earning jobs, meaning that affordable housing is

essential. One potential way to deal with this shortage, which would also facilitate the growth of these centers more sustainably would be allowing for the development of taller buildings/easing current height restrictions. As it stands now, you can only have 2 stories for new developments within the County. The current restrictions make a lot of needed development financially infeasible.

- This group supports the recommendations 3.9, 3.10, and 3.12, all of which deal with the expansion and future needs of the community healthcare centers, allowing healthcare to become more affordable.

Appendix with additional "raw" notes is included in a separate attachment

Group 4 - Enhance growth opportunities for emerging sectors of technology/innovation and the arts; support small business (EVS Goal 4)

Designated Scribe: Richelle Noroyan, rnoroyan@ucsc.edu

- In regards to recommendation 4.11 financing incentives are essential for supporting newer, high growth industries.
- This group strongly supports partnership with the Small Business Development Center (4.19) to expand training programs for small business owners.
- This group also strongly supports the expansion of more broadband infrastructure and greater access to high speed internet (4.21).
- This group does not feel that recommendation 4.5 is very feasible as most Santa Cruz tech commuters who work over the hill do not work together, therefore it is unlikely that creating satellite offices would be very appealing. Instead the County should work to promote telecommuting amongst this section of the workforce and support more co-working spaces like Cruzio and NextSpace.
- This group is also highly skeptical of recommendation 4.8, which relates to reuse of the CEMEX site to foster job creation. The CEMEX location revitalization represents a very expensive proposition, that may not prove to be viable in the end.
- For recommendation 4.7, which describes a live/work incubator for technology, this group is unsure as to whether or not this is necessary, though the idea is intriguing. They have confidence that the technology sector is managing just fine, and that the real problem is keeping local talent here. To this end more affordable housing in general is needed.

Group 5 - Expand public sector capacity and infrastructure (EVS Goal 5)

Designated Scribe: Peggy Dolgenos, opeggy@cruzio.com

- Of critical importance is the improvement and maintenance of local roads. Farmers, who represent one of our largest industries, depend on these roads. This action item is not wholly addressed in any of the listed recommendations.

- In regards to tax credits and incentives for new businesses (5.21), this group strongly supports the use of tax credits to incentivize local hiring. From personal experience these types of hiring incentives have proven to be effective. However, more outreach and education is necessary to inform more businesses about the availability of these incentives. This could also be a part of the OpenCounter online portal for new businesses, with a prompt that asks if the company is hiring, and if so, displaying links to related incentives.
- In regards to recommendations 5.16, 5.17, 5.18, which relate to the Workforce Investment Board (WIB), this group strongly supports continued and expanded County support for this organization and its initiatives. This group discussed the connection between labor shortages, lack of affordable housing and the need for educating students for the career ladders within major sectors such as agriculture. Many of the mid – to longer- term priorities related to workforce, education and training were important to this group. This group further recommends the implementation of a workforce needs assessment to identify the positions most in need by local businesses, so that workforce training and vocational programs can be tailored to meet these needs, effectively creating career tracks for specific industries. Furthermore, this process would work best if the businesses involved agreed to hire those who had participated in these tracks.
- Concerning recommendation 5.15, which relates to new zoning tools, there was some question about whether this action item meant developing mixed use with higher housing density in town centers in order to make more development viable. If so, the County needs to be conscious of limited water resources when considering all new development. This group suggests the County convene with the cities to collaboratively address resource and infrastructure issues, such as water and roads.
- With regard to recommendations 5.2, 5.12 and 5.13, which all concern funding mechanisms for infrastructure, this group agreed that any fees would have to show results. For example, it wouldn't make sense to farmers for there to be a county business license fee with no improvements of rural roads.
- This group strongly supports the continued development and expansion of broadband infrastructure (5.1). In particular, internet infrastructure is widely used by those in the agricultural community because they do their business online.

Group 6 - Revitalize and strengthen town centers and commercial areas (EVS Goal 6)

Designated Scribe: Carmen Herrera, cherrera@elpajarocdc.org

- This group wanted the El Pajaro Community Development Corporation to also be listed as a resource with other local economic development organizations.
- In terms of recommendation 6.4, and the development of new office and workspace in mid-county, this group felt that the same recommendation can also be applied to areas in South County.
- This group felt the same about recommendation 6.11, with regards to revitalizing small town centers, in that this could also be applied to Watsonville and its surrounding communities, some examples include Day Valley, Interlaken, Corralitos and Aromas.

- In general this group felt that many of the non-location specific recommendations could and should be applied to areas in South County, which has been traditionally underrepresented in the planning process. Many questions were raised about how the EVS will intersect with efforts to revitalize downtown Watsonville.

Group 7 - Promote Santa Cruz County to local, regional, statewide, national and global markets (EVS Goal 7)

Designated Scribe: Mickey Holzman, mholzman@pajaroedunes.com

- This group felt strongly that Santa Cruz County needs to be promoted as a whole and not just the City of Santa Cruz. (7.3, 7.4, 7.5)
- Additionally, this group encourages the County to support more cross county promotions, including partnerships with Monterey and San Benito.
- This group suggests that a potential way to fund more promotional efforts is to levy higher transportation occupancy taxes (TOT) on visitors.
- Sample slogan for the region: "Santa Cruz County, the Sunny Side of Monterey Bay".

Notes from Goal # 3 Conversation - July 2, 2014 (Watsonville Community Hospital)

Economic Vitality Meeting - Santa Cruz County Business Council, El Pajaro Community Development Corporation, Santa Cruz County Farm Bureau, Pajaro Valley Chamber of Commerce

- Increased focus on South County
- All industries referenced require improved workforce development (most are lower income wages)
 - Secondary and higher education and training specific to vocation
 - Increased affordable housing
 - Affordable transportation
 - Financial and consumer literacy for young workforce
 - Affordable and accessible childcare
 - Linkages for programs that facilitate entry between programs in HS to colleges
- Focus on immigration
 - Immigrant workforce
 - Ag
 - Leisure
 - Hospitality
 - 1st generation student workforce
 - Health
 - Education services 1st generations
- Ensure county supports health care access for those ineligible under the ACA who are often among the workforces above
- Focus on water
- County Code readjustment for emerging ag related businesses

- No hotel necessary for hospital use in SC County.

Across all industries listed

- Two-year planning has to incorporate some initial steps in workforce development. Issue is too significant and may prohibit any growth or new development in Agriculture
- Importance of workforce development, including clear career pathways for all levels in the organization – from entry jobs to management.
 - Interest in technical education and educational development for 4 year schools
 - Interest in overall educational success
- Services to facilitate workforce participation
 - Affordable housing
 - Childcare
- Counties role in serving to document existing initiatives and facilitating linkages
- Develop appropriate code models that address Ag industry related needs
- Two-year plan is not addressing health industry roles in south county appropriately, both in terms of industry needs and population
- Immigration
 - County's role in being a voice on the importance of this factor – it impacts both health access and workforce availability
 - County could leverage networks to facilitate successful implementation of driver licenses for people without immigration papers or Deferred Action for Childhood Arrivals (DACA) applicants.
- Water issues, access and quality, crosses all sectors and populations

Comments on the Draft Santa Cruz County Economic Vitality Strategy

John Hunt, Commissioner, Santa Cruz County Commission on the Environment

Overall

I liked the general approach, reference to environmental value, stakeholder input and organization.

Goal 1: Shared Vision and Organizing for Action

Pro:

- I like the coordination efforts such as:
 - Land use and regulatory assistance
 - An interdepartmental "Economic Development Team"
 - An interdepartmental "Strategy Action Team"
 - The "Communications Strategy"
- I like the idea of creating a business license and tax to fund tracking of appropriate metrics such as business growth, etc.

Con:

- None of the metrics listed to track the economy (Strategy 1.6) include environmental quality, natural resource condition or quality of life. What is not measured is not managed. If only business activity and profit are measured, policy will ignore the positive and negative effects that businesses could have on the county and its citizens.

Goal 2: Support Sustainable Development and Availability of Housing

Pro:

- I like the idea of reviewing codes and ordinances for their negative impacts on business.
- I like the idea of a Master Environmental Impact Report, so long as it does not undermine evaluation of individual activities.
- I think it's good to modernize county codes, including Title 16 Environmental and Resource Protection
- I like the idea of zoning for flexible work spaces and mixed use
- Matching available housing types to occupational levels is a good idea but difficult to achieve.
- I like the idea of supporting small "affordable by design" housing units

Goal 3: Strengthen Agriculture, Health, Education, and Leisure/Hospitality

Pro:

- I like promoting growth of cottage food operators. This should also include small value-added businesses that process, promote and market local agricultural products, especially through organic and sustainability standards for the County and entire Pajaro Valley.
- I like the idea of engaging in water supply deliberations, especially in south county

Con:

- Loosening restrictions on fencing can create habitat fragmentation that adversely affects wildlife.
- The focus on new hotels must seriously consider and mitigate potential water, energy and traffic issues.
- There is no mention of Pogonip Lodge. What has become a liability must be transformed into an asset, along with cleaning up the needle-ridden pigsty that surrounds it.
- There is no mention of dealing with marijuana farming operations. Marijuana grows in Humboldt County have been documented as having extreme impacts on streams in terms of erosion, pollution and dewatering. I'm sure the same is true in Santa Cruz County and it must be addressed before this industry joins the ranks of other regulated agriculture and businesses in the County.

Goal 4: Innovation and Tech

Pro:

- I like the focus on agricultural technology.

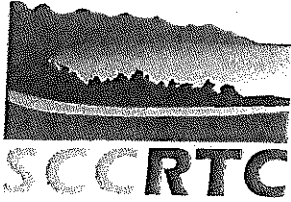
Con:

- I like the idea of innovative business development at the Aptos Par 3 and CEMEX, but these have to be done very thoughtfully to avoid population growth, traffic, water demand, impervious surfaces, and affects on wildlife.
- There is no mention of Community Choice Aggregation, local solar, or local energy distribution in the plan. This should be a major consideration in our economic vitality strategy

Important Missing Consideration

Con:

- There is no mention of stormwater management or low impact development, such as permeable pavement or landscaping designed to slow, spread, infiltrate and retain stormwater to reduce pollution and increase recharge. This is now being required by regulatory agencies (with fines and bad press for the City and County), and is critical to addressing our water supply needs. Low impact development must be required and built into all zoning, development and redevelopment activities.



SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
1523 Pacific Ave., Santa Cruz, CA 95060-3911 • (831) 460-3200 FAX (831) 460-3215 EMAIL info@sccrtc.org

July 3, 2014

Ms. Kathy Previsich, Planning Director
Ms. Barbara Mason, Economic Development Coordinator
County of Santa Cruz Planning Department
701 Ocean Street, 4th Floor
Santa Cruz County, CA 95060

Dear Ms. Previsich and Ms. Mason,

A well designed and maintained transportation network is one of the essential pillars of a vibrant economy. Efficient exchange of goods and services and the ease with which individuals can reach destinations are largely dependent upon the roadways, sidewalks, paths and information available to them. Transportation elements must be integrated into each economic strategy as a basic functional element. Improved access and travel time reliability will positively affect job markets, business delivery markets, freight supply chains and visitor activity, all key economic generators. It is with these connections in mind that we request that you consider the below comments from Santa Cruz County Regional Transportation Commission (RTC) staff regarding the role of transportation policy in advancing the goals of the Santa Cruz County Economic Vitality Strategy (EVS).

Transportation and Land Use

- Land use is an undeniable factor in influencing the architecture of the transportation system. However, street design is often an underutilized yet effective tool for promoting complementary land uses. Cities, such as Lancaster, which have coordinated economic development and transportation priorities by designing pedestrian scaled environments recorded \$125M in private investment and a 26% increase in sales tax. To better consider existing and future land uses, identify what is needed to create convenient and comfortable experiences for consumers, and help create attractive, walkable destinations, **RTC staff recommends that the EVS incorporate an action under Strategy 6.11 to utilize the Monterey Bay Area Complete Streets Guidebook checklist when designing new transportation infrastructure projects and rehabilitation of existing roadways.**
- Providing the right amount of parking, not too many spaces and not too few spaces, is an important tool for encouraging economic development. Parking

policy can trigger new investments, support community goals, such as leaving land open for public uses or economic generators, and encourage urban densities and mixed use development. Parking is also one of the primary places where land use and transportation policy connect. **RTC staff recommends that the EVS consider the use of shared parking strategies such as:**

- "park once districts" to address consumer parking;
- shared parking districts which can focus on consumer and employer needs, with coordinated transportation demand strategies;
- unbundling the price of parking from new development;
- removing parking minimums;
- support in-lieu parking fees; and,
- support carsharing and bikesharing programs.

Transportation Costs

- As described in the recently adopted 2014 Santa Cruz County Regional Transportation Plan (RTP), reducing household transportation costs can increase investments in the local economy. If the transportation projects in the 2014 RTP are implemented, each household will save \$335 dollars per year. The predicted saving comes from fewer fuel expenditures as a result of less solo driving when transportation and land use investments are well coordinated. When reinvested locally, this can provide an increase of over \$13 million dollars/year invested in Santa Cruz County. **RTC staff requests that the EVS recognize the role of household transportation costs in the EVS discussion of housing availability by including a policy that encourages new and more compact housing to be developed: along existing transportation corridors including, but not limited to, Highway 1, Soquel Avenue and the Santa Cruz County Branch Rail Line; along existing and future high quality transit corridors, such as Freedom Boulevard; and, near employment centers.**
- It is now common for homebuyers to consider the combined cost of housing and transportation when considering a move. Because Santa Cruz County has a well-known high cost of housing, the cost of transportation is and will be a key factor when considering the affordability of living and working in the County. Many younger people prefer not to carry the cost of owning a vehicle, and seek cities and neighborhoods that offer a variety of mobility options and place a high value on walkability. **RTC staff recommends the EVS include strategies that directly support a variety of modes including pedestrian, bicycle, bus and rail transit.**
- The cost of providing paratransit service averages between \$22-\$47 dollars per passenger. The cost of per passenger of fixed route transit (bus) is \$6.5 dollars. The Americans With Disabilities Act includes an unfunded mandate for transit

districts to provide paratransit for those physically unable to use fixed route service. As the boomers age, this economic challenge will increase. As part of the discussion of availability of housing, RTC staff recommends the EVS include strategies that enable less reliance on paratransit such as locating senior housing along fixed transit routes and near transit stops. Complementary transportation policies should also be included which address the pedestrian needs of seniors and disabled individuals near housing and transit stops including, but not limited to, audible walk signals, shorten street and driveways crossing distances, and non-obstructed pathways. Refer to the Monterey Bay Area Complete Streets Guidebook and consultation with the RTC's Elderly and Disabled Transportation Advisory Committee for more information about specific design treatments that affect the mobility of seniors and disabled individuals.

- Encouraging the clustering of employers is another strategy for better utilization of the existing transportation network by increasing opportunities for carpooling and vanpooling. The RTC Commute Solutions Program currently provides ridematching services to over 1,800 employees traveling to and from Santa Cruz County. One of the biggest challenges for interested carpoolers is connecting with other commuters traveling to nearby locations. The potential for arranging a regular and convenient carpool or vanpool increases when business are located in close proximity. **RTC staff recommends that the EVS recognize the benefits of clustering employees as a way to serve the greatest number of individuals with the existing transportation infrastructure.**

Transportation Investments

- Implementation of the 2014 RTP would invest \$2.7 billion in transportation in Santa Cruz County. This has direct benefits, such as new construction jobs as well as indirect benefits, such as the demand for services and supplies to support construction project. **RTC staff appreciates that the EVS Strategy 5.2 recognizes the importance of coordinated efforts between public and private partners to implement transportation improvements identified in the 2014 RTP.**
- The 2014 RTP balances funding for improvements across all modes. However, there is a large gap in funding between available resources and what is needed to achieve the Plan's goals. For example, Santa Cruz County's Pavement Condition Index is rated as poor and existing revenues cover less than half of the \$33 million needed annually to maintain the local roadway network. Without new revenues above and beyond those identified in the plan, congestion on Highway 1 will persist, although travel time reliability will improve. Although the quality of bicycle and pedestrian facilities is improved with the plan's implementation, it still falls short of regional targets. Additional resources that

could be applied to congestion relief, improving travel times and choices, rehabilitation of local roadways, and improvements to the quality of pedestrian and bicycle infrastructure would support economic vitality. **The RTC staff welcomes the county's participation in identifying transportation funding priorities and opportunities for generating new and reliable transportation revenues.**

- In recognition of the desire for more fiber optic connections in the region to support economic vitality, **RTC staff recommends that the EVS include a "dig once" strategy with provisions to allow for a variety of public and private partnerships.** Public and private partnership should take into consideration the economic benefits of better broadband service and the cost savings achieved from coordination of fiber optic and conduit installation and transportation improvements. A reliable and locally controlled source of transportation funding would enable the RTC to better coordinate the timing and location of improvements that facilitate investment in broadband service.

Visitors

- Visitor traffic is often a complaint of Santa Cruz County residents. However, it is also a sign of strong demand for destinations and services. **RTC staff recommends that the EVS introduce cost-effective strategies that support connecting visitors to and between destinations.** This may include identification of park and ride or bike facilities coordinated with complementary seasonal transit service to visitor destinations, dedicated transit access or transit priority during events and seasons, direct transit service from San Jose Airport to Santa Cruz, and providing visitors with real time information about parking, and traffic conditions using a 511 Traveler Information System.
- **RTC staff recommends that the EVS recognize the Monterey Bay Sanctuary Scenic Trail as a future visitor destination.** EVS related strategies should include support and/or incentivize visitor serving business to be located near to the Monterey Bay Scenic Sanctuary Trail where possible, and support for intermodal facilities, such as park and ride lot or bus transit station, along the Trail to allow visitor access. As proven in other jurisdictions where new multiuse paths are built, the boon to tourism and the local economy has been tremendous. Sections of the Monterey Bay Sanctuary Scenic Trail that may play an important role in promoting tourism include the section in the southern portion of the county nearby to farms with farm stands, sections in the north part of the county connecting the City of Santa Cruz and Davenport, and sections in mid-county that link to the harbor and boardwalk area. Similar to the Monterey Bay Sanctuary Scenic Trail, implementation of a San Lorenzo Valley River Trail, a paved multiuse path for bicyclists and pedestrians, would provide connectivity from Boulder Creek to Santa Cruz. Development of this multi-use

path could eventually address some transportation needs between mountain communities and draw visitors to lodging opportunities and destinations in the San Lorenzo Valley.

EVS Training

- The EVS does a good job of identifying the many partners required to achieve its goals. An essential element of effective partnerships is clear communication of roles and responsibilities. It is the role of the EVS to work with each department to identify steps for advancing EVS goals within existing systems. **RTC recommends that the EVS Action 1.2.2 include providing training to each respective department staff about activities related to economic development within their purview.** For instance, a general understanding of the EVS by departments is important, but a strong grasp of the specific actions required by each department (transportation, water, land use, and public safety) ranging from policy to implementation will go further towards implementing the EVS.

Thank you for considering RTC staff's comments on the Santa Cruz County EVS. We look forward to future opportunities to partner with the county in support of economic vitality.

Sincerely,

A handwritten signature in black ink, appearing to read "George Dondero", followed by a long horizontal line extending to the right.

George Dondero
Executive Director

cc: Santa Cruz Chamber of Commerce

Barbara Mason

From: Larry Lopp [larry@lopp.com]
Sent: Tuesday, July 08, 2014 3:57 PM
To: Kathy Previsich; Barbara Mason
Subject: Summit Ridge Community Response to Santa Cruz County Economic Vitality Strategy
Attachments: Final Response to EVS Draft 7-08-2014..pdf

Dear Kathy and Barbara

Attached is our best effort to gather the information and inputs from the community as response to the Draft of The County Economic Vitality Strategy. The response is based on past relationships with the county. It portrays a painful picture of our past relationship.

The general impression in our community among those who have read the draft it is, "Now we can have a discussion that includes the economic dimension in our plans." Then the next thought is "will any of this actually change the relationship between our planning department and our plans?" We certainly hope so and many are motivated to create a better relationship.

All successful relationships are built on trust and sadly I find little of that around the Summit Ridge Community concerning the planning department. We can build that trust. A short example of trust built and achieved. Over the last 6 years John Leopold our Supervisor has been instrumental in building a trust relationship with our community. I can assure you as a 42 year resident that John started in a deep history hole. During his time as a supervisor we have jointly undertaken and completed a paving program for Adams road, major road and shoulder improvements to Soquel San Jose Road, a realignment of SCRTC's priorities, a community water project, a critical expansion of a high bandwidth fiber based internet network through 80% of our community, and a school parcel tax increase with 74% voter approval. Through all these projects John has been helpful where possible and worked to clear the way when necessary. He is much respected and trusted in our community.

Let's choose a couple of projects that we can work together on and successfully complete.

Yes, we have a few projects in mind.

For the last year a group of our community leaders have been involved in a project to look broadly at what is needed to move our community forward sustainably. We called ourselves the dreamers since we had no evidence that the things we were studying were possible or would be allowed. Part of this project was to look at our history and example of sustainability or lack of it.

We have identified two key infrastructure issues, Fire protection, prevention and suppression, and Water. The fire issues are being addressed by our local volunteer firefighters, CalFire and County Fire. The community is standing up to insure that our fire team has the equipment required through local fund raising. Our citizens are taking very seriously the need to create defensible space around their structures, an expensive project after so many years of not noticing the biomass explosion in our county.

Water our other infrastructure need is under active study and we are collecting data on our needs and possible paths forward.

Since we live on a county boundary infrastructure needs require working both sides of the Summit Ridge, Santa Clara County and Santa Cruz County.

Several other needs/challenges have been identified.

1. Summit Road from highway 17 to Soquel San Jose Road has always been our **Community Main Street**. This was true in the 1880' and is true today. Along that piece of the Summit are three of our four churches, our Elementary School, and our Commercial center, anchored by the **Summit Store** as well as several other businesses. In the distant past there were four hotels and many shops etc.
2. We need a park and ride or **Transit Center** at the intersection of Highway 17 and Summit.
3. Our region is a recognized wine appellation. The soil and weather are superb for growing quality grapes and creating exceptional wines. We current have about 10% of the grape cultivation we had in the past. The vineyards are considered fire breaks by CalFire, something we sorely need.

When we put on our sustainability glasses we see that the economic component of each of these needs more consideration than it has received in the past. As an example we find funding our excellent mountain school painful without a healthy business base and the tax revenue that generates.

To put it bluntly we need economic growth.

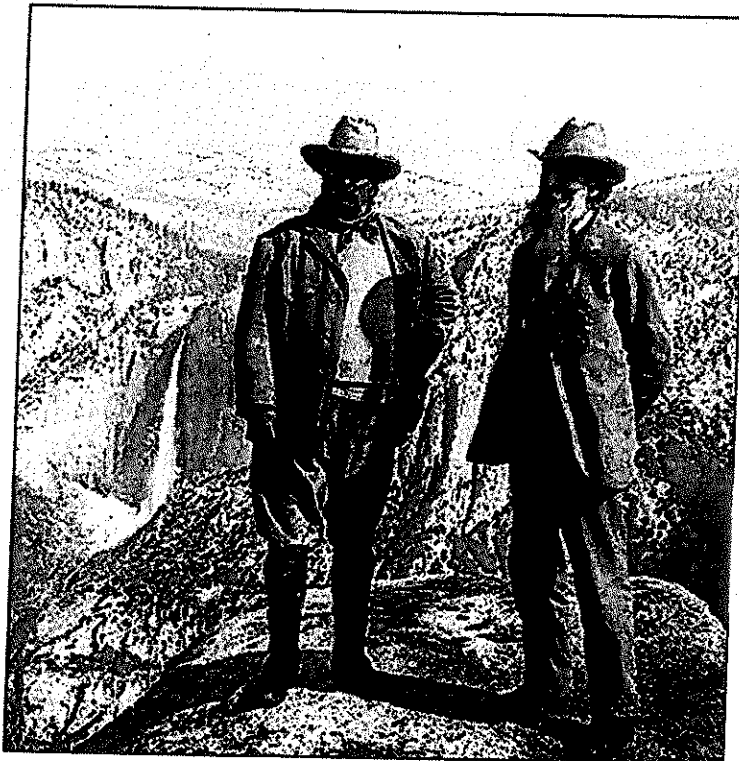
We would like to engage the planning department and Barbara Mason on specific projects. We all look forward to building a positive dialog with the Planning Department as we move forward.

Larry Lopp

Santa Cruz Mountain Alliance

*Comments on the Public Review Draft of the Santa Cruz County
Economic Vitality Strategy first released in May, 2014*

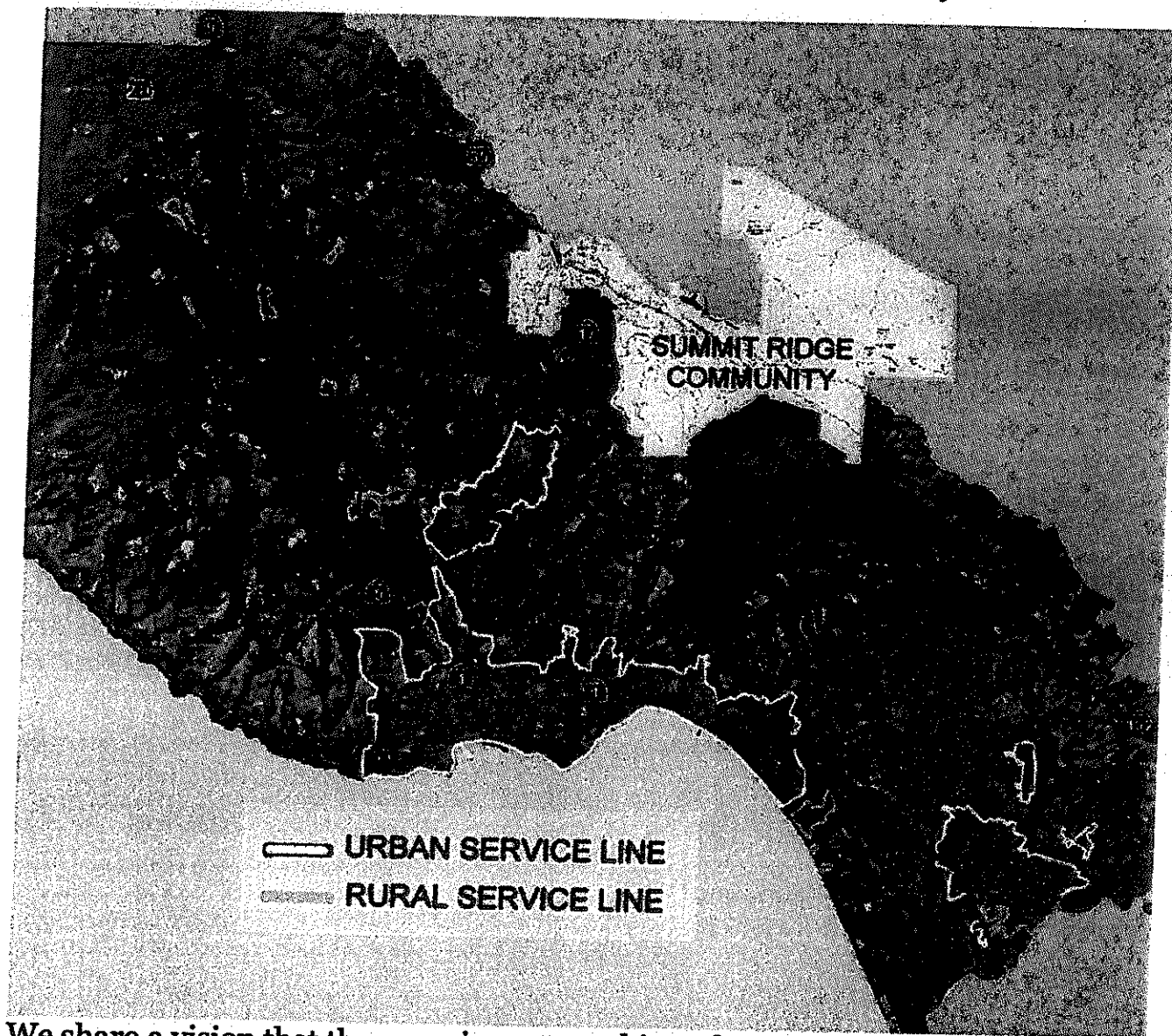
Submitted to the Santa Cruz County Planning Department and
Economic Development Coordinator
by residents of the Summit Ridge Community
July 8, 2014



*"Not blind opposition to progress, but opposition to blind progress."
--John Muir*

Who are we to be quoting John Muir? We are residents of the Summit Ridge Community, a term we greatly prefer to "unincorporated Santa Cruz County."

The Summit Ridge Community has historical origins. It was a vibrant, self-sustaining community from the 1880's into the mid-20th century.



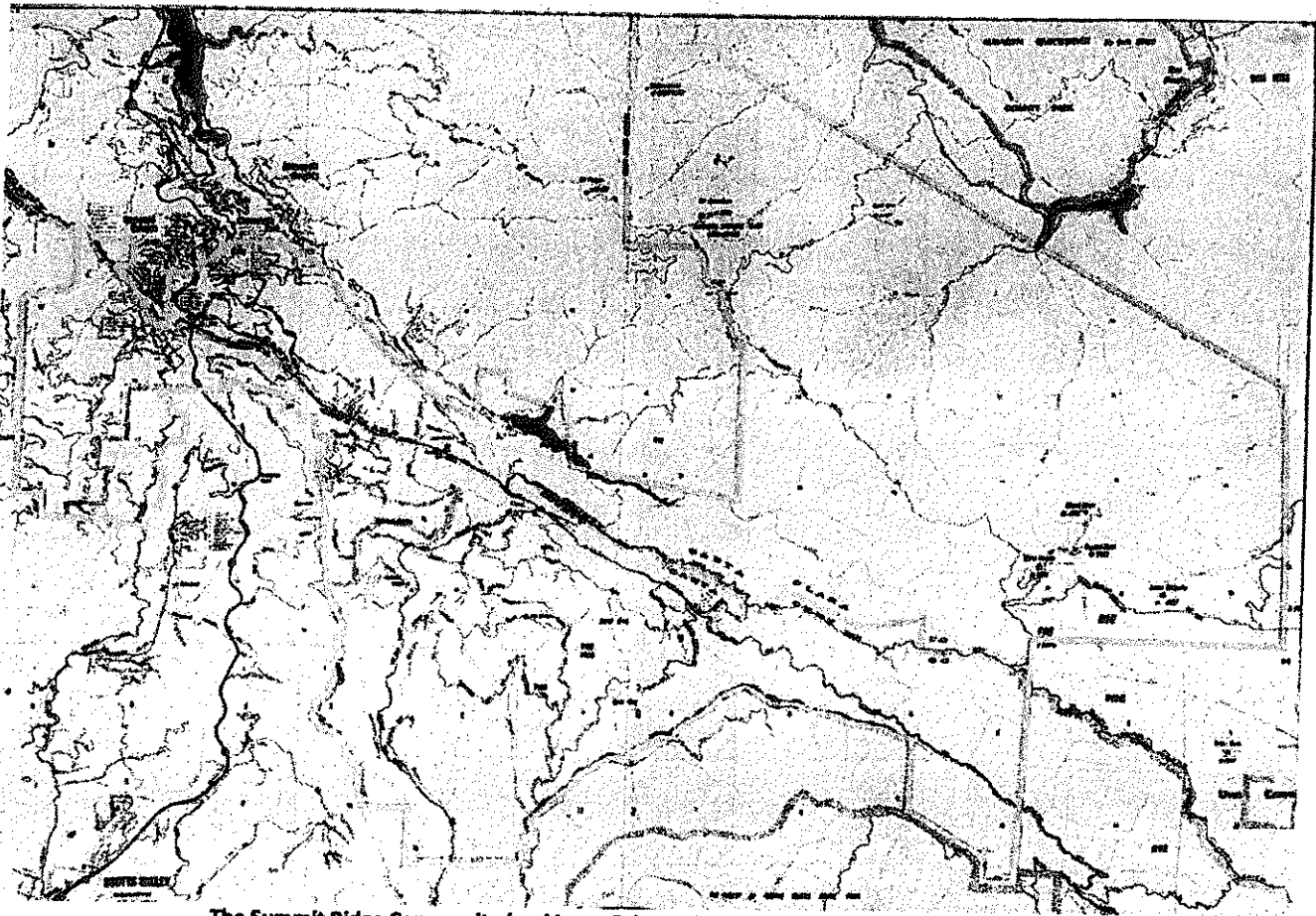
We share a vision that there are important things that we can/should/must do together to move the Summit Ridge Community toward becoming more of a sustainable community again.

We appreciate and value the concept of Sustainable Community, both as a model and a metaphor. It is an idea that is applicable and important for the Summit Ridge community, for other definable regions and constituencies in the County,

and for Santa Cruz County as a whole. It is a concept that speaks to the core mission of the current effort to develop a County's Economic Viability Strategy (EVS).

We live outside the Urban Service Lines and the Rural Service Lines and we plan to continue to live here because we love where we live. We are working hard to leave our community with more economic sustainability and environmental sustainability than presently exists. It is no more a favor to leave an unsustainable economy to future generations than it is to leave an unsustainable environment to future generations. We are residents, not developers. We are participants in organizing our community so that we can move forward in achieving a sustainable community.

We welcome this opportunity to comment and make recommendations on the EVS Draft.



The Summit Ridge Community (and Loma Prieta Joint Unified Elementary School District)

It is a distressing reality that the Summit Ridge, despite its historical relevance and substantial current constituency, is the only area of Santa Cruz County that has not been specifically considered and addressed in the various previous versions/drafts of the EVS. Davenport, Watsonville and the San Lorenzo Valley communities (including Boulder Creek, Felton, Bonny Doon, etc.) were all given appropriate consideration. But not the Summit Ridge Community.

Because we are so rural and most of our parcels are so much larger than in more densely populated parts of the county, it is difficult for us to assess the urgency of the adoption and implementation of the EVS.

What would be useful in underscoring the urgency of the EVS would be for the County to realistically assess the cost of present county services including maintaining and repairing county infrastructure. This would allow the citizens and the Board of Supervisors to appreciate the size of the county's accumulated fiscal deficits. The county should also calculate the future rate of growth of the tax base required for county government to return to living within their means. This would include "paying back" what it had "borrowed" in deferred repair and maintenance of county infrastructure.

All the Summit Ridge residents really have to judge the economic vitality of the county is the condition of our rural roads. In this case the majority of road maintenance has been deferred indefinitely. There seems to be no money or plan for Santa Cruz County to meet its responsibility to maintain and repair our rural roads.

RECOMMENDATIONS AND OBSERVATIONS FOR THE SUMMIT RIDGE COMMUNITY

1. The responsibility for the economic health of the county resides with the Board of Supervisors. They are the elected officials. They cannot delegate that responsibility to anyone but themselves. If the EVS is a success it is their success; if it is a failure, it is their failure.
2. Page 34—Main Street Revitalization. Starting with something positive that could be done for the Summit Ridge Community is to include Summit Road from the intersection at Highway 17 to San Jose Soquel Road as a project in the "Main Street" privatization program proposed by the EVS.
3. Page 3—A County Business License and Tax. The county neither needs more data nor tax revenue *outside* growth in the tax base. To engage in either suggests the economic problems of the county are unknown. They

are known. We need assured economic growth in our community. The Board of Supervisors needs to open the spigot that controls economic growth. The economic impact of the EVS will be obvious by the growth of the tax base. With managed frugality of the county budget we can all look forward to the county's economic future as bright as the future of its forests of redwood trees.

4. Santa Cruz County, in its desire to have an ideal relationship with the natural environment, has developed a very extensive set of rules to protect the environment. This has resulted in severely limiting economic growth and tax revenue to fund the County.
5. The intentions behind all these codes and ordinances were benign, even altruistic. For many reasons, including their sheer numbers and very high standards, the county now has more rules than are it can enforce
6. We recommend more flexible in interpreting codes in the Summit Ridge Community by giving much greater consideration to mitigating circumstances which include but are not limited to:
 - a. parcel size, location, unique attributes,
 - b. costs that would be prohibitive to an average family.
 - c. costs to a business that would make the business unprofitable.
7. Final decisions before any appeal process on substantial compliance to plans and codes as well as examining reports of code violations in the field, for at least the Summit Ridge Community, should have outside oversight so no Planning Department has hegemony on controlling our rural local economic vitality.
8. The current method of anonymous reporting by citizens of code violation is inappropriate and harmful for Summit Ridge Community.
 - a. The text and author of the complaint must be public information so the subject of the complaint has the option to remediate it directly with neighbors.
 - b. Anonymity does not eliminate risk of retaliation; all that anonymity affords is to spread the risk of retaliation around to neighbors who may get misidentified as the perpetrator of the complaint.
 - c. Anonymous complaints can turn the trusting social fabric of rural neighborhood into one of unnecessary suspicion. This is a poor

situation for a neighborhood where neighbors often arrive in emergencies long before first responders.

For our rural community, we would appreciate it if the Santa Cruz County Board of Supervisors and the Planning Department would follow our recommendation to carefully balance a project's economic impact on the county's economy with its impact on the natural environment.

In sum, we don't want Santa Cruz County to look like a sea of one story strip centers along El Camino Real in the Santa Clara Valley. We are not looking to blight our rural roads and neighborhoods with Knott's Berry Farms or Disneylands.

We do, however, want to live in a county where the Board of Supervisors and Planning Department act responsibly in protecting the future in our community. We hope you would acknowledge that neither environmental conservation nor economic vitality is sustainable in the long term unless they co-exist and are continually recalibrated by our elected officials.

We have several much needed projects that we would love to pursue as the economic vitality strategy come into being.

Sincerely,

Resident	email address	Years of residency
Larry Lopp	llopp@scmntn-alliance.com	43
John Herr	jjherr@clinicalpsychologist.com	27
Richard Lyness	rnlyness@me.com	
Christina Schwabecher	c.schwabecher@scmntn-alliance.com	25
Judy Stark	judystark@surfnet.com	28
Nancy Jo Lopp	nancyjo@lopp.com	43
Anne Evans	Evans.Anne@comcast.net	34
Susan Page	lindasusan@lookingbeyond.com	
Betsy Fullagar	bfullagar@gmail.com	23
Scott Salsbury	Scottyconstruction@gmail.com	37
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Carolyn Bowen	jimbow_1@msn.com	22
Allan Feuerbach	Alfirebrook@aol.com	37
David Fullagar	david@fullagar.net	38

Barbara Mason

From: beekindmedia@gmail.com on behalf of Josh Metz [josh@geovine.com]
Sent: Wednesday, July 09, 2014 10:14 AM
To: Barbara Mason
Cc: Megan Metz
Subject: SCMWA EVS Workshop Results & Questions

Hi Barbara,

We had a productive meeting last night with members of our Board. In the meeting we took an approach similar to that of the Santa Cruz Chamber of Commerce to review and priority rank (1 *lowest* to 5 *highest*) the proposed EVS strategies. We considered items under Goals 3, 4 & 7 as directly pertaining to our members interests.

You can find a copy of the presentation we used to guide our discussions here:

https://www.dropbox.com/s/74057fuakcahsp/SCC-EVS-Workshop_070814c.pdf

Under Goal 3, our members provided the following rankings:

Strategy 3.1: 5 (*highest*)

Strategy 3.2: 2

Strategy 3.3: 3

Strategy 3.4: 3

Strategy 3.5: 2

Strategy 3.6: 1

Strategy 3.7: 5

Strategy 3.4: 4

Summary: *Amending the County Code to support the modern needs of agriculture-related enterprises is a top priority for our members. Addressing issues with winery/tasting room permitting, special events, worker and hospitality lodging among others are concerns. Our members look forward to working with the Planning staff to optimize conditions for winery/tasting room development and operation.*

Under Goal 4:

Strategy 4.21: 4

Summary: *Improving broadband access to rural parts of the County would benefit our members and their businesses.*

Under Goal 7:

Strategy 7.1: 4

Strategy 7.2: 4

Strategy 7.3: 5

Strategy 7.4: 5

Strategy 7.5: 5

Strategy 7.6: 2

Summary: *Efforts by the County to improve brand Santa Cruz recognition, support local/regional marketing efforts, represent the County at industry events, and support events celebrating County assets and culture would be highly valued by our members.*

A few questions arose during our discussions that could benefit from some clarification:

a) Members referenced a County Planning Staff Board report from June 6, 2014 regarding proposed zoning code amendments addressing items raised in the EVS. There was confusion about the timing of this item in relation to adoption of the EVS by the BOS. Can you clarify if the items in the Staff Report are referencing the items raised in the EVS? If so, will there be opportunity for our members to comment on the proposed amendments? If not, will the proposed changes take effect before the changes discussed in the EVS are brought forward?

b) Is there coordination between the Planning Staff and the Economic Development staff on these items? There was concern that the EVS was proceeding on one track, while these proposed amendments were proceeding on another without the benefit of coordination.

c) Finally, our members asked about how the funding for these different strategies will be prioritized. Is there a systematic way this will happen? Will funding for one strategy necessarily detract from funding the others?

Many thanks for receiving these comments from our members and working with us to clarify the additional questions.

All the best,
Josh Metz

Barbara Mason

From: Rebecca [rebecca@transparentseas.com]
Sent: Wednesday, July 09, 2014 2:56 PM
To: Kathy Previsich
Cc: Zach Friend; Patrick Mulhearn; Kate Minott; Barbara Mason; Debbie Doss; kathi forman; mark.mauceri@gmail.com; Ramona Daniels; Stacy Patyk ; Will Roblin
Subject: Comment on the Economic Vitality Study

Dear Kathy,

The Seacliff Improvement Association wishes to include the following, in *italics*, to Strategy 3.21: Facilitate Development of Sustainable Visitor Facilities at Appropriate Locations

Work with the property owner (Dignity Health/Dominican), *the Seacliff community* and hotel industry representatives to explore the feasibility of and encourage development, *that complies with the Seacliff Village Plan*, of a visitor accommodations facility on the Poor Clares/Foursquare site, and work with property owners at other appropriately zoned locations.

Warm regards,

Rebecca Downing

Barbara Mason

From: Kathy Previsich
Sent: Tuesday, July 15, 2014 4:06 PM
To: Barbara Mason
Subject: FW: Comments on the Draft Santa Cruz County Economic Vitality Strategy Plan.

-----Original Message-----

From: Clay Kempf [<mailto:clayk@seniorscouncil.org>]

Sent: Tuesday, July 15, 2014 3:07 PM

To: Kathy Previsich

Subject: Comments on the Draft Santa Cruz County Economic Vitality Strategy Plan.

Thank you for the opportunity to comment on the Draft Santa Cruz County Economic Vitality Strategy Plan. I appreciate the time, effort and thoughtfulness that went into the draft. Please consider the following items for consideration in the final document.

Housing For Seniors: It's greatly appreciated that this item is included. I would expand it slightly and emphasize that various support services (besides transportation) are important components of aging in place, including not only access to goods, but access to and availability of personal assistance, such as home care, errand running, nutrition, pharmaceuticals, physicians and dentists who not only accept Medicare but are also willing and able to provide care to elders. Dental care for seniors has been identified as the number one unmet need in our community in several local studies. With the existence of Cabrillo College's Dental Hygiene Program, it seems opportunities could be created to fill this needed niche.

Healthcare is mentioned quite a bit as an expanding industry, as it should be. Missing from the discussion, however, is the topic of prevention. With the expansion of managed care in both the private insurance business and in the public healthcare field, and with the aging of our community, the field of preventive care is an economic sector that often goes unnoticed, despite a setting that is ripe with opportunity. Services that address the unique needs of seniors (see above) and people with chronic conditions are a win-win-win economic opportunity, for example. Jobs and revenue streams are created that improve the quality of life of the employee, the employer, and the senior. Government and health care insurances are relieved of the financial burden of providing and paying for costly medical services that can be avoided through solid support systems. Many examples of these services exist and I won't list them all here, but the cost savings and economic opportunities tie in to creating alternatives to hospitalization, institutionalized care, and emergency room use. Re-admission to hospital care has been tied to three key factors; 1) medication adherence following a discharge; 2) access to food and nutrition; and; 3) transportation and attendance at post-discharge medical appointments. All three of these components are areas for economic expansion.

Lastly (and somewhat related to the previous two topics), I'm concerned about the absence of discussion regarding the local non-profit sector. Non-profits employ significant numbers of workers in our community, and further augment our economy through their availability to bring in funding from non-local sources that are spent locally, usually to purchase basic goods, and therefore remaining in the community even longer. Most of these services result in greater independence and success for those being served, ranging from improved health, increased employability via improved job or lifestyle skills, improved access to employment, or increased income. One of the smallest local programs, for example, produces over \$1.5 million annually in tax returns and rebates to low-income individuals and families; all of those funds go straight back into our local economy.

Thanks again for your work-

Clay Kempf

Executive Director

Seniors Council/Area Agency on Aging of Santa Cruz & San Benito Counties



Board of Directors
Dr. Thomas R. LaHue, *President*
Bruce Daniels, *Vice President*
Dr. Don Hoemschemeyer
Dr. Bruce Jaffe
Richard Meyer
Kim Adamson, *General Manager*

July 7, 2014

Santa Cruz County
Attn: Barbara Mason, Economic Development Coordinator
701 Ocean Street
Santa Cruz, CA 95060

Re: Comments on the Draft Santa Cruz County Economic Vitality Strategy

Dear Ms. Mason,

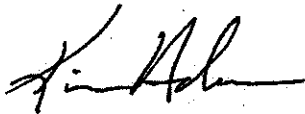
Thank you for the opportunity to provide comments to the Santa Cruz County Economic Vitality Strategy (EVS) - Public Review Draft, May 2014. The draft report includes a very detailed outline of the goals, strategies, and actions to complement and strengthen the economic development efforts of existing and new businesses/organizations, promote job growth, strengthen public revenues, and improve the quality of life for residents and businesses in Santa Cruz County (County). Below are points we hope you will consider in preparing the final draft:

- 1. Address and Include the Importance of Water Supply Availability and Sustainability.** While Goal 5: Expand Public Sector Capacity and Infrastructure (pg. 27) addresses the importance, from an economic vitality perspective, that adequate infrastructure (not only "traditional systems such as adequate street capacity and maintenance, and available water supply, but also telecommunications and broadband infrastructure") is critical... the draft EVS report lacks any narrative discussion or strategies on the water shortage issues of our region. Per the SC County Water Resources Status Report, dated January 28, 2014, by Giang T. Nguyen, SC County Health Services Agency Director, "Santa Cruz County water agencies continue to experience major water supply challenges..... Most major water supply agencies do not have sufficient sustainable supplies to meet current and future demand." Specifically for Soquel Creek Water District, we are detecting seawater intrusion at our coastal monitoring wells and seeking supplemental water supplies or mandatory water restrictions (upwards of 35%) to reduce groundwater pumping or aid in replenishing the overdrafted Soquel-Aptos basin. As part of water restrictions, the District has and likely will continue to consider a water service connection moratorium (if a supplemental water supply is not secured) which will have economic and development impacts within our District's service area.
- 2. Include Collaboration and Partnerships amongst the County of Santa Cruz and others (such as municipal water purveyors, private well owners, and other community organizations and stakeholders) to Solve the Water Challenges in our Area.** While the County may not be a water purveyor, County

staff has worked closely over the years with local water purveyor staff on water-related issues such as groundwater recharge potential, surface water transfer opportunities, data collection and monitoring, etc. Currently, the County is conducting a series of Mid-County Groundwater Stakeholder Advisory Meetings in collaboration with Soquel Creek Water District and Central Water District, aimed at opening the dialogue between private well owners and municipal water customers regarding the water shortage issues and developing recommendations for the County of SC and the water districts to consider for their long-range strategic sustainability plans. We appreciate the County's efforts thus far and recommend the EVS Report include a strategy in Goal #5 that the County will continue to be a partner in this role and capacity in the future.

A sustainable water supply is essential to ensuring a strong and healthy economy in Santa Cruz County. The final EVS report should not omit the importance of water. Without an adequate and sustainable water supply, the impacts to attracting and retaining businesses and our community's quality of life could be quite detrimental.

Sincerely,



Kim Adamson
General Manager

Barbara Mason

From: Peter Beckmann, TLF [pbeckmann2000@gmail.com]
Sent: Friday, July 11, 2014 8:51 PM
To: Barbara Mason
Subject: Think Local First comments on the Economic Vitality Strategy draft
Attachments: SCC Econ Vital. Comments.doc

Dear Barbara,
attached pls. find our comments.
Pls. feel free to contact us any time for any additional questions.
Best regards - Peter

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"The only true critic of literature is time."
(George Orwell)



Peter Beckmann
Volunteer and Co-Chair, Think Local First – County of Santa Cruz
Office phone: 831-423-9242
Home phone: 831-426-3610
Cellular phone

Facebook

Think Local First website



Think Local First

"Independent and Locally Owned"

6 Oak Road
Santa Cruz, CA 95060

County of Santa Cruz – Planning Department
Barbara Mason, Economic Development Coordinator
701 Ocean St, 4th Floor
Santa Cruz, Ca 95060

Re. Comments on Economic Vitality Strategy

Dear Ms. Mason,

Below please find our comments on the County's Economic Vitality Strategy. For any additional questions please don't hesitate to contact us any time.

Best Regards

Karl Heiman (Co-Chair)
(408-621-3304)
karlheiman@cruzio.com

Peter Beckmann (Co-Chair)
(831-426-3610)
pbeckmann2000@gmail.com

Think Local First Comments on the Economic Vitality Strategy Draft:

1. Page 3 (goal 1): The list of associations should include Think Local First, which represents over 450 locally owned businesses.
2. Page 4 (strategy 1.2): instead of promoting "world class" (Santa Cruz County), it would be more appropriate to help promote specific branding contents, which the various business associations are pursuing, i.e. natural resources and beauty (Visitors Council), agricultural resources (Ag commission), unique and diverse character of our business community (Think Local First).
3. Page 5 (1.6): include in the list of metrics the number of locally owned businesses vs. non-locally owned businesses. Not only account the locally owned businesses for the majority of new jobs, their numbers also correlate with healthier communities, greater charitable giving, more vibrant economies (they recycle three times more money into local economies than non locally owned businesses).
4. Page 6 (goal 2): not only should there be more streamlined assistance for new businesses applications, but the process should also be *more affordable*. An example would be the City of Santa Cruz's "Traffic Impact Fee," which makes the start of a brick & mortar business cost prohibitive.
5. Page 19ff (goal 4): Replace "small businesses" with "independent and locally owned businesses." While "small" can be interpreted in various ways, "independent and locally owned" is unambiguously referring to the businesses that generate the gross of new jobs in the economy.
6. Page 19ff (goal 4): Promote a *reciprocal* bidding advantage for locally owned businesses throughout the County. Instead of offering separate bidding advantages for businesses



Think Local *First*

"Independent and Locally Owned"

6 Oak Road
Santa Cruz, CA 95060

within the respective geographic limits (like the City and the County of Santa Cruz), businesses located in the City should receive the same advantage when bidding for County contracts and vice versa.

7. Page 19ff (goal 4): Expand preferential bidding process for locally owned businesses throughout all County jurisdictions from cities to school districts to the university.
8. Page 32 (goal 6): "Warehouse/ clubs" should NOT be on the list of businesses to be pursued to increase economic vitality. It has been shown in many studies, that the introduction of big box stores has a devastating long-term effect on the local business community and thus on the local economy.
9. Additional goals/ strategy: include local banking and local investment sectors in the document. This is one of the most important areas, where local money leaks out of the County without ever being recovered. In addition, local re-investing has a great leveraging effect.
10. Additional goals/ strategy: connect the local business community with resources at UCSC and Cabrillo College. There is lots of potential through internships, PhD and class projects.

Barbara Mason

From: Brent Haddad [bhaddad@ucsc.edu]
Sent: Friday, June 27, 2014 11:44 AM
To: Barbara Mason
Subject: Notes on economic vitality strategy

Barbara - it was nice seeing you at the County Chamber of Commerce lunch. Many good ideas emerged from there. Here are some comments I wrote up prior to the meeting. I hope they are helpful, especially the redrafted quote about UCSC's Center for Entrepreneurship. Comments are below....

Brent

Action 1.2.3 should be refined with goals and due-dates. Also Strategy 2.5.

Strategy 3.1 looks like a series of good ideas.

Strategy 3.2 should have a time limit and clear purposes for the meetings.

Strategy 3.3 should have a clearer goal of what the County is capable of helping with in the water sector prior to meetings.

Strategy 3.5 focuses on housing but health care is a major cost to ag employers. The County might examine how it can help employers meet health care mandates at minimum cost with sufficient service.

Strategy 3.8 needs greater specificity.

Strategy 3.9 targets the important question of reusing/repurposing buildings so that vacancies don't accompany new building for very long.

Strategy 3.18 is an important question and could benefit from a 3-way partnership – gov't, university, and private-sector experts in providing incubator space.

p. 15, Par. 2 UCSC can play a minor role in this but Cabrillo and Hartnell and other colleges are better positioned for this.

Strategy 3.16 could be implemented in an Americorps approach that the County coordinates to keep UCSC grad students local.

Strategy 3.18 refers to incubators. This theme emerges a few times in the document so some cross-referencing is needed. There is an opportunity for cooperation with UCSC in this regard.

Strategies 3.19-3.17 – although the Santa Cruz Warriors are mentioned elsewhere, lessons from their success could be integrated to this section as well.

p. 19, under Goal 4, please rewrite the following paragraph:

Innovation and Technology, including Recreation/Lifestyle Products

The University of California, Santa Cruz is home to the UCSC Center for Entrepreneurship (www.C4E.ucsc.edu). The Center has developed courses that teach prototyping, market analysis, and business strategy; holds seminars on campus and in the community featuring venture funders, intellectual property attorneys, and other entrepreneurs; manages an internship program that places students in regional start-ups; provides faculty input on intellectual property organizes student entrepreneurship competitions including HACK UCSC and the Business Design Showcase; and serves as a resource for campus-community new business development.

--
Brent M. Haddad, MBA, Ph.D.

Associate Dean of Engineering for Technology Management
University of California, Santa Cruz

<http://tim.soe.ucsc.edu> - Technology and Information Management
Program

<http://ciwr.ucsc.edu> - Center for Integrated Water Research

Comments on Economic Vitality Strategy – John Ricker, Water Resources Division Director

General: The EVS should acknowledge and refer to the value of the natural and working landscape as described in the draft "Nature's Value in Santa Cruz County", by Earth Economics and the Resource Conservation District of Santa Cruz County. The value of the landscape and the need to support increased stewardship efforts directly supports the goals of the EVS, and specifically for water supply, agriculture, housing, and visitor-based businesses.

General: Water is only mentioned in 3 places in the EVS, but is mentioned over 30 times in comments received in Appendix B. There should be more acknowledgement and discussion of the importance of water for economic vitality.

Goal 1: Water Supply is mentioned under the work plan strategies and actions on page 38, but is not mentioned in the narrative. Given the over-riding importance of adequate, sustainable water supply to support economic vitality, it should be mentioned in the Goal 1 narrative. Under a shared vision, it is also important to acknowledge and refer to the Santa Cruz Integrated Regional Water Management Plan 2014. The County has been a leader in this effort and should continue to do so. The Board of Supervisors is expected to adopt the IRWM Plan update on August 19.

Suggested Goal 1 action or strategy: Continue to support collaborative and regional efforts to provide adequate, sustainable water supply for current and future residents, businesses and visitors. Support development of supplemental supplies and more efficient use of existing supplies. Support implementation of the Santa Cruz Integrated Regional Water Plan.

Goal 2: The need for adequate water supply should be mentioned. An adequate water supply (without excessive rationing or moratoriums) is needed to support property values, support businesses, welcome visitors, and support sustainable development. A strategy should either be added to Goal 2 or referenced to a broad strategy under Goal 1.

Goal 3: Agriculture:

- Strategy 3.3 should be worded more strongly to not just "monitor" water deliberations, but to actively support and promote long term sustainable water supplies for agriculture. This is not just important for the Pajaro Valley, but also for the north coast agricultural sector, where inadequate water supply is jeopardized the planting of crops in drought years, and also in normal years.
- Another agricultural strategy would be to: support and encourage increased use of agricultural practices that support sustainable water supply and improved water quality.

Goal 5, Infrastructure:

- Water supply is mentioned, but there is no strategy mentioned. Sustainable water infrastructure is critical.
- A comment is made in the appendix about the high cost of stormwater compliance. This is a critical emerging issue and the community as a whole needs to help shoulder the burden and cost of improved stormwater management, without unduly burdening new development or redevelopment projects. A new stormwater utility fee is needed to fund stormwater improvements
- The importance and value of the natural infrastructure should be acknowledged, including the need to support improved stewardship (see comment above).