



ESCONDIDO COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDs)

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THE NATELSON DALE GROUP INC

ESCONDIDO COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDs)

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ESCONDIDO COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

Introduction

The City of Escondido's first Comprehensive Economic Development Strategy (CEDS) was completed in 2012 and approved by the Economic Development Administration (EDA) in February 2013. In early 2017, the City initiated a comprehensive, five-year update of its CEDS, which is summarized in this document. The updated (2017) CEDS builds on the successful implementation of the previous (2013) CEDS, and reflects a thorough re-assessment of local and regional economic conditions; extensive input from private and public stakeholders; and a revisiting of priorities regarding the City's potential development-related infrastructure investments.

Executive Summary of CEDS Implementation Plan

The CEDS Implementation Plan, detailed in Section F of this report, outlines over 50 individual action items for the City's economic development program. Some of the initiatives are recommended new activities while others represent existing City practices that can be re-focused and given greater visibility as part of the CEDS implementation. Some of the strategies relate directly to "core" economic development functions (e.g., target industry retention and expansion) whereas others are "support" activities (e.g., initiatives to improve the City's quality of life) that will serve to enhance the City's overall attractiveness to prospective businesses and their employees.

The highest-priority action items are summarized as follows:

Expand City's organizational capacity for economic development

- Expand active promotion of the City's business ombudsman services
- Continue to leverage the City's partnerships/alliances with private and regional organizations
- Continue City's active communication/interaction with the business community
- Improve the "front counter" experience of individuals who come to City Hall to inquire about starting or relocating a business
- Improve online presence of City's economic development program

Leverage recent/forthcoming development to attract new businesses and visitors to the City

- Continue to coordinate with the development community to proactively anticipate major projects and related "spinoff" opportunities
- Implement attraction efforts to bring additional hotels to the City
- Continue to coordinate with Palomar Health to maximize spinoff opportunities related to Palomar Hospital
- Coordinate with Palomar Health to identify market-based redevelopment/reuse potential of former Palomar Hospital site

Executive Summary of CEDS Implementation Plan

- Continue to coordinate with Stone Brewing to identify specific opportunities to link the brewery expansion and Stone hotel development to City initiatives to promote the Specialty Food/Beverage and Culture/Entertainment/Tourism industries
- Leverage the presence of notable regionally-significant businesses, educational institutions and cultural facilities
- Continue to support pre-development and marketing efforts for targeted development areas identified in the General Plan

Continue efforts to develop reclaimed water for agriculture and other development purposes

- Continue to work closely with Escondido Growers for Agricultural Preservation (EGAP) to fully implement plan to install miles of “purple pipe” to bring reclaimed water to agricultural customers
- Leverage the ongoing investment in reclaimed water infrastructure by officially designating agriculture as a “priority” industry cluster
- Given California’s vulnerability to severe droughts, promote the City’s investment in water infrastructure as a unique strategic advantage for a range of business types (i.e., in addition to agriculture)
- Link the water infrastructure strategy to a larger agritourism initiative

Expand and focus economic development marketing efforts

- Implement target industry marketing program to attract new firms in high-priority clusters
- Integrate City’s marketing efforts/resources with regional marketing initiatives
- Maintain regular communication with commercial/industrial and residential real estate brokers to convey a consistent message that Escondido is business friendly and development ready
- Promote Escondido as a place to live
- Coordinate with City’s Tourism & Marketing Administrator to expand promotion of Escondido as a destination for tourism
- Continue to provide City’s Special Events Coordinator with sufficient resources to expand attraction of visitors/shoppers to Escondido through special events

Continue focus on downtown revitalization

- Conduct needs assessment for (and strategically invest in) critical downtown infrastructure (e.g., parking)
- Increase resources directed at addressing homelessness and related impacts to the downtown business environment
- Offer incentives to attract new businesses to the downtown
- Create strategic partnerships with downtown residential developers

Ensure that City’s development /permit processing is timely and business friendly

- Continue to improve and actively promote the “Getting to Yes” policy as the centerpiece of the City’s business friendliness / development readiness initiative
- Continue weekly Staff Development Committee meetings to ensure timely processing of all development projects and identify opportunities to further streamline approval procedures



Executive Summary of CEDS Implementation Plan

- Continue to promote City's fee deferral policy
- Improve utilization of City's systems for tracking permit processing times
- Move toward automated (online) processing of permits

Expand athletic/recreational/environmental amenities, consistent with General Plan priorities

- Actively integrate new/forthcoming facilities into economic development marketing efforts
- Support implementation of Grape Day Park Master Plan (including new library) as an integral component of Escondido's placemaking efforts

Focus existing relationships with primary/secondary schools and higher education institutions

- Continue outreach to local employers to identify workforce development needs and opportunities
- Interface with education system (at all levels) to expand training capacity in areas in which gaps have been identified

ESCONDIDO COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

A. Background

A.1. Market Overview Summary

The *Market Overview* provides background information and data relevant to the CEDS planning process. The full report can be found in Appendix A. The data cover the 16-year period between 2000 and 2016, allowing for a comparison to conditions that were identified at the time of the City’s previous CEDS was prepared in 2012. Consistent with EDA requirements for CEDS documents, the report is primarily based on a compilation of standard secondary data (e.g. Census data) to allow for ready comparison to other places.

A.1.1. Demographic Conditions

The following data (Table A-1, below) were obtained from the U.S. Census Bureau, including decennial 2000 and 2010 census and the American Community Survey (ACS) 1-year estimates¹ for 2010. As part of updating the previous 2012 CEDS, the table also provides the most recent available ACS 1-year estimates for 2016. In order to allow for comparison of demographic characteristics in the City of Escondido to surrounding reference areas, data are provided for the City of Escondido, the North County² portion of San Diego County, San Diego County, and the State of California. Topics address current and historical conditions related to population, race/ethnicity, age, educational attainment and household and personal income levels.

Table A-1. Demographic Conditions, Summary

Data type	Analysis
Population, 2000/10/16	Between 2000 and 2010, Escondido added nearly 10,000 residents but total population grew at the slowest rate (7.8%) compared to the other geographies (i.e., North County, San Diego County, and California). Updated ACS data: The same trend occurred between 2010 and 2016. Escondido added nearly 7,700 residents but again total population grew at the slowest rate (5.8%) compared to the other geographies.
Race/Ethnicity, 2000/10/16	Escondido is relatively underrepresented in the Black or African American (alone) and Asian (alone) categories, relative to the County and State. However, the City does have slightly higher population shares of these racial groups relative to the

¹ The ACS replaced the “long form” that historically produced demographic, housing, and socio-economic estimate for the nation as part of the once-a-decade census.

² Hereafter “North County” refers to the area including the following five cities: Carlsbad, Escondido, Oceanside, San Marcos, and Vista.

Background

Data type	Analysis
	<p>North County region. Of all the evaluated geographies, Escondido, by far, has the highest share of Hispanic or Latino residents, with more than one-half of the population in this ethnic group. Although all of the geographies saw significant increases in the Hispanic/Latino population between 2000 and 2010, Escondido experienced the fastest growth in this population segment, with its share of the total population increasing by more than 10 percentage points.</p> <p>Updated ACS data: Similar growth rate trends occurred between the 2010 and 2016 period, with the Hispanic share of the City’s population increasing by more than four percentage points.</p>
Age, 2000/10/16	<p>As of 2016, Escondido has a relatively higher share of the population in the 0-19 age cohort (28.0%), along with relatively smaller shares in the 65+ group. Between 2000 and 2010, all of the geographies saw the largest percentage increases in the 45-65 age cohort.</p> <p>Updated ACS data: This trend continued for Escondido and the North County geographies between 2010 and 2016, with the share of the populations in this age cohort increasing by 1.9% and 1.7%, respectively. In contrast, the County and State experienced the most significant percentage increases in the oldest age cohort, 65+ years, during this period.</p>
Educational Attainment, 2000/10/16	<p>As noted below in the updated ACS data comment, the City has made positive gains in educational attainment rates. Escondido residents are relatively less educated compared to the other geographies. The percentage of Escondido residents without a high school diploma (23.2%) is between 5.6 and 9.6 percentage points higher than the other geographies. Between 2000 and 2010, this group increased by 0.5 percentage points in the City, compared to notable percentage declines in the other geographies.</p> <p>Updated ACS data: However, the City reversed this trend in the most recent period. Between 2010 and 2016, the share of the population without a high school diploma decreased by 4.7 percentage points, compared to much smaller declines in the other geographies.</p>
Personal and Household Income, 1999/2010/16	<p>Escondido’s per capita income was below the other geographies’ levels in 1999 (\$18,241), 2010 (\$19,514), and 2016 (\$25,023). Per capita income levels in Escondido increased at a much slower rate between 2000 and 2010 compared to the other geographies. As a result, both Escondido and the North County lost ground in per capita income levels relative to the State between 2000 and 2010, while the County as a whole gained ground against the State. The average household income data for the period 2000 to 2010 show similar trends as the per capita income measures.</p> <p>Updated ACS data: However, between 2010 and 2016, per capita and average household income levels increased at a faster rate in Escondido and North County relative to San Diego County and the State. Thus, as of 2016, Escondido and the North County gained ground in per capita income levels relative to the County and the State.</p>


A.1.2. Economic Conditions

The following economic data (Table A-2, below) focus on Escondido, North County, San Diego County and California. For some topics, data for the cities of Temecula and Murrieta in south Riverside County (viewed as competitive areas to Escondido) are also included in the comparisons. Data were obtained from the Bureau of Labor Statistics, California State Board of Equalization (SBOE), Dataquick (a private data provider of home sales statistics), and the U.S. Census Bureau. The data focus on current and historical economic conditions related to unemployment, taxable retail sales, home prices and residential building permits.

Table A-2. Economic Conditions, Summary	
Data type	Analysis
Unemployment, 2011-16	As anticipated, following the recent economic recovery, unemployment rates have steadily fallen since 2011. The most recent Escondido unemployment rate (4.7%), as of 2016, is identical to the County rate and below the State’s (5.4%).
Taxable Retail Sales, 2010-15	The City of Escondido had the highest per capita retail sales compared to evaluated geographies in 2010 and 2015. This is not a surprising finding given the presence of the Westfield North County mall and the Escondido Auto Park, which “import” retail sales from outside of the City. In addition, per capita retail sales increased by a healthy 22.0% in Escondido over this period, which was much higher than the other three geographies.
Home Values, 07/2016 and 07/2017 (1)	Based on the most recent data, only the cities of Carlsbad (\$800,000) and San Marcos (\$570,000) had median sales prices above the County average (\$537,750). Oceanside was the only city not to experience an increase in median sales prices between July, 2016 and July, 2017. During this period, median sales prices in Escondido increased by a healthy 12.8%, well above the Countywide increase of 8.6%, and second only to San Marcos (+16.3%) among the competitive set of cities.
Residential Building Permits, 2006-2016	The five North County cities all experienced a significant reduction in the number of residential building permits over the 2006-2009 period. In Escondido, the drop off in residential building activity continued through 2012. However, in the subsequent four-year period (through 2016), the City saw a gradual, sustained increase in permit activity. Other North County cities – especially Oceanside and San Marcos – have experienced more variability in building permit activity over the most recent four- to five-year period.

Background

Data type	Analysis
Employment, by Industry (2-digit NAICS), 2015 (2)	<p>In terms of concentration of industry employment, Escondido is heavily represented in the Retail Trade industry, which accounts for 17.1% of total employment in the City. In total, the top four industries (Retail Trade, Construction, Health Care and Social Assistance, and Educational Services) account for more than one-half (54.7%) of total employment in the City. Relative to the other geographies, Escondido had the largest shares of employment in the Retail Trade, Educational Services, and Construction industries.</p> <p>The City had the smallest shares of employment in the Arts, Entertainment, and Recreation; Management of Companies and Enterprises; Professional, Scientific, and Technical Services; Real Estate and Rental and Leasing; Information; Transportation and Warehousing; Wholesale Trade; and Manufacturing industries compared to the other geographies. Compared to the County, Escondido has a much smaller share of employees in the relatively high-paying Professional, Scientific, and Technical Services industry – 5.4% compared to 10.2%. The biggest industry difference between the City and the North County area is in Manufacturing, which accounts for 13.2% of employment in the North County versus 6.7% in Escondido.</p>
Employment by Industry (2-digit NAICS), 2010-2015 Comparison (2)	<p>Escondido added more than 2,600 jobs during the 2010-15 period, growing at a 6.2% rate. However, all three other geographies added jobs at a faster rate during this period – between 8.3% and 11.3%. Job gains in Escondido were concentrated in the Construction industry, with the 1,955 new jobs in this industry accounting for close to three-fourths (73.4%) of the total job gain. Educational Services added 571 jobs in the City, increasing at a 12.9% rate. In contrast, North County’s jobs in this industry grew at a slower rate (+4.6%), while the County and the State experienced declines (-2.9% and -0.3%, respectively).</p> <p>In terms of declining industries, the City lost the largest absolute number of jobs in Other Services (-574), while the Management of Companies and Enterprises (-48.2%) and Information (-37.0%) sectors saw the most significant percentage decreases in employment. Escondido also lost a significant number of jobs in Wholesale Trade (-227) and Administrative and Support, Waste Management and Remediation industries (-295). In contrast, all three of the other geographies added jobs in these industries during this period.</p>
Wages, 2015 (2)	<p>Escondido has the highest concentration of jobs with monthly earnings of \$1,250 or less (24.3%). In addition, 38% of Escondido jobs have monthly earnings of more than \$3,333, which is well below the County (44.9%) and State (44.3%) shares.</p>
Work Inflow-Outflow Patterns, 2015 (2)(3)	<p>In terms of in-area labor force efficiency, close to one-fifth (19%) of Escondido residents in the labor force also work within the City. Only Carlsbad (22.8%), among the remaining North County cities, has a higher measure of labor force efficiency.</p> <p>For in-area employment efficiency, approximately one-fourth (25.3%) of those employed in Escondido also live in the City. Only Oceanside (29.0%), among the remaining North County cities, has a higher measure of employment efficiency.</p>



Background

- (1) Data are not available for the aggregated North County area, so the figures (in Appendix A) show data for the individual cities in this area, in addition to home price data for the south Riverside County cities of Temecula and Murrieta to provide additional context.
- (2) Data are provided U.S. Census Bureau's Local Employment Dynamics (LED) series, which provides the only official government source of industry employment data at the city level of geography.
- (3) This section examines work in-flow and out-flow patterns of residents and employees in the cities in the North County area based on the measures of labor force efficiency and employment efficiency. The concept of labor force efficiency measures the share of an area's labor force employed within the same area.

ESCONDIDO COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

B. Analysis of Economic Development Opportunities

B.1. Escondido Target Industry Cluster Analysis

B.1.1. Introduction

A core component of the CEDS Implementation Plan is a **Business Retention/Expansion/Attraction** program focused on creating jobs in industries that have the most promising growth potentials in the local economy. The Target Industry Analysis report, completed as part of the original (2012-2013) CEDS process, identified an initial list of industry “clusters” suitable as development targets for Escondido. As part of the current (2017) CEDS update, the list of target clusters has been refined and prioritized based on updated industry analysis and input from the CEDS Committee.

What is an industry “cluster”?

“Industry targeting” has long been a part of the economic development vocabulary. Over time the practice of targeting specific industries has evolved from a focus on individual sectors to a focus on **closely related groups of industries** or “clusters.” In either case, the concept of targeting responds to one of the most fundamental needs of economic development organizations—the need to focus marketing and other investments on industries that offer realistic promise for creating quality economic growth in a particular geographic area, based on a comprehensive assessment of the area’s comparative advantages.

Whereas the objective of a targeted industry study is to identify *individual* industries that are likely to be key “engines” of economic growth in a region, a full-fledged cluster study takes the process a few steps further by identifying *linked* industries whose growth potentials are likely to be closely aligned with expansion of the “engine” sectors. **A local example of a cluster is tourism. Whereas the San Diego Zoo Safari Park is a major “engine” that attracts visitors to the area, it helps to support a cluster of linked businesses including restaurants, hotels, etc.**

B.1.2. Update of Target Clusters Analysis

Provided below is an updated review of important industry clusters in Escondido. Starting with the target clusters identified in the previous (2013) CEDS, the current analysis provides updated cluster data based on information from the San Diego Regional Economic Development Corporation (EDC), the San

Analysis of Economic Development Opportunities

Diego North Economic Development Council (EDC), and the U.S. Cluster Mapping Project³. Table B-1, below, provides a list of 16 target clusters identified in the 2013 CEDS. As part of that study, the analysis focused on two groups of potential targets:

1. Industries/clusters that are established core strengths in Escondido, and thus represent appropriate targets for a retention/expansion focus; and
2. Industries/clusters that, although not specifically well represented in the City, are strong in the larger North County area. This group represents industries that could potentially be attracted to the City based on their existing attraction to the larger region.

Based on the updated research and stakeholder input for the 2017 CEDS process, the City has established a new list of high-priority clusters for retention/expansion/attraction in Escondido. The six high-priority clusters are identified with a checkmark in Table B-1 below.

³ As excerpted from the website: “The U.S. Cluster Mapping Project is a national economic initiative that provides over 50 million open data records on industry clusters and regional business environments in the United States to promote economic growth and national competitiveness. The project is led by Harvard Business School’s Institute for Strategy and Competitiveness in partnership with the U.S. Department of Commerce and U.S. Economic Development Administration.”

Analysis of Economic Development Opportunities

Table B-1. CEDS Target Clusters		
Industry Cluster, in priority rank order	Recommended Strategic Focus	High Priority Clusters
<i>Action Sports</i>	Attraction	
<i>Advanced Precision Mfg.</i>	Attraction	
<i>Agribusiness & Ag-Tech</i>	Retention/Expansion	✓
<i>Business and Professional Services</i>	Retention/Expansion	
<i>Cleantech</i>	Attraction	✓
<i>Culture, Entertainment & Tourism</i>	Retention/Expansion	✓
<i>Defense-related Manufacturing</i>	Attraction	
<i>Education & Knowledge Creation</i>	Retention/Expansion	
<i>Elderly Care Services</i>	Retention/Expansion	
<i>Energy Generation</i>	Retention/Expansion	
<i>Hospitals and Healthcare</i>	Retention/Expansion	✓
<i>Information, Communications, Technology</i>	Attraction	✓
<i>Medical Devices</i>	Attraction	
<i>Pharmaceuticals</i>	Attraction	
<i>Retail Trade</i>	Retention/Expansion	
<i>Specialty Foods and Beverages</i>	Retention/Expansion	✓

Source: The Natelson Dale Group, Inc. (TNDG).

Table B-2, on the following page, provides a summary matrix table of the 16 target clusters identified in the 2013 CEDS, along with updated data reflecting the current status of each cluster. For each cluster, the table provides the most recent information available from the following three sources: 1) San Diego Regional EDC, 2) San Diego North EDC, and 3) the U.S. Cluster Mapping Project. As shown on the table, the San Diego Regional EDC column provides the most recent County cluster employment and wage data (when available), along with additional key features associated with each cluster. The corresponding clusters in the San Diego North column are part of that organization’s “Key Industry Clusters”, as listed on its website. For the U.S. Cluster Mapping project, clusters identified as “strong clusters” are included on the table. These are clusters with a high employment specialization in San Diego County (not specifically Escondido).

Along with the target clusters identified in Table B-2, below, the San Diego Regional EDC also has also profiled the Cybersecurity industry, given its favorable growth prospects in San Diego County. The most recent estimates indicate that the industry accounts for about 7,620 jobs in the County. The County’s United States Navy Space and Naval Warfare Systems Command (SPAWAR) is a key foundational element to this industry, employing close to 3,400 cybersecurity professionals. Reflecting this industry’s growth potential, the University of San Diego and California State University San Marcos have launched new cybersecurity masters programs.

Table B-2. Updated Summary of CEDS Target Clusters

Clusters in 2013 CEDS	San Diego Regional EDC (Target Clusters/Industries)	San Diego North EDC (Key Clusters)	U.S. Cluster Mapping Project (Strong Clusters in SD County ¹)
Action Sports Manufacturing	<i>Manufacturing, 105,782 jobs</i> in 2016; sixth highest paying cluster in region – \$81,180 average wage	Innovation and Specialized Manufacturing	
Advanced Precision Manufacturing	<i>Manufacturing, 105,782 jobs</i> in 2016; sixth highest paying cluster in region – \$81,180 average wage	Innovation and Specialized Manufacturing	
Agribusiness and Ag-Tech			
Business and Professional Services			Marketing, Design, and Publishing
Cleantech ²	<i>Cleantech, ≈10,000 jobs</i> in 2014; support for an additional 11,287 jobs ; top location for research and development in engineering, life sciences and biotechnology - critical to the success of the cleantech cluster	Cleantech	
Culture, Entertainment, and Tourism ²	<i>Tourism, 158,000 jobs</i> in 2014; one of the top visitor and convention destinations in the world	Connected Tourism and Agriculture	Hospitality and Tourism
Defense Related Manufacturing	<i>Aerospace, Navigation, Maritime Technologies</i> , account for significant portion of Defense-related jobs – 33,400 jobs in 2014; 2016, \$8.6 billion in procurement contracts was projected to flow into San Diego (2 nd most county in U.S.)	Innovation and Specialized Manufacturing	Aerospace Vehicles and Defense Water Transportation
Education and Knowledge Creation ²	<i>Research Institutions; independent research institutions and university research centers</i> provided 18,090 jobs in the region in 2015; 37,260	Education	Education and Knowledge Creation

Analysis of Economic Development Opportunities

Clusters in 2013 CEDS	San Diego Regional EDC (Target Clusters/Industries)	San Diego North EDC (Key Clusters)	U.S. Cluster Mapping Project (Strong Clusters in SD County ¹)
	jobs accounting for direct, indirect, and induced jobs.		
Elderly Care Services			
Energy Generation			
Hospitals and Healthcare ²	<i>Healthcare</i> ; 25 hospitals, 26,000 unique healthcare and social assistance establishments; 140,000+ jobs		
Information, Technology, and Communications	<i>Technology</i> , 68,825 jobs , 3,270 companies; home to a number of innovative and evolving sectors, including telecommunications, cybersecurity, connected devices, data analytics, health IT, bioinformatics, gaming and software as a service (SaaS); nearly 50% of San Diego's total VC investment was in software and related industries in 2015.	Information, Communications, and Technologies (ICT)	Information Technology and Analytical Instruments Communications Equipment and Services
Medical Devices	<i>Medical Devices</i> , classified under Life Sciences cluster; 11,700 jobs , 305 establishments	Biomedical Devices and Products	Medical Devices
Pharmaceuticals	<i>Life Sciences</i> , two segments: 1) biomedical devices and products, 2) biotechnology and pharmaceuticals; 35,300 jobs in 2014; 1,100+ life sciences companies	Biotechnology and Pharmaceuticals	Biopharmaceuticals
Retail Trade			
Specialty Foods and Beverages ²	<i>Craft Goods</i> , 105,782 jobs 2016. This cluster includes <i>Craft Beer</i> , 1,715 jobs in 2016, which experienced 418% employment growth since 2010. 130+ breweries - one of the most	Connected Tourism and Agriculture	

Analysis of Economic Development Opportunities

Clusters in 2013 CEDS	San Diego Regional EDC (Target Clusters/Industries)	San Diego North EDC (Key Clusters)	U.S. Cluster Mapping Project (Strong Clusters in SD County ¹)
	concentrated regions for craft brewing in the country		
(Not evaluated in 2013 CEDS study)	<i>Cybersecurity</i> , 7,620 jobs in 2016; significant economic impact - accounting for the total direct, indirect and induced impacts, cybersecurity activities generate more than \$1.9 billion in GDP and impact 16,580 jobs every year		

Sources: San Diego Regional EDC; North San Diego EDC; U.S. Cluster Mapping Project; TNDG.

ESCONDIDO COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDDS)

C. CEDS Goals and Strategies

C.1. CEDS Goals

Based on direction from the CEDS Committee, five major goals have been established for this CEDS:

1. Create new jobs through business retention/expansion/attraction
2. Expand City's tax base
3. Improve Escondido residents' employment opportunities; upgrade workforce preparedness
4. Improve Escondido's amenities as a residential community (residential quality of life)
5. Continue to consistently convey a message to the business/development community that the City of Escondido is "ready for business"

Note that these goals have varying implications in terms of the internalization of activities with the City. For example, for expanding the City's tax base, new businesses and development should occur within the City limits; while job creation can occur outside the City and still be beneficial to Escondido residents. Data in the *Market Overview* report for this project indicate that cross-commuting is common among all North County cities, including Escondido. Ideally, jobs created at locations outside the City will be in close proximity. In this regard, the jobs-rich community of Rancho Bernardo, immediately adjacent to Escondido, can be viewed as part of Escondido's job base, and therefore a relatively advantageous location for new employment.

C.2. CEDS Strategies

The CEDS goals will be addressed through eight major strategy categories:

1. Expand City's organizational capacity for economic development
2. Leverage recent/forthcoming development and investment to attract new businesses and visitors to the City
3. Continue efforts to developed reclaimed water for agriculture and other economic development purposes
4. Expand and focus economic development marketing efforts
5. Continue focus on downtown revitalization
6. Ensure that the City's development/permitting process is timely and business friendly
7. Expand athletic/recreational/environmental amenities, consistent with and in coordination with relevant policies from the City's General Plan
8. Focus existing relationships with primary/secondary schools and higher education institutions to ensure adequate pipeline of skilled workers

ESCONDIDO COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

D. Community and Private Sector Participation

D.1. Overview of Community Participation Approach

Community participation is an essential element of preparing a Comprehensive Economic Development Strategy (CEDS). Escondido's CEDS process included the following community outreach components:

- The City of Escondido appointed a 36-member CEDS Committee to oversee the process and to provide a direct link to the private sector business community. The roles and composition of the CEDS Committee are described in greater detail below.
- As one of the tasks in the work plan for the updated CEDS, the consultant conducted interviews with all five members of the Escondido City Council on July 10, 2017. A summary of the interviews is provided in Appendix D. The interviews focused on six topics:
 - Overview of the CEDS update process
 - Economic development progress since 2012 (when the previous CEDS was prepared)
 - Highest priorities for economic development
 - Projects or programs the Council members would like to propose
 - Target industries
 - Key sites / business districts

D.2. CEDS Committee Role and Composition

The CEDS Committee members completed an online survey and participated in two workshop-type meetings during the CEDS development process:

Community and Private Sector Participation

- An online survey consisting of 16 questions which focused on the following topics⁴:
 - Escondido’s economic development setting
 - Prioritization of targeted industry clusters
 - Prioritization of major strategic goals
 - Prioritization of geographic subareas within the City
- CEDS Committee meeting #1 (August 15, 2017). During this meeting the CEDS consultants presented information on 1) the updated Action Plan Matrix (based on input from City staff), 2) target industry clusters, and 3) a summary of the online survey findings.
- CEDS Committee meeting #2 (September 19, 2017). During this meeting, the CEDS consultants presented a summary of the Target Industry Analysis (which had been distributed to the Committee prior to the meeting) and provided a preliminary outline of CEDS goals and strategies. The consultants then facilitated a “real-time voting” exercise (using mobile phone/tablet devices) that enabled the Committee members to prioritize the targeted industry clusters and the preliminary list of CEDS strategies. A summary of meeting #2, including voting results, is provided in Appendix F.

A listing of the CEDS Committee members is provided as Appendix F. Consistent with EDA requirements; a majority of the 36 Committee members represent the private sector business community. In particular, the Committee includes executives of 14 individual businesses and seven business organizations:

- El Mercado Business Association;
- San Diego County Farm Bureau;
- Escondido Downtown Business Association;
- Escondido Chamber of Commerce;
- North San Diego County Association of Realtors;
- San Diego Regional Economic Development Corporation;
- San Diego North Economic Development Council.

The Committee also includes the following workforce-related and institutional representatives:

- Palomar Health;
- California Center for the Arts, Escondido;
- North County Transit District;
- Interfaith Community Services;
- Community Colleges – Centers of Excellence.

In addition, key City staff (from the City Manager’s Office, City Attorney’s Office, Utilities Department, Engineering Services, Community Development, and Police Department) attended the CEDS meetings in a technical advisory capacity.

⁴ The online survey was completed by CEDS committee members in July, 2017.

ESCONDIDO COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

E. Strategic Projects, Programs and Activities

A key function of the Comprehensive Economic Development Strategy (CEDS) is to identify and prioritize economic development projects that may be eligible for infrastructure grants from the Economic Development Administration (EDA). As indicated in the most recent EDA Announcement of Federal Funding Opportunity (FFO), the types of projects eligible for this category of grant funding for the Public Works program include the following: *“catalytic investments to help distressed communities build, design, or engineer critical infrastructure and facilities that will help implement regional development strategies and advance bottom-up economic development goals to promote regional prosperity”*.⁵

The list of potential candidate projects for EDA funding is summarized on Table E-1 and detailed in Appendix E. The project information is from the following sources:

- The City’s previous (2013) CEDS, incorporating information from:
 - *Five-Year Capital Improvement Program*
 - *Budget, FYs 2011/12 – 2015/16*
 - Interviews with key City staff

- Updated 2017 project information from City staff in the Utilities and Engineering Services Departments

Projects included on the CEDS list have been screened so as only to include projects that are likely to meet EDA’s funding criteria (e.g., projects that have the potential to create or retain significant numbers of jobs). The indicated priority levels reflect the degree to which individual projects are likely to match EDA criteria, and are not intended to supersede priorities within the currently approved Capital Improvement Plan.

Prior to commencing physical improvements associated with any CEDS project, appropriate environmental review will be conducted in compliance with state and federal regulations. It should be noted that use of EDA funds would trigger NEPA requirements, which would add considerably to the processing time and expense for environmental clearance.

⁵ EDA, Announcement of Federal Funding Opportunity - Public Works and Economic Adjustment Assistance Programs, FY 2017. <https://www.eda.gov/funding-opportunities/>.

Strategic Projects, Programs and Activities

Table E-1. Infrastructure Projects Potentially Eligible for EDA Grant Funding

Priority	Project/Type	Project Total Cost	Located in Distressed Areas
LOW	Lindley Reservoir Replacement WATER UTILITIES	\$4,200,000	N
MEDIUM ¹	Traffic Signals and Intersections STREETS	\$1,630,325	Y
MEDIUM	Valley Boulevard Relocation (Old Hospital Site/Downtown) STREETS	\$3,855,000	Y
LOW	Lift Station No. 1 and Force Main WASTEWATER UTILITIES	\$9,300,000	N
LOW	Lift Station No. 8 Relocation WASTEWATER UTILITIES	\$3,850,000	N
HIGH (Phase 2)	Recycled Water Easterly Main Trunk and Pump Station WASTEWATER UTILITIES	\$10,300,000	Y
LOW	Water Treatment Plant - Upgrades WATER UTILITIES	\$4,200,000	Y
HIGH	Citracado Parkway Extension STREETS	\$15,270,750+	N
HIGH ²	Street & Water/Sewer Improvements for Proposed Downtown Business Park Development Area STREETS	TBD	N (directly adjacent to area)
LOW	Various Escondido Creek Trail Improvements COMMUNITY SERVICES	TBD	Y
HIGH ³	"Advanced Water Treatment Plant" WASTEWATER UTILITIES	\$29,000,000+	Y
HIGH ³	"Advanced Water Treatment Plant (Expansion for Drinking Water)" WASTEWATER UTILITIES	\$20,000,000+	Y
?	Recycled Water Distribution System WASTEWATER UTILITIES	\$20,000,000+	N
?	HARRF Improvements WASTEWATER UTILITIES	\$45,000,000	N
?	San Pasqual Undergrounding WATER UTILITIES	\$15,000,00	N
?	Wohlford Dam WATER UTILITIES	\$48,000,000	Y
?	Library Relocation COMMUNITY SERVICES	?	?
?	Grape Day Park Expansion COMMUNITY SERVICES	?	Y
?	Public Works Yard Relocation ?	\$57,000,000	N

1. Priority areas: Centre City Parkway and Mission Avenue
2. Additional areas: Felicita / I-15 and El Norte /I-15
3. Longer-term priority, however, due to regulatory issues

ESCONDIDO COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDDS)

F. CEDS Implementation Plan

F.1. Implementation Plan Elements

The CEDS Implementation Plan can be characterized in terms of three major themes or categories of action items:

1. Expanding the City’s organizational capacity to carry out economic development initiatives. These foundational actions include:
 - a. Continue to support new City staff positions dedicated to economic development
 - b. Continue to leverage partnerships/alliances with private and regional organizations
 - c. Continue to leverage focused, systematic support from local business leaders and elected officials
2. “Core” economic development programs focused on creating jobs and expanding the City’s tax base. These activities include:
 - a. Building on the addition of the City’s full-time Communications Officer, continue to expand and focus existing economic development marketing efforts, including regular communication and interaction with key partners (e.g., real estate brokers and developers) to convey a consistent message that Escondido is business friendly and development ready
 - b. Implement a target industry marketing program to attract new firms in high-priority clusters
 - c. Continue efforts to develop reclaimed water for agriculture and other economic development purposes, including the City’s current “purple pipe” project (bringing reclaimed water to agriculture customers in the eastern end)
 - d. Following from the Downtown Specific Plan, continue the focus on redevelopment projects in the Downtown, including potential incentives to attract new businesses (e.g., façade improvement grants, fee deferrals, waivers, etc.)
3. “Support” activities that will serve to enhance the City’s overall attractiveness to prospective businesses and their employees. These include:

CEDS Implementation Plan

- a. Continue City’s commitment to development processing that is timely and business friendly, as evidenced by the “Getting to Yes” philosophy instituted in relevant departments and regular meetings between Community Development staff and the Building Industry Association on entitlement process-related issues
- b. Pursue projects aimed at improving the City’s residential quality of life, including expanding athletic, recreational, and other environmental amenities (recent examples include City approved funding for improvements at Kit Carson and Washington parks)
- c. Continue focused coordination on educational and workforce development issues (e.g., industry/employer roundtables sponsored by the Innovate 78 partnership)

The industry-specific business retention/expansion/attraction program will focus on the high priority industry clusters identified during the updated CEDS process. A minimum of two-thirds of CEDS Committee members identified the following clusters as high priority City targets⁶:

- Agribusiness and Ag-Tech
- *Cleantech*
- *Culture, Entertainment, and Tourism*
- *Hospitals and Healthcare*
- Information, Communications, Technology
- *Specialty Foods and Beverages*

⁶ *Italicized* clusters represent high priority clusters identified in the previous (2013) CEDS and re-affirmed as high-priorities in the updated CEDS; non-italicized clusters have been newly identified as high priorities.



CEDS Implementation Plan

The Implementation Plan is summarized on Table F-1 below. For each of the eight major strategy categories, detailed action items are listed along with the recommended priority level for each item.

The dollar amounts indicated in the Cost Implication column represent general estimates of the potential net new City costs associated with implementing key action items. For items where the cost implication is noted as “N/A”, no significant new costs are anticipated (i.e., it is assumed that these efforts would be included within the workloads of existing City staff).

CEDS Implementation Plan

Table F-1. Implementation Plan Table

CEDS Strategy Item	Action Item	Priority Level
<p>1. Expand City's organizational capacity for economic development</p> <p><i>Relevant City Accomplishments in Past 5 Years:</i></p> <ul style="list-style-type: none"> • Currently, the City has a full time Economic Development Manager and a half time Management Analyst focused on business attraction, retention and expansion. • Additionally, the City's full time Communications Officer and half time Management Analyst focus on special events. The number of special events taking place in Escondido has increased significantly over the last five years. • Regular communication/interaction with the business community includes a monthly e-newsletter, regular business visits (often including elected officials), an annual Business Walk, and ongoing promotion of the business ombudsman service. 	a. Explore options for expanding in-house and/or contract staffing capacity for City's economic development functions	Medium
	b. Expand active promotion of the City's business ombudsman services	High
	c. In partnership with the Escondido Chamber of Commerce, establish volunteer corps of local Business Ambassadors to help promote Escondido	Medium
	d. Continue to leverage City's partnerships/alliances with private and regional organizations (e.g., the Innovate 78 partnership)*	High
	e. Continue City's active communication/interaction with the business community (including monthly e-newsletter and business visits by City staff and elected officials)	High
	f. Improve "front counter" experience of individuals who come to City Hall to inquire about starting or relocating a business*	High
	g. Improve online presence of City's economic development program*	High
	h. Install kiosk in City Hall lobby with educational video about business / economic development opportunities in Escondido	Low
	i. Investigate options for expanding City's business retention efforts (including implementation of formal business retention survey process, expanded use of the Business Walk program, and more proactive use of the City's ombudsman function)	Medium

CEEDS Implementation Plan

CEEDS Strategy Item	Action Item	Priority Level
<p>2. Leverage recent/ forthcoming development and investment to attract new businesses and visitors to the City</p>	<p>a. Continue to coordinate with the development community to proactively anticipate major projects and related “spinoff” opportunities*</p>	<p>High</p>
<p><u>Relevant City Accomplishments in Past 5 Years:</u></p> <ul style="list-style-type: none"> Palomar Hospital has spurred medical-related development in the Escondido Research and Technology Center (ERTC), including the Makena Medical Center and two new medical professional buildings currently under construction. Westfield North County has added several new restaurants, including Black Angus and Cheesecake Factory. Additionally, the regional mall added a 24-Hour Fitness and is planning to add an upscale movie theater. Stone Brewing expanded their production capacity by adding a 59,000 SF packaging hall across the street from their main headquarters in the ERTC. They have risen to become the third most popular tourist destination in North San Diego County (behind Legoland in Carlsbad and the San Diego Zoo Safari Park). An annual brochure debuts each February at the Mayor’s State of the City Address promoting new development in Escondido, in addition to a promotional video produced each year highlighting major completed 	<p>b. Continue to coordinate with Palomar Health to maximize spinoff opportunities (within the Escondido Research and Technology Center) related to the new Palomar Hospital</p>	<p>High</p>
	<p>c. Coordinate with Palomar Health to identify maximize redevelopment/reuse potential of former Palomar Hospital site (vacated when the hospital relocated and currently for sale)</p>	<p>High</p>
	<p>d. Continue to coordinate with Westfield Group to identify specific opportunities to link the City’s marketing, retail tenant recruitment and tourism promotion activities to Westfield’s efforts to maintain the long-term strength of Westfield North County mall</p>	<p>Medium</p>
	<p>e. Continue to coordinate with Stone Brewing Co. to identify specific opportunities to link the recent brewery expansion and related hotel development to City initiatives to promote the Specialty Food/Beverage and Culture/Entertainment/Tourism industries</p>	<p>High</p>
	<p>f. As part of overall marketing of Escondido, specifically leverage the new/forthcoming hotel development projects to attract additional hotels</p>	<p>Medium</p>
	<p>g. Leverage the presence of notable regionally-significant businesses, educational institutions and cultural facilities (e.g., Stone Brewing Company, Vintana, John Paul the Great Catholic University, California Center for the Arts)*</p>	<p>High</p>
	<p>h. Continue to incorporate information about development and investment initiatives, both public and private, into marketing materials and campaigns for the City</p>	<p>Medium</p>

CEDS Implementation Plan

CEDS Strategy Item	Action Item	Priority Level
projects.	i. Continue to support pre-development and marketing efforts for subareas identified in the General Plan as target development areas	High
	j. Explore annexation of unincorporated county land that could expand development opportunities	Low
<p>3. Continue efforts to develop reclaimed water for agriculture and other economic development purposes</p> <p><u>Relevant City Accomplishments in Past 5 Years:</u></p> <ul style="list-style-type: none"> The City’s Utilities Department worked closely with EGAP (Escondido Growers for Agricultural Preservation) to develop a plan for using reclaimed water for agriculture. The project is underway to lay miles of “purple pipe” to bring reclaimed water to the east end of the City where agriculture customers are concentrated. The Utilities Department worked collaboratively with Economic Development and local breweries on a tiered system for calculating wastewater fees for wineries and breweries. This system provides more simplicity and certainty for new wineries and breweries wishing to locate in Escondido, given the special constraints on the capacity of Escondido’s wastewater processing facility. 	a. Continue to work closely with Escondido Growers for Agricultural Preservation (EGAP) to fully implement plan to install miles of “purple pipe” to bring reclaimed water to the east end of the City where agricultural customers are concentrated	High
	b. Leverage the ongoing investment in reclaimed water infrastructure by officially designating agriculture as a “priority” industry cluster in the CEDS	High
	c. Given California’s vulnerability to severe droughts, promote the City’s investment in water infrastructure as a strategic advantage for a range of business types (i.e., in addition to agriculture and viticulture, which were the original focus of this strategy)*	High
	d. Continue to monitor the competitiveness of the City’s newly-established tiered system for calculating wastewater fees for wineries and breweries, and actively publicize this system as part of efforts to attract additional beer/wine producers	Medium
	e. Incorporate incentives for water conservation in water pricing schedule	Medium
	f. Continue to integrate all wine and craft beer industry development strategies with tourism, identity and image for the City, and overall support for and marketing of the Food and Beverage cluster*	High
	g. Link this strategy to a larger agritourism initiative (which has	High

CEDS Implementation Plan

CEDS Strategy Item	Action Item	Priority Level
<ul style="list-style-type: none"> The City’s wine industry has grown from just a few wineries in Escondido’s unincorporated area to 15+ wineries, including two urban wineries in the industrial area and the revitalization of a historic winery in a residential neighborhood. Additionally, the City hosts an annual tasting event to showcase Escondido wineries. 	<p>broader potentials than the current focus on beer and wine)</p>	
<p>4. Expand and focus economic development marketing efforts</p> <p><u>Relevant City Accomplishments in Past 5 Years:</u></p> <ul style="list-style-type: none"> In December 2016, the City designated a full time Communications Officer. Economic Development staff will work with this individual to develop targeted marketing packages using multiple communications channels (website, social media, print collateral, etc.) 	<p>a. Coordinate with the City’s Communications Officer to implement an economic development marketing program via multiple communication channels (website, social media, print collateral, etc.)</p> <p>b. Continue to improve coordination of City’s public relations efforts and the consistency of “messaging” across City departments</p> <p>c. Implement target industry marketing program to attract new firms in high-priority clusters*</p> <p>d. Where appropriate, integrate local marketing efforts/resources with regional marketing (through the successful Innovate 78 partnership and other regional organizations)*</p> <p>e. As part of Business Ambassador program (see Action Item 1c), create video testimonials featuring prominent local business people promoting the City’s business friendliness and development opportunities</p> <p>f. Maintain regular communications with commercial/industrial and residential real estate brokers and developers to convey a consistent message that Escondido is business friendly and development ready*</p>	<p>Medium</p> <p>Medium</p> <p>High</p> <p>High</p> <p>Low</p> <p>High</p>

CEDS Implementation Plan

CEDS Strategy Item	Action Item	Priority Level
	g. Promote Escondido as a place to live*	High
	h. Coordinate with City’s Tourism & Marketing Administrator to expand promotion of Escondido as a destination for tourism	High
	i. Continue to provide City’s Special Events Coordinator with sufficient resources to expand attraction of visitors/shoppers to Escondido through special events promotion	High
	j. The Innovate 78 regional collaborative launched www.innovate78.com in 2015 and has increased visibility of the brand since then through a targeted marketing strategy	
<p>5. Continue focus on downtown revitalization <i>Relevant City Accomplishments in Past 5 Years:</i></p> <ul style="list-style-type: none"> Approval of the Downtown Specific Plan (which allows for much higher density than the previous specific plan). Downtown is also a major focus for redevelopment. In 2014, Council approved a Conditional Use Permit for John Paul the Great Catholic University to locate their main campus on Grand Avenue in the heart of Downtown. JP Catholic has subsequently purchased additional properties and its presence Downtown has been met with positive feedback from Downtown businesses. There are several new multifamily residential projects approved or close to approved in the Downtown Specific Plan area. 	a. Conduct needs assessment for (and strategically invest in) critical downtown infrastructure (e.g., parking)*	High
	b. Offer small business training programs to improve survival/retention rate of downtown businesses	Low
	c. Expand cleanup and maintenance efforts	Medium
	d. Increase resources directed at addressing homelessness and related impacts to downtown business environment*	High
	e. Offer incentives to attract new businesses (e.g. façade improvements grants, fee deferrals/waivers, etc.)*	High
	f. Work with landlords to recruit temporary/seasonal tenants to fill vacant storefronts until permanent tenants can be attracted	Low
	g. Create strategic partnerships with downtown residential developers	High
	h. In 2013, the City hired a Tourism Administrator and sited a Visitors Bureau on Grand Avenue, focusing special attention on downtown tourism	

CEDS Implementation Plan

CEDS Strategy Item	Action Item	Priority Level
	i. In 2015, the Escondido Police Department established Community Oriented Policing	
<p>6. Ensure that City's development/permit processing is timely and business friendly</p> <p><u>Relevant City Accomplishments in Past 5 Years:</u></p> <ul style="list-style-type: none"> The City of Escondido's Community Development Department has instated a "Get to Yes" philosophy on new projects that benefit the community. A weekly Staff Development Committee meeting is held consisting of staff from all departments related to new development (Planning, Building, Engineering, Economic Development, Utilities, Fire, etc.) Streamlined processes are in place to get quality projects approved faster. Community Development staff conducted several meetings with the Building Industry Association to get feedback on challenges with the entitlement process and adjust accordingly. 	a. Continue to improve and actively promote the "Getting to Yes" policy as the centerpiece of the City's business friendliness / development readiness initiative*	High
	b. Continue weekly Staff Development Committee meetings (consisting of staff from all departments related to new development – Planning, Building, Engineering, Economic Development, Utilities, Fire, etc.) to ensure timely processing of all development projects and identify additional opportunities to streamline approval procedures*	High
	c. Improve accuracy of projecting the timeframe for project approvals (i.e., give applicants a realistic estimate of how long the process will take)	Medium
	d. Continue to promote City's fee deferral policy (http://www.escondido.org/fee-deferral-policy.aspx)	High
	e. Continue to meet regularly with Building Industry Association (BIA) to get feedback on challenges with the City's entitlement/approval/permitting processes and make adjustments as needed	Medium
	f. Actively utilize the City's ombudsman function (see Action Item 1b) to provide an "advocate" for businesses and development projects going through the approval/permitting process	Medium
	g. Improve utilization of City's systems for tracking permit processing times (so that available databases can be fully integrated with above action items)*	High

CEDS Implementation Plan

CEDS Strategy Item	Action Item	Priority Level
	h. Move toward automated (online) processing of permits*	High
<p>7. Expand athletic / recreational / environmental amenities, consistent with and in coordination with the relevant policies from the City's General Plan</p> <p><u>Relevant City Accomplishments in Past 5 Years:</u></p> <ul style="list-style-type: none"> Funding has been approved for improvements at the Kit Carson Park playground, for a master plan for the KCP sports fields and for repurposing the tennis courts at Washington Park. SANDAG Active Transportation funding was recently awarded in 2016 for completion of the Missing Link of the Bicycle Master Plan that connects the Transit Station to the Creek Trail at Broadway based on a competitive grant (\$1,092,000). 	<p>a. Undertake an updated review of both the existing stock (and imminently planned improvements) of parks and recreation facilities and those included within the General Plan, Community Health Services element, and assess the extent to which existing and future facilities meet the standards outlined in the General Plan Update. The assessment can address costs, revenue sources, and, either in general or in detail, the value added to parts of the community where these facilities exist or will be developed</p>	Medium
	b. As funds become available, complete sections of Escondido Creek Trail Master Plan	Low
	c. Support implementation of Grape Day Park Master Plan (including new library) as an integral component of Escondido's placemaking efforts	High
	d. Actively integrate new/forthcoming facilities into economic development marketing efforts (forthcoming improvements include Kit Carson Park playground and sports fields; repurposing the tennis courts at Washington Park; and completion of the Missing Link of the Bicycle Master Plan that will connect the Transit Station to the Creek Trail at Broadway)*	High
	e. Investigate potentials for additional major facilities suggested by the CEDS Committee: soccer complex and new tennis center	Low
<p>8. Focus existing relationships with primary/secondary schools and higher education institutions to ensure adequate pipeline of skilled workers</p>	<p>a. Continue outreach to local employers to identify workforce development needs and opportunities (e.g., through the industry/employer roundtables sponsored by the Innovate 78 partnership)</p>	High

CEDS Implementation Plan

CEDS Strategy Item	Action Item	Priority Level
<p><i>Relevant City Accomplishments in Past 5 Years:</i></p> <ul style="list-style-type: none"> Establishment of an education task force was put on hold; however, the City maintains a good working relationship with school district superintendents. Del Lago Academy Campus of Applied Science, a STEAM focused high school, opened in 2013. 	b. Interface with education system (at all levels) to expand training capacity in areas in which gaps have been identified	High
	c. Establish, as appropriate, and monitor ongoing collaborative efforts such as STEM (Science, Technology, Engineering, and Mathematics) programs	Medium

Note: *indicates action item received very strong support (75%+ identified as high-priority) in CEDS committee poll.

Matrix of Recommended Lead and Other Participating Organizations

The matrix below indicates the recommended leadership (and partner/support) entities for each strategy. The following abbreviation legend applies to the listed organizations:

Abbreviation Legend:

- City City of Escondido
- EEC Escondido Education COMPACT

- C of C Escondido Chamber of Commerce
- DBA Downtown Business Association
- EGAP Escondido Growers for Agricultural Preservation
- I-78 Innovate 78
- SDNEDC San Diego North Economic Development Council
- SDREDC San Diego Regional Economic Development Corporation
- TF Other special task force
- TBD To be determined as part of process

CEDS Implementation Plan

SDWP

San Diego Workforce Partnership

Strategy	Rec. lead organization:	Other participating orgs:
1. <i>Expand City's organizational capacity for economic development</i>	City	I-78
2. <i>Leverage recent/ forthcoming development and investment to attract new businesses and visitors to the City</i>	City	City, C of C, CVB
3. <i>Continue efforts to develop reclaimed water for agriculture and other economic development purposes</i>	City	EGAP
4. <i>Expand and focus economic development marketing efforts</i>	City	SDNEDC, SDREDC, I-78
5. <i>Continue focus on downtown revitalization</i>	City	DBA
6. <i>Ensure that City's development/permit processing is timely and business friendly</i>	City	BIA
7. <i>Expand athletic / recreational / environmental amenities, consistent with and in coordination with the relevant policies from the City's General Plan</i>	City	CVB, educational institutions
8. <i>Focus existing relationships with primary/secondary schools and higher education institutions to ensure adequate pipeline of skilled workers</i>	City	Educational institutions, City, SDWP, C of C (ED Committee), EEC



F.2. Prioritization of Action Items

The indicated priority levels (on Table F-1 above) are generally based on a poll of the CEDS Committee (see Appendix H for detailed responses). In some cases, the priority levels of individual action items have been elevated (i.e., above the level suggested by the Committee) based on the extent to which a particular action item aligns with existing City policies and/or the priorities identified by members of the City Council.

ESCONDIDO COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDs)

G. Performance Measures

The following performance measures (Table G-1) are related specifically to Escondido’s goals and challenges addressed by the CEDs. The focus of the performance measures is documenting the extent to which the City’s economic development indicators reflect movement toward enhanced economic opportunities, in the following respects:

Table G-1. Performance Measures

Performance Measure	Data source	Monitoring agency	Data update
Extent to which the number of new/retained employees – in firms new to the area or involved in economic development retention/expansion activities – has increased in targeted industry clusters, and in higher-wage occupations, and overall.	Reporting by client firms, Census LEHD (note 2009 City employment by this source is 42,111)	City ED	Annual
Changes in labor force efficiency (Note that higher efficiency rates should only be expected to the extent targeted growth goals are being achieved). (The concept of labor force efficiency measures the share of an area’s labor force employed within the same area).	Census Bureau, Local Employment Dynamics	City ED	Annual/multi-year as avail. (after one or more years have elapsed)
Number and type of new firms and employees in targeted redevelopment / revitalization areas, in relation to public investment in those areas.	Inventory of firms	City ED	Annual
Changes in unemployment rates, relative to the State, County, and North County.	California Employment Development Dept. and/or other sources	City ED	Annual, for latest annual and latest month #s
Increases in residential and non-residential building permits, especially for areas where development capacity was increased because of infrastructure improvements.	City building dept. Define affected areas	City	Annual
Increase in number of students and job trainees, in response to new programs and facilities	Relevant institutions	Institutions, City ED, SDWP	Annual

APPENDIX A. Escondido Market Overview Report



Escondido Market Overview

Submitted to: City of Escondido

November 10, 2017



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I. INTRODUCTION

This document provides preliminary background information and data for the updated Economic Development Master Plan being prepared for the City of Escondido. In addition to guiding the City’s internal policies and priorities for economic development over the next five to ten years, the Master Plan will also serve as an updated Comprehensive Economic Development Strategy (CEDS), which was originally prepared in 2012. Updating the CEDS will potentially enable the City to continue to access federal funding (for infrastructure and other economic development-related activities) through the U.S. Department of Commerce, Economic Development Administration (EDA).

This report is organized as follows: Section II provides a market overview that summarizes data on demographics, overall economic conditions, and employment statistics. The data are provided for the City of Escondido, the surrounding San Diego North County region, the entire County, and the State as appropriate. Section III provides a brief discussion on the eligibility criteria for economic assistance programs funded by the EDA and, based on these criteria, identifies the geographic areas of the City most likely to be eligible for EDA funding. Finally, Section IV provides a summary overview of the City’s targeted development (“opportunity”) areas, with a discussion on existing conditions and targeted future uses for each area. This section draws heavily on the City’s General Plan, along with local press articles focused on land use and development issues in the City.

It should be emphasized that this report is intended to provide an *initial and preliminary* overview of economic and demographic conditions in Escondido and the surrounding area. Consistent with EDA requirements for CEDS documents, the report is primarily based on a compilation of standard secondary data (e.g. Census data) to allow for ready comparison to other places.

II. MARKET OVERVIEW

Overview of Demographic Conditions

The following data were obtained from the U.S. Census Bureau, including decennial 2000 and 2010 census and the American Community Survey (ACS) 1-year estimates (2010 and 2016)¹, for comparison of demographic characteristics in the City of Escondido. Data are provided for the City of Escondido, the 78 Corridor², San Diego County, and the State of California. Topics address current and historical conditions related to population, race/ethnicity, age, educational attainment and household and personal income levels.

Population

Table 1, below, shows the 2000, 2010, and 2016 population estimates for the evaluated geographies, along with the population growth rate between these three years. Escondido added more than 10,000 persons from 2000 to 2010, growing at the slowest rate (7.8%) compared to the other geographies. Similarly, the City added close to 7,700 residents between 2010 and 2016, growing by 5.8%.

Table 1. Population by Area, 2000, 2010, and 2016

Area	2000	2010	2016	% Change	
				2000-10	2010-16
Escondido	133,559	143,911	151,594	7.8%	5.8%
78 Corridor	517,669	593,940	637,925	14.7%	8.5%
San Diego County	2,813,833	3,095,313	3,317,749	10.0%	7.9%
California	33,871,648	37,253,956	39,250,017	10.0%	5.9%

Source: U.S. Census Bureau, 2000 and 2010 Summary File 1 (SF 1), 2016 American Community Survey (ACS), 1-year Estimate.

Race/Ethnicity

Table 2 and Table 3, below, highlight the ethnic and racial breakdowns for the evaluated geographies in 2000, 2010, and 2016 respectively. In 2016, the City and the 78 Corridor are relatively underrepresented in the Black or African American (alone) and Asian (alone) categories. Compared to the evaluated geographies, Escondido, by far, has the largest share of Hispanic or Latino residents, with more than one-half of the population in this ethnic group. All of the geographies saw increases in this ethnic group between 2000 -2010 and 2010-2016. Escondido, however, experienced the fastest growth rate in this population segment, with its share of the total population increasing by more than 10

¹ The ACS replaced the “long form” that historically produced demographic, housing, and socio-economic estimate for the nation as part of the once-a-decade census.

² Hereafter the 78 Corridor refers to the area covered by the five member cities of the Innovate 78 collaborative, including Carlsbad, Escondido, Oceanside, San Marcos, and Vista.

percentage points between 2000 and 2010, and by more than four percentage points between 2010 and 2016.

The data in Table 3 and Table 4 show that the share of the population classified as “White alone” increased significantly between 2010 and 2016 in Escondido, the 78 Corridor, and San Diego County. This relative change should be viewed with some caution, however, as the 2016 estimates are from the Census Bureau’s annual American Community Survey (ACS). This annual survey has a larger margin of error, especially at smaller geography units, compared to the decennial census (which provides the estimates race/ethnicity estimates for 2000 and 2010).

Table 2. Race/Ethnicity by Area, 2000

Area	White alone	Black or African American alone	Asian alone	Other ¹	Hispanic or Latino
Escondido	67.8%	2.3%	4.5%	25.5%	38.7%
78 Corridor	69.5%	3.6%	4.6%	22.2%	31.8%
San Diego County	66.5%	5.7%	8.9%	18.9%	26.7%
California	59.5%	6.7%	10.9%	22.9%	32.4%

(1) Other designation includes: Native Hawaiian and Other Pacific Islander, Other Race, and Two or more races.

Source: U.S. Census Bureau, 2000 Summary File 1 (SF 1).

Table 3. Race/Ethnicity by Area, 2010

Area	White alone	Black or African American alone	Asian alone	Other ¹	Hispanic or Latino
Escondido	60.4%	2.5%	6.1%	31.1%	48.9%
78 Corridor	66.7%	3.0%	6.5%	23.8%	37.1%
San Diego County	64.0%	5.1%	10.9%	20.0%	32.0%
California	57.6%	6.2%	13.0%	23.2%	37.6%

(1) Other designation includes: Native Hawaiian and Other Pacific Islander, Other Race, and Two or more races.

Source: U.S. Census Bureau, 2010 Summary File 1 (SF 1).

Table 4. Race/Ethnicity by Area, 2016

Area	White alone	Black or African American alone	Asian alone	Other ¹	Hispanic or Latino
Escondido	74.5%	3.3%	8.1%	14.2%	53.2%
78 Corridor	78.1%	3.1%	7.2%	11.5%	38.6%
San Diego County	71.9%	5.0%	11.7%	11.4%	33.5%
California	59.7%	5.8%	14.3%	20.3%	38.9%

(1) Other designation includes: Native Hawaiian and Other Pacific Islander, Other Race, and Two or more races.

Source: U.S. Census Bureau, 2016 American Community Survey (ACS), 1-year Estimate.

Age Distribution

Age distribution by area, shown in Table 5, Table 6, and Table 7, highlight similarities between the population compositions for the evaluated geographies. However, Escondido's population trends a little younger relative to the other geographies. Table 7, below, shows that 65% of Escondido's population is 44 years or younger, a higher share than in all three of the other geographies (the next highest was San Diego County, at 62.1%). From 2010 to 2016, Escondido was the only one of the four geographies not to show an increase in the share of the population in 65+ years category.

Table 5. Age Distribution by Area, 2000

Area	0-19 yrs	20-24 yrs	25-44 yrs	45-64 yrs	65+ yrs
Escondido	32.6%	7.5%	31.4%	17.5%	11.0%
78 Corridor	30.7%	7.1%	31.7%	18.4%	12.2%
San Diego County	28.8%	8.2%	32.0%	19.8%	11.2%
California	30.2%	7.0%	31.6%	20.5%	10.6%

Source: U.S. Census Bureau, 2000 Summary File 1 (SF 1).

Table 6. Age Distribution by Area, 2010

Area	0-19 yrs	20-24 yrs	25-44 yrs	45-64 yrs	65+ yrs
Escondido	30.6%	7.7%	28.5%	22.6%	10.5%
78 Corridor	28.7%	7.6%	28.3%	23.9%	11.5%
San Diego County	26.5%	8.7%	28.8%	24.6%	11.4%
California	28.1%	7.4%	28.2%	24.9%	11.4%

Source: U.S. Census Bureau, 2010 Summary File 1 (SF 1).

Table 7. Age Distribution by Area, 2016

Area	0-19 yrs	20-24 yrs	25-44 yrs	45-64 yrs	65+ yrs
Escondido	28.0%	7.8%	29.2%	24.5%	10.4%
78 Corridor	27.3%	7.2%	27.2%	25.6%	12.7%
San Diego County	24.7%	7.9%	29.5%	24.5%	13.4%
California	25.8%	7.2%	28.2%	25.2%	13.6%

Source: U.S. Census Bureau, 2016 American Community Survey (ACS), 1-year Estimate.

Educational Attainment

Table 8 and Table 9 highlight the distribution of educational attainment for residents over 25 years of age for 2000, 2010, and 2016. As the data illustrate, residents in Escondido are relatively less educated compared to the other geographies. For example, the percentage of Escondido residents without a high school diploma (23.2%) is between 5.6 and 9.6 percentage points higher than the other geographies. However, between 2010 and 2016, this group decreased by 4.7 percentage points in the City, compared to smaller percentage declines in the other geographies. Correspondingly, the percentage of the population with a Bachelor's degree or higher is much lower in Escondido (22.9%) compared to the 78 Corridor (33.8%), County (37.4%), and State (32.9%) figures.

Table 8. Educational Attainment for Persons over 25, 2000

Area	Less than HS	High School	Some College/ Associates	Bachelor's	Advanced Degree
Escondido	27.4%	21.2%	31.3%	13.5%	6.6%
78 Corridor	20.6%	20.5%	33.9%	16.6%	8.4%
San Diego County	17.4%	19.9%	33.2%	18.7%	10.9%
California	23.2%	20.1%	30.0%	17.1%	9.5%

Source: U.S. Census Bureau, 2000 Summary File 3 (SF 3).

Table 9. Educational Attainment for Persons over 25, 2010

Area	Less than HS	High School	Some College/ Associates	Bachelor's	Advanced Degree
Escondido	27.9%	21.7%	29.4%	14.6%	6.4%
78 Corridor	19.2%	19.7%	32.7%	18.6%	9.8%
San Diego County	14.9%	19.1%	32.3%	21.0%	12.7%
California	19.3%	20.8%	29.8%	19.1%	11.0%

Source: U.S. Census Bureau, 2010 American Community Survey (ACS), 1-year Estimate.

Table 10. Educational Attainment for Persons over 25, 2016

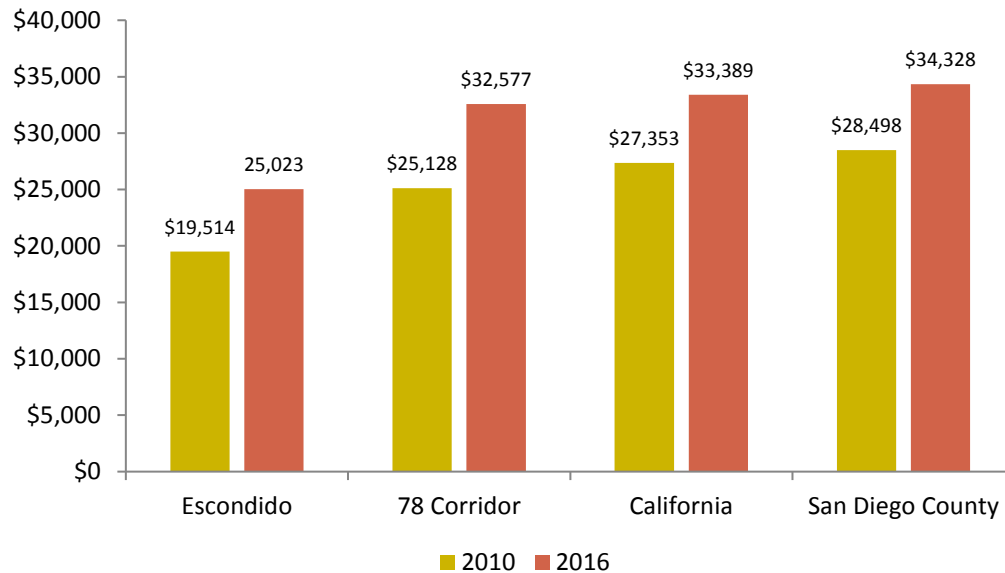
Area	Less than HS	High School	Some College/ Associates	Bachelor's	Advanced Degree
Escondido	23.2%	24.6%	29.3%	16.0%	6.9%
78 Corridor	15.7%	19.6%	31.0%	22.1%	11.7%
San Diego County	13.6%	18.4%	30.6%	23.3%	14.0%
California	17.6%	20.5%	29.0%	20.6%	12.3%

Source: U.S. Census Bureau, 2016 American Community Survey (ACS), 1-year Estimate.

Personal and Household Income

Per Capita Income data from the American Community Survey (2010 and 2016) is shown below in Figure 1, Figure 2, and Figure 3. As illustrated in the figures, the City’s per capita income was below the other geographies’ levels both in 2010 and 2016. However, per capita income levels in Escondido increased at much faster rate between 2010 and 2016 (7.0%) compared to San Diego County and the State (Figure 2). As a result of the faster growth rates in per capita income, both Escondido and the 78 Corridor gained ground in per capita income levels relative to the State, while the County lost some ground against the State (Figure 3). It should be noted that the per capita income levels are presented in nominal dollars (i.e., they have not been adjusted for inflation).

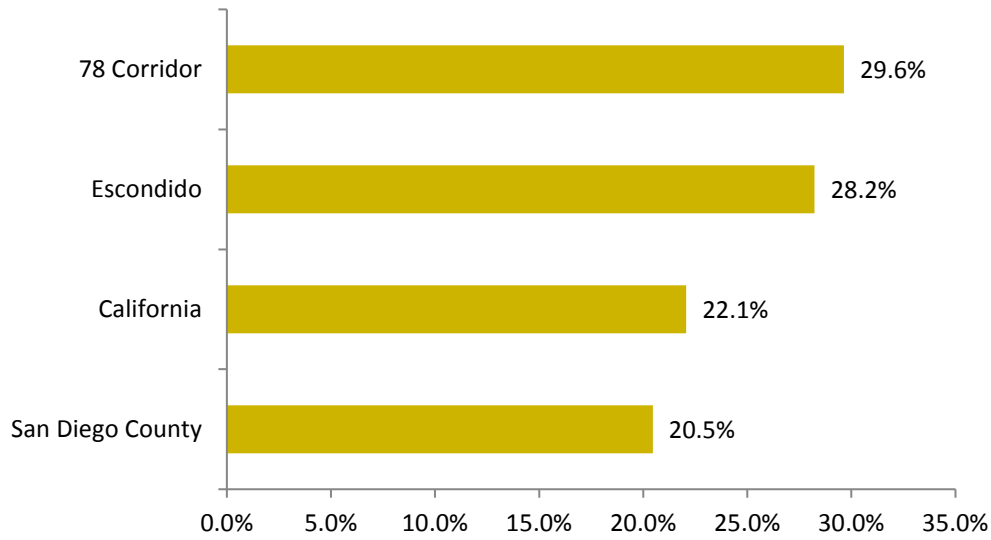
Figure 1. Per Capita Income by Area, 2010 and 2016



Note: Figures not adjusted for inflation.

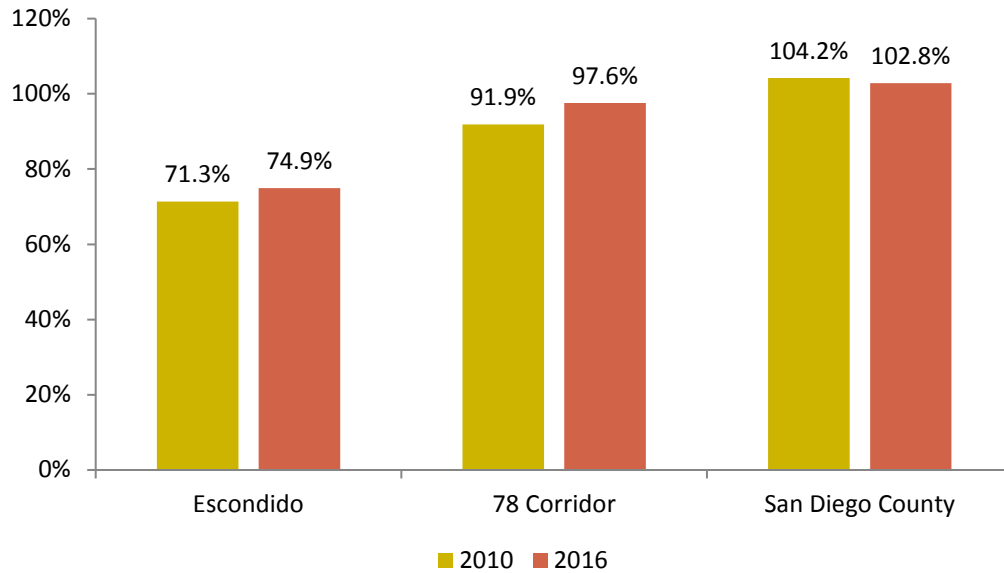
Source: U.S. Census Bureau, 2010 and 2016 American Community Survey (ACS), 1-year estimate

Figure 2. Percentage Growth in Per Capita Income by Area, 2010 to 2016



Source: TNDG; U.S. Census Bureau, 2010 and 2016 American Community Survey (ACS), 1-year estimate.

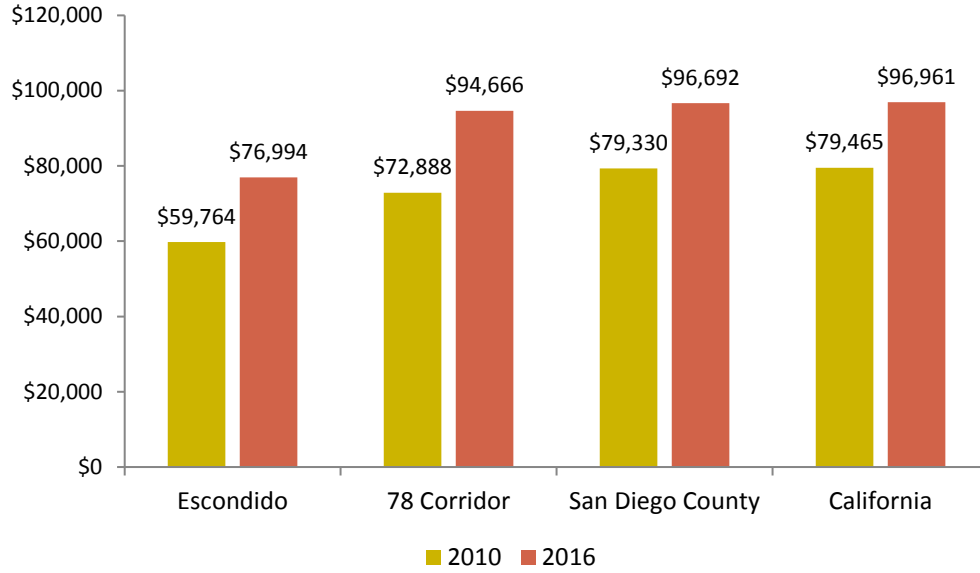
Figure 3. Per Capita Income, as a Percent of State Figures, 2010 and 2016



Source: TNDG; U.S. Census Bureau, 2010 and 2016 American Community Survey (ACS), 1-year estimate.

Figure 4, Figure 5, and Figure 6, below, provide similar illustrations for average household income levels in 2010 and 2016 in the evaluated geographies. The average household income data tell a similar story and show similar trends as the per capita income measures.

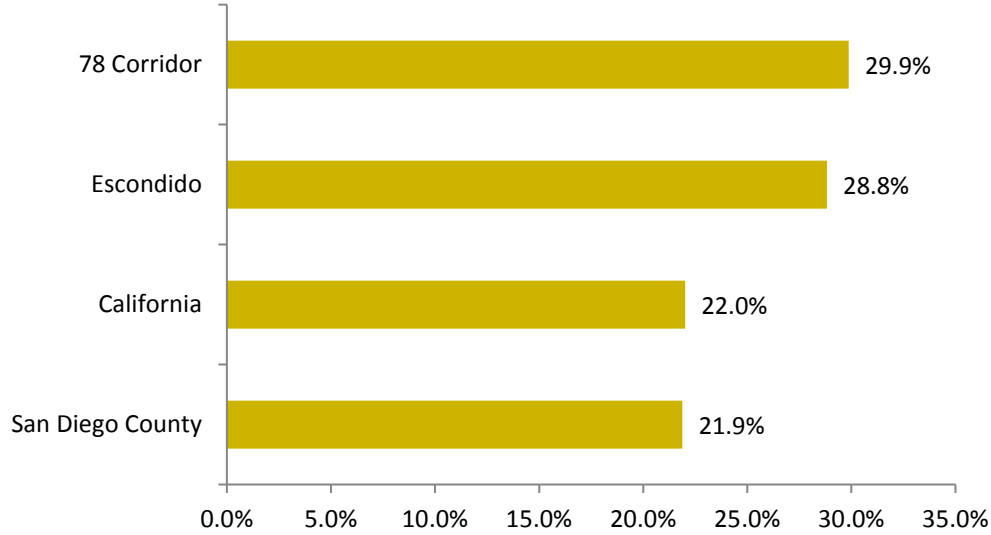
Figure 4. Average Household Income by Area, 2010 and 2016



Note: Figures not adjusted for inflation.

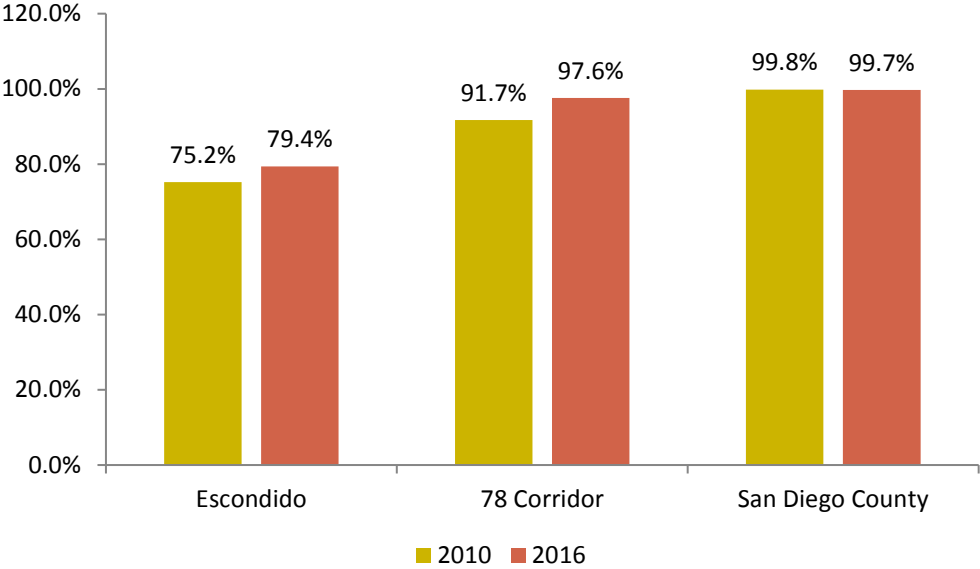
Source: U.S. Census Bureau, 2010 and 2016 American Community Survey (ACS), 1-year estimate.

Figure 5. Percentage Growth in Avg. Household Income by Area, 2010-2016



Source: TNDG; U.S. Census Bureau, 2010 and 2016 American Community Survey (ACS), 1-year estimate.

Figure 6. Avg. Household Income, as a Percent of State Figures, 2010 and 2016



Source: TNDG; U.S. Census Bureau, 2010 Summary File 1 (SF 1) and American Community Survey (ACS), 1-year estimate.

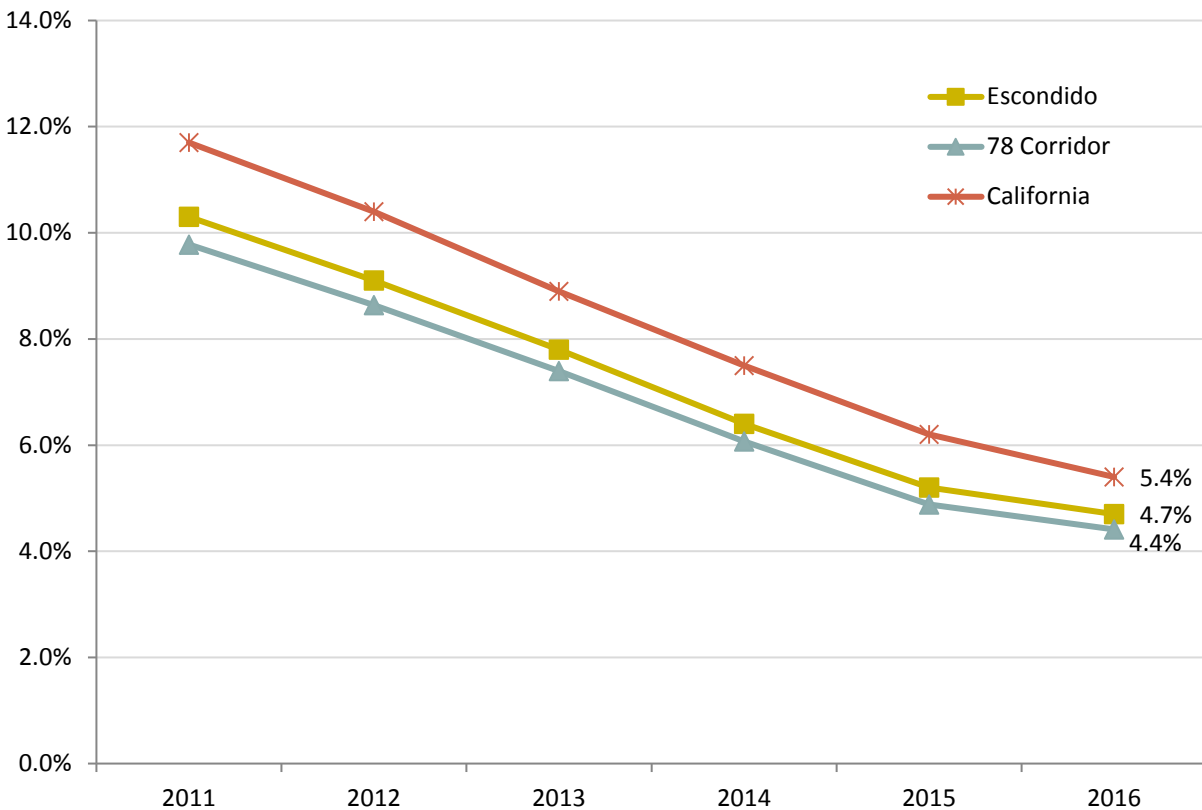
Overview of Economic Conditions

The following data were obtained from the Bureau of Labor Statistics, California State Board of Equalization (SBOE), Dataquick (a private data provider of home sales statistics), and the U.S. Census Bureau. The data focus on current and historical economic conditions related to unemployment, taxable retail sales, home prices and residential building permits.

Unemployment

Unemployment rates, as shown in Figure 7, include annual averages for 2011 to 2016. As anticipated, the unemployment rates have steadily declined across the evaluated geographies as the economy recovered from the “Great Recession”. The chart does not include a San Diego County series, as Escondido and the County had identical unemployment rates over this period. The most recent Escondido/County (4.7%) and 78 Corridor’s (4.4%) unemployment rates are below the State rate (5.4%).

Figure 7. Unemployment Rate by Area, 2011 to 2016.



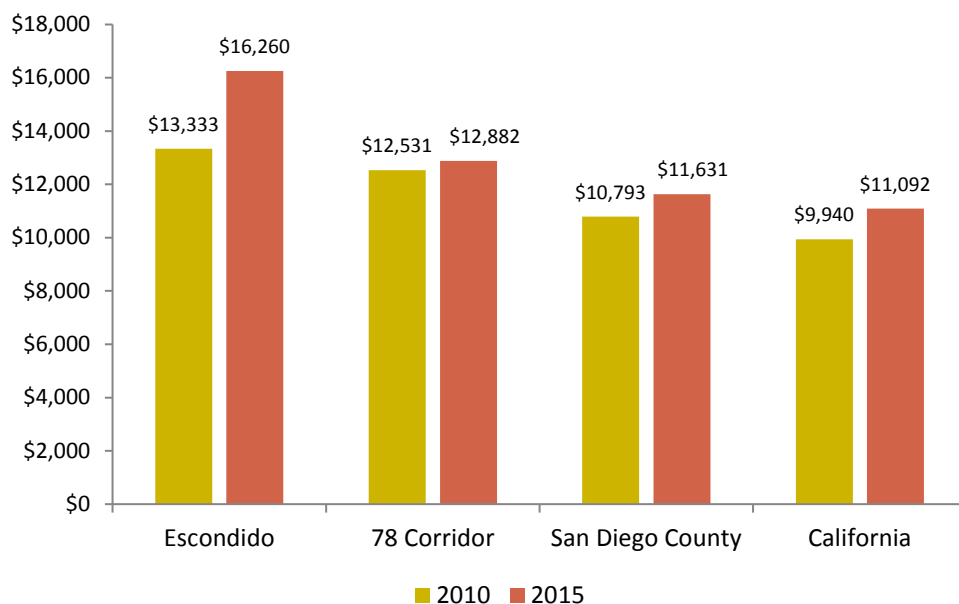
Sources: Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS), various years; TNDG.

Taxable Retail Sales

Figure 8 provides per capita retail sales by evaluated geography in 2000 and 2010. The data are provided in 2010 dollars to allow for a “real” comparison between the two years. The City of

Escondido had the highest per capita retail sales compared to evaluated geographies in 2010 and 2015. This is not a surprising finding given the presence of the North County mall and Escondido Auto Park, which “import” retail sales from outside of the City. Further illustrating its comparative advantage in retail sales, the City experienced the highest percentage increase in per capita retail sales from 2010 to 2015, increasing at a 22.0% rate. This percentage was well above the percentage increase in per capita retail sales in the other geographies – 78 Corridor (2.8%), San Diego County (7.8%), and California (11.6%).

Figure 8. Per Capita Retail Sales by Area, 2010 and 2015 (2015 Dollars)



Note: Figures adjusted for inflation by the California Taxable Sales Deflator, as provided by the California State Board of Equalization (SBOE).

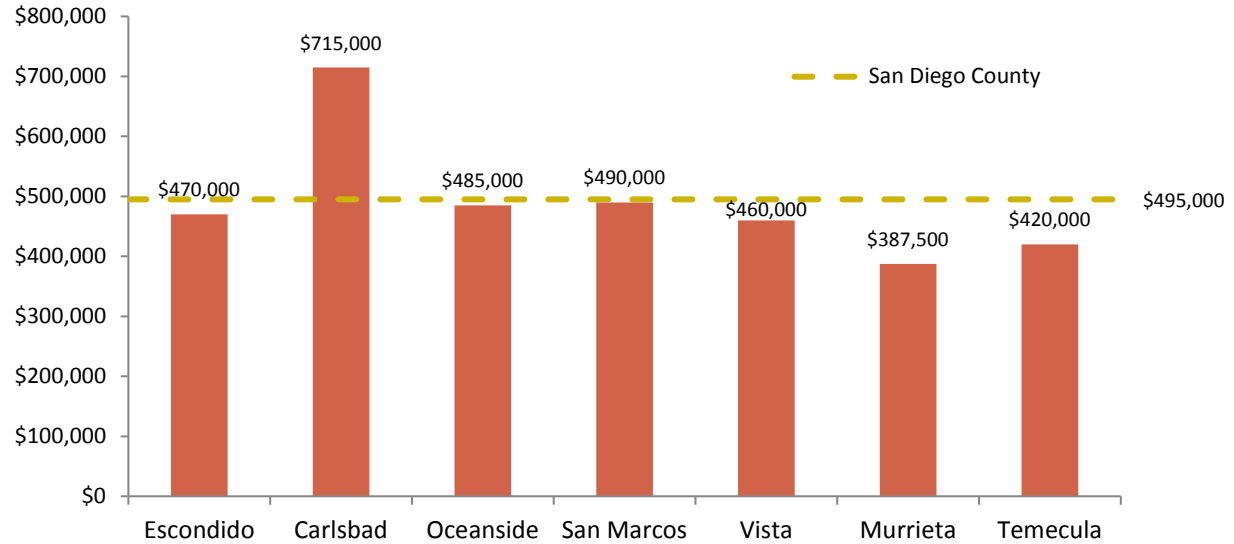
Sources: TNDG; U.S. Census Bureau, 2010 Summary File 1 (SF 1) and American Community Survey (ACS), 1-year estimate; SBOE, Taxable Sales in California, 2010 and 2015.

Home Values

Figure 9, Figure 10, and Figure 11 provide year-over-year median home price data for July 2016 and July 2017. Data are not available for the aggregated 78 Corridor area, so the figures show data for the individual cities in this area, in addition to home price data for the south Riverside County cities of Temecula and Murrieta to provide additional context. As shown in the figures, median sales prices in Escondido have been slightly below the County median both in July, 2016 and July, 2017. Based on the most recent data, only the cities of Carlsbad (\$800,000) and San Marcos (\$570,500) had median sales prices above the County average (\$537,750). As shown in Figure 11, Oceanside was the only city not to experience an increase in median sales prices between July, 2016 and July, 2017. During this period,

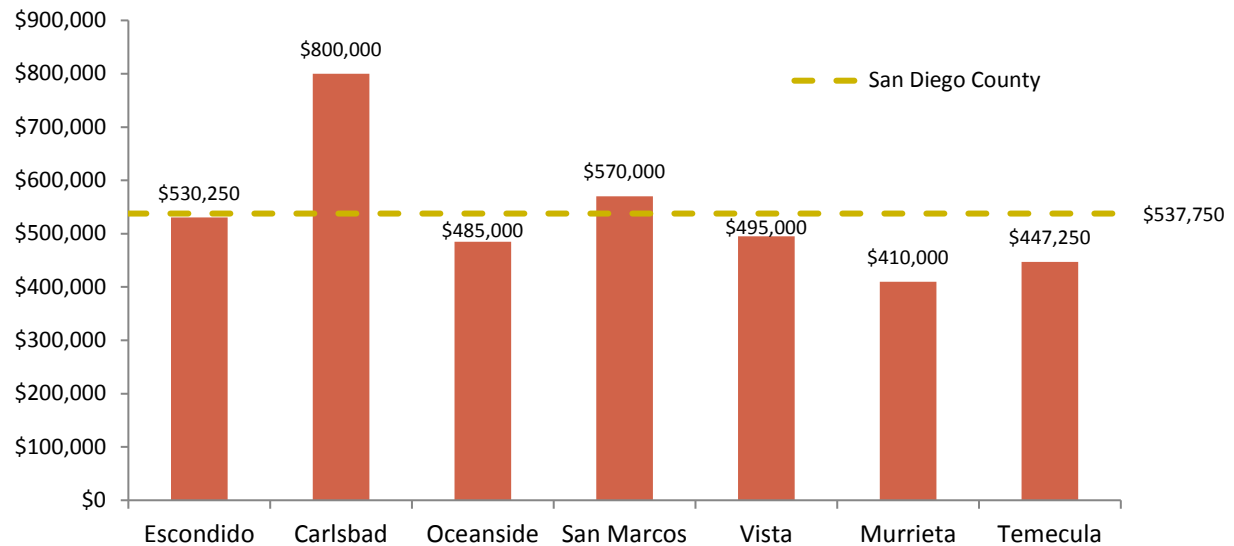
median sales prices in Escondido (12.8%) solidly outpaced the percentage increase in the County (8.6%)³.

Figure 9. Median Sales Prices for Homes by Area, July 2016



Note: Resale single family residences and condos as well as new homes.
Source: Dataquik, California City Chart.

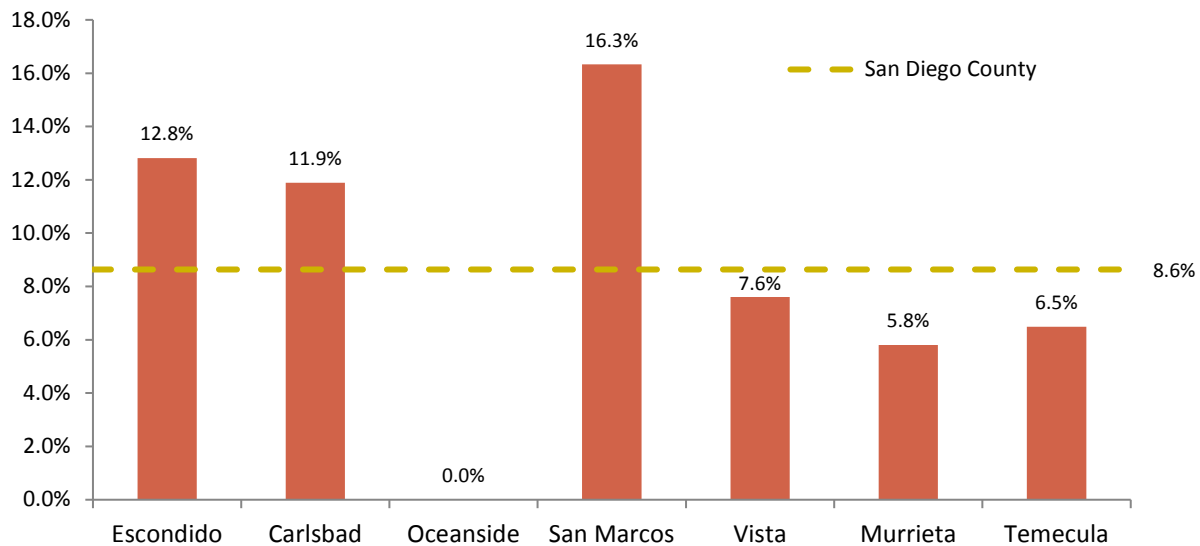
Figure 10. Median Sales Prices for Homes by Area, July 2017



Note: Resale single family residences and condos as well as new homes.
Source: Dataquik, California City Chart.

³ We should caution, however, against drawing definitive conclusions on home value trends based on median sales prices, as the overall mix of home sales (i.e., lower-priced versus higher-priced) heavily influences this measure.

Figure 11. Percentage Change in Median Sales Prices by Area, July 2016-2017

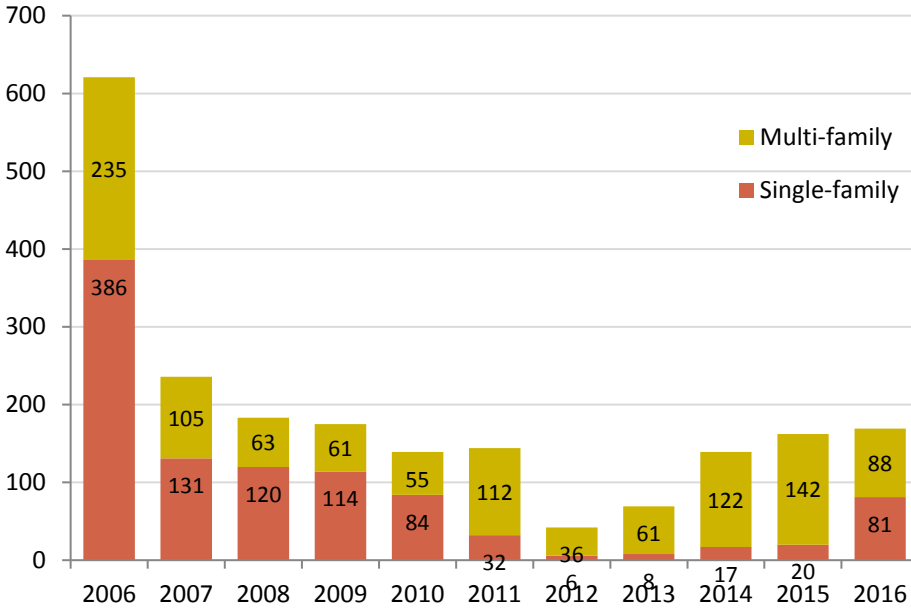


Note: Resale single family residences and condos as well as new homes.
 Source: Dataquick, California City Chart.

Building Permits

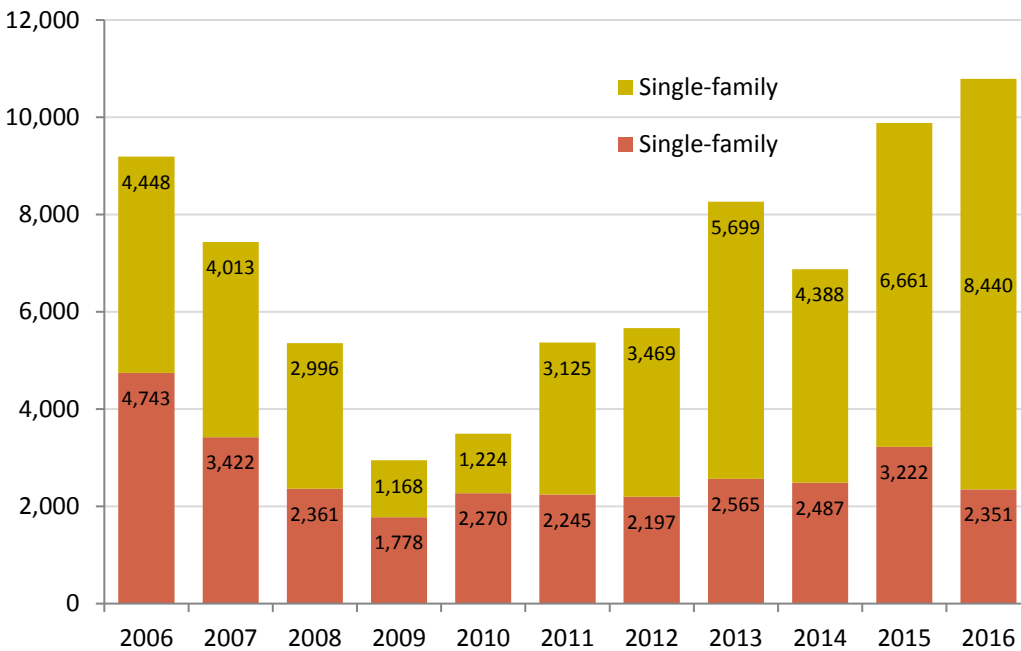
The housing bubble in 2007 had undeniable impact on new residential growth. Figure 12 shows the number of residential building permits by type in Escondido between 2006 and 2016. The data reveal a considerable reduction in new residential permits beginning in 2007. Residential permits continued to fall through 2012, but gradually increased over the next four years. Figure 13 shows the same data for the County, which follows a similar trend as Escondido, but with the bottom in permit activity occurring in 2009. Finally, Figure 14 shows the trend in building permits from 2006 to 2016 for the 78 Corridor cities. As illustrated in the figure, all of the cities experienced a significant reduction in the number of building permits from 2006 to 2009. The cities of Oceanside and San Marcos experienced the most significant variability in building permits, reaching high new permits in 2013 and 2014, respectively.

Figure 12. Building Permits by Residential Type in Escondido, 2006-2016



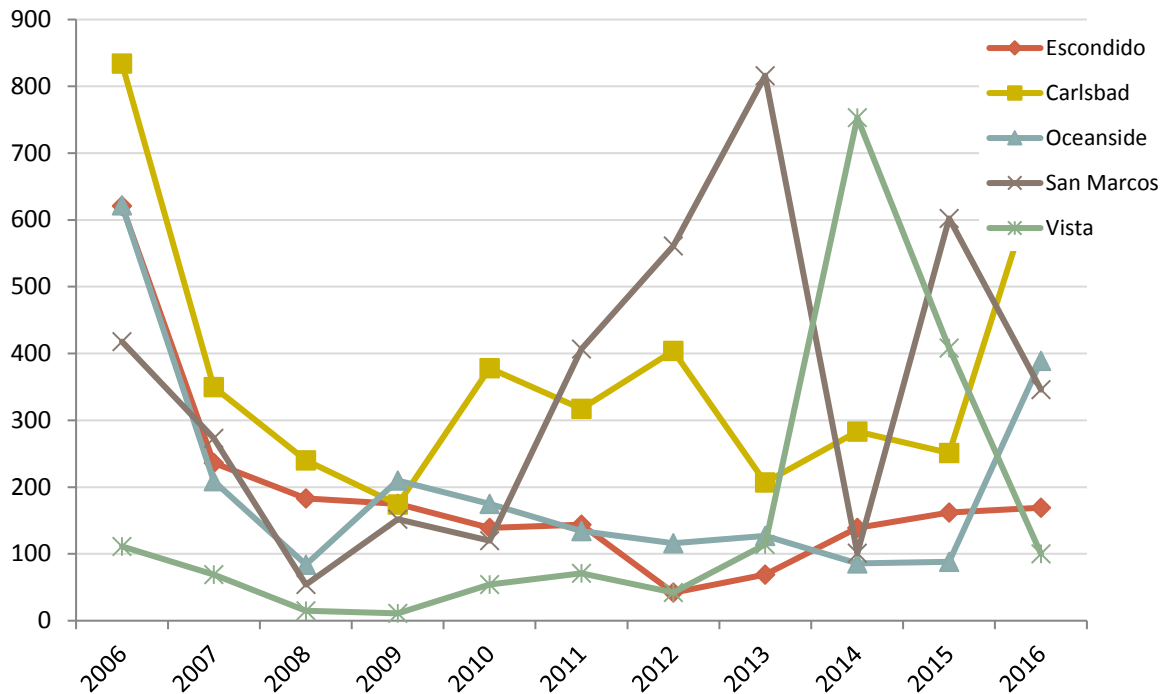
Source: U.S. Census Bureau, Building Permits Survey.

Figure 13. Building Permits by Residential Type in San Diego County, 2006-2016



Source: U.S. Census Bureau, Building Permits Survey.

Figure 14. Residential Building Permits by Area, 2006-2016.



Source: U.S. Census Bureau, Building Permits Survey.

Employment Overview

The following figures and tables provide various employment measures for the evaluated geographies, including the following:

- Employment by major industry group (including growth and retraction trends);
- Employment by major occupation groups;
- Jobs by monthly earnings; and
- Measures of in-area labor and employment efficiency.

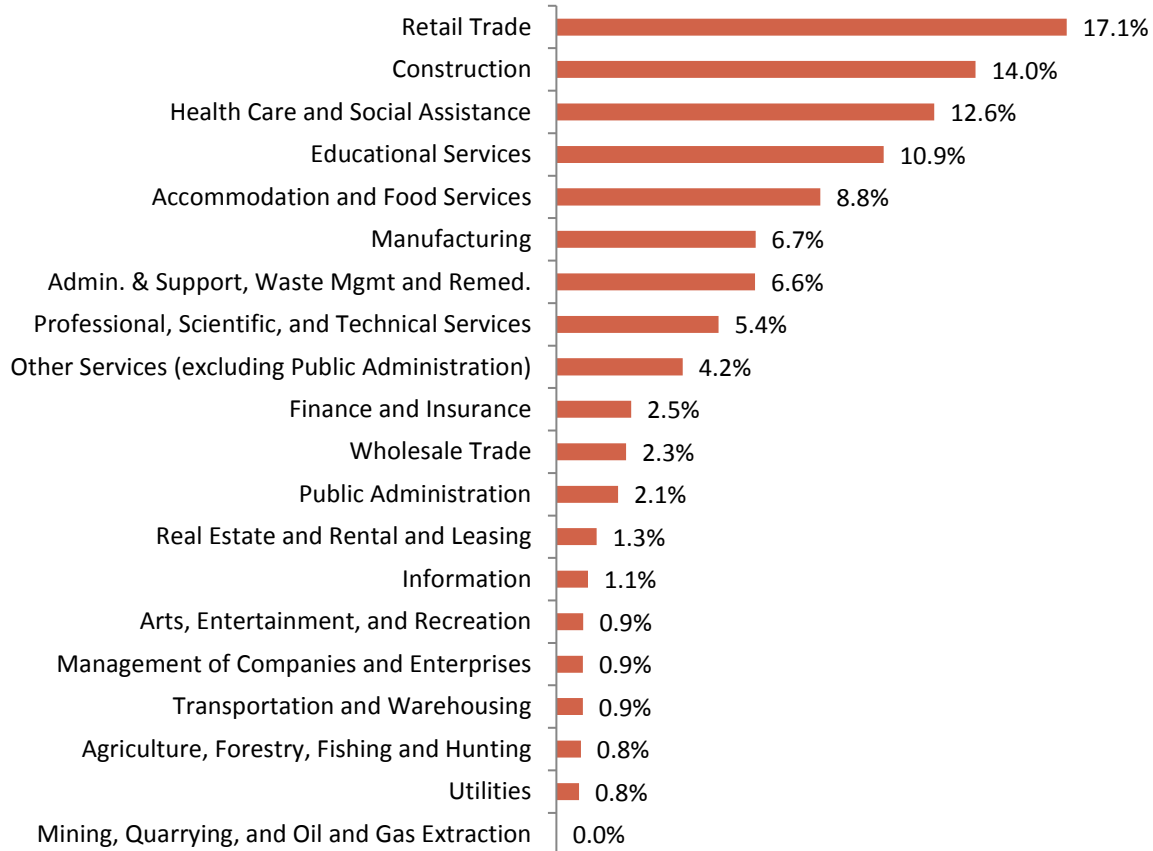
Except for the occupation data, the data are provided by U.S. Census Bureau’s Local Employment Dynamics (LED) series, which provides the only official government source of industry employment data at the city level of geography⁴. This data source provides employment data for the years from 2002 to 2015.

⁴ Local Employment Dynamics (LED) is a voluntary partnership between state labor market information agencies and the U.S. Census Bureau to develop new information about local labor market conditions. The dataset is based on upon several core datasets provided by state partners. These include Unemployment Insurance wage data and the Quarterly Census of Employment in Wages.

Employment by Industry

Figure 15 provides the share of employment by industry in Escondido in 2015. The major industry groupings correspond to 2-digit NAICS⁵ codes industries. In terms of concentration of industry employment, Escondido is heavily represented in the Retail Trade industry, which accounts for 17.1% of total employment in the City. In addition, the top four industries account for more than one-half (54.7%) of total employment in the City.

Figure 15. Share of Employment by Industry in Escondido, 2015.



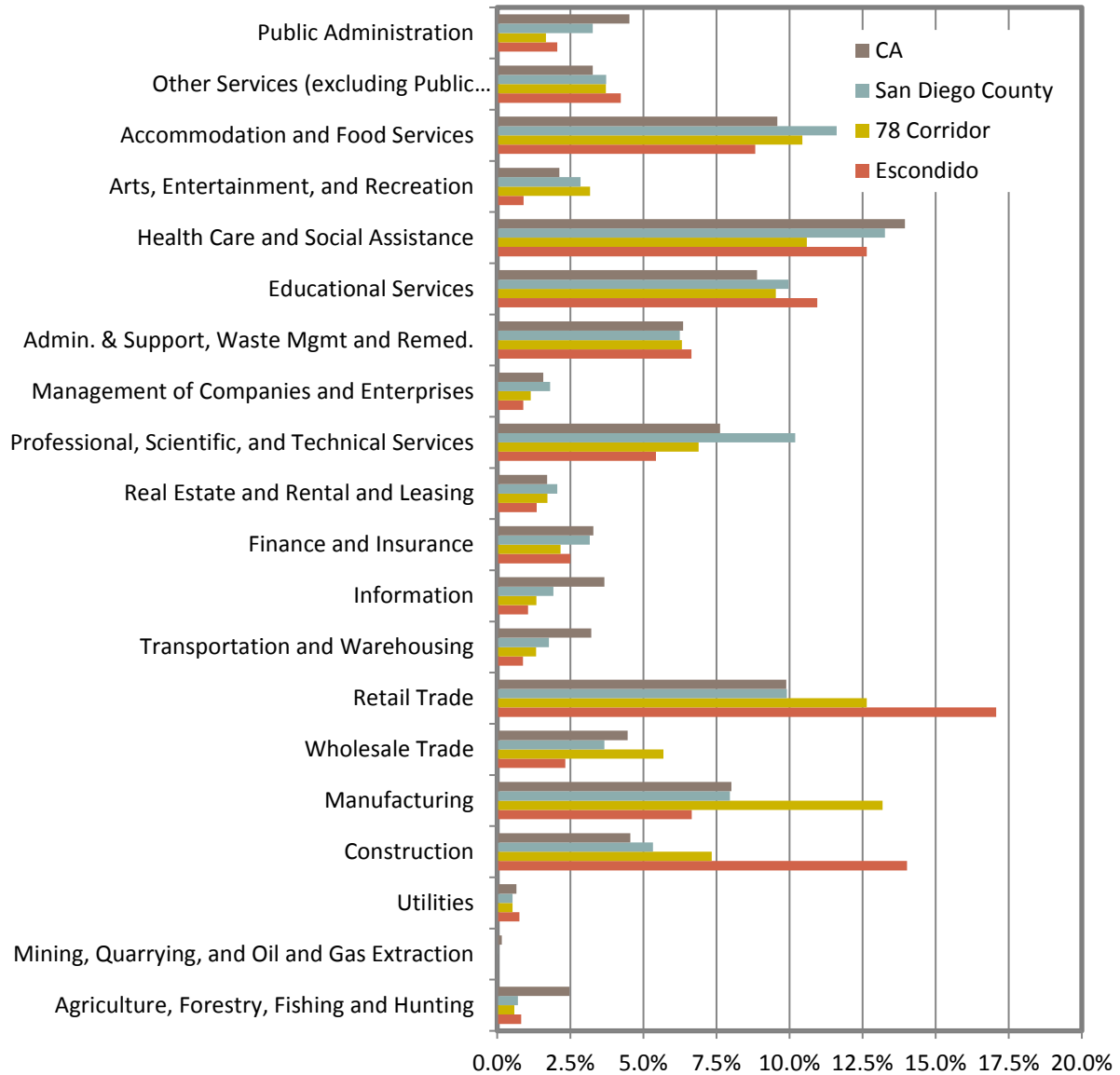
Sources: U.S. Census Bureau, Local Employment Dynamics (LED) program; TNDG.

For comparison purposes, Figure 15 shows the share of employment by industry for all of the evaluated geographies in 2015. As shown in the figure, Escondido had the largest shares of employment in the Retail Trade and Construction industries. The City had the smallest shares of employment in the Arts, Entertainment, and Recreation; Management of Companies and Enterprises; Professional, Scientific, and Technical Services; Real Estate and Rental and Leasing; Information; Transportation and Warehousing; Wholesale Trade; and Manufacturing industries compared to the other geographies. The largest industry

⁵ NAICS = North American Industry Classification System.

employment difference between the City and the 78 Corridor region is in Manufacturing, which accounts for 13.2% of employment in the 78 versus 6.7% in Escondido.

Figure 16. Share of Employment by Industry by Area, 2015



Sources: U.S. Census Bureau, Local Employment Dynamics (LED) program; TNDG

Table 11 shows the absolute and percentage change in employment by industry for the evaluated geographies from 2010 to 2015, the most recent five-year period for which data are available. During this period, in Escondido the Construction industry experienced the largest absolute gain in employment (+1,955), along with the second fastest increase in percentage terms (43.8%). Only the Utilities industry – which added 154 jobs – grew at a faster rate (79.8%) during this period. In terms of declining industries, the City lost the largest absolute number of jobs in Other Services (-574), while the Management of Companies and Enterprises (-48.2%) and Information (-37.0%) saw the most significant percentage decreases in employment⁶. Interestingly, the other three geographies all experienced significant employment increases in the Management of Companies and Enterprises, with this industry growing at a faster rate than overall employment growth in each geographic area⁷.

From the 2010 to 2015 period, the data in Table 11 also reveal the following interesting trends:

- Escondido added more than 2,600 jobs, growing at a 6.2% rate. However, all three other geographies added jobs at a faster rate during this period – between 8.3% and 11.3%.
- Job gains in Escondido were concentrated in the Construction industry, with the 1,955 new jobs in this industry accounting for close to three-fourths (73.4%) of the total job gains.
- Along with the three declining industries noted above, Escondido also lost a significant number of jobs in Wholesale Trade (-227) and Administrative and Support, Waste Management and Remediation industries (-295). In contrast, all three of the other geographies added jobs in these industries during this period.
- Along with the industries noted above, additional bright spots, in terms of industry employment growth, for the City include the following:
 - With an increase of over 200 jobs in Escondido, the Finance and Insurance industry grew by 23.9%. This was well over the pace of growth in the 78 Corridor (7.1%), the County (1.5%), and the State (0.8%).
 - Escondido added close to 300 jobs in the Professional, Scientific, and Technical Services industry, growing at healthy 12.8% rate. The City added jobs in this industry at a faster rate than the 78 Corridor (12.8%) and the County (9.6%)
 - Educational Services added 571 jobs in the City, increasing at a 12.9% rate. In contrast, the 78 Corridor added a limited number of jobs in this industry (+4.6%), while the County (-2.9%) and the State (-0.3%) experienced more limited declines.

⁶ Among industries with five or more jobs in the City.

⁷ For San Diego County, this was the fastest growing industry (30.8%) during this period.

Table 11. Industry Employment Growth by Area, 2010-2015.

Industry	Escondido	78 Corridor	San Diego County	California		Escondido	78 Corridor	San Diego County	California
	# Change					% Change			
Agriculture, Forestry, Fishing and Hunting	60	224	-507	9,942		-0.5%	-34.5%	-15.1%	18.5%
Mining, Quarrying, and Oil and Gas Extraction	0	86	175	1,476		-62.5%	-92.0%	-30.5%	13.6%
Utilities	-18	-107	-3,312	-4,999		79.8%	4.9%	16.0%	-1.8%
Construction	714	2,736	11,033	130,896		43.8%	38.6%	29.0%	34.3%
Manufacturing	-574	-2,283	-14,909	-165,895		8.7%	13.2%	12.0%	1.6%
Wholesale Trade	461	2,604	4,277	63,232		-17.6%	4.4%	12.7%	11.0%
Retail Trade	473	2,302	4,418	79,302		3.0%	10.8%	8.7%	8.6%
Transportation and Warehousing	-101	371	-3,692	-4,424		-2.9%	19.4%	10.4%	17.1%
Information	-18	-97	-3,280	-23,418		-37.0%	-17.2%	-10.3%	17.1%
Finance and Insurance	103	912	4,032	44,575		23.9%	7.1%	1.5%	0.8%
Real Estate and Rental and Leasing	83	866	2,020	12,331		-18.7%	-7.8%	6.4%	8.6%
Professional, Scientific, and Technical Services	564	2,074	5,483	109,908		12.8%	10.0%	9.6%	18.8%
Management of Companies and Enterprises	-179	-289	-3,388	-61,434		-48.2%	13.8%	30.8%	19.0%
Admin. & Support, Waste Mgmt and Remed.	-264	1,981	6,379	46,839		-8.8%	3.2%	9.9%	21.2%
Educational Services	412	2,654	6,406	85,592		12.9%	4.6%	-2.9%	-0.3%
Health Care and Social Assistance	334	1,344	9,990	158,932		14.0%	24.1%	25.4%	34.0%
Arts, Entertainment, and Recreation	-169	372	8,215	27,023		-15.2%	86.1%	4.3%	9.4%
Accommodation and Food Services	351	3,968	15,962	155,989		9.4%	15.6%	20.1%	20.9%
Other Services (excluding Public Administration)	212	932	9,569	123,817		-21.4%	-8.9%	-20.2%	-35.0%
Public Administration	92	353	748	-1,069		-9.7%	-21.8%	-15.8%	-7.6%
TOTAL	2,536	21,003	59,619	788,615		6.2%	11.3%	8.8%	11.0%

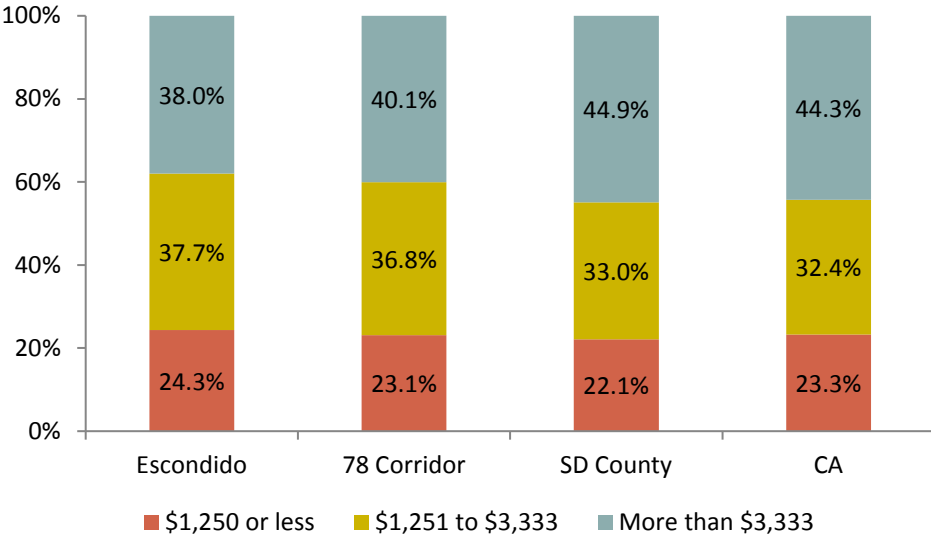
Note: Green shading represents largest percentage gains; red shading represents largest percentage losses.

Sources: U.S. Census Bureau, Local Employment Dynamics; TNDG.

Wages

In addition to industry employment data, the Census Bureau’s LED program also provides the number of jobs for three earnings groups, as shown in Figure 17. As shown in the figure, the City has the highest concentration of jobs with monthly earnings of \$1,250 or less (24.3%). In addition, 38% of Escondido jobs have monthly earnings of more than \$3,333, which is well below the County (44.9%) and State (44.3%).

Figure 17. Distribution of Jobs by Area by Monthly Earnings, 2015



Sources: U.S. Census Bureau, Local Employment Dynamics (LED); TNDG.

Work Inflow-Outflow Patterns

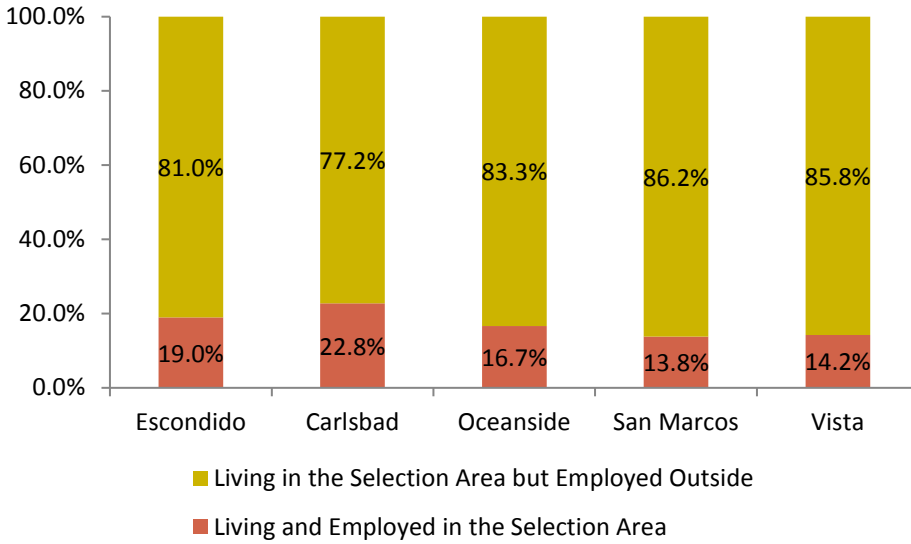
This section examines work in-flow and out-flow patterns of residents and employees in the cities in the 78 Corridor area based on the measures of labor force efficiency and employment efficiency. The concept of labor force efficiency measures the share of an area’s labor force employed within the same area. Correspondingly, employment efficiency measures the share of an area’s employees that live within the same area. Figure 18 shows the measure of in-area labor force efficiency for the five cities along the 78 Corridor⁸. As shown in the figure, 19% of Escondido residents in the labor force also work within the City. Only Carlsbad (22.8%), among the remaining 78 Corridor cities, has a higher measure of labor force efficiency.

Figure 19 shows the measure of in-area employment efficiency for the five cities in the 78 Corridor area. As shown in the figure, just over one-fourth (26.0%) of those employed in Escondido also work in the

⁸ It is not possible to aggregate the data at the 78 Corridor level, so it is provided at the city level of geography. At larger levels of geography (e.g., the county level) the data are not as meaningful for comparison purposes with cities, as a relatively larger share of the population will live and work in the same county.

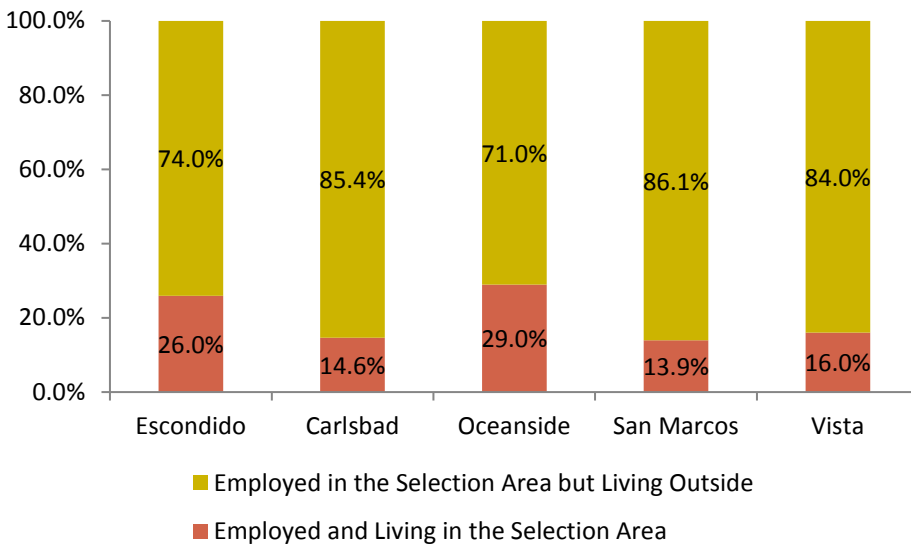
City. Only Oceanside (29.0%), among the remaining 78 Corridor cities, has a higher measure of employment efficiency.

Figure 18. In-Area Labor Force Efficiency by Area, 2015



Sources: U.S. Census Bureau, Local Employment Dynamics; TNDG.

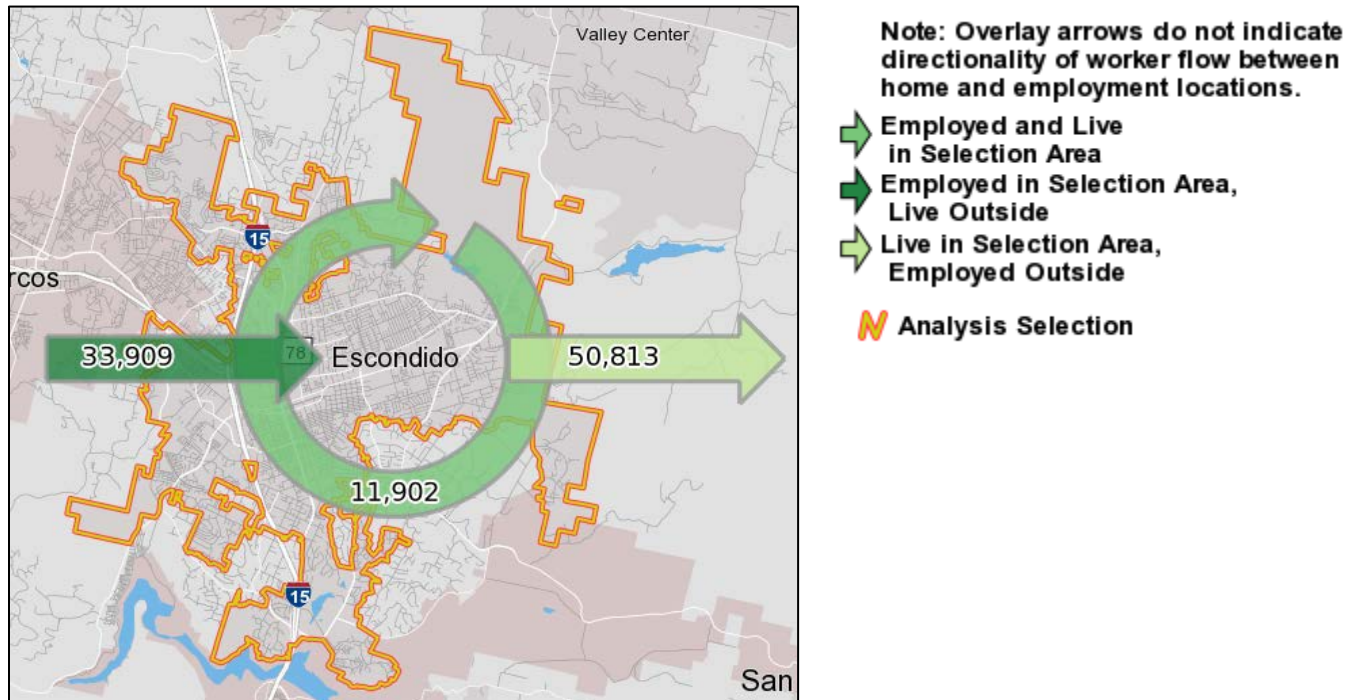
Figure 19. In-Area Employment Efficiency by Area, 2015



Sources: U.S. Census Bureau, Local Employment Dynamics; TNDG.

Whereas Figure 18 and Figure 19 show the share of jobs inflow/outflow, Figure 20 shows a graphic illustration of the absolute number of inflow/outflow job counts for Escondido in 2015.

Figure 20. Inflow/Outflow Job Counts for Escondido, 2015



Source: U.S. Census Bureau, Local Employment Dynamics.

III. ELIGIBILITY FOR EDA FUNDING

To be eligible for the EDA’s funding programs and investment assistance, an area must meet at least one of the following economic distress criteria⁹:

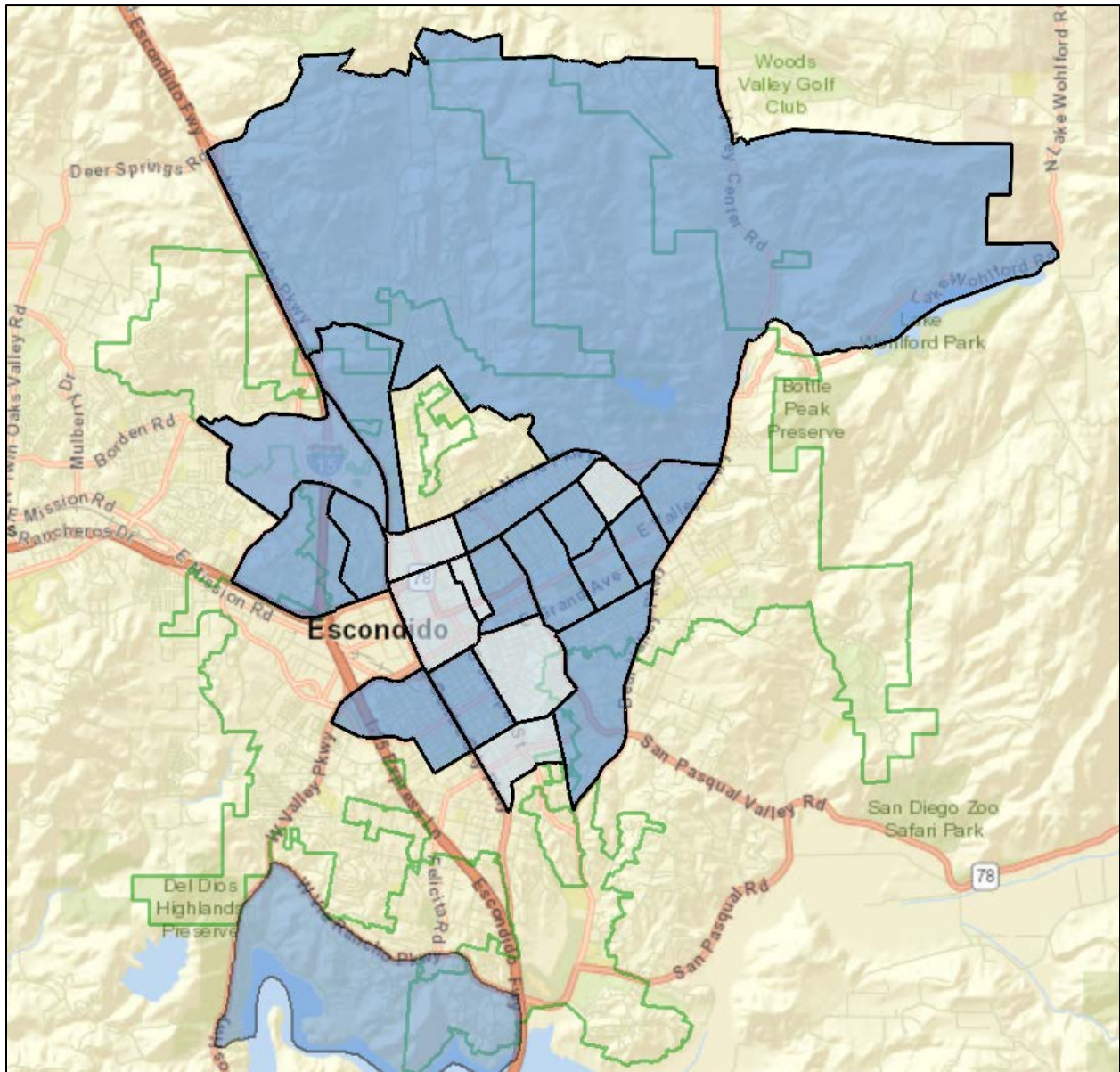
1. An unemployment rate that is, for the most recent 24-month period for which data are available, at least one percentage point greater than the national average unemployment rate.
2. Per capita income that is, for the most recent period for which data are available, 80% or less of the national average per capita income.

The City of Escondido as a whole does not meet criterion #2, as the most recent 24-month average of citywide per capita income level is approximately 81% of the national average: \$24,642 for Escondido versus \$30,554 for the nation. For criterion #1, the most recent 24-month average unemployment rate in Escondido is 7.0%, which is approximately 1.0% higher than the nation’s unemployment rate. Both data points are from the U.S. Census Bureau, 2015 and 2016 American Community Survey (ACS) 1-year estimates (the required data sources for EDA funding eligibility calculations).

Although the City as a whole just barely meets the EDA’s economic distress criteria, there are a number of individual census tracts within the City that show significant signs of economic distress (based on per capita income and unemployment data). Figure 21, on the following page, provides a map showing the census tracts within the City’s boundaries that meet either one or both of the EDA’s economic distress criteria.

⁹ These criteria are directly excerpted from the EDA’s “Announcement of Federal Funding Opportunity”.

Figure 21. Economically Distressed Census Tracts in City of Escondido



= City Boundaries
 = Meets one criteria
 = Meets both criteria

Sources: U.S. Census Bureau, American Community Survey, 5-year Estimates (2012-2016); ESRI; TNDG

**APPENDIX B. Summary of Infrastructure Projects Potentially Eligible
for EDA Grant Funding**

Infrastructure Projects List

Priority	Project/Type	Description	Project Cost	Future Years Cost	Funding Source	Information Source	Located in Distressed Areas
LOW	Lindley Reservoir Replacement* WATER UTILITIES	Replace the existing 2 MG steel reservoir constructed in 1950 with two tanks adequately sized to meet future needs.	\$4,200,000		Water Bond Proceeds	5-year CIP; existing project	N
MEDIUM (Priority area: Centre City Parkway & Mission Ave)	Traffic Signals and Intersections STREETS	Construction of new traffic signals or the modification of existing traffic signals with minor intersection treatments that may include adding turn lanes, new curb returns, and pedestrian ramps	\$1,630,325	\$600,000	Gas Tax	5-year CIP; existing project	Y
MEDIUM ("Old" hospital site/Downtown)	Valley Boulevard Relocation STREETS	Realign the east-bound, one-way couplet currently on Valley Boulevard to Ivy St. and Grand Ave. Construction to include new pavement, curbs, gutters, sidewalks, street lights, traffic signals,	\$3,855,000	\$2,087,000	TransNet	5-year CIP; existing project	Y
LOW	Water Treatment Plant - Upgrades WATER UTILITIES	Evaluate necessary upgrades to the Water Treatment Plant and construct upgrades as determined by the recommendations.	\$4,200,000		Water Utility charges for services / Water Bond Proceeds	5-year CIP; future project	Y
LOW	Lift Station No. 1 and Force Main WASTEWATER UTILITIES	Replacement of approximately 16,900 feet of water line of sizes 12-inch to 18-inch. The area is located east of the cemetery near the following streets: Falconer, Canyon Crest, Glenridge, Moody, Cloverdale and Mountain View. The area consists of old Mutual installed pipelines. Design in 2018/19 and construction in 2020/2022	\$9,300,000		Wastewater Utility charges for services / Wastewater Bond Proceeds	5-year CIP; future project	N
LOW	Lift Station No. 8 Relocation WASTEWATER UTILITIES	Relocate Lift Station #8 from present location within an easement to a city-owned site at Eucalyptus and Via Rancho Parkway for improved access and reliability.	\$3,850,000		Wastewater Utility charges for services / Wastewater Bond Proceeds	5-year CIP; future project	N
HIGH (Phase 2 of 2 phase project)	Recycled Water Easterly Main Trunk and Pump Station	Construct recycled water storage tank and booster pump station to service the agricultural area of Cloverdale and Mountain View from <u>the easterly recycled water extension.</u>	\$10,300,000		Wastewater Bond Proceeds	5-year CIP; future project	Y
HIGH	Citracado Parkway Extension STREETS	Street and intersection improvements related to the design and construction of the new hospital facility; Palomar Pomerado Hospital District deposited \$13.0 million in an escrow account. Improvements funded by this and interest.	\$15,270,750+		\$908,750 (federal grant) \$836,000 (traffic impact funds) \$526,000 (TransNet)	5-year CIP City Staff	N
HIGH Additional Areas: -Felicitia and I-15 -El Norte and I-15	Street & Water/Sewer Improvements for Proposed Business Park Development Area STREETS	Improvements to street infrastructure in proposed Business Park Development area. Necessary improvements are not included in the CIP.	TBD			Engineering Department/ Utilities Department	N (directly adjacent to area)
LOW	Various Escondido Creek Trail Improvements COMMUNITY SERVICES	Improve existing 12 foot asphalt trail Add rest points along the trail Landscape improvements throughout trail Improve street crossing safety through signalized pedestrian crossings	TBD			Draft Escondido Creek Trail Master Plan Report	Y
HIGH but farther into the future due to regulatory issues	"Advanced Water Treatment Plant" WASTEWATER UTILITIES	Currently in design. Construction expected in 2018/2019, pending SRF funding.	\$29,000,000+			City Recycled Water & Drinking Water Reuse Plan	Y (SEC Washington Ave/Ashe St)
HIGH but farther into the future due to regulatory issues	"Advanced Water Treatment Plant" (EXPANSION FOR DRINKING WATER) WASTEWATER UTILITIES	Currently preparing technical feasibility study Project is likely to be 10 years out	\$20,000,000+			City Recycled Water & Drinking Water Reuse Plan	Y (SEC Washington Ave/Ashe St)

Priority	Project/Type	Description	Project Cost	Future Years Cost	Funding Source	Information Source	Located in Distressed Areas
NEW PROJECT	Recycled Water Distribution System WASTEWATER UTILITIES	Construct a distribution system from the new RW tank at Hogback to individual customers in the Cloverdale and Mountain View areas.	\$20,000,000+		SRF, iBank, User revenues and fees	City Recycled Water & Drinking Water Reuse Plan	N
NEW PROJECT	HARRF Improvements WASTEWATER UTILITIES	Increase secondary and tertiary treatment capacity, replace digesters, upgrade RW pump station	\$45,000,000		SRF, iBank, User revenues and fees	City Recycled Water & Drinking Water Reuse Plan	N
NEW PROJECT	San Pasqual Undergrounding WATER UTILITIES	Replace the Escondido Canal through the San Pasqual Indian Reservation with an underground pipeline.	\$15,000,000		SRF, iBank, User revenues and fees	Indian Water Rights Settlement	N
NEW PROJECT	Wohlford Dam WATER UTILITIES	Build a new Wohlford Dam downstream of the existing Wohlford Dam to restore storage capacity in Lake Wohlford.	\$48,000,000		CA Prop 1E Grant, SRF, iBank, User revenues and fees	Wohlford Dam Seismic Testing Report/Wohlford Dam FIR	Y
NEW PROJECT	Library relocation COMMUNITY SERVICES	Build a new library within the Grape Day Park expansion plan area	TBD			Grape Day Park Expansion Plan	Y
NEW PROJECT	Grape Day Park expansion COMMUNITY SERVICES	Expand Grape Day Park north to Washington Ave and add additional amenities	TBD			Grape Day Park Expansion Plan	Y
NEW PROJECT	Public Works Yard relocation PUBLIC WORKS	Future relocation of the Public Works Yard. New facility will be sized to meet current and future maintenance demands of the City. Project components include site selection, acquisition, environmental documentation, and design for the future site.	\$57,000,000		Public Facility Fees, General Capital	5-year CIP; existing project	N

Notes: TBD = To be Determined; CIP = Capital Improvement Plan; SRF = State Revolving Fund; Y = Yes; N = No

Source: City of Escondido; TNDG.

APPENDIX C. List of CEDS Committee Members

Name		Company/Organization	Private Sector
1.	Robert Adams	Interfaith Community Services	X
2.	Greg Anglea	Interfaith Community Services	X
3.	Maria Bowman	Bowman Real Estate Srvc/El Mercado Business Association	X
4.	Craig Carter	City of Escondido	
5.	Jerry Connolly	JP Catholic University	X
6.	Sabrina Covington	Sabrina Covington Inc	X
7.	Ernie Cowan	North San Diego County Association of Realtors	X
8.	Michael D Cully	San Diego North Economic Development Council	X
9.	Cameron Durckel	San Diego Gas & Electric (SDG&E)	X
10.	David Ferguson	Lounsbery Ferguson Altona & Peak (LFAP)	X
11.	Tracey Foster	North County Transit District (NCTD)	
12.	Elly Garner	Palomar Health	X
13.	Kerry Garza	Touchstone Communities	X
14.	Gina Garza	Touchstone Communities	X
15.	Michelle Geller	City of Escondido	
16.	Phil Henry	Henry Avocado Co.	X
17.	Laura Hillebrecht	The Farm Stand	X
18.	Rorie Johnston	Escondido Chamber of Commerce	X
19.	Mark Kalpakgian	The Classical Academies	
20.	Eric Larson	Farm Bureau	X
21.	Alex MacLachlan	Escondido Downtown Business Association	X
22.	Bill Martin	City of Escondido	
23.	Christopher McKinney	City of Escondido	
24.	Tina Ngo Bartel	Community Colleges - Centers of Excellence	X
25.	Jay Petrek	City of Escondido	
26.	Matt Pound	Weir Asphalt Company	X
27.	Julie Procopio	City of Escondido	
28.	Jill Reilly	Cute Cakes Bakery & Café	X
29.	Matthew Sanford	San Diego Regional Economic Development Corporation	X
30.	Michael Simon	Transpower	X
31.	Eric Skaja	Escondido Police Department	
32.	Deanna Smith	Gluten Not Included	X
33.	Mike Strong	City Escondido	
34.	Jerry Van Leeuwen	California Center for the Arts	X
35.	Don Zech	CDC Commercial Inc	X
36.	Katherine Zimmer	City of Escondido/Visit Escondido	

Total Committee Members: 36
Private Sector Members: 25
Private Sector as % of total: 69%

APPENDIX D. City Council Members Interviewed for CEDS Process

City Council Members Interviewed for CEDS Process

Name	Title / District
Sam Abed	Mayor
Ed Gallo	Council Member, District 1
John Masson	Deputy Mayor, District 2
Olga Diaz	Council Member, District 3
Michael Morasco	Council Member, District 4

**APPENDIX E. CEDS Committee Meeting #1 – Agenda and
Accompanying Meeting Materials**

**City of Escondido
Comprehensive Economic Development Strategy (CEDs)**

**CEDs COMMITTEE #1
August 15, 2017**

The Natelson Dale Group, Inc.

Introductions – Consultants, City staff, Committee members

Consultant presentation

- Updated Action Plan Matrix
- Update on Review of Target Industry Clusters
- Summary of CEDs Committee Online Survey

Group Discussion:

- Feedback on target industries/clusters
- Review of key issues, goals and objectives to be addressed in updated CEDs

Preview of next steps

Attachments

Attachment #1: Updated Action Plan Matrix

Attachment #2: Target Industry Clusters Review

Attachment #3: Summary of Online Survey

**Attachment #1:
Updated Action Plan Matrix**

Table F-1. Implementation Plan Table

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Consistently convey a message to the business/development community that the City of Escondido is “ready for business”; reinforce an attitude among City staff that economic development is a very high priority</p>	<p>1. <i>Expand City’s organizational capacity for economic development</i></p> <p>Currently Economic Development is the responsibility of the City Manager, Assistant City Manager, Assistant to the City Manager and a Management Analyst. This structure ensures the appropriate visibility and the highest levels of leadership needed to implement the City’s economic development initiatives, particularly business retention, expansion and attraction activities.</p> <p>To provide an initial point of contact for business persons who are unfamiliar with city rules and processes, “Ombudsman” or business advocacy services are provided by the Management Analyst position. However, greater awareness of this service needs to be developed.</p>	<p>1a. Establish full-time Special Events/Economic Development Coordinator position</p>	<p>\$91,665 (fully benefited cost for Step 5 Program Coordinator position)</p>	<p>GP-Economic Prosperity</p> <p>2011-2012 Council Action Plan</p>
		<p>1b. Publicize Ombudsman services of Management Analyst</p>	<p>N/A</p>	
		<p>1c. Convene Economic Development Task Force (City staff and selected local stakeholders) to overview selected action items</p>	<p>N/A</p>	
		<p>1d. Establish volunteer corps of local Business Ambassadors to help promote Escondido (see also Action Item 5b)</p>	<p>N/A</p>	
		<p>1e. Expand Mayor’s business outreach program to include other Council members(see also Action Item 5a)</p>	<p>N/A</p>	

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Consistently convey a message to the business/development community that the City of Escondido is “ready for business”; reinforce an attitude among City staff that economic development is a very high priority</p>	<p>Special events can enhance the vitality, quality and economic prosperity of a community. To maximize the success of such events, the City Manager’s organizational</p>	<p>1f. Expand and refocus partnerships/alliances with private and regional organizations</p>	<p>N/A</p>	
	<p>1. <i>Expand City’s organizational capacity for economic development (cont.)</i></p> <p>structure should be expanded to include a Special Events/Economic Development Coordinator. This person would plan, direct, and coordinate special events that take place on public property.</p> <p>Action Item 1g will utilize the existing Economic Development (ED) Subcommittee as the initial structure for establishing protocols for the involvement of elected officials and business leaders in the City’s economic development initiatives. The ED Subcommittee consists of two City Council members appointed by the Mayor. The subcommittee meets on an as-needed basis to review all requests for processing under the City’s Business Enhancement Zone (BEZ), as well as other requests involving incentives or financial participation by the City to</p>	<p>1g. Establish clear protocols for the involvement of elected officials and business leaders in formal and informal support roles related to the City’s economic development initiatives, using the existing ED Subcommittee as the initial structure for this process</p>	<p>N/A</p>	

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
	stimulate economic development. The subcommittee makes recommendations to the City Council for consideration at a public meeting.			
<p>Update – May 2017 All action items in this strategy are either completed or ongoing.</p> <p>Currently, the City has a full time Economic Development Manager and a half time Management Analyst focused on business attraction, retention and expansion. Additionally, the City’s full time Communications Officer and half time Management Analyst focus on special events. The number of special events taking place in Escondido has increased significantly over the last five years.</p> <p>Regular communication/interaction with the business community includes a monthly e-newsletter, regular business visits (often including elected officials), an annual Business Walk, and ongoing promotion of the business ombudsman service.</p> <p>There is close collaboration between Economic Development and Development Services, and the Community Development Department has established a “Getting to Yes” policy on entitling new development in the City.</p>				
Create jobs / expand tax base	2. <i>Leverage recent/ forthcoming development and investment to attract new business and visitors to the City</i>	2a. Coordinate with Palomar Health to identify specific opportunities to attract new support businesses related to development of Palomar Medical Center West	N/A	GP-Economic Prosperity

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
		2b. Coordinate with Westfield Group to identify specific opportunities to link Westfield North County mall expansion/renovation to City's marketing, retail tenant recruitment and tourism promotion activities	N/A	
		2c. Coordinate with Stone Brewing Co. to identify specific opportunities to link the brewery expansion and related hotel development proposal to City initiatives to promote the Specialty Food/Beverage and Culture/Entertainment/Tourism industries	N/A	
		2d. Incorporate information about development and investment initiatives, both public and private, into marketing materials and campaigns for the City	Included in budget for Action Item 4.b below	
<p>Update – May 2017 Palomar Hospital (formerly Palomar Medical Center West) has spurred medical-related development in the Escondido Research and Technology Center (ERTC), including the Makena Medical Center and two new medical professional buildings currently under construction.</p>				

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Westfield North County has added several new restaurants, including North County Tavern and Bowl and Cheesecake Factory. Additionally, the regional mall added a 24-Hour Fitness and is planning to add an upscale movie theater.</p> <p>Stone Brewing expanded their production capacity by adding a 59,000 SF packaging hall across the street from their main headquarters in the ERTC. They have risen to become the third most popular tourist destination in North San Diego County (behind Legoland in Carlsbad and the San Diego Zoo Safari Park in Escondido).</p> <p>An annual brochure debuts each February at the Mayor’s State of the City Address promoting new development in Escondido, in addition to a promotional video produced each year highlighting major completed projects.</p>				
Create jobs / expand tax base	3. <i>Continue efforts to develop reclaimed water for agriculture.</i> This strategy has the potential to significantly reduce mandated wastewater treatment costs, while simultaneously preserving and expanding agricultural jobs, within an already established Escondido cluster and one which is closely tied to the City's image and basic amenities.	3a. Establish public/private Task Force to serve as an advocacy/advisory group, a clearinghouse for information related to this issue	N/A	GP-Economic Prosperity GP-Economic Prosperity
		3b. Facilitate the investigation of the feasibility of developing an Alternating Proprietorship (AP) Facility, to support wine production in San Diego County	N/A	Documentation for this concept is in the report, <i>AP Wine</i>

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Create jobs / expand tax base</p>	<p>Support development of the wine and craft beer industries in the Escondido area.</p> <p>This strategy has potential connections to three of the target industry clusters:</p> <ul style="list-style-type: none"> • Culture, Entertainment & Tourism • Specialty Foods and Beverages • Agribusiness and Ag-Tech <p>The intent of the indicated Action Items is for the City to serve in a facilitation role rather than a direct financial investment role. The City can support this industry with land use policies that reduce barriers to and</p> <p>3. Continue efforts to develop reclaimed water for agriculture. (cont.)</p> <p>incentivize private investment.</p>	<p>3c. Continue efforts to attract private investors to investigate the feasibility of and develop a multi-room wine tasting facility (in Downtown Escondido). This facility could include a crush pad for winemaking as an ancillary (and non-essential, at this location) use.</p>	<p>N/A</p>	<p><i>Production Facility, Escondido California</i>, by John Barlow (2010).</p>
		<p>3d. Pursue efforts to attract private investors to investigate the feasibility of and develop a multi-room craft beer tasting facility (in Downtown Escondido)</p>	<p>N/A</p>	
		<p>3e. Integrate all wine and craft beer industry development strategies with tourism, identity and image for the City, and overall support for and marketing of the Food and Beverage cluster</p>	<p>N/A</p>	

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Update – May 2017</p> <p>The City’s Utilities Department worked closely with EGAP (Escondido Growers for Agricultural Preservation) to develop a plan for using reclaimed water for agriculture. The project is underway to lay miles of “purple pipe” to bring reclaimed water to the east end of the City where agriculture customers are concentrated.</p> <p>The Utilities Department worked collaboratively with Economic Development and local breweries on a tiered system for calculating wastewater fees for wineries and breweries. This system provides more simplicity and certainty for new wineries and breweries wishing to locate in Escondido, given the special constraints on the capacity of Escondido’s wastewater processing facility.</p> <p>The City’s wine industry has grown from just a few wineries in Escondido’s unincorporated area to 15 wineries, including two urban wineries in the industrial area and the revitalization of a historic winery in a residential neighborhood. Additionally, the City hosts an annual tasting event to showcase Escondido wineries.</p>				
	<p>4. <i>Implement target industry marketing program to attract new firms in high-priority clusters</i></p> <p>The intent of this Strategy (along with Strategy 6) is to commit resources to a comprehensive marketing initiative (including both general identify/image and industry-specific components) <u>led by a professional marketing firm.</u></p> <p>Based on the CEDS research and stakeholder input processes, the top-five priority clusters for attraction are:</p>	<p>4a. Convene Economic Development Task Force to identify specific industry attraction targets and goals for 2-year and 5-year horizons</p> <p>4b. Develop industry-specific marketing materials and campaigns for the initial “focus targets” identified by the EDTF, in conjunction with City’s identity and image enhancement program (Strategy 6 below)</p>	<p>N/A</p> <p>\$30K-\$45K initial program design; \$100K-\$150K annual budget; \$30K annually for</p>	<p>GP-Economic Prosperity; Vision</p>

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Create jobs / expand tax base</p>	<ul style="list-style-type: none"> • Cleantech • Hospitals and Healthcare • Culture, Entertainment & Tourism • Education & Knowledge Creation • Specialty Foods and Beverages <p>This list should be further refined and prioritized by the Economic Development</p> <p>4. <i>Implement target industry marketing program to attract new firms in high-priority clusters (cont.)</i></p> <p>Task Force to establish an initial set of “focus targets.”</p> <p>Recommended “focus targets” include “showcase” clusters of Cleantech, and Hospitals and Healthcare, plus other target clusters that offer the potential for leveraging other strategic interests: Specialty Foods and Beverages, and the related strategy of supporting the agriculture, wine and tourism industries.</p> <p>The selected “focus targets” should also reflect the industry screening process</p>		<p>“lead generation” (identification of candidate firms for attraction)</p>	

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
	conducted for this CEDS, land availability, economic development institutional capabilities that currently exist in or to be initiated as part of the Action Plan, and budgetary considerations.			
<p>Update – May 2017</p> <p>Detailed descriptions of target areas for development were added to the City’s website. Additionally, the new Council Action Plan calls for populating an online tool, Oppsites, to further market target development areas.</p> <p>A regional economic development initiative, Innovate 78, was developed in 2013. Innovate 78 brings together the five cities along the 78 Corridor and the San Diego Regional EDC in a joint branding effort to promote the region internally and externally as a place to do business. The research arm of the SDEDC provides data products to guide Innovate 78 strategies.</p>				
<p>Create jobs / expand tax base</p>	<p>5. Enhance outreach and marketing for economic development, through a set of coordinated channels</p> <p>The intent of this strategy is to <i>enhance and</i></p> <p>5. Enhance outreach and marketing for economic development, through a set of coordinated channels (cont.)</p> <p><i>supplement</i> the professional marketing program (as outlined in Strategies 4 and 6) through support roles of elected officials and community stakeholders.</p>	<p>5a. Establish “Business Ambassadors” program to utilize high-profile Escondido businesspersons as advocates in marketing effort</p> <p>5b. Investigate implementation of formal business retention survey process, as part of the work plan for newly-established economic development staff</p>	<p>N/A</p> <p>\$10,000 for business retention survey software</p>	<p>2011-2012 Council Action Plan</p>

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
	<p>This activity should be coordinated through the Economic Development Task Force and the strategy to establish dedicated economic development staff within the City. Current informal practices for this function, which now occur through the Mayor's office, for example, should be considered in conjunction with more formalized, structured procedures, such as business retention surveys widely in use in the economic development profession.</p> <p>Consistent with Action Item 1g, it is critical that the involvement of City Council members and local business leaders is subject to a set of consistent protocols and otherwise coordinated with the City's newly established economic development staff.</p>			

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Create jobs / expand tax base</p>	<p>6. <i>Implement an identity/image enhancement program</i></p> <p>This strategy and Strategy 4 above are intended to be related components of a comprehensive marketing initiative <u>led by a professional marketing firm.</u></p> <p>The following considerations should be included in defining the process for implementing an identity/image enhancement strategy:¹</p> <ul style="list-style-type: none"> The identity/image enhancement process should evolve from and be based on the “business model” of the relevant organization. That is, the business model, by being based on what is feasible, help establish the universe in which the identity/image will serve its marketing purposes. In Escondido's case, the organizational business model for purposes of this discussion is assumed to be that developed for the economic development function to be established 	<p>6a. Convene initial working group meeting to:</p> <ul style="list-style-type: none"> Consider the timing, preceding steps etc. of this effort Review past/recent efforts relevant to this process Define preliminary scope of a coordinated, citywide identity/image enhancement initiative Document key themes/ concepts to be included in refined identity for the community Identify leadership and organizational participation for initiative 	<p>N/A</p>	<p>GP-Economic Prosperity</p> <p>Council Action Ploan (program implementation)</p>
		<p>6b. Investigate options (and related costs) for retaining professional creative talent, identify funding resources, and secure budget commitments from participating organizations</p>	<p>\$35,000 - \$50,000 (one time cost)</p>	

¹ The following is based on discussions with Claudia Sieb, The Sieb Organization, a global, full-service marketing firm specializing in brand development, marketing and communications, and brand experiences.

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Create jobs / expand tax base</p>	<p>within the City. Of course, the identity/image could relate to other</p> <p>6. Implement an identity/image enhancement program (cont)</p> <p>aspects of the City as well, but it will probably be most meaningful if firmly anchored to the primary function in which it will be used.</p> <ul style="list-style-type: none"> In keeping with the preceding point, a <i>marketing plan</i> will be developed as part of the organizational business plan (in this case for the economic development function/industry targeting function, which is distinct from other types of marketing such as tourism promotion). Marketing materials based on the plan will in turn be tied to some subset of all the target clusters identified in the strategic plan. Most likely, separate marketing packages will need to be prepared for each target cluster, even if these initial targets are complementary with one another. Production of these marketing materials will precede and thereby inform the identity/image enhancement process. The identity/image enhancement approach could also be influenced by the successes 			

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
	or lack of success in expanding employment within the initial target clusters.			
<p>Update – May 2017</p> <p>In December 2016, the City designated a full time Communications Officer. Economic Development staff will work with this individual to develop targeted marketing packages using multiple communications channels (website, social media, print collateral, etc.)</p>				
<p>Create jobs / expand tax base</p>	<p>7. <i>Continue/intensify efforts to revitalize key subareas of the City</i></p> <p>This Strategy is intended to dovetail with the recently approved General Plan update and the forthcoming approval of the Downtown Specific Plan update. Whereas these Plan updates address land use policies, the intent of the CEDS Action Item is to ensure full integration of the land use plans with other City policies/resources that may be focused on the revitalization of these areas. These policies should, in turn, be effectively integrated with the marketing and business</p>	<p>7a. Prepare detailed implementation plan for the revitalization process and priority revitalization areas</p>	<p>\$25,000 - \$40,000 (assumes focused strategic plan)</p>	<p>GP-Economic Prosperity; Vision; Land Use; Housing Council Action Plan</p>

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Create jobs / expand tax base</p>	<p>attraction activities included in the CEDS. For example, marketing materials should highlight relevant development opportunities created by the Downtown Specific Plan <i>as they specifically relate to relevant target industries.</i></p> <p>The CEDS Committee has identified the following areas as priorities for revitalization:</p> <ul style="list-style-type: none"> ● Proposed Business Park Plan Area, top priority ● Downtown, second priority <p>Because the revitalization priorities</p> <p>7. <i>Continue/intensify efforts to revitalize key subareas of the City (cont.)</i></p> <p>identified as part of the CEDS process involve two program areas that are contiguous, revitalization efforts can be especially closely coordinated for these two areas.</p> <p>The revitalization plan must reflect the fact that: a) revitalization priorities need to be</p>			

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Create jobs / expand tax base</p>	<p>matched with industry cluster targeting and the kinds of specific users that are anticipated as a result of the targeting efforts, b) varying levels of effort can produce different levels of results in different areas, so the cost-effectiveness of revitalization efforts become another factor in the detailed prioritization of areas and processes, c) revitalization efforts affect the overall image of the community as well as enhance business activity, and finally d) that the potential for synergistic relationships among targeted revitalization areas must be recognized as part of the overall prioritization process.</p> <p>The prioritization of the business park area revitalization over downtown in this</p> <p>7. <i>Continue/intensify efforts to revitalize key subareas of the City (cont.)</i></p> <p>document does not constitute a current policy shift (i.e. superseding the CIP) but that it can guide future policy direction, and is based on comments from the CEDS</p>			

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
	Committee and synthesis by the CEDS consultant team.			
<p>Update – May 2017</p> <p>Following the approval of the General Plan, and subsequent approval of the Downtown Specific Plan (which allows for much higher density than the previous specific plan), the Economic Development Task Force worked to identify target areas for development.</p> <p>The “Business Park” area is currently still on the City’s radar for future development and has been included in the current Council Action Plan. However, there has been a shift from office use to light industrial use from a zoning perspective. Downtown is also a major focus for redevelopment.</p> <p>In 2014, Council approved a Conditional Use Permit for John Paul the Great Catholic University to locate their main campus on Grand Avenue in the heart of Downtown. JP Catholic has subsequently purchased additional properties and its presence Downtown has been met with positive feedback from Downtown businesses. There are several new multifamily residential projects approved or close to approved in the Downtown Specific Plan area.</p>				
	<p>8. <i>Ensure that City’s development/permit processing is timely and business friendly</i></p>	<p>8a. Deferment of impact fee collection until a Certificate of Occupancy is issued – by right rather than at City’s discretion (Note: A revised fee deferral policy was just approved by Council in June 2012. http://www.escondido.org/fee-deferral-policy.aspx.)</p>	N/A	<p>GP-Economic Prosperity; Housing</p> <p>2011- 2012 Council Action Plan</p>

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Create jobs / expand tax base</p>	<p>8. <i>Ensure that City’s development/permit processing is timely and business friendly (cont.)</i></p>	<p>8b. Partner with Building Industry Association (BIA) to implement pilot program for development-processing improvements</p> <p>Possible pilot programs include:</p> <ul style="list-style-type: none"> • Utilize BIA experience and expertise to refocus and refine City’s longstanding usage of 3rd party plan check and inspection services, recognizing the City’s existing agreement with ESGIL. • Raising the project-size threshold for triggering CEQA requirements, subject to City’s discretionary authority. • Identifying specific policies necessary to encourage development of targeted, specialized business activities (e.g., water/wastewater requirements of microbreweries). 	<p>N/A</p>	
		<p>8c. Formalize City “red team” to ensure timely development processing, building on the</p>	<p>N/A</p>	

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Create jobs / expand tax base</p>	<p>8. <i>Ensure that City’s development/permit processing is timely and business friendly (cont.)</i></p>	<p>structure of the existing interdepartmental team The “Red Team” will consist of an interdepartmental team, already in place, which reviews projects and shepherds them through the development process. (See Item J in Section C.1 above for additional information.)</p>		
		<p>8d. Improve utilization of City’s systems for tracking permit processing times (so that available databases can be fully integrated with Action Items 8a and 8b above)</p>	<p>N/A</p>	
<p>Update – May 2017 The City of Escondido’s Community Development Department has instated a “Getting to Yes” philosophy on new projects that benefit the community. A weekly Staff Development Committee meeting is held consisting of staff from all departments related to new development (Planning, Building, Engineering, Economic Development, Utilities, Fire, etc.) Streamlined processes are in place to get quality projects approved faster. Community Development staff meet regularly with the Building Industry Association to get feedback on challenges with the entitlement process and adjust accordingly.</p>				

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Create jobs / expand tax base</p>	<p>9. Expand promotion of Escondido as destination for tourism</p> <p>Within the context of this Action Plan, organizations that promote tourism in Escondido, such as the Convention and Visitors Bureau (CVB), can coordinate their marketing and business development efforts with other target industry cluster activities outlined in this Action Plan. This coordination should be two-way, in the sense that enhancement of tourism facilities also improves the attractiveness of the</p> <p>9. Expand promotion of Escondido as destination for tourism (cont.)</p> <p>community for employers and employees, in the form of quality-of-life attributes. In the same sense, revitalization efforts can both encourage development of tourism facilities and increase the attractiveness of the community for visitors.</p> <p>Note: Implementation of the action items related to this strategy is subject to near-term resolution of the status and role of the</p>	<p>9a. Coordinate with CVB (a recommended participant in the Strategy 4/Strategy 6 marketing initiatives) to develop tourism component of overall marketing program</p>	<p>Included in budgets for Action Items 4.b and 6.b above</p>	<p>GP-Economic Prosperity</p>
		<p>9b. Inventory and profile all community “assets” that should be positioned as destinations/visitor amenities in tourism marketing plan</p>	<p>N/A</p>	
		<p>9c. Focus on marketing existing Escondido-area recreational tourism facilities that have a large geographic draw, including Escondido’s Sports Center (soccer fields), Daley Ranch, Dixon Lake, etc. The purpose is to ensure effective tourism promotion of all tourism-oriented amenities in Escondido, thereby increasing the potential for tourists to visit</p>	<p>N/A</p>	

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
	CVB. While the City has allocated funds in the FY 2012-2013 budget to fund the Chamber of Commerce CVB function, the Chamber does not currently have someone filling the role of CVB manager.	multiple destinations within the City.		
<p>Update – May 2017 The City created a full-time Tourism Coordinator position in 2014. Through strategic marketing efforts, this individual has successfully raised Escondido’s profile as a tourist destination. A Visit Escondido storefront was established on Grand Avenue in Downtown Escondido to serve as a physical “visitors center.”</p>				
	<p>10. Expand special events to attract visitors/shoppers to City</p> <p>This strategy will be coordinated closely with the strategy for expanding the promotion of Escondido as a destination for tourism.</p>	10a. Inventory all existing special events and compile data on visitation, including origins of visitors, utilization of visitor facilities during events, and similar details	N/A	GP-Economic Prosperity; Vision

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
Create jobs / expand tax base	10. Expand special events to attract visitors/shoppers to City (cont.)	10b. Devise a method by which to systematically compile such information	N/A	
<p>Update – May 2017</p> <p>In 2013 the City created a full time Special Events Coordinator position. Since that time, special events in the city have increased dramatically. There is a streamlined system for event organizers to produce events. The City has taken on the financial burden of creating traffic control plan “templates” so that is not an expense event organizers have to incur. The Maple Street Plaza project was completed in 2012 as a special event space in the heart of Downtown Escondido, with removable bollards that enable easy street closures.</p>				
	<p>11. Coordinate with other North County cities on business attraction efforts</p> <p>This activity will generally be reserved for unique situations in which such coordination is beneficial to the North County region.</p>	11a. Review all existing regional coordination efforts and make recommendations as to the circumstances under which such coordination would be appropriate	N/A	
	<p>12. Identify options for integrating City economic development efforts with regional economic development organizations</p> <p>This strategy recognizes that there are appropriate hierarchical relationships for certain economic development functions,</p>	12a. Establish criteria for and evaluate existing and new economic development initiatives in terms of potential applicability to this strategy	N/A	

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
	such as marketing to certain clusters and processing leads from such marketing. The intent of this strategy is to find a balance between regional cooperation and independence, in economic development			
<p>Update – May 2017 In addition to the Innovate 78 regional branding initiative (managed through a contract with the San Diego Regional Economic Development Corporation), the City also collaborates with the San Diego North Economic Development Council and the San Diego North Business Chamber.</p>				
Improve residential quality of life	<p>13. Improve utilization of California Center for the Arts</p> <p>According to material presented at the Center’s March 4, 2012, annual "Center Dialogues" sessions, the center is working on both balancing its budget and attempting to expand its programming. The intent of this strategy is to accomplish multiple objectives of: improving the City’s return on investment, adding to residents’ quality of life, and leveraging business attraction.</p>	<p>13a. Coordinate CEDS marketing initiatives with existing Center for the Arts Subcommittee</p>	<p>N/A</p>	<p>GP-Vision; Community Health & Svcs.</p>

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Update – May 2017 Visit Escondido has worked to promote the CA Center for the Arts more aggressively than the City had in years past. The CCAE has seen an increase in revenues and an uptick in sold out shows after making operational changes over the past several years.</p>				
<p>Improve residential quality of life</p>	<p>14. Expand housing options for higher-income residents</p> <p>Policies and land use designations in the General Plan provide for a broad range of housing opportunities. High-end housing is often associated with large-lot development typically located outside of the urban core in the rural areas at the perimeter and outskirts</p> <p>14. Expand housing options for higher-income residents (cont.)</p> <p>of the City. This includes developed properties on large lots in the unincorporated area as well as development opportunities on vacant, underdeveloped and agricultural.</p>	<p>14a. Undertake a thorough review of community plans, redevelopment/revitalization plans, zoning, development regulations, etc. and identify conditions that both encourage and discourage the development of this type of housing</p>	<p>N/A</p>	
		<p>14b. Following the City review, prepare a market assessment that examines issues of supply and demand, for both higher - end housing and suitable (and suitably priced) land, the competitive environment surrounding Escondido for this type of product, and similar considerations</p>	<p>\$30,000</p>	

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
		14c. Explore annexation of unincorporated county land that could increase high-end housing development opportunities	N/A	
<p>Update – May 2017</p> <p>There are currently over a dozen new market rate residential developments either under construction or in the approval process in Escondido, including several single-family large lot projects.</p>				
<p>Improve residential quality of life</p>	<p>15. Expand athletic / recreational / environmental amenities, consistent with and in coordination with the relevant policies from the recently updated General Plan</p> <p>15. Expand athletic / recreational / environmental amenities, consistent with and in coordination with the</p>	<p>15a. Undertake a thorough review of both the existing stock of parks and recreation facilities and those included within its updated General Plan, Community Health Services element, and assess the extent to which existing and future facilities meet the standards outlined in the General Plan Update. The assessment can address costs, revenue sources, and, either in general or in detail, the value added to parts of the community where these</p>	<p>N/A</p>	

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
	<p><i>relevant policies from the recently updated General Plan (cont.)</i></p> <p>15. Expand athletic / recreational / environmental amenities, consistent</p>	<p>facilities exist or will be developed</p>		
		<p>15b. Incorporate into the assessment of current and future facilities, as outlined above, consideration of the Community Health and Services element of the General Plan, which addresses the concept of incorporating open space and recreational facilities provided by schools and the private sector into the overall system of parks and recreational facilities</p>	<p>N/A</p>	

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Improve residential quality of life</p>	<p><i>with and in coordination with the relevant policies from the recently updated General Plan (cont.)</i></p>	<p>15c. Review recommendations in The <i>Escondido Creek Trail Master Plan Report</i> (January 10, 2012) and incorporate to the extent feasible into the overall assessment of parks, open space and recreational facilities described above. The Trail Master Plan incorporates strategies to help encourage safe and healthy lifestyles, addressing safety and security, heritage, and discovery as well as recreational facility development</p>	<p>N/A</p>	
		<p>15d. Investigate options for funding new recreational facilities in the City, including potential public/private partnerships for facility development</p>	<p>N/A</p>	

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
<p>Update – May 2017</p> <p>Funding has been approved for improvements at the Kit Carson Park playground, for a master plan for the KCP sports fields and for repurposing the tennis courts at Washington Park.</p> <p>SANDAG Active Transportation funding was recently awarded in 2016 for completion of the Missing Link of the Bicycle Master Plan that connects the Transit Station to the Creek Trail at Broadway based on a competitive grant (\$1,092,000).</p>				
Improve employment opportunities of Escondido residents	16. Focus existing relationships with primary / secondary schools on workforce development, with specific focus on improving high school graduation rates	16a. Establish an Educational Task Force	N/A	
		16b. Draft an Educational Enhancement operational plan, specifically focused for this strategy on primary and secondary schools, but eventually addressing higher education within the City. The plan will be developed and continually refined in concert with educators, school administrators, and other stakeholders.	N/A	

Goal	Strategy: Opportunity or Challenge to be Addressed	Action Item	Cost Implication	Cross Reference to Other City Documents
		16c. Establish, as appropriate, and monitor ongoing collaborative efforts such as STEM (<i>Science, Technology, Engineering, and Mathematics</i>) programs and the like	N/A	
	17. Expand job training capacity in Escondido	17a. Review findings of Educational Enhancement operational plan and propose supplemental programs to address any identified training/job-readiness gaps	N/A	GP-Economic Prosperity; Vision
<p>Update – May 2017 Establishment of an education task force was put on hold; however, regular meetings between the City Manager and school district superintendents continued to take place as they previously had.</p> <p>Del Lago Academy Campus of Applied Science, a STEAM focused high school, opened in 2013.</p>				

**Attachment #2:
Target Industry Clusters Review**

Provided below is an updated review of priority target clusters in Escondido. Following from the target clusters identified in the 2013 Escondido Comprehensive Economic Development Strategy (CEDS), this analysis provides updated cluster data from the San Diego Regional Economic Development Corporation (EDC), the San Diego North Economic Development Council (EDC), and the U.S. Cluster Mapping Project². Table 1, below, provides a list of 16 target clusters identified in the 2013 CEDS. As part of that study, the analysis focused on two groups of potential targets:

- (1) Industries/clusters that are established core strengths in Escondido, and thus represent appropriate targets for a **retention/expansion** focus; and
- (2) Industries/clusters that, although not currently well represented in the City, are strong in the larger North County area. This group represents industries that could potentially be **attracted** to the City based on their existing attraction to the larger region.

Based on the CEDS research and stakeholder input process, the CEDS identified a list of top-five priority clusters for attraction in Escondido. These top-five clusters are identified with a checkmark in Table 1 below.

Table 1. 2013 CEDS Target Clusters

<i>Industry Cluster, in priority rank order</i>	<i>Recommended Strategic Focus</i>	<i>Top-five Priority Cluster</i>
<i>Cleantech</i>	Attraction	✓
<i>Hospitals and Healthcare</i>	Retention/Expansion	✓
<i>Culture, Entertainment & Tourism</i>	Retention/Expansion	✓
<i>Education & Knowledge Creation</i>	Attraction	✓
<i>Specialty Foods and Beverages</i>	Retention/Expansion	✓
<i>Information, Communications, Technology</i>	Retention/Expansion	
<i>Agribusiness & Ag-Tech</i>	Retention/Expansion	
<i>Advanced Precision Mfg.</i>	Attraction	
<i>Business and Professional Services</i>	Retention/Expansion	
<i>Medical Devices</i>	Attraction	
<i>Pharmaceuticals</i>	Attraction	
<i>Retail Trade</i>	Retention/Expansion	
<i>Energy Generation</i>	Retention/Expansion	
<i>Defense-related Manufacturing</i>	Attraction	
<i>Action Sports</i>	Attraction	
<i>Elderly Care Services</i>	Retention/Expansion	

Source: Escondido Comprehensive Economic Development Strategy (CEDS), 2013.

² As excerpted from the website: “The U.S. Cluster Mapping Project is a national economic initiative that provides over 50 million open data records on industry clusters and regional business environments in the United States to promote economic growth and national competitiveness. The project is led by Harvard Business School’s Institute for Strategy and Competitiveness in partnership with the U.S. Department of Commerce and U.S. Economic Development Administration.”

Table 2, on the following page, provides a summary matrix table of the 16 target clusters identified in the 2013 CEDS. For each cluster, the table provides the most recent information available from the following three sources: 1) San Diego Regional EDC, 2) San Diego North EDC, and 3) the U.S. Cluster Mapping Project. As shown on the table, the San Diego Regional EDC column provides the most recent County cluster employment and wage data (when available), along with additional key features associated with each cluster. The corresponding clusters in the San Diego North column are part of that organization’s “Key Industry Clusters”, as listed on its website. For the U.S. Cluster Mapping project, clusters identified as “strong clusters” are included on the table. These are clusters with a high employment specialization in San Diego County.

Along with the target clusters identified in Table 2, below, the San Diego Regional EDC also has also profiled the *Cybersecurity* industry, given its favorable growth prospects in San Diego County. Most recent estimates indicate that the industry accounts for about 7,620 jobs in the County. The County’s United States Navy Space and Naval Warfare Systems Command (SPAWAR) is a key foundational element to this industry, employing close to 3,400 cybersecurity professionals. Reflecting this industry’s growth potential, the University of San Diego and California State University San Marcos launched two new cybersecurity masters programs.

Table 2. Summary of 2013 CEDS Target Clusters

Clusters in 2013 CEDS	San Diego Regional EDC (Target Clusters/Industries)	San Diego North EDC (Key Clusters)	U.S. Cluster Mapping Project (Strong Clusters in SD County¹)
Action Sports Manufacturing	<i>Manufacturing, 105,782 jobs in 2016; sixth highest paying cluster in region – \$81,180 average wage</i>	Innovation and Specialized Manufacturing	
Advanced Precision Manufacturing	<i>Manufacturing, 105,782 jobs in 2016; sixth highest paying cluster in region – \$81,180 average wage</i>	Innovation and Specialized Manufacturing	
Agribusiness and Ag-Tech			
Business and Professional Services			Marketing, Design, and Publishing
Cleantech ²	<i>Cleantech, ≈10,000 jobs in 2014; support for an additional 11,287 jobs; top location for research and development in engineering, life sciences and biotechnology - critical to the success of the cleantech cluster</i>	Cleantech	
Culture, Entertainment, and Tourism ²	<i>Tourism, 158,000 jobs in 2014; one of the top visitor and convention destinations in the world</i>	Connected Tourism and Agriculture	Hospitality and Tourism
Defense Related Manufacturing	<i>Aerospace, Navigation, Maritime Technologies, account for significant portion of Defense-related jobs – 33,400 jobs in 2014; 2016, \$8.6 billion in procurement contracts was</i>	Innovation and Specialized Manufacturing	Aerospace Vehicles and Defense Water Transportation

Clusters in 2013 CEDS	San Diego Regional EDC (Target Clusters/Industries)	San Diego North EDC (Key Clusters)	U.S. Cluster Mapping Project (Strong Clusters in SD County ¹)
	projected to flow into San Diego (2 nd most county in U.S.)		
Education and Knowledge Creation ²	<i>Research Institutions; independent research institutions and university research centers</i> provided 18,090 jobs in the region in 2015; 37,260 jobs accounting for direct, indirect, and induced jobs.	Education	Education and Knowledge Creation
Elderly Care Services			
Energy Generation			
Hospitals and Healthcare ²	<i>Healthcare</i> ; 25 hospitals, 26,000 unique healthcare and social assistance establishments; 140,000+ jobs		
Information, Technology, and Communications	<i>Technology</i> , 68,825 jobs , 3,270 companies; home to a number of innovative and evolving sectors, including telecommunications, cybersecurity, connected devices, data analytics, health IT, bioinformatics, gaming and software as a service (SaaS); nearly 50% of San Diego's total VC investment was in software and related industries in 2015.	Information, Communications, and Technologies (ICT)	Information Technology and Analytical Instruments Communications Equipment and Services
Medical Devices	<i>Medical Devices</i> , classified under Life Sciences cluster; 11,700 jobs , 305 establishments	Biomedical Devices and Products	Medical Devices

Clusters in 2013 CEDS	San Diego Regional EDC (Target Clusters/Industries)	San Diego North EDC (Key Clusters)	U.S. Cluster Mapping Project (Strong Clusters in SD County ¹)
Pharmaceuticals	<i>Life Sciences</i> , two segments: 1) biomedical devices and products, 2) biotechnology and pharmaceuticals; 35,300 jobs in 2014; 1,100+ life sciences companies	Biotechnology and Pharmaceuticals	Biopharmaceuticals
Retail Trade			
Specialty Foods and Beverages ²	<i>Craft Goods</i> , 105,782 jobs 2016. This cluster includes <i>Craft Beer</i> , 1,715 jobs in 2016, which experienced 418% employment growth since 2010. 130+ brewhouses - one of the most concentrated regions for craft brewing in the country	Connected Tourism and Agriculture	
(Not evaluated in 2013 CEDS study)	<i>Cybersecurity</i> , 7,620 jobs in 2016; significant economic impact - accounting for the total direct, indirect and induced impacts, cybersecurity activities generate more than \$1.9 billion in GDP and impact 16,580 jobs every year		

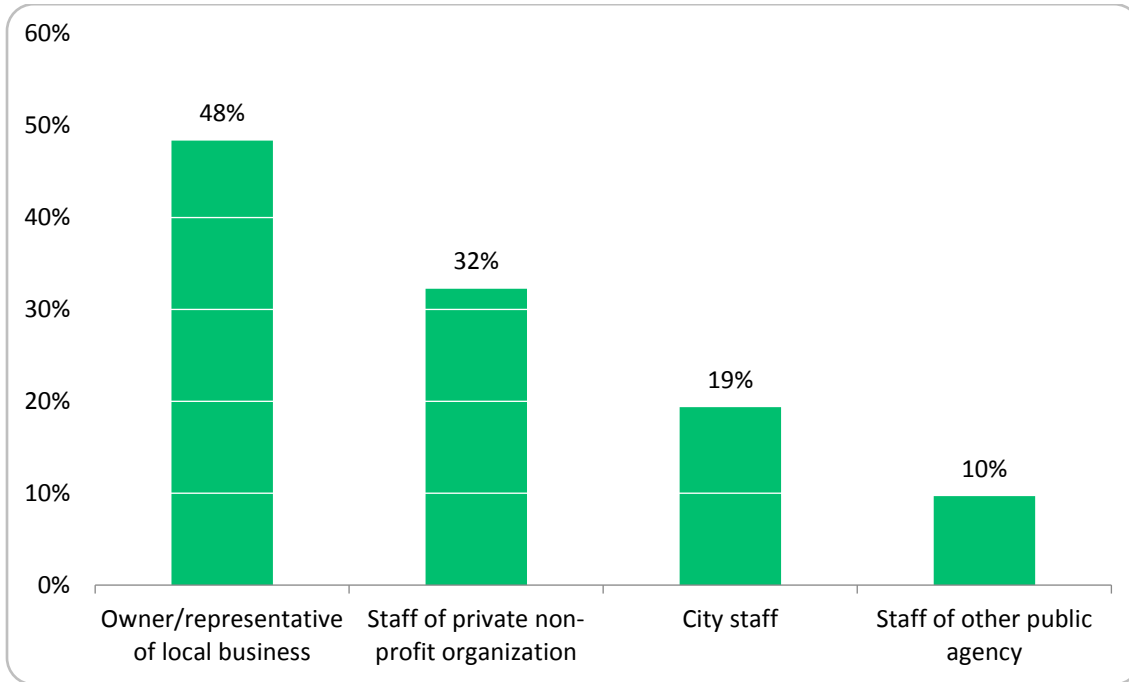
Sources: San Diego Regional EDC; North San Diego EDC; U.S. Cluster Mapping Project; TNDG.

Notes:

1. Strong cluster indicates high employment specialization in San Diego County (ranking in the top 25% of all regions by specialization and also meeting minimum criteria for employment and establishment).
2. Top-five priority cluster in 2013 CEDS.

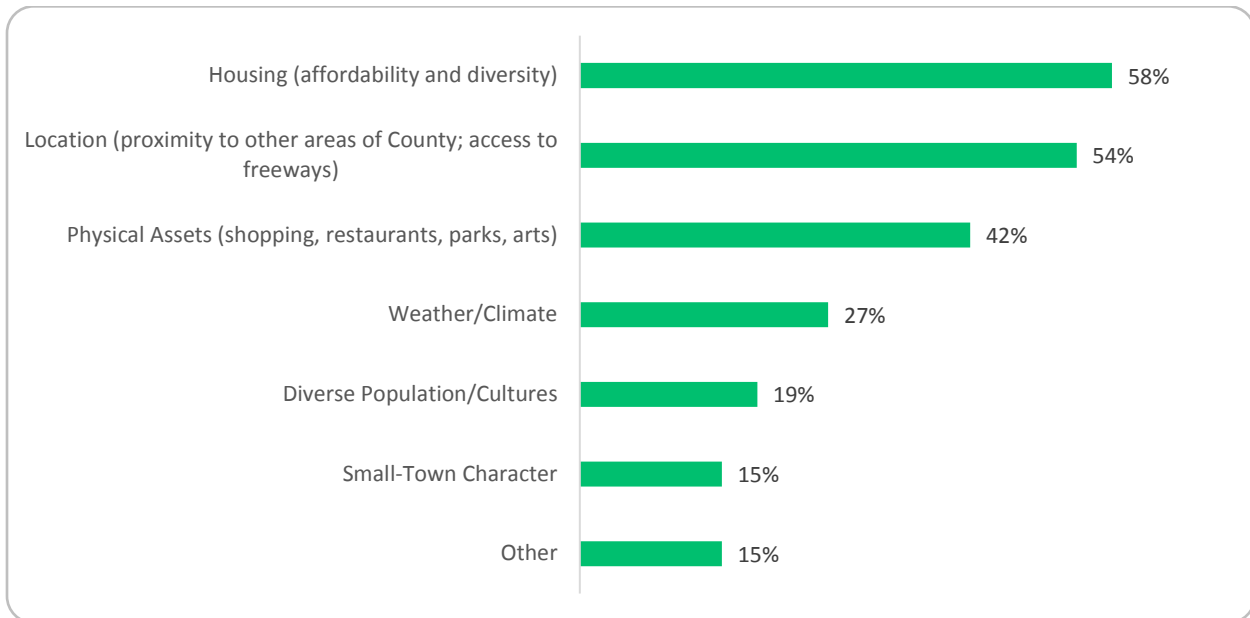
**Attachment #3:
Summary of Online Survey**

Question 1. Please indicate your connection to the City of Escondido (check all that apply):



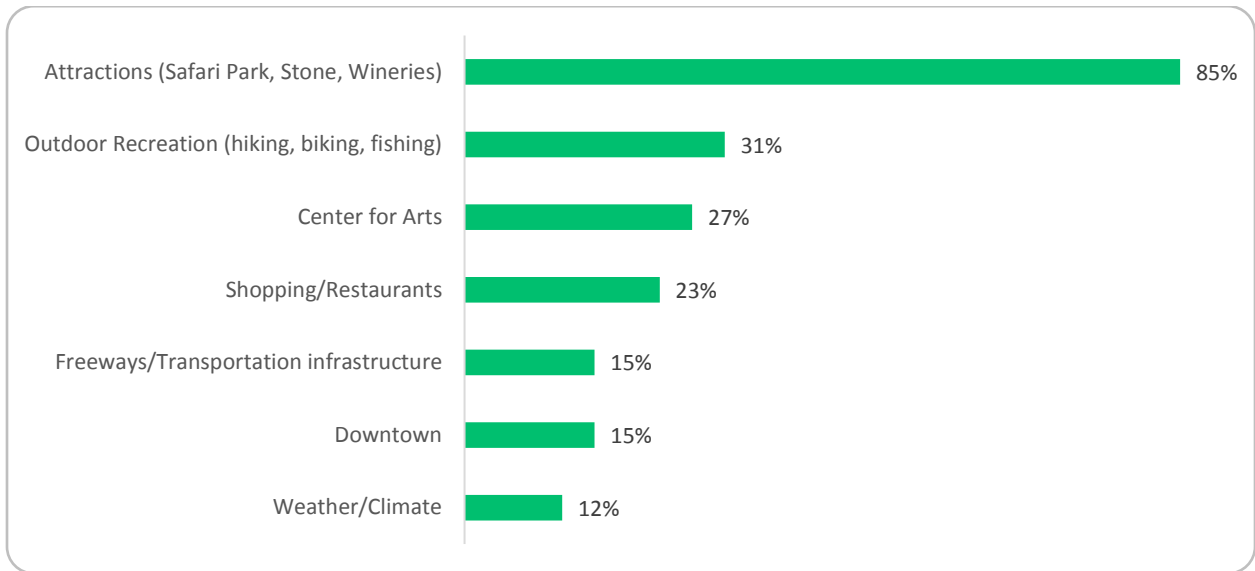
Note: totals add up to more than 100%, as respondents could select multiple categories.

Question 2. What are Escondido's key strengths/assets as a place to live?



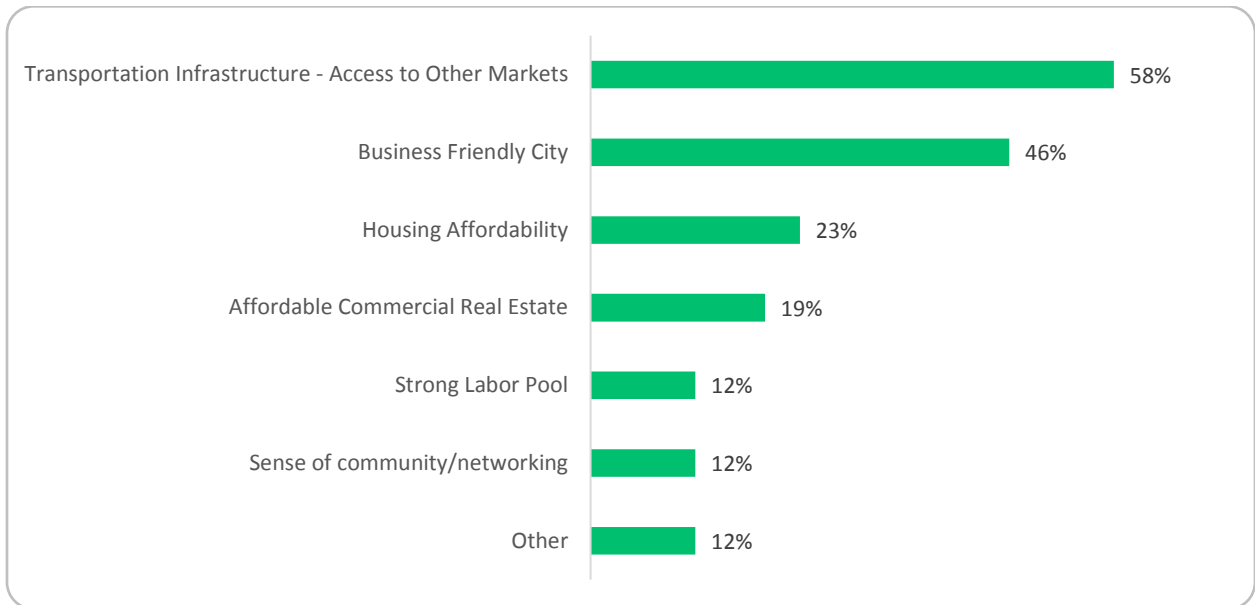
Note: See Attachment for actual survey responses.

Question 3. What are Escondido's key strengths/assets as a place to visit?



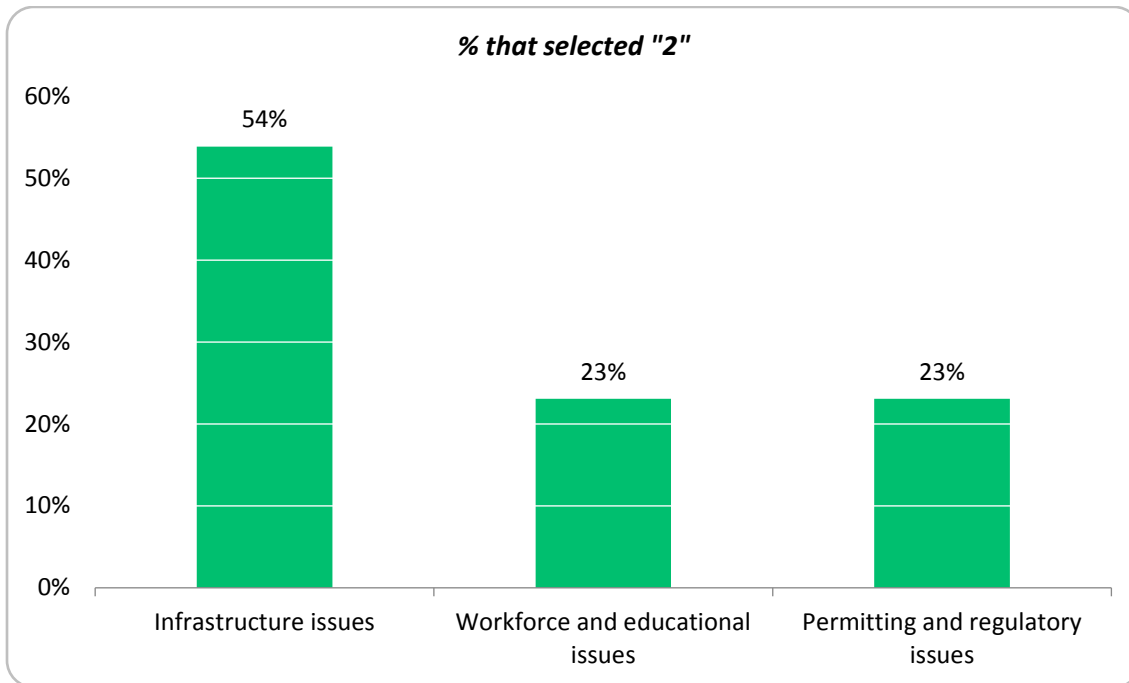
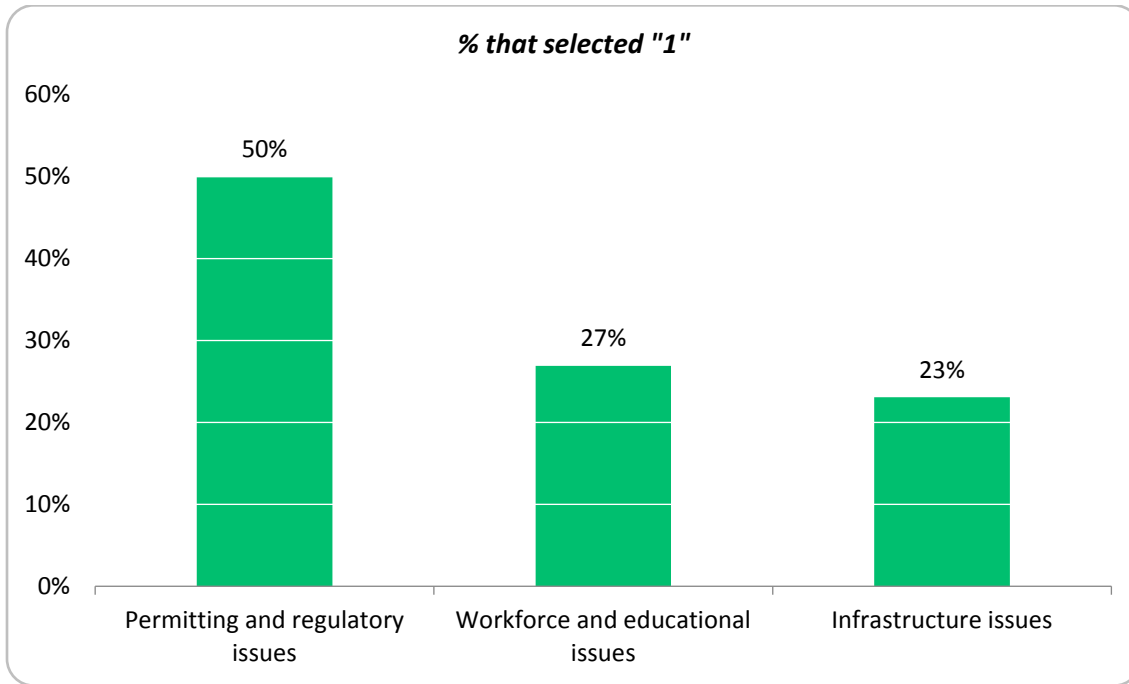
Note: See Attachment for actual survey responses.

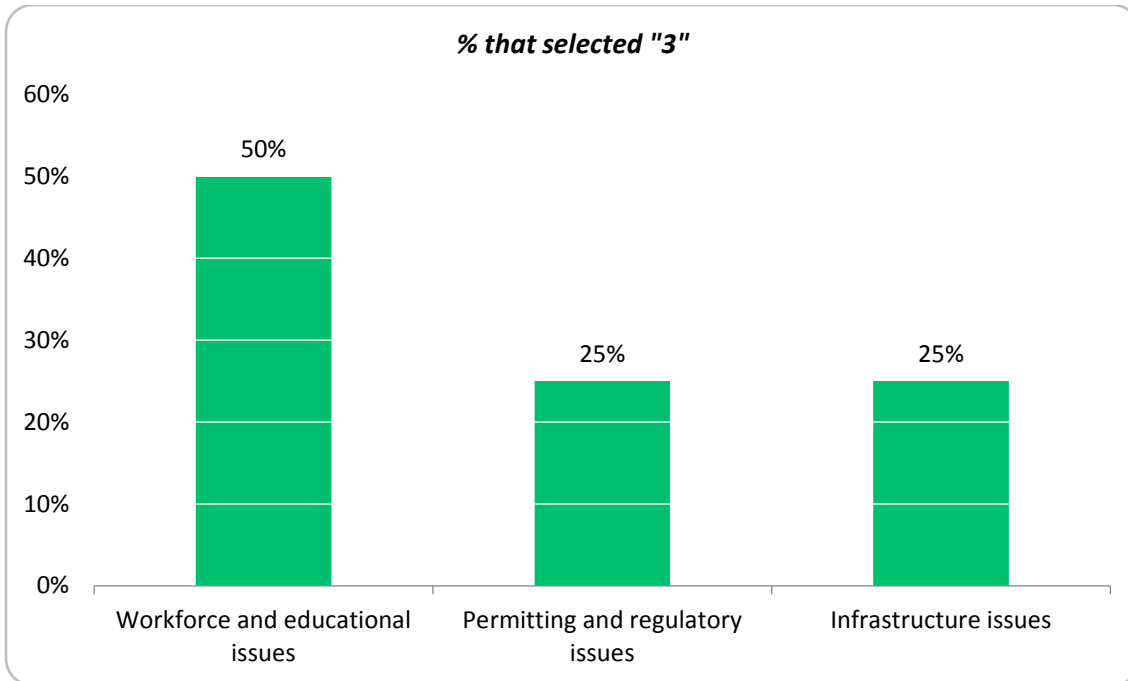
Question 4. What are Escondido's key strengths/assets as a place to work or do business?



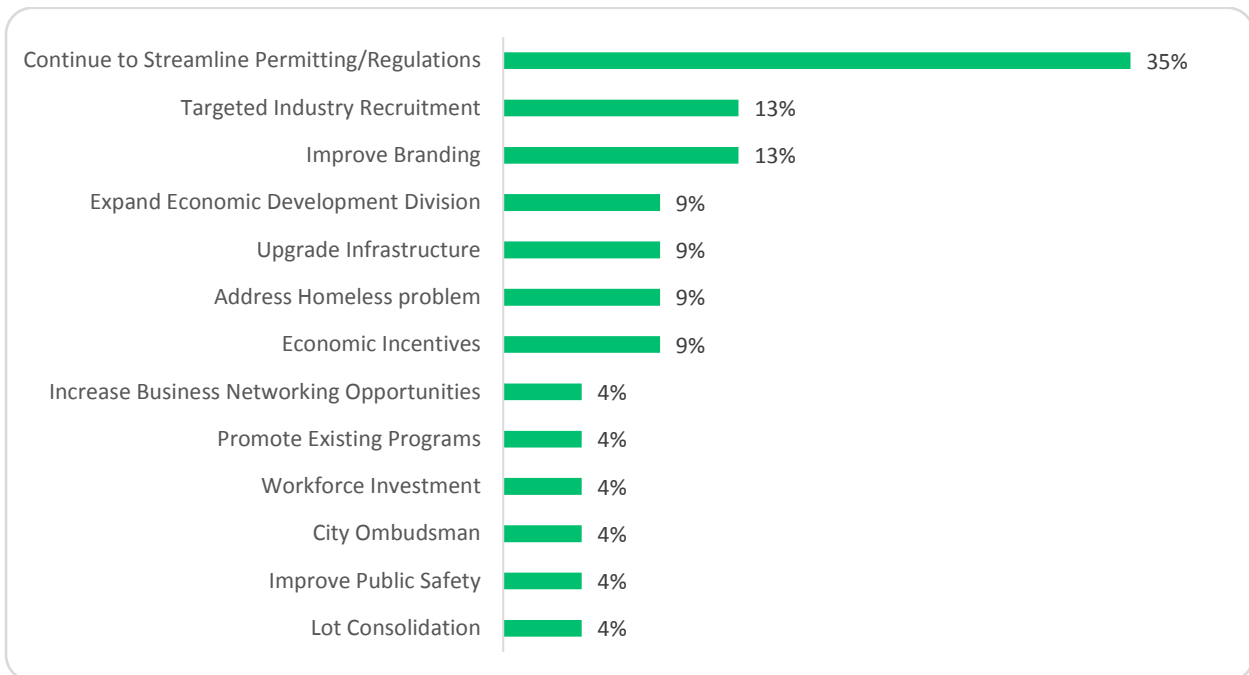
Note: See Attachment for actual survey responses.

Question 5. Rank the importance of addressing these impediments to business growth (1 = most important/urgent to address, 3 = least important).



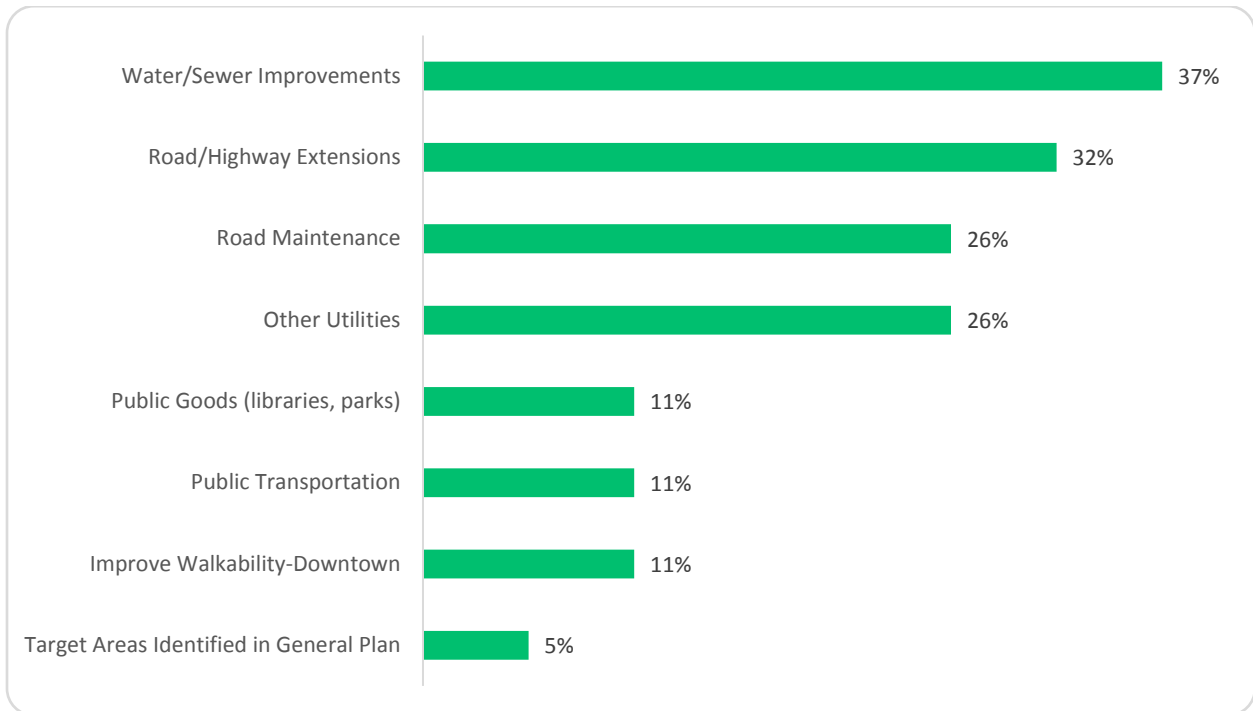


Question 6. Are there other ways that the City of Escondido could be more business friendly?



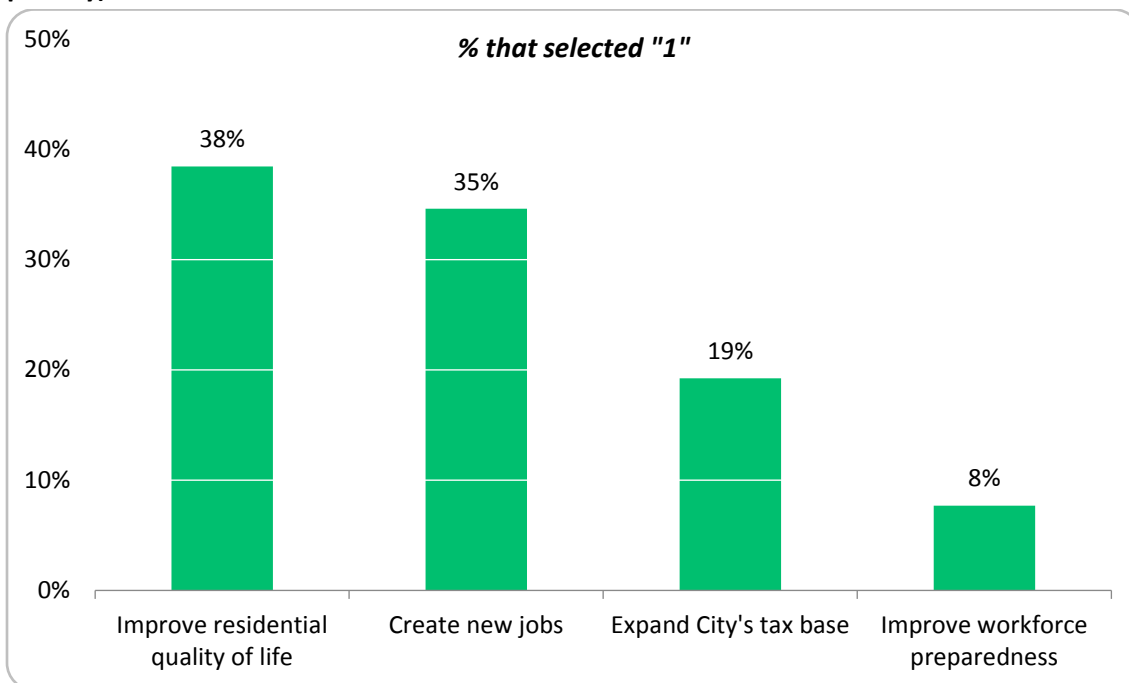
Note: See Attachment for actual survey responses.

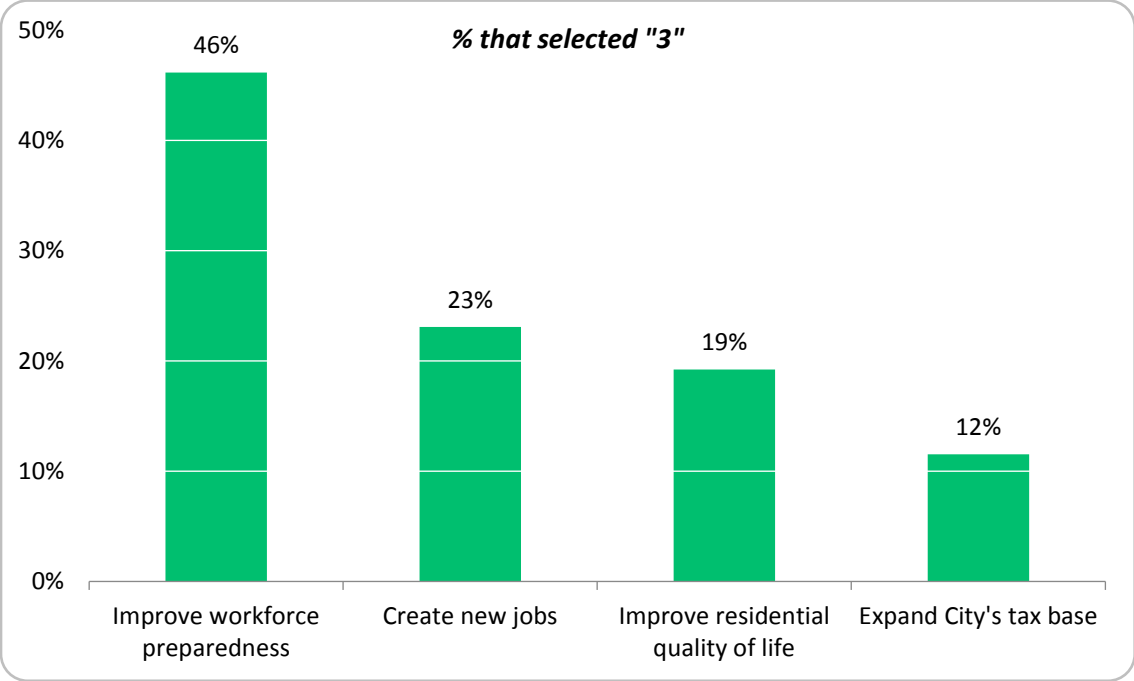
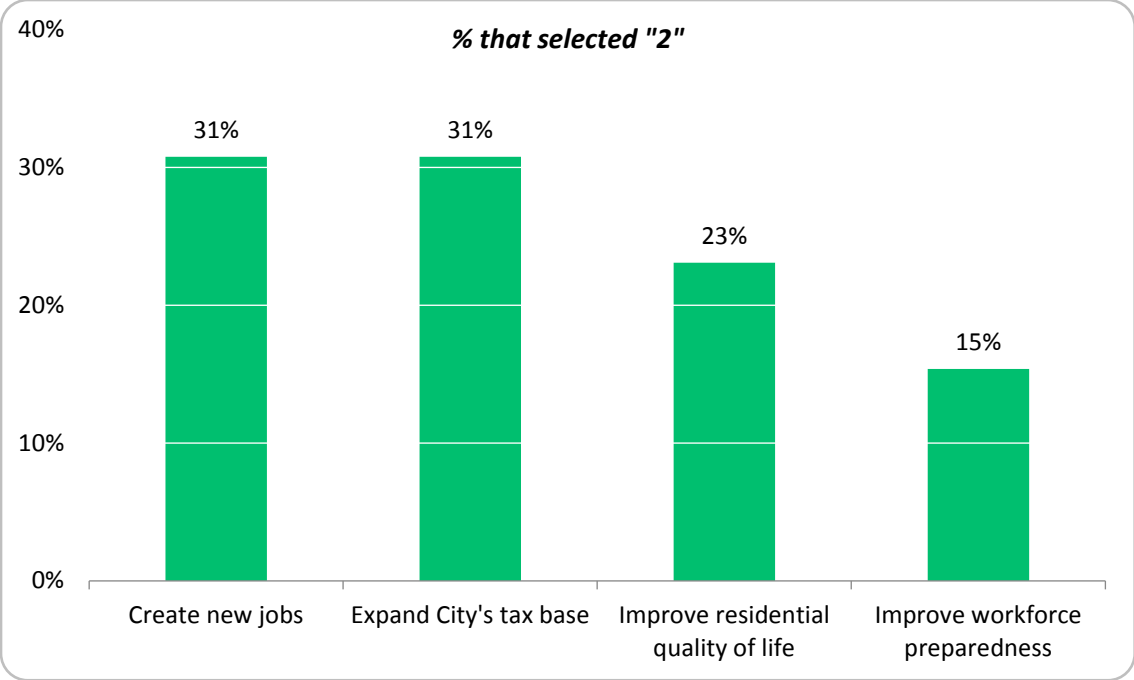
Question 7. What should be the highest priorities for infrastructure improvements in the City?

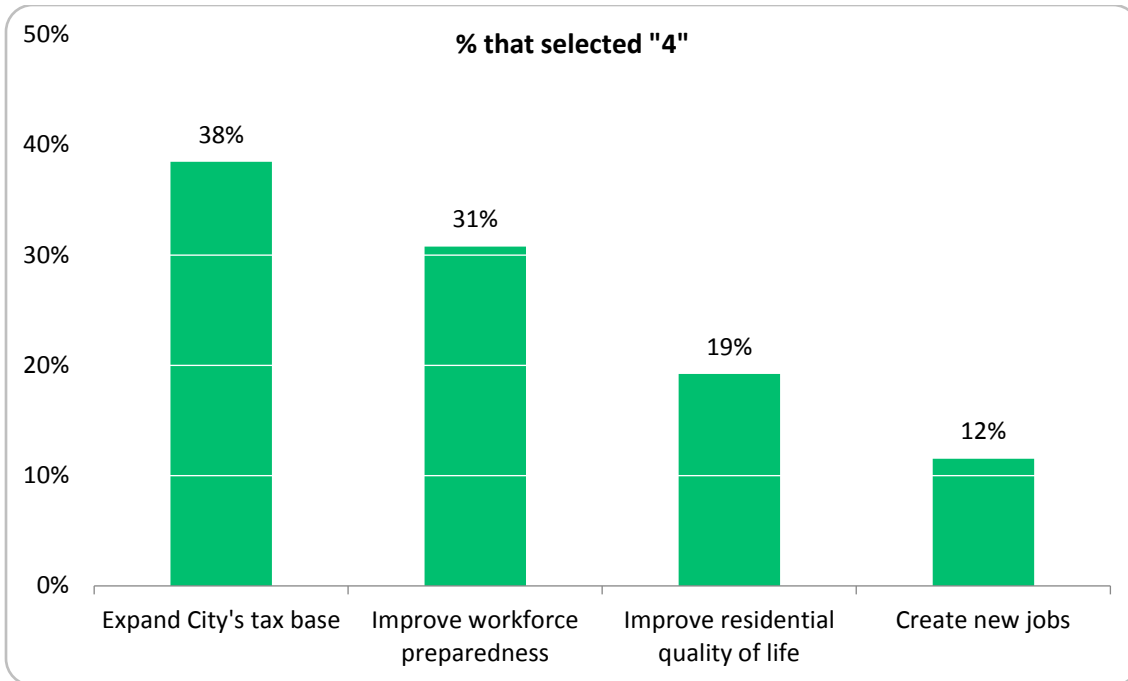


Note: See Attachment for actual survey responses.

Question 8. Rank the following goals for Escondido in terms of priority (1 = highest priority, 4 = lowest priority)

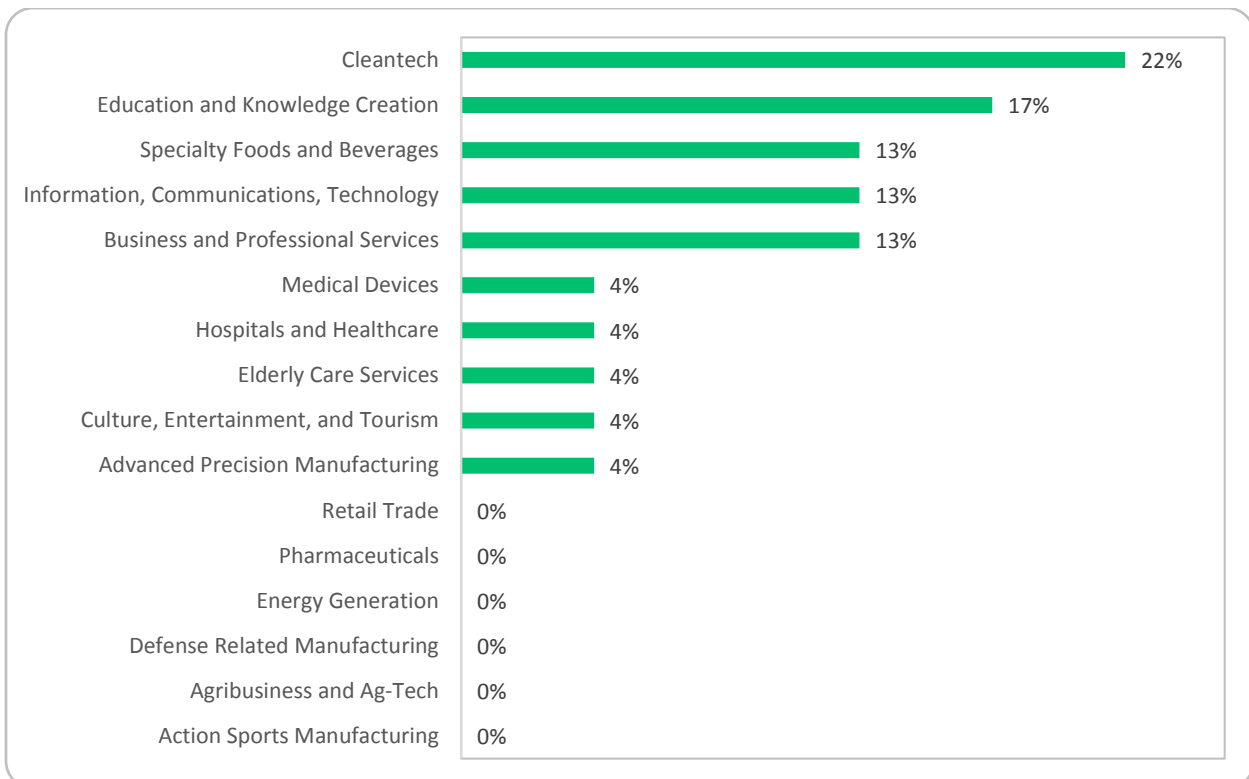




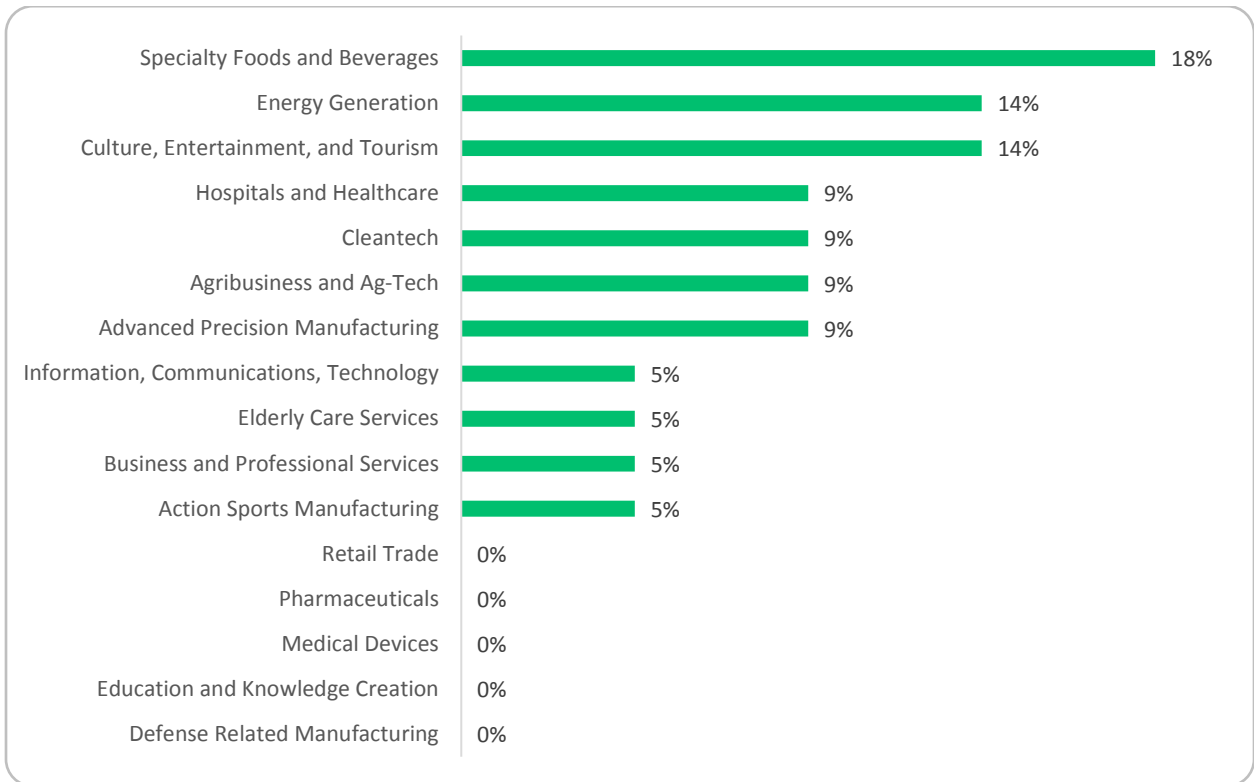


Question 9. Please indicate the three clusters (in rank order) that you believe should be the highest priorities in the CEDS

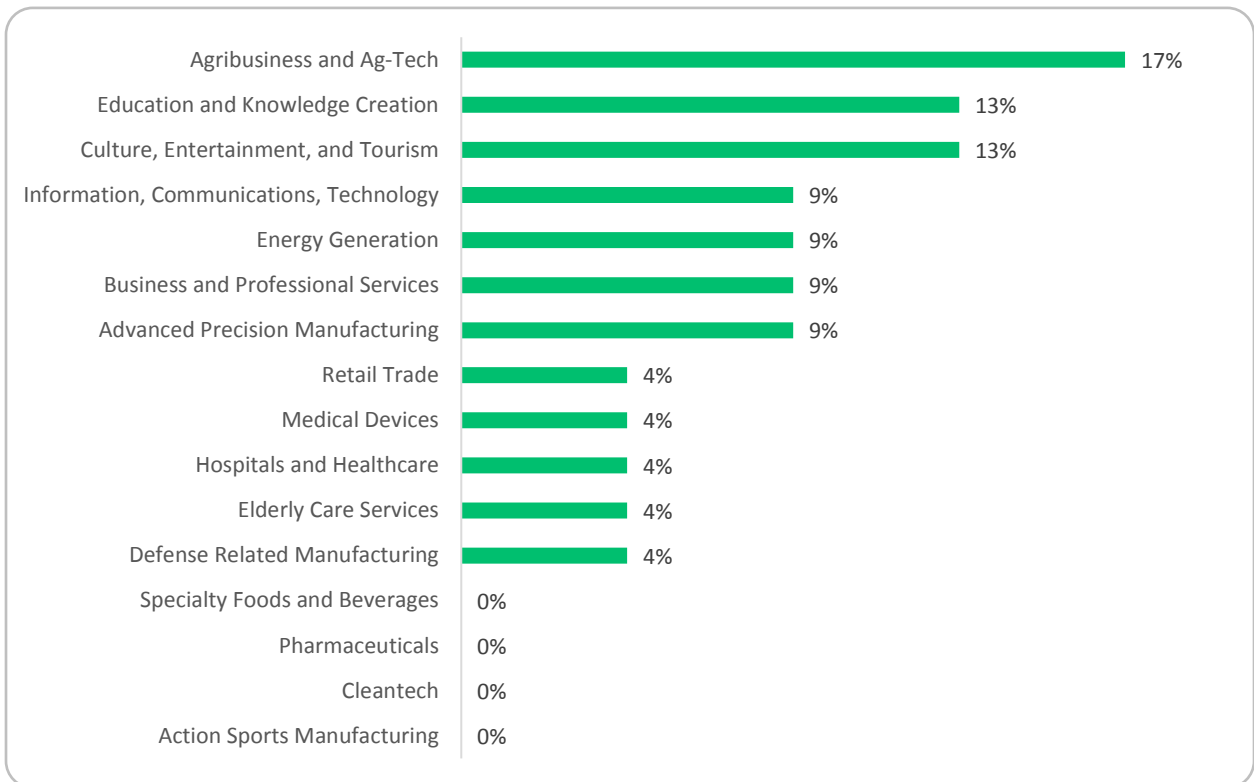
Rank #1



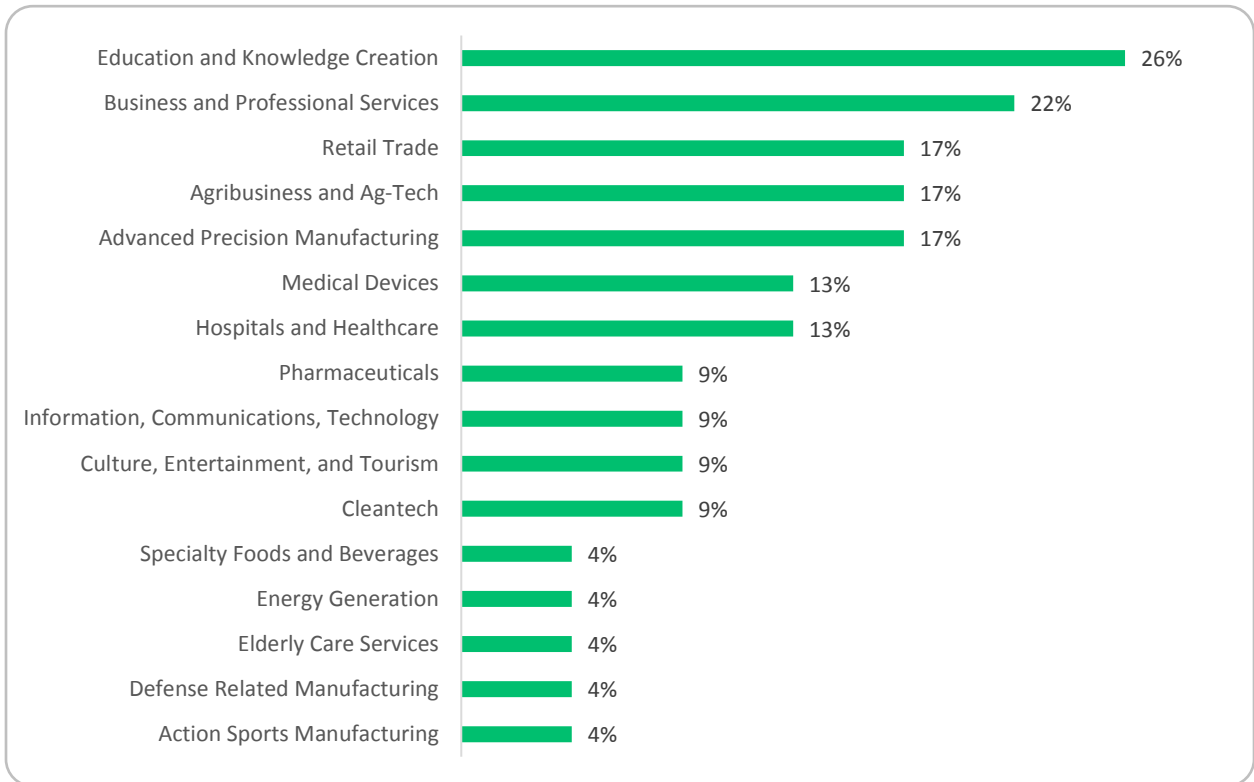
Rank #2



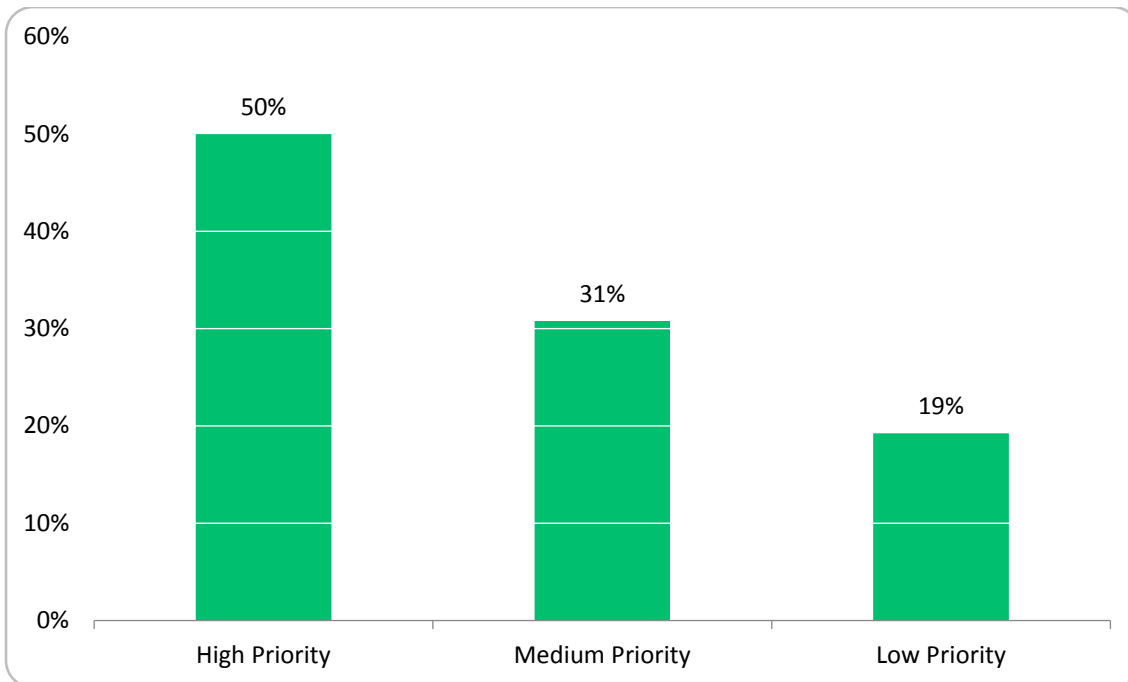
Rank #3



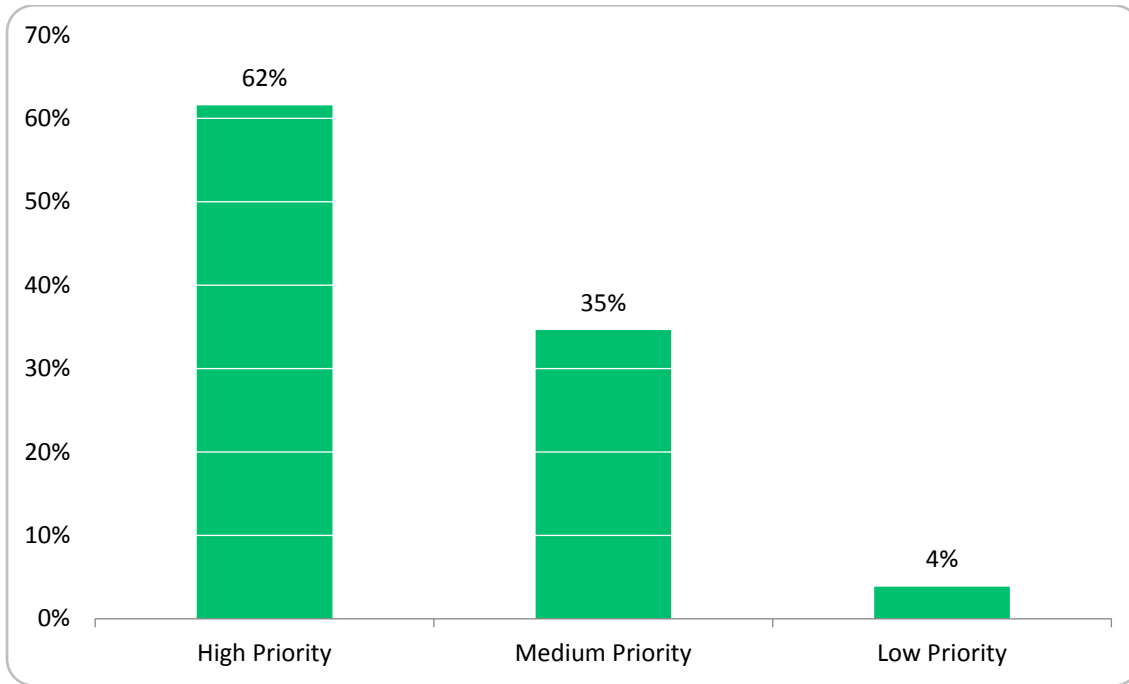
Priority Cluster but not ranked in top 3



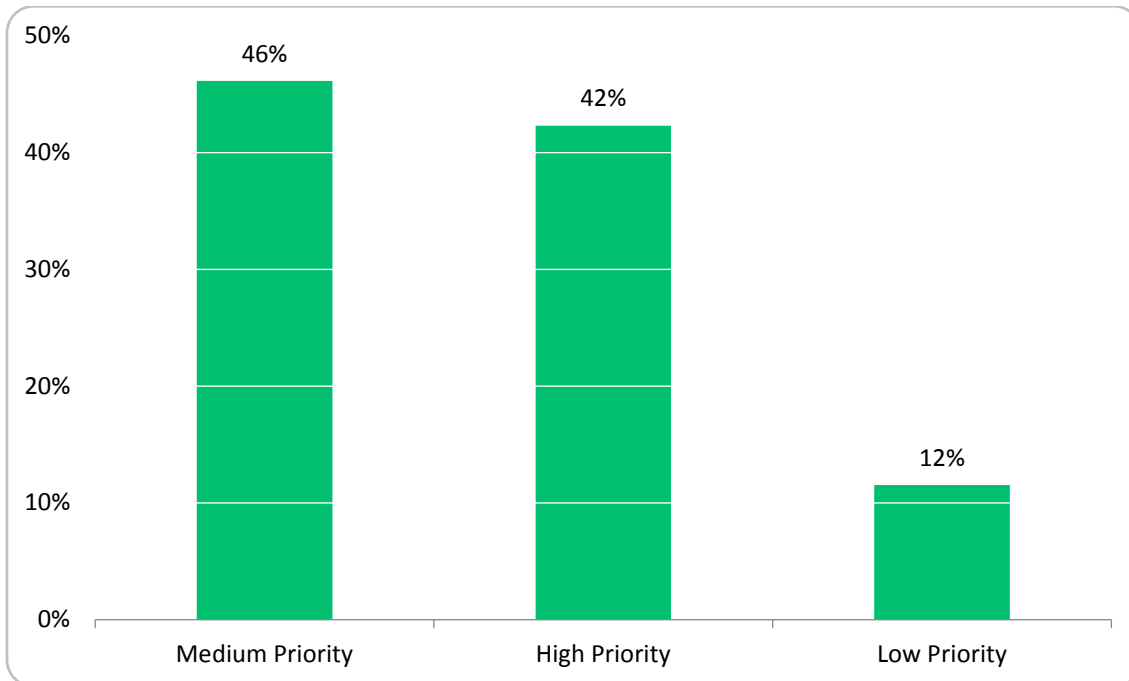
Question 10. GOAL: IMPLEMENT A BRANDING/IMAGE ENHANCEMENT PROGRAM. What level of priority should this goal have in the plan?



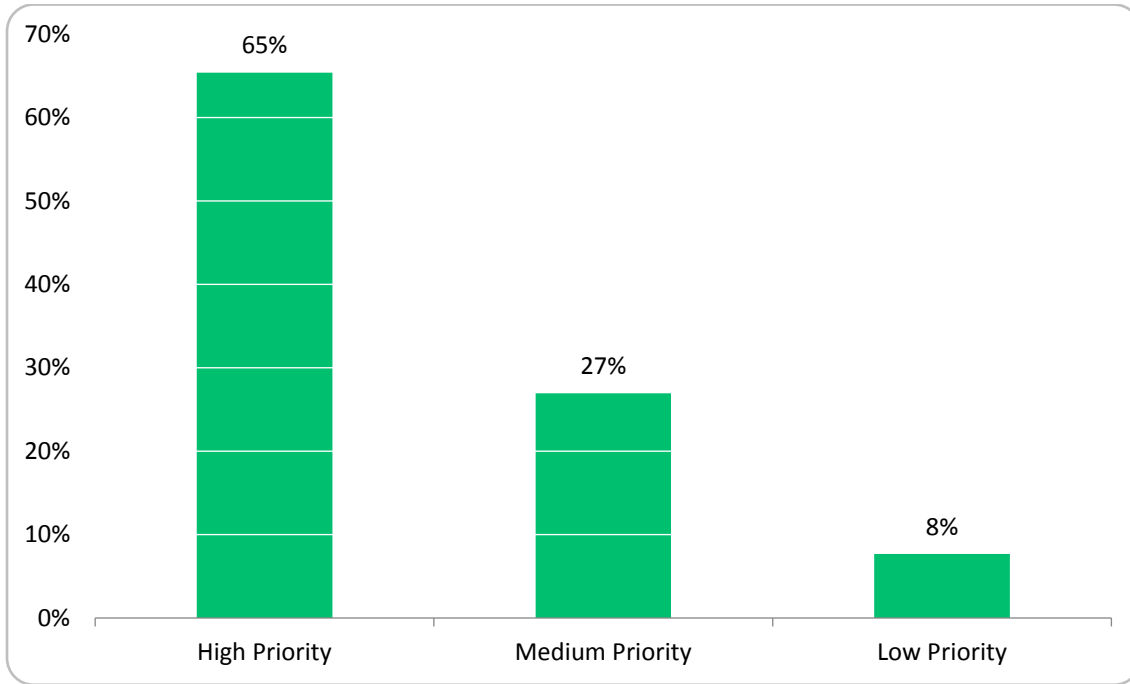
Question 11. GOAL: IMPLEMENT A TARGET INDUSTRY MARKETING PROGRAM. What level of priority should this goal have in the plan?



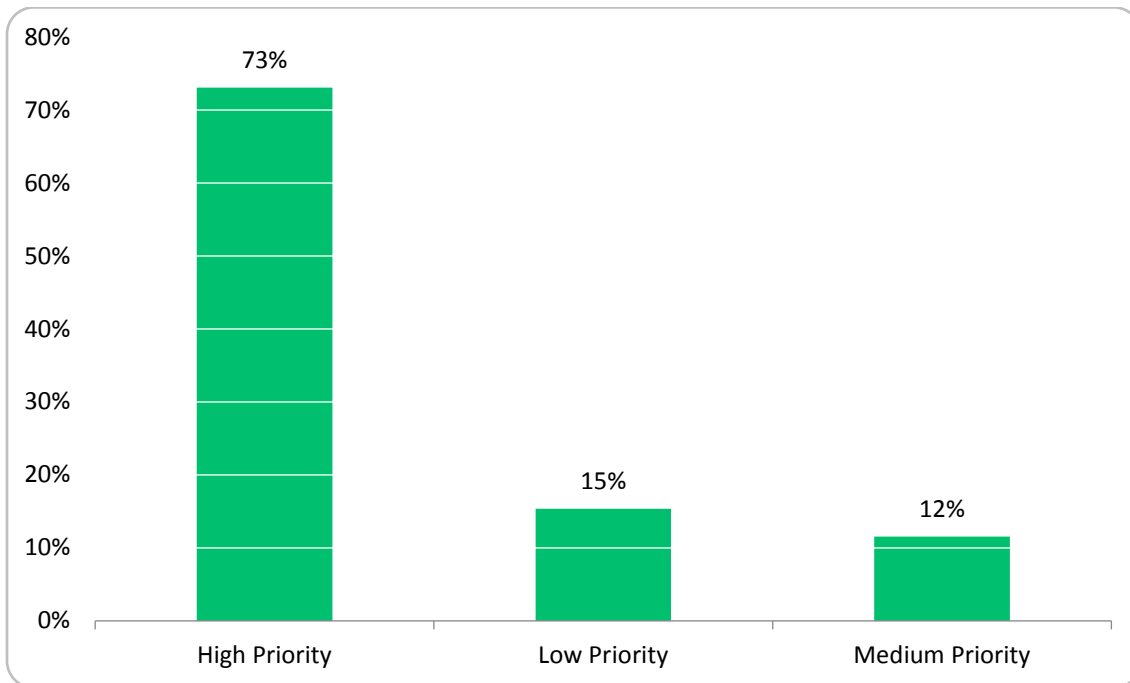
Question 12. GOAL: COORDINATE WITH OTHER NORTH COUNTY CITIES ON BUSINESS ATTRACTION EFFORTS. What level of priority should this goal have in the plan?



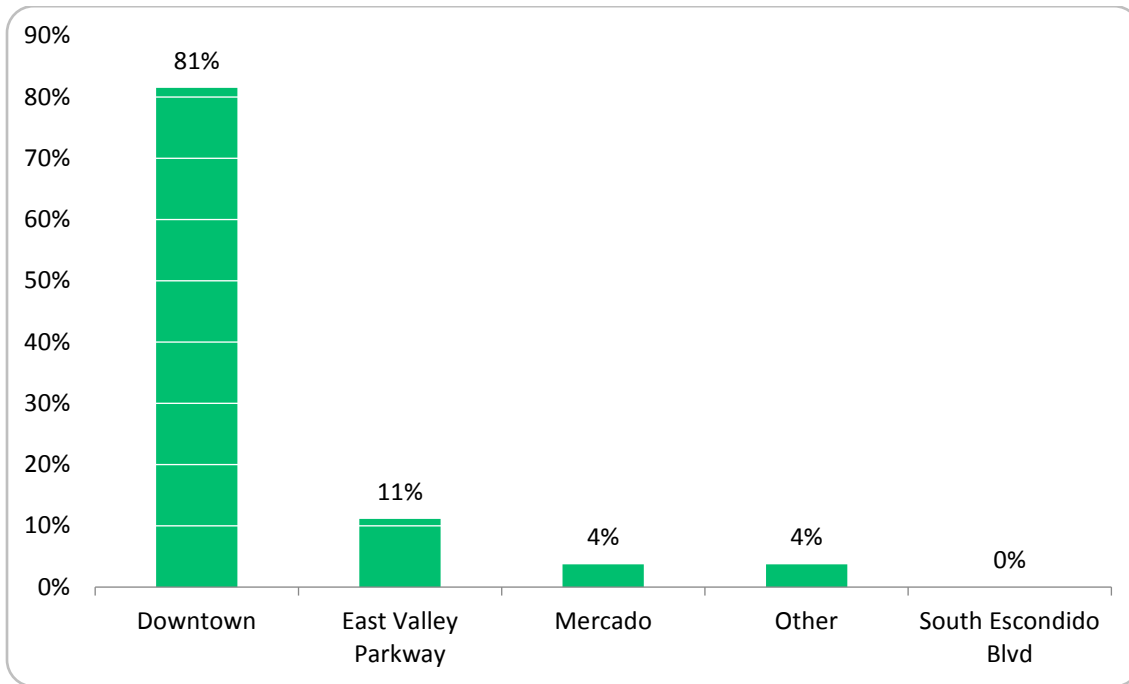
Question 13. GOAL: LEVERAGE RECENT/FORTHCOMING DEVELOPMENT AND INVESTMENT TO ATTRACT NEW BUSINESS AND VISITORS TO CITY. What level of priority should this goal have in the plan?



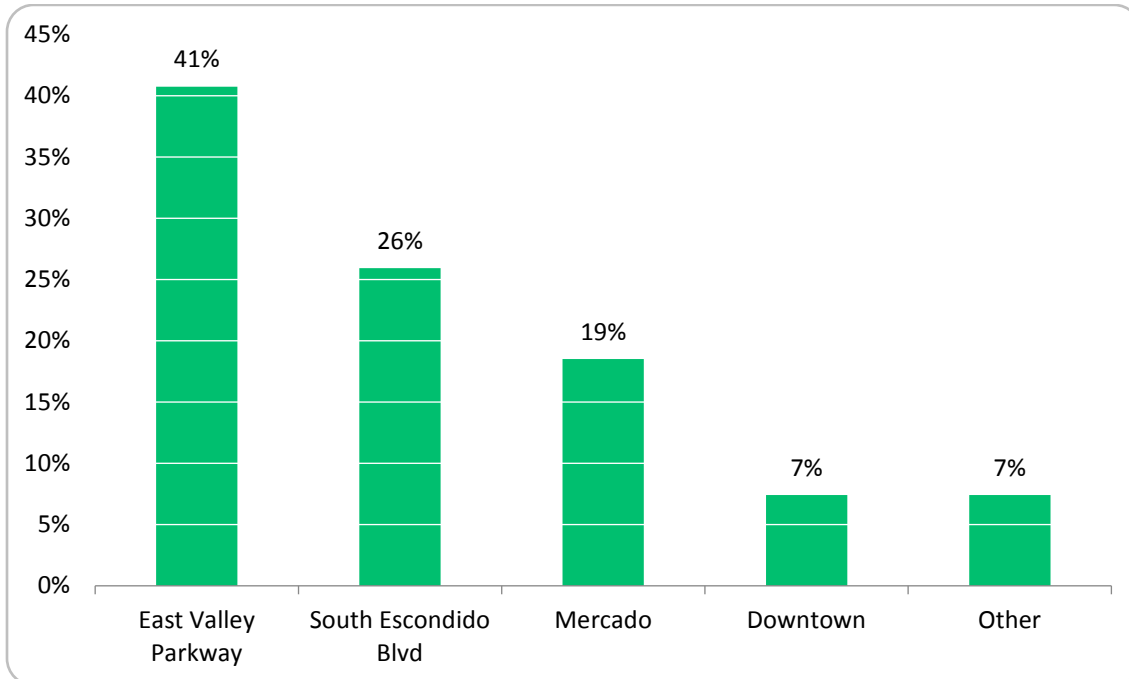
Question 14. GOAL: CONTINUE/INTENSIFY EFFORTS TO REVITALIZE KEY SUBAREAS OF THE CITY. What level of priority should this goal have in the plan?



Question 15. Among the following subareas, please check top priority for economic vitalization



Question 16. Among the following subareas, please check 2nd priority for economic vitalization



**Attachment:
Survey Responses to Open Ended Questions**

Question 2. What are Escondido's key strengths/assets as a place to live?

Responses
Relatively affordable housing. Proximity to services and attractions. The governing officials are driven to create economic vitality for the region.
Weather, downtown, housing affordability, good shopping resources, restaurants, regional assets nearby (recreation, airport, etc.)
More home for the money Easy access to other areas of the county
Diversity, location, character, history
Diverse housing stock at a relatively low cost for the San Diego region. Efficient access to major freeways. Well positioned between downtown San Diego and Orange/Riverside Counties.
Diverse economy and citizenry. High quality of affordable (relative) lifestyle
Escondido has a small town feel while still being conveniently located via freeways to both the metropolitan City of San Diego, the coastal communities of Oceanside and Carlsbad, as well as the wine country of Temecula. Escondido is at the crossroads of major freeways which offer easy access to Orange County. Escondido boasts a good climate for the majority of the year.
Quality of life – parks; Proximity to regional activities; Arts & culture
Diverse, small town feel with larger city benefits. Great geo location, easy access and good transit options. Wide range of living styles... urban, rural, old, new, sprawling, density, etc. Diversity in culinary options and things to do. Lots of outdoors and kid friendly activities.
Lower cost of living, proximity to entertainment and cultural attractions, accessibility to San Diego.
Compact, full-service city. Cultural center. Location, close to beaches, mountains, desert, freeways.
Affordability; Weather; Proximity to highway and amenities; Wide variety of housing choices (high density "urban" condos, historic bungalows, large lot estates)
Small-town feeling with big-city amenities; Affordable housing in comparison to region; Responsive local government; Safe environment
Diversity. Kindness of the residents
Escondido serves as both a suburb to the City of San Diego proper and as an independent community - which allows it to be independent of SD while enjoying some of the benefits. The lower cost of living is also a great strength as the housing market continues to be highly competitive.
1. Strategic Location -- Crossroads of North County 2. Family friendly -- the location tends to attract families that are looking for reasonable housing prices with convenient location to work and in proximity to good schools. 3. Great charter schools!
Location, weather, shopping, safety, attractive valley surrounded by hills.
Proximity to major transportation arterials; fairly easy to navigate; solid city services; diversified business mix; progressive leadership and desire to improve. Healthcare also gets a nod for the Palomar investment.
Housing prices are less expensive than surrounding City's. Kit Carson Park is a wonderful place to take the family Wonderful restaurants and activities for families
Friendly "small town" and relatively affordable
Climate, Art Center, outdoor spaces(parks and lakes),close to lots of options such as theater, beach, etc. Education choices(public, charter and private)
Diverse community of cultures, industry, education, entertainment with a wholesome environment to raise a family with most of the modern conveniences of a metropolitan city, not to mention our state of the art medical facility. A nice combination of rural country areas to the historical neighborhoods or urban living, working communities being developed.
The diversified housing options, with easy access to the freeways.

Responses
Good choice of neighborhoods, with difference kinds of housing from affordable to luxury. Escondido still has mostly an affordable, middle class homey feeling to it
Cost of Living, Access to two major corridors, Highway 78 and Interstate 15, temperate weather, diverse cultures, charming downtown
Easy access to north, west and south. Affordable housing (lower priced than most of county); Close proximity to Top Hospital; Diverse shopping opportunities; Great weather - year around; Breweries / wineries; Safari Park

Question 3. What are Escondido's key strengths/assets as a place to visit?

Responses
Outdoor recreation, Safari Park, downtown, restaurants
Outdoor activities
Attractions (Wild Animal Park, Children's Museum, Stone Brewery, Orfila Winery), outdoor activities (Daley Ranch, Lake Hodges)
Key destinations, such as Safari Park and Stone, are close to the historic downtown and Centre for the Arts which host many special events.
Friendly, down to earth people. Centrally located to enjoy all San Diego has to offer
Quaint downtown historical area with good restaurants. Attractions like vineyards and the Safari Park are popular.
Arts; Restaurants; Shopping
Many of the same as to "live" - the same concept applies. "If you build a place where people want to visit, you build a place where people want to live." ... and work. We have a very eclectic range of things to do and experience here. It's our brand.
Entertainment and cultural attractions, natural beauty, climate.
Center for the Arts, Wild Animal Park, Daley Ranch.
Stone Brewing; SD Zoo Safari Park; SD Children's Discovery Museum; Historic downtown; Queen Califia's Magical Circle; Wineries
Daley Ranch; CCAE; Crusin' Grand; Stone Brewery; Safari Park; Westfield Mall; Local Wineries; Children's Art Museum; Queen Califia Sculpture Garden
Not sure
The community feel of the downtown area and the breweries are great for encouraging visitors.
<ol style="list-style-type: none"> 1. Nexus of culture -- safari park, Center for the Arts, Children's Discovery museum etc. 2. Iconic businesses -- Stone Brewery, Safari Park, Center for the Arts 3. Good shopping: Mall, Major Market, Sprouts, Trader Joes etc. 4. Daley Ranch (Recreation)
For tourist visits - Wild Animal Park.
Stone is one of the biggest draws, as is the CA Center for the Arts for events. Those are primarily the two reasons I came up from the San Diego area.
Stone Brewery; Westfield Mall; Vintana; California Center for the Arts; Safari Park being within 5 minutes I believe is an asset to the City of Escondido being a place to visit
Not a great place to visit - maybe Stone and Safari Park
Art Center, Queen Califia, Breweries, Lake Dixon
Efficient infrastructure makes for easy commuting to the vast variety of restaurants, parks, vineyards, breweries and entertainment venues. The incredible weather is cause alone for a visit of any length.
Our multiple attractions: SD Zoo Safari Park, Grand Ave, Westfield Mall, upscale restaurants and California Center for the Arts. All with easy access, and aside from the zoo, free parking.

Responses
The Wild Animal Park, Stone Brewery, the Center for the Arts, Golf Courses at reasonable fees, Private/Church Schools/Academies, Great St. John University. Development and redevelopment of housing retail etc.
Stone Brewing is a major draw along with the Wild Animal Park.
Breweries / wineries; Lake Hodges; Hiking and Biking trails; Safari Park; Antique and boutiques of Grand Ave; Cruising Grand

Question 4. What are Escondido's key strengths/assets as a place to work or do business?

Responses
Housing affordability for workforce, CSUSM, freeways, services, various business clusters, customer base
Ability to establish local customer base Easy access to other areas of the county
Strong labor pool, easily accessible via transportation
Permit streamlining and City's ability to expedite projects that meet economic development goals make it relatively easy to open a business or build a project. Efficient access to major freeways and transit.
Easy access, many real estate categories that can be personally owned, experienced labor pool
The City of Escondido is generally welcoming to new businesses, and the other business owners are kind and encouraging. Residents of Escondido are very proud of their city and favor doing business locally.
Relatively business friendly (for CA) Access & proximity
It's all connected :-). Sorry, you know who this is and I'm going to refer to the previous two questions. Also, the economically more affordable aspect is a big part of live and work.
Lower cost of housing than other parts of the county, access to freeways, supportive city staff.
Location, good client base, broad economic profile of residents.
Business friendly mayor and city council; Business friendly planning staff; Affordable lease rates; Proximity to highways/centrally located
Proximity to SR 78 / I-15 freeway access; Centrally located between San Diego and Riverside County; Multi-modal Transit Station
Great place to do business. It's easy to be recognizable due to the size of the city/
Escondido's location is just far enough away from San Diego and many of the other jurisdictions to make people want to stay and utilize local businesses.
1. Parking tends to be more plentiful than other areas of the county. 2. Working near the downtown, I can walk to restaurants, cafes, breweries, and the Center for the Arts.
Location on 78 and 15 provides relatively easy access to all of San Diego, and counties to the north. Somewhat more affordable housing than communities to the west. Good business environment in Escondido.
Streamlined permitting and not as much red tape as other communities.
Property is affordable; City's leadership is pro business and development; Business community works well together
Friendly "small town" and relatively affordable
Low key, friendly, Chamber of Commerce, good networking opportunities
The central location between San Diego proper, SD Coastal and Riverside allows for manageable travel times and the diverse population creates a multitude of demand for countless categories of businesses that run the spectrum that include the tech world, food industry, farming, retail and entertainment, and many more.
Commercial real estate prices are reasonable compared other cities. Easy freeway access. A strong sense of community.

Responses
As a place to work, is a work in process. For Escondido residents, Temecula, or other near by communities, is good because the commute is shorter. Small business work hard to earn customer loyalty of the locals, and hope for others to visit as well. Still not as hot as it could be, we need a culture of hanging out after work, for fun, instead of just being so couchy. Also we need more income to spend more, more people with higher incomes. Even beer is more expensive than wine now days.
Cost of doing business, central location to most of Southern California, proximity to CSU San Marcos and Palomar College
Easy Freeway access; Business friendly City government

Question 6. Are there other ways that the City of Escondido could be more business friendly?

Responses
Help with homeless presence
Attract large magnet/feeder businesses
No one wants to build here. City is known for being very among the worst of all 18 cities in SD County to deal with when it comes to building and development.
Continued focus on reducing negative effects of homeless on the downtown.
Proactive management that sees impediments to growth and opportunities and then acts upon them before they are needed. Then promotes and recruits first class companies for long term investments in local workers
Be a little less stuck on old rules/regulations that deter businesses from coming to Escondido. Regulations that were put into effect 10-15 years ago may not be practical any longer and could hinder new business from looking at Escondido as a place they want to be.
Streamline old school processes and figure out ways to be interpret the rules creatively to help businesses get up and running faster with less cost. Of course, still following legal requirements, but listening better and collaborating.
Reduce business tax for small businesses - it is high compared with Poway, Long Beach, and other cities.
Significant reduction in the regulatory/approval process.
Instill a business friendly attitude in ALL development services staff (including front counter staff, building, fire department, utilities department, etc.); upgrade old/undersized infrastructure to accommodate development; expand economic development division
Yes, the city has a reputation for not being pro-business. Not sure how to turn that around
I continue to hear stories from businesses about how hard, slow, and bureaucratic it is to do business, (especially start a business or move into town) in the city of Escondido.
The City has been working to eliminate or simplify permitting and regulations. This effort should continue.
Infrastructure is critical, of course, but I believe there to be a stigma associated with the City regarding it being a safe place, in general. This is mentioned often.
Finding ways to do more work with companies within the City of Escondido
Speed up and simplify the processes
Lot consolidation to allow larger companies to expand or move in.. too many small parcels
More info needed on existing programs offered or being planned. However, open communication is always critical.
The city is welcoming to business. However, I think we can be more targeted in developing a diversified offering of quality industries.
Yes,they could take staff and have them look at how old thinking is keeping store fronts boring, boring,. Have creative people look at color, visual art forms for signs or whatever that would encourage people to stop, look and participate. The Mercado's slogan is "The Friendlies Place in Town" We need to be a more welcoming City.

Responses
I think the city is generally viewed as business friendly but could do more to attract and/or grow larger presences in different priority industries with greater economic impact.
Ombudsman program - like economic development but a point of contact who then routes the person to the right departments and follows up on problem solutions.

Question 7. What should be the highest priorities for infrastructure improvements in the City?

Responses
Downtown utilities; Citracado Parkway
Walk-ability, increased density downtown. We have a unique asset in a real, historical downtown community. Build upon it.
Infrastructure maintenance projects, such as street resurfacing, sidewalk and storm drain maintenance. Projects to attract more events and vibrancy to the downtown, such as pedestrian-oriented streetscape improvements.
Projects that remove blight, such as drainage improvement projects that remove properties from the floodplain.
Urban core (1/2 mile radius from Grand and Broadway city center). A comprehensive plan of urban renewal that incorporates high tech, high quality living and working in a historic back drop, with all underground and above ground infrastructure that is required to allow ALL possibilities in that construct to happen.
Water and Electricity improvements are huge for new business. Create a solar energy benefit to new business.
I'm not sure I'm educated enough on this topic, but roads, landscaping, maintenance, water/sewer lines... whatever it takes to attract businesses and create a better place for residents.
Improved public transportation, especially using clean, low carbon technologies.
Target development areas as identified in the General Plan
Enlarging Water / Sewer / Storm drains in downtown to attract development
Completing Citracado Parkway missing link bridge
Better restaurants
Those that benefit the common good. (i.e., library, parks, hotels) etc.)
Completion of the recycled water facility. General continued maintenance of all roads. Internet service and speed.
Roads, roads, roads. Traffic signals also don't seem to be synced properly to promote business flow.
Quality incentive program for new businesses that are wanting to tackle all the older buildings within Escondido.
Sewer, water infrastructure
Streets, undergrounding utilities, improvements to parks
Safe roadways and public transportation - keep existing streets clear, clean and in top condition. Safe and accessible sidewalks and bike lanes to inspire zero emission travel, i.e. bike to work and play.
Good traffic management. Roads that take cars in and out to Freeways open and clear, fine, but not all roads! We need to create different speeds, to slow traffic, for pedestrians, and so People Can See the business that are open. Speed kills business also. The City helped Escondido Blvd, much by having the double yellow lane in the middle and only two lanes for moving traffic, Vista also I think. We at the Mercado are getting making people happy with the way we park and our street So. Center and Grand, but it would be better if all of Grand was the same, for example. We need to get rid of the ugly electrical poles and underground everything in our City, we need solar street lights, sidewalks, trees, etc.
78/15 Juncture
Build out and promote the "purple water" line.
JV with a developer on the Crossroads site

**APPENDIX F. CEDS Committee Meeting #2 – Meeting Summary and
Summary of Poll Responses**

MEMORANDUM			
TO:	Michelle Geller City of Escondido	DATE:	September 22, 2017
FROM:	Roger Dale, Managing Principal The Natelson Dale Group, Inc. (TNDG)	FILE:	#4074
SUBJECT:	Review of second Comprehensive Economic Development Strategy (CEDs) committee member meeting		

This memorandum summarizes the second Comprehensive Economic Development Strategy (CEDs) committee member meeting held on September 19, 2017. The meeting focused on eight CEDs strategy action items, along with potential priority industry clusters for the City to target as part of its industry recruitment efforts. To obtain committee members’ input on these two topics, members participated in live polling event conducted by The Natelson Dale Group, Inc. (TNDG). A summary of the findings is provided below. Following the summary, the memo provides individual charts (with response summaries) for each strategy poll and cluster poll.

Summary of Poll Responses

For the CEDs strategy poll questions, the following action items received very strong support – 75% or higher selected high priority (actual percentages provided in **bold**).

Strategy 1: Expand City’s organizational capacity for economic development

- Continue to leverage City's partnerships/alliances with private and regional organizations (e.g., the Innovate 78 partnership, including efforts such as a potential business incubator) – **94%**
- Improve "front counter" experience of individuals who come to City Hall to inquire about starting or relocating a business – **76%**
- Improve online presence of City's economic development program – **81%**

Strategy 2: Leverage recent/forthcoming development and investment to attract new business, visitors and residents to the City

- Continue to coordinate with the development community to proactively anticipate major projects and related "spinoff" opportunities – **94%**
- Leverage the presence of notable regionally-significant businesses, educational institutions and cultural facilities (e.g., Stone Brewing Company, Vintana, John Paul the Great Catholic University, Palomar Hospital, California Center for the Arts) – **88%**

Strategy 3: *Continue efforts to develop reclaimed water for agriculture and other economic development purposes*

- Given California's vulnerability to severe droughts, promote the City's investment in water infrastructure as a strategic advantage for a range of business types (i.e., in addition to agriculture and viticulture, which were the original focus of this strategy) – **88%**
- Continue to integrate all wine and craft beer industry development strategies with tourism, identity and image for the City, and overall support for and marketing of the Food and Beverage cluster – **88%**

Strategy 4: *Expand and focus economic development marketing efforts*

- Implement target industry marketing program to attract new firms in high-priority clusters – **76%**
- Where appropriate, integrate local marketing efforts/resources with regional marketing (through the successful Innovate 78 partnership) – **81%**
- Maintain regular communications with commercial/industrial and residential real estate brokers and developers to convey a consistent message that Escondido is business friendly and development ready – **82%**
- Promote Escondido as a place to live – **76%**

Strategy 5: *Continue focus on downtown revitalization*

- Conduct needs assessment for (and strategically invest in) critical downtown infrastructure (e.g., parking) – **83%**
- Increase resources directed at addressing homelessness and related impacts to downtown business environment – **89%**
- Offer incentives to attract new businesses (e.g. facade improvements grants, fee deferrals/waivers, etc.) – **78%**

Strategy 6: *Ensure that City's development/permit processing is timely and business friendly*

- Continue to improve and actively promote the "Getting to Yes" policy as the centerpiece of the City's business friendliness / development readiness initiative – **94%**
- Continue weekly Staff Development Committee meetings (consisting of staff from all departments related to new development - Planning, Building, Engineering, Economic Development, Utilities, Fire, etc.) to ensure timely processing of all development projects and identify additional opportunities to streamline approval procedures – **94%**
- Improve utilization of City's systems for tracking permit processing times (so that available databases can be fully integrated with above action items) – **78%**
- Move toward automated (online) processing of permits – **89%**

Strategy 7: *Expand athletic / recreational / environmental amenities, consistent with and in coordination with the relevant policies from the City's General Plan*

- Actively integrate new/forthcoming facilities into economic development marketing efforts (forthcoming improvements include Kit Carson Park playground and sports fields; repurposing the tennis courts at Washington Park; and completion of the Missing Link of the Bicycle Master Plan that will connect the Transit Station to the Creek Trail at Broadway). – **89%**

Strategy 8: *Focus existing relationships with primary/secondary schools and higher education institutions to ensure adequate pipeline of skilled workers*

(no action items received at least 75% of votes for “high priority”)

For the Cluster section of the polling survey, the following clusters received very strong support – 75% or higher selected high priority.

- Agribusiness and Ag-Tech – **80%**
- Culture, Entertainment, and Tourism – **88%**
- Specialty Foods and Beverages – **88%**

Write-in Responses

Along with the poll questions, committee members were also given the opportunity to write in ideas on additional recommended strategies and additional priority clusters. These additional written responses are provided verbatim below.

Additional Recommended Strategies

- Overall plan for public parking. Lots throughout the city and the Mercado area. Public parking could be a private enterprise. Also better traffic control improvements
- Economic development of areas west of Quince St w/ the goal of repurposing properties for new clean up and new businesses or housing. Do a needs assessment for old industrial areas. Remove electrical component generators from SD G&E. What industrial areas need to be repurposed.
- Possibly – Development funded by Foreign Investment Funds (EB-5).
- Downtown Revitalization - Reduce barriers to establishment of restaurants/bars/entertainment venues/hotels.
- Development/Permit Process – Reduce business/license fees.

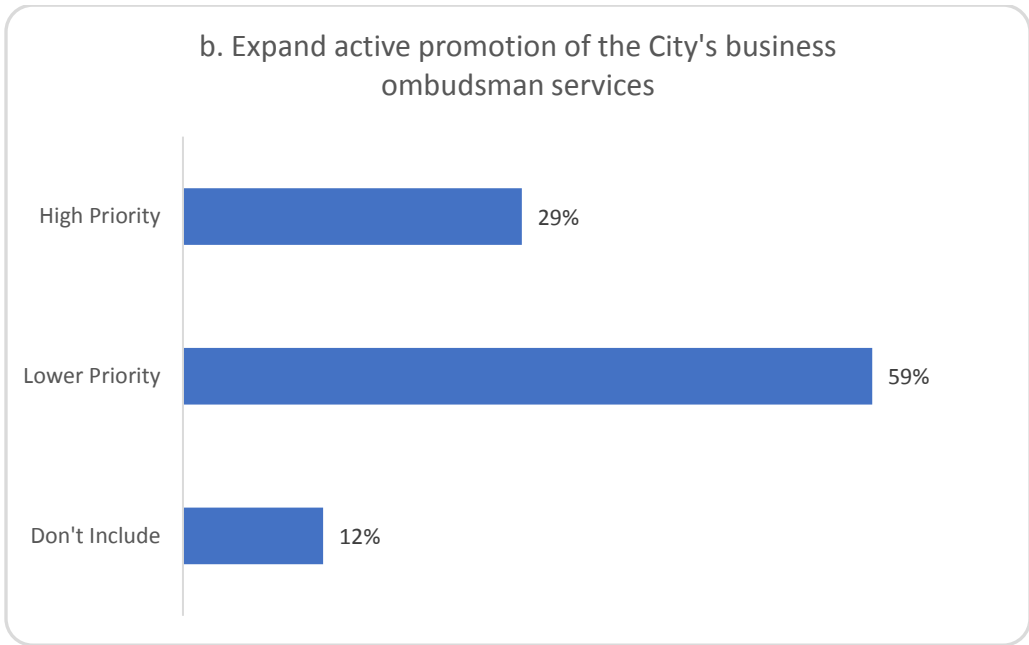
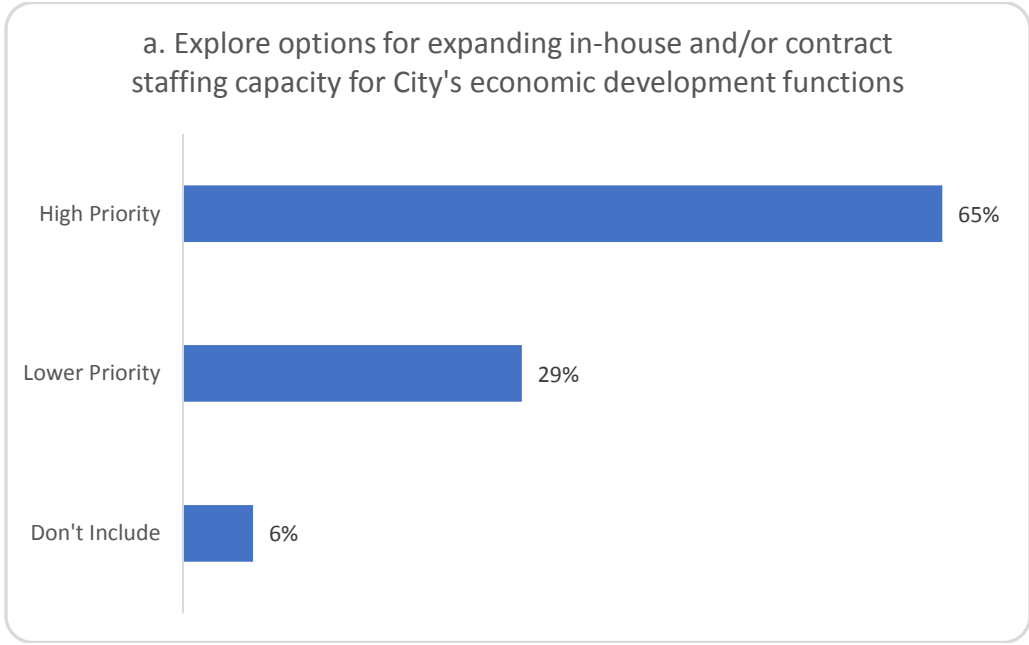
Need more entry-level housing for young adults and families. If people can't afford to live here, they will leave.

Additional Priority Clusters

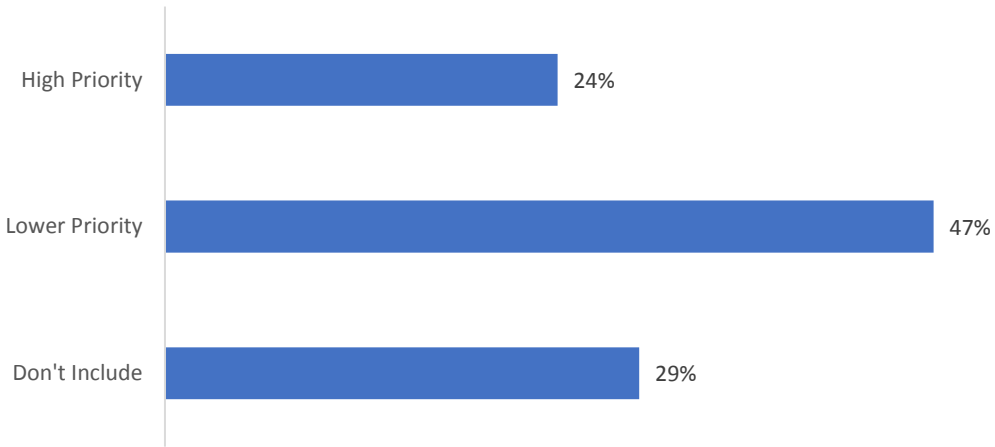
- Cleantech – if this is really a top priority, train City staff to know what public funding programs and mechanisms are available to support various Cleantech initiatives and, where appropriate, partner w/ companies to attract such funding. (The above approach can be applied to clusters other than Cleantech, but there is an unusually large amount of public Cleantech funding available, making this a particularly compelling opportunity.)

ATTACHMENT:
Poll Response Charts

Strategy 1: Expand City's organizational capacity for economic development



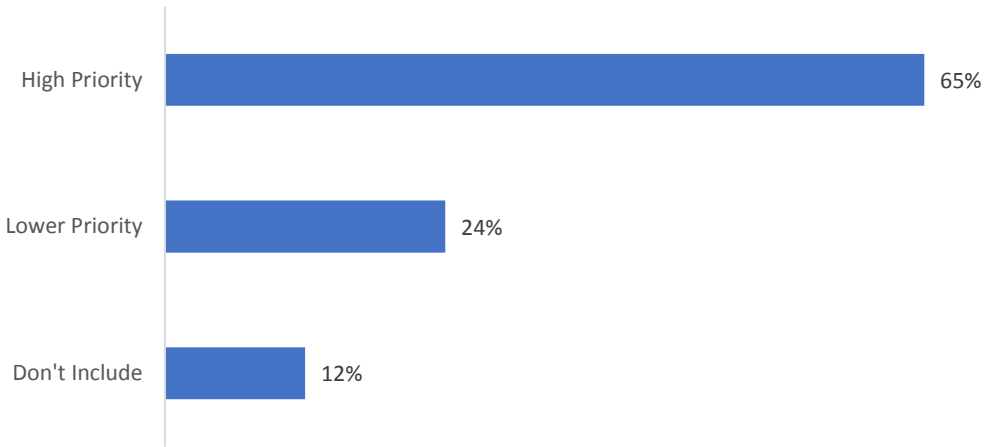
c. In partnership with the Escondido Chamber of Commerce, establish volunteer corps of local Business Ambassadors to help promote Escondido



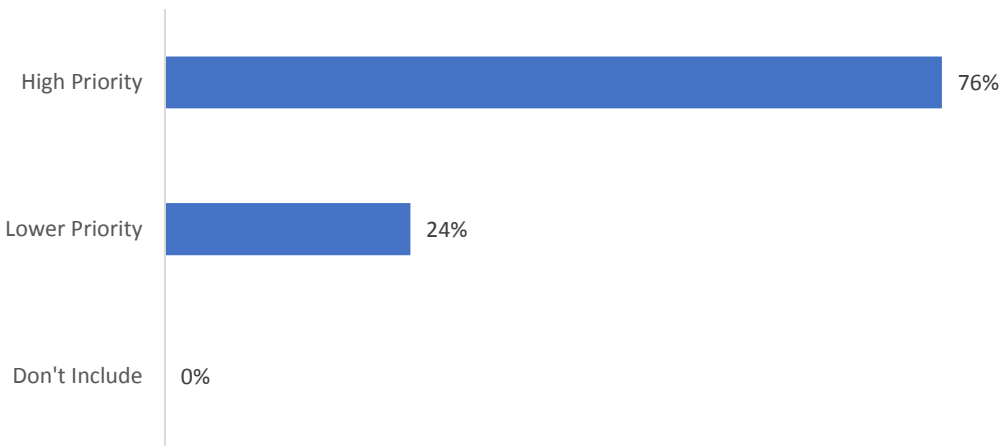
d. Continue to leverage City's partnerships/alliances with private and regional organizations (e.g., the Innovate 78 partnership, including efforts such as a potential business incubator)



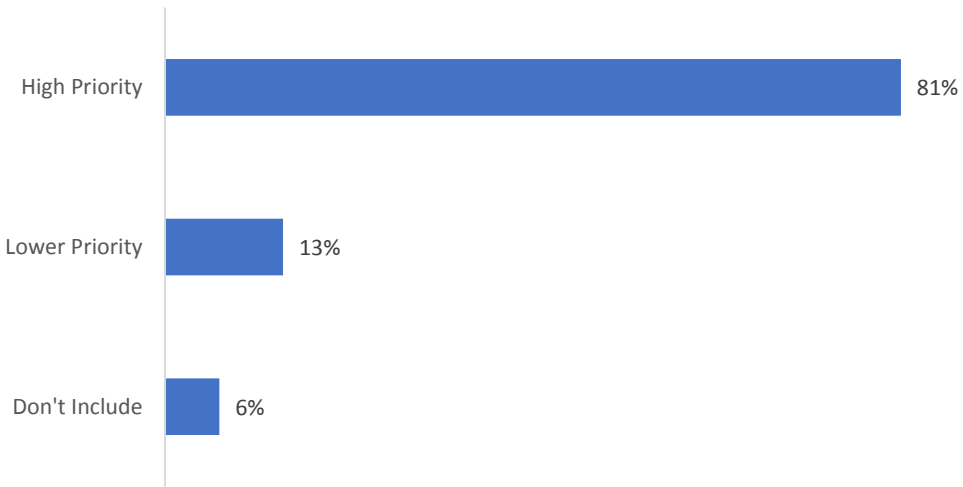
e. Continue City's active communication/interaction with the business community (including monthly e-newsletter and business visits by City staff and elected officials)



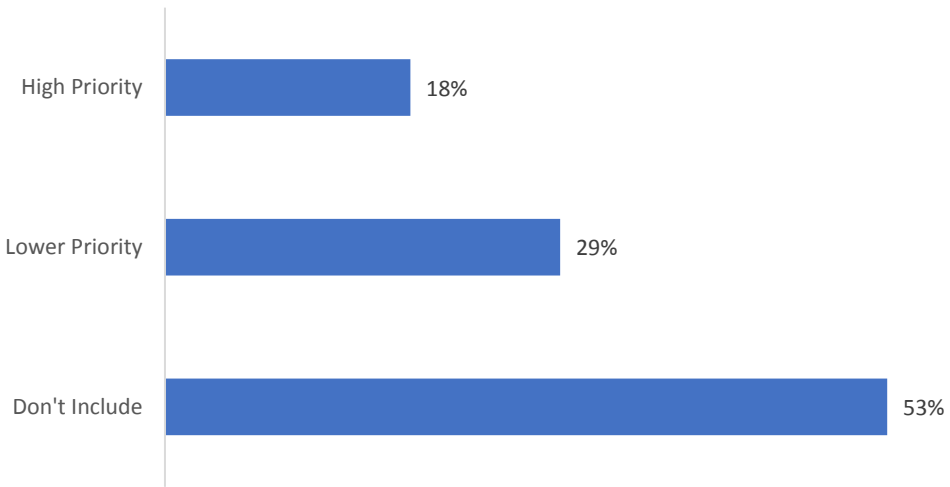
f. Improve "front counter" experience of individuals who come to City Hall to inquire about starting or relocating a business



g. Improve online presence of City's economic development program



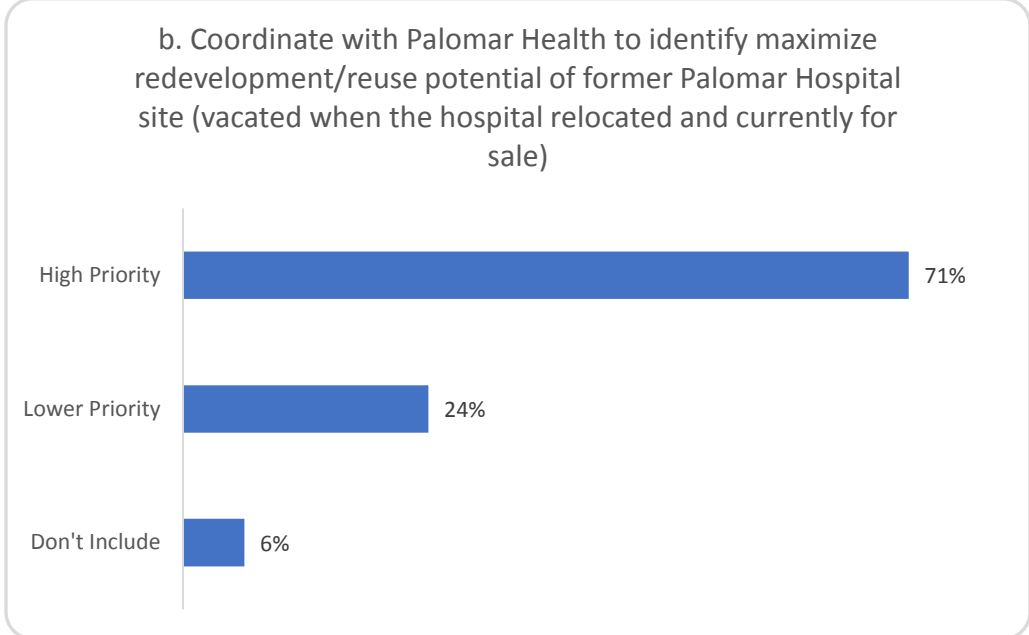
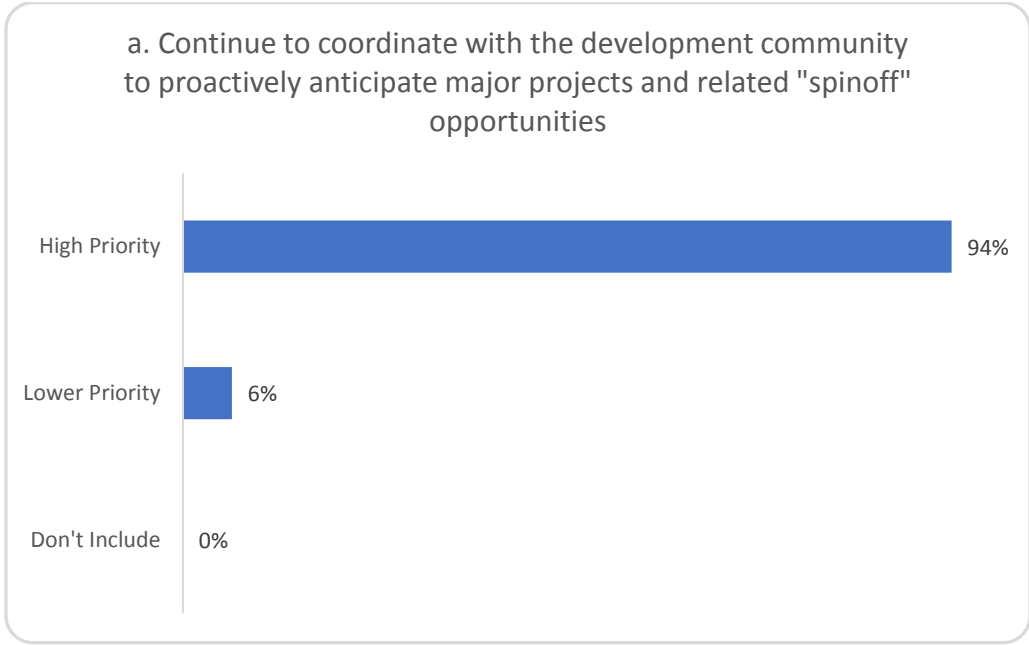
h. Install kiosk in City Hall lobby with educational video about business / economic development opportunities in Escondido



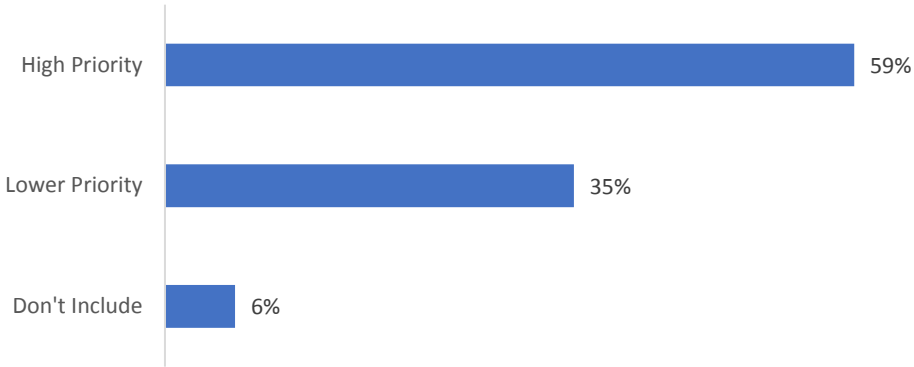
i. Investigate options for expanding City's business retention efforts (including implementation of formal business retention survey process, expanded use of the Business Walk program, and more proactive use of the City's ombudsman function)



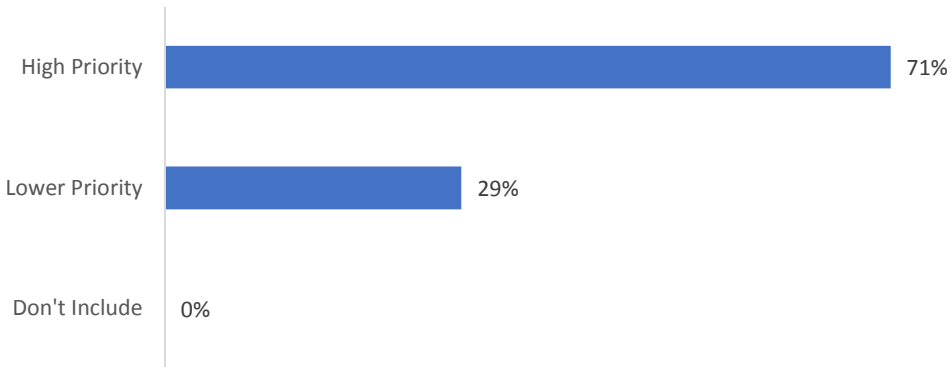
Strategy 2: Leverage recent/ forthcoming development and investment to attract new business, visitors and residents to the City



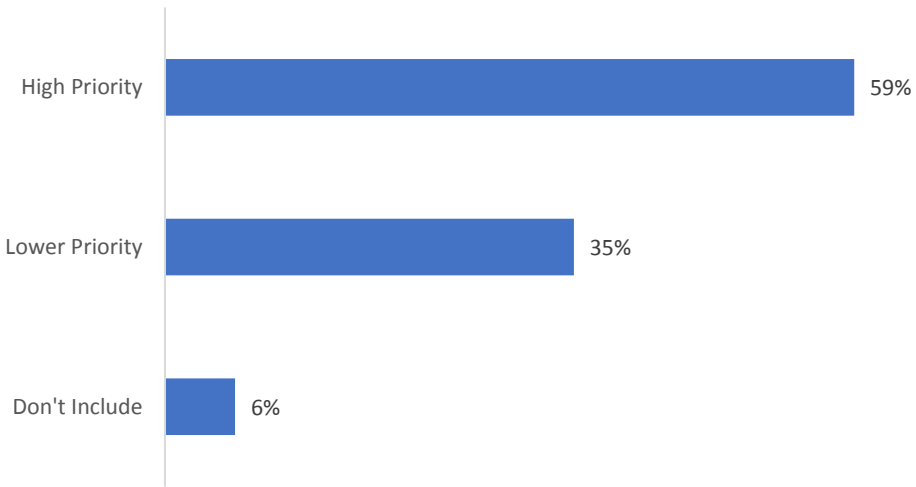
c. Continue to coordinate with Westfield Group to identify specific opportunities to link the City's marketing, retail tenant recruitment and tourism promotion activities to Westfield's efforts to maintain the long-term strength of Westfield North County



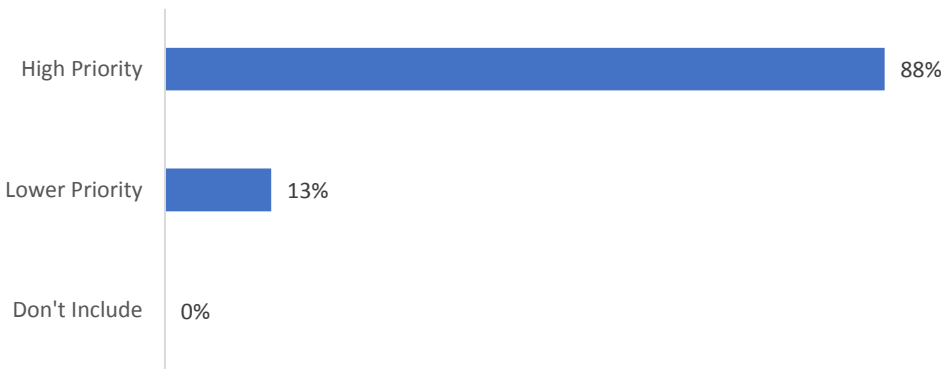
d. Continue to coordinate with Stone Brewing Co. to identify specific opportunities to link the recent brewery expansion and related hotel development to City initiatives to promote the Specialty Food/Beverage and Culture/Entertainment/Tourism industries



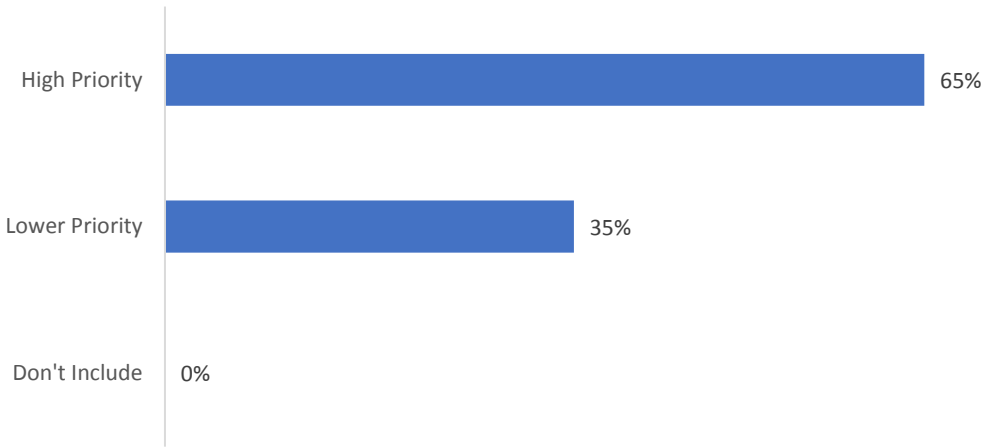
e. As part of overall marketing of Escondido, specifically leverage the new/forthcoming hotel development projects



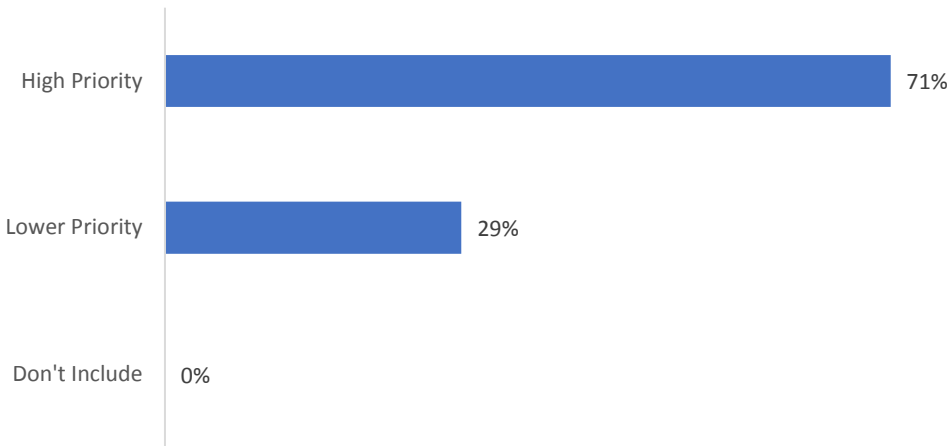
f. Leverage the presence of notable regionally-significant businesses, educational institutions and cultural facilities (e.g., Stone Brewing Company, Vintana, John Paul the Great Catholic University, Palomar Hospital, California Center for the Arts)



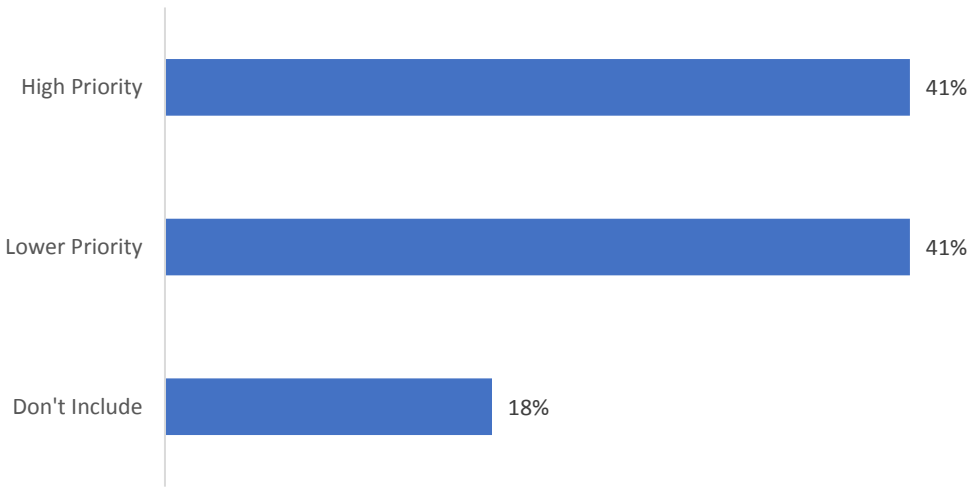
g. Continue to incorporate information about development and investment initiatives, both public and private, into marketing materials and campaigns for the City



h. Continue to support pre-development and marketing efforts for subareas identified in the General Plan as target development areas

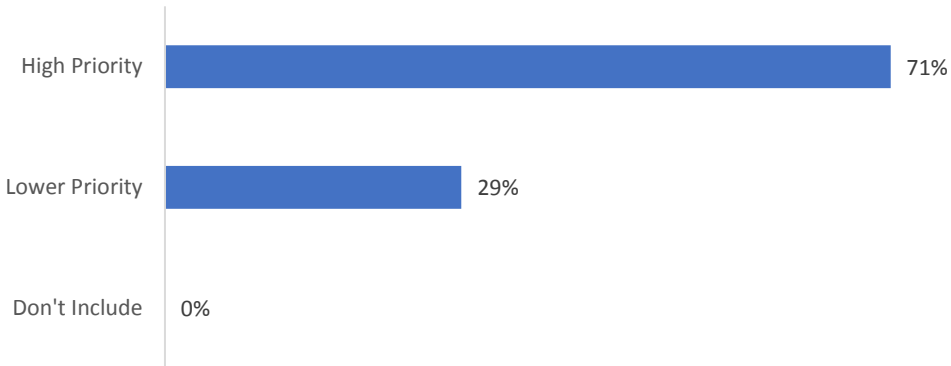


i. Explore annexation of unincorporated county land that could expand development opportunities

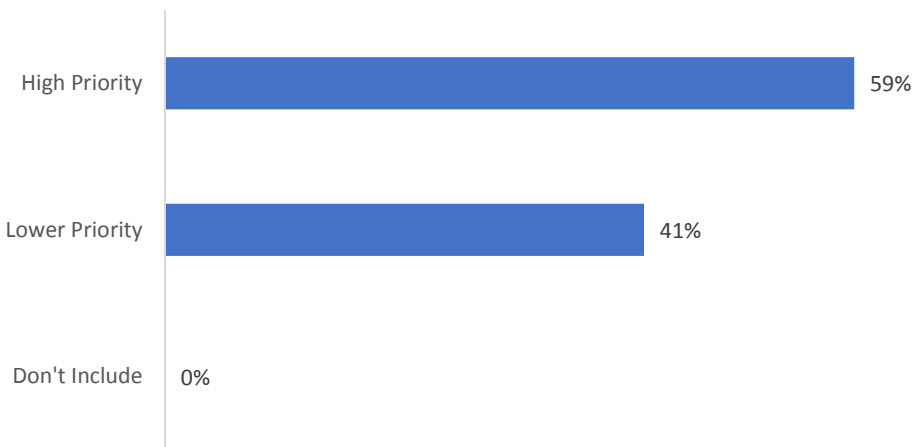


Strategy 3: Continue efforts to develop reclaimed water for agriculture and other economic development purposes

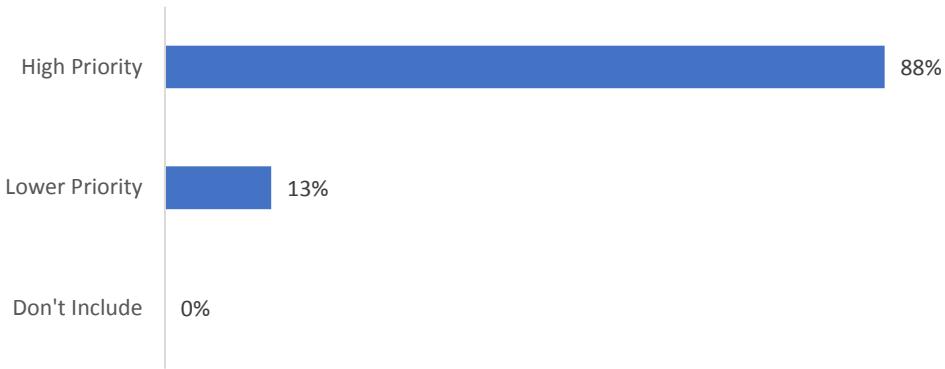
a. Continue to work closely with Escondido Growers for Agricultural Preservation (EGAP) to fully implement plan to install miles of "purple pipe" to bring reclaimed water to the east end of the City where agricultural customers are concentrated



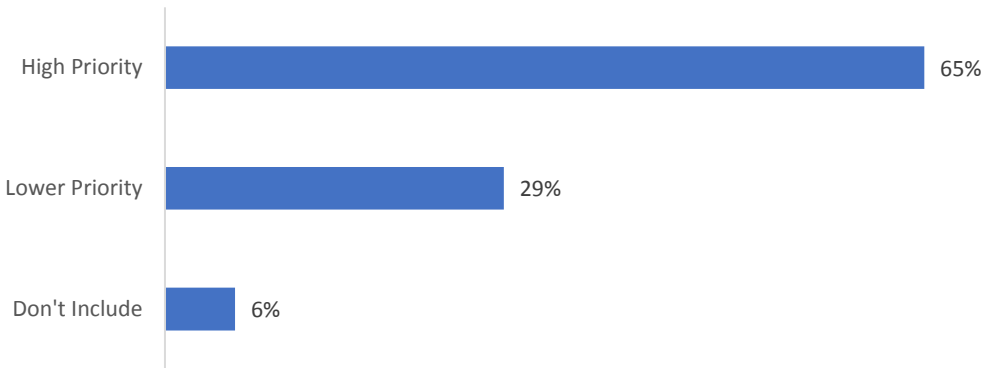
b. Leverage the ongoing investment in reclaimed water infrastructure by officially designating agriculture as a "priority" industry cluster in the CEDS



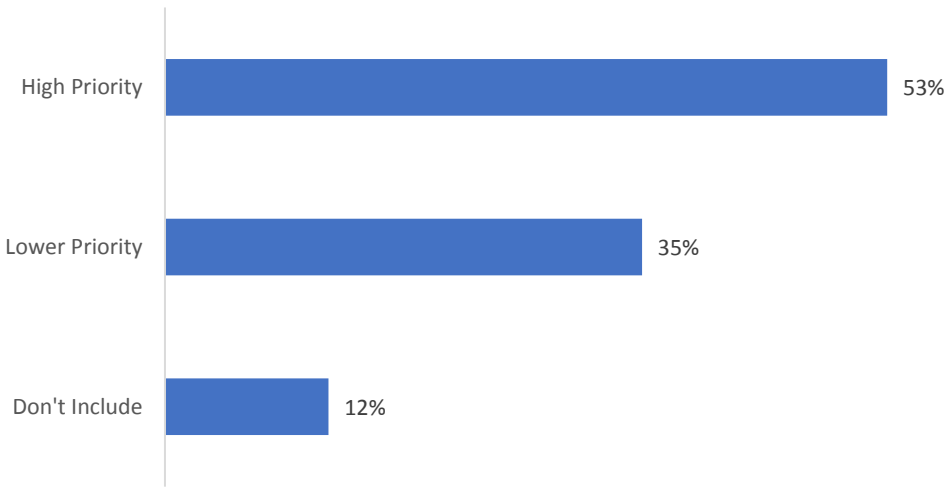
c. Given California's vulnerability to severe droughts, promote the City's investment in water infrastructure as a strategic advantage for a range of business types (i.e., in addition to agriculture and viticulture, which were the original focus of this s



d. Continue to monitor the competitiveness of the City's newly-established tiered system for calculating wastewater fees for wineries and breweries, and actively publicize this system as part of efforts to attract additional beer/wine producers



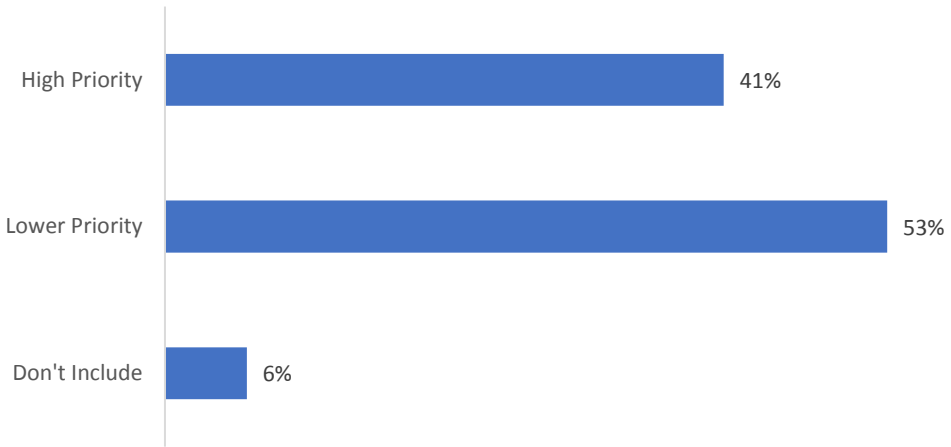
e. Incorporate incentives for water conservation in water pricing schedule



f. Continue to integrate all wine and craft beer industry development strategies with tourism, identity and image for the City, and overall support for and marketing of the Food and Beverage cluster

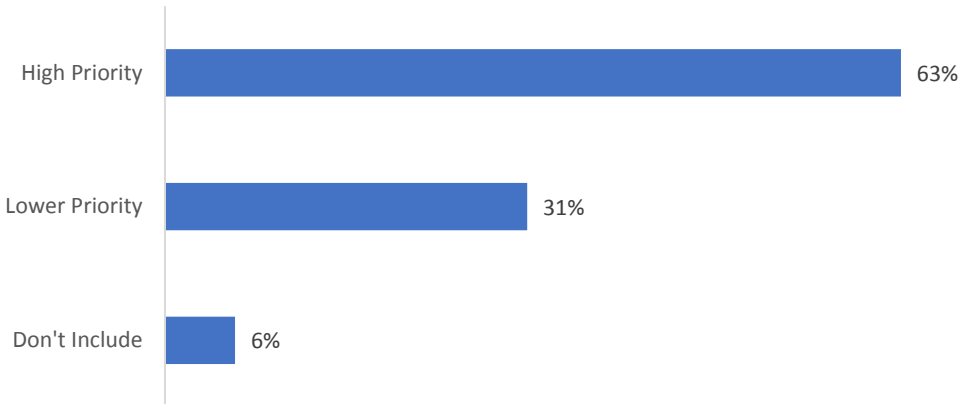


g. Link this strategy to a larger agritourism initiative (which has broader potentials than the current focus on beer and wine)

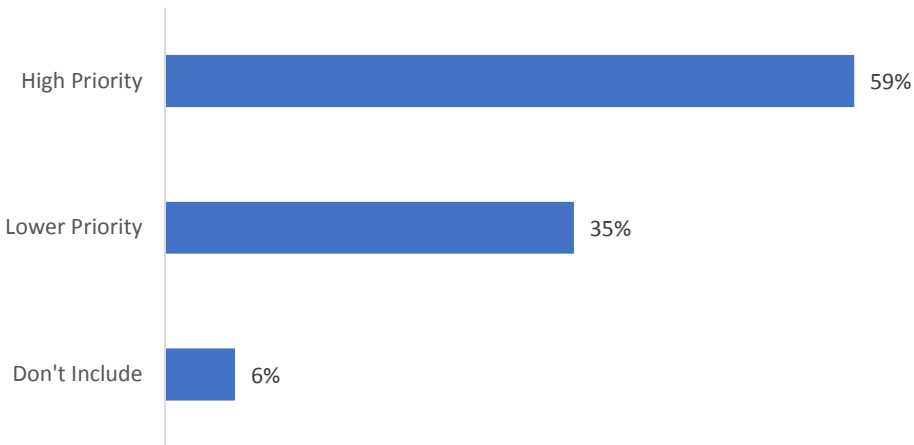


Strategy 4: Expand and focus economic development marketing efforts

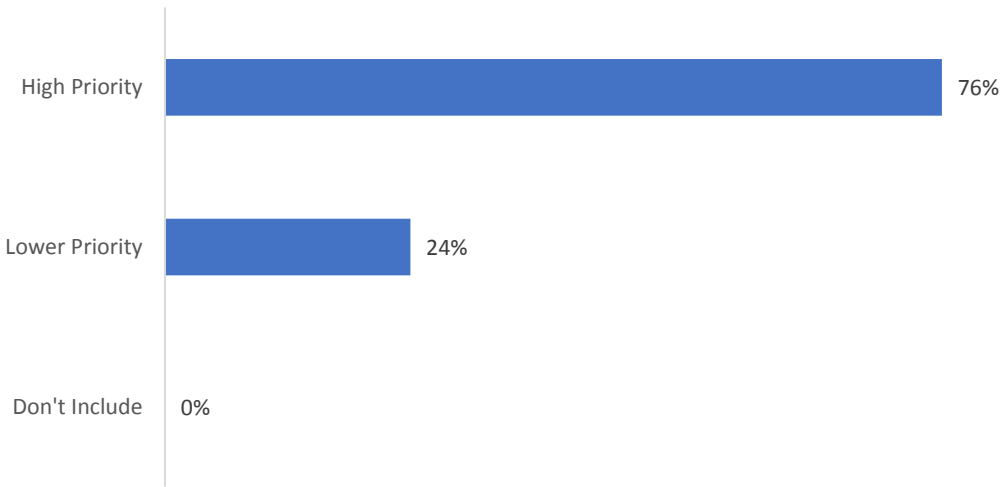
a. Coordinate with the City's Communications Officer to implement an economic development marketing program via multiple communication channels (website, social media, print collateral, etc.)



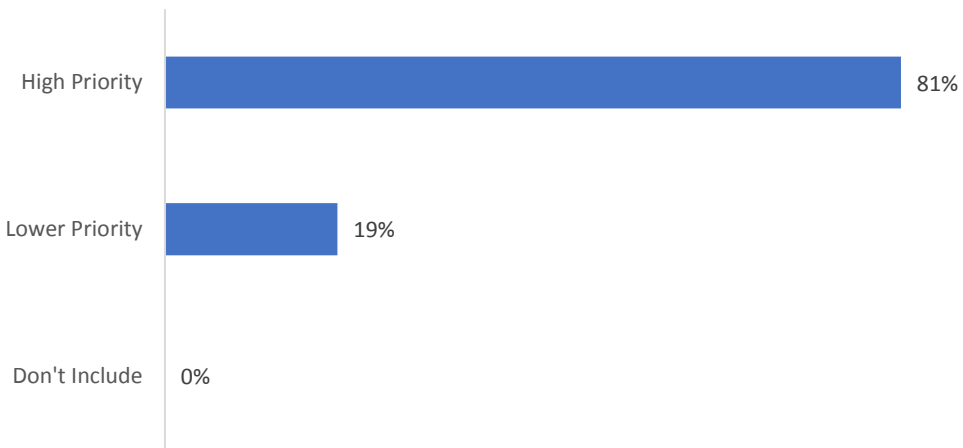
b. Continue to improve coordination of City's public relations efforts and the consistency of "messaging" across City departments



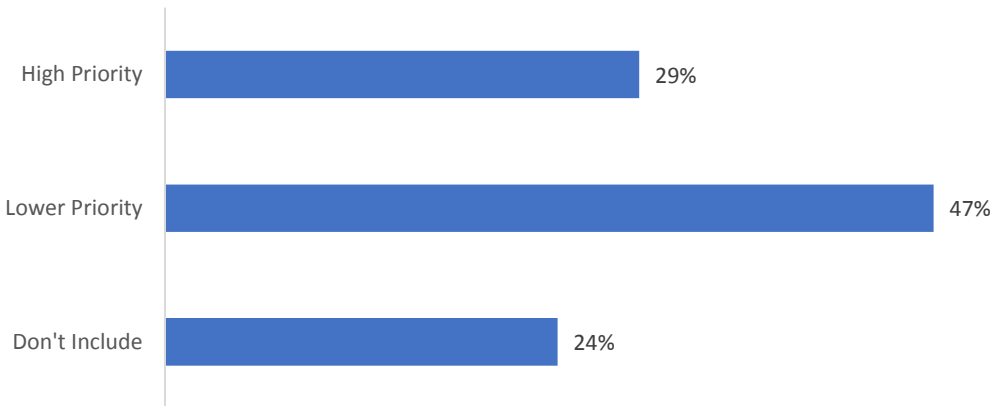
c. Implement target industry marketing program to attract new firms in high-priority clusters



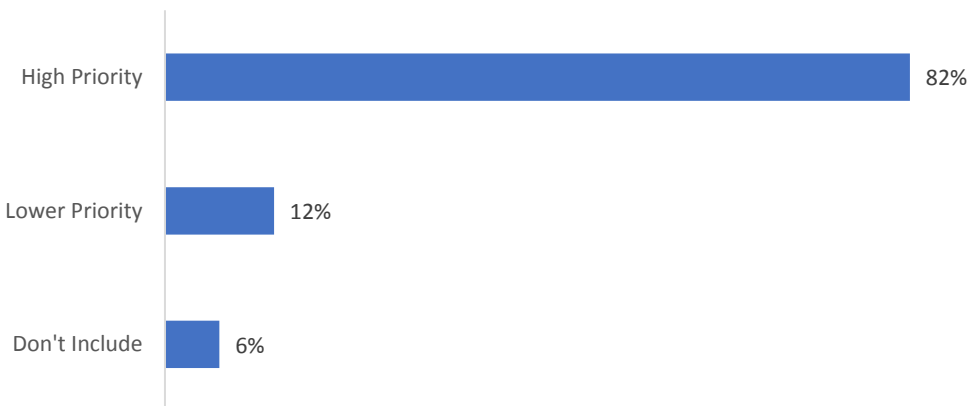
d. Where appropriate, integrate local marketing efforts/resources with regional marketing (through the successful Innovate 78 partnership)



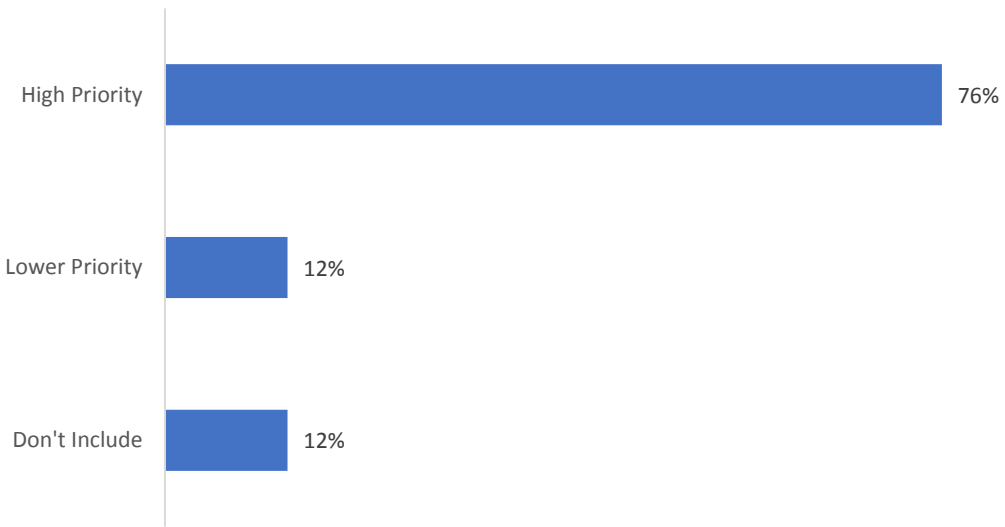
e. As part of Business Ambassador program (see Action Item 1c), create video testimonials featuring prominent local business people promoting the City's business friendliness and development opportunities



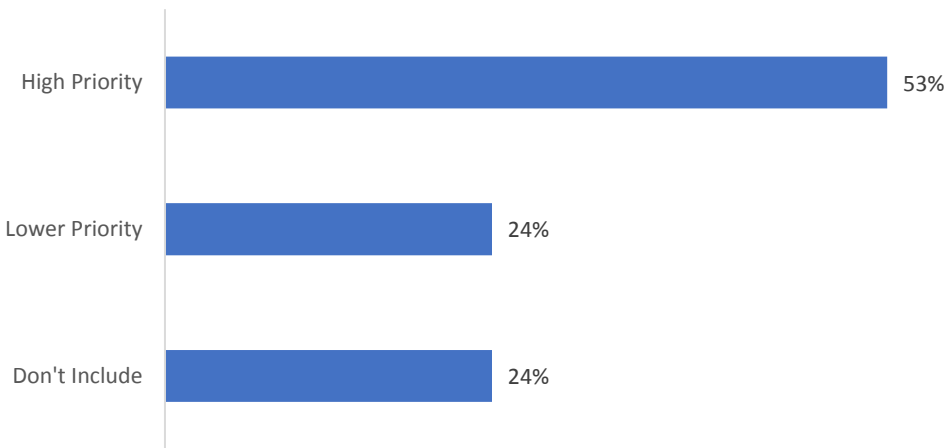
f. Maintain regular communications with commercial/industrial and residential real estate brokers and developers to convey a consistent message that Escondido is business friendly and development ready



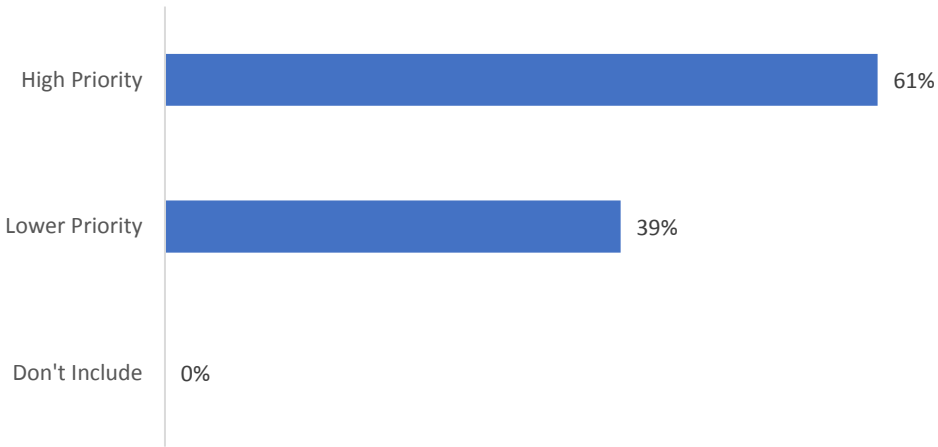
g. Promote Escondido as a place to live



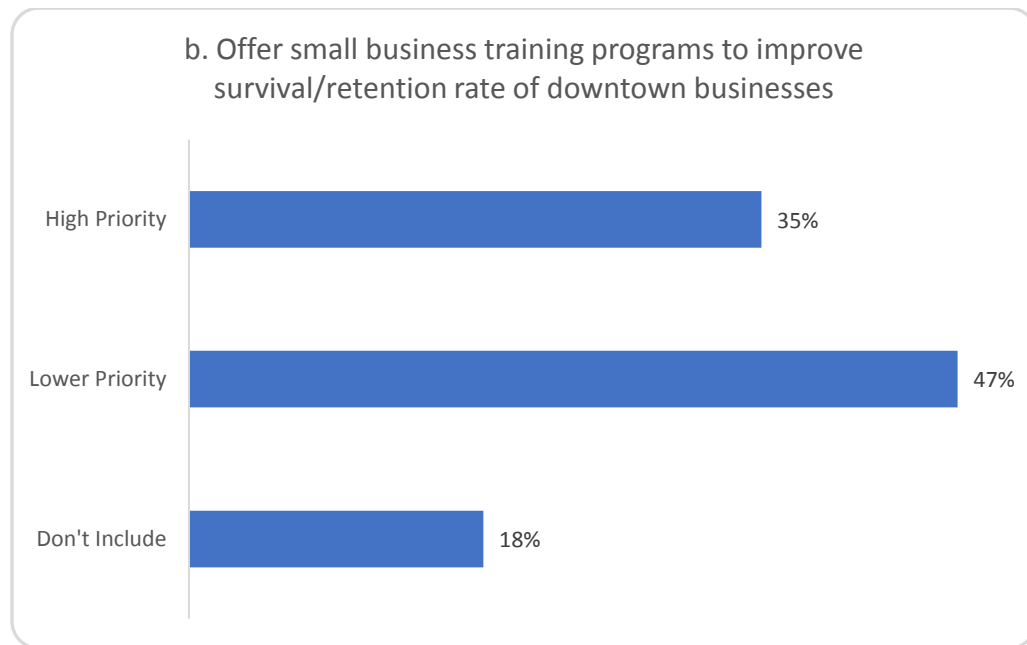
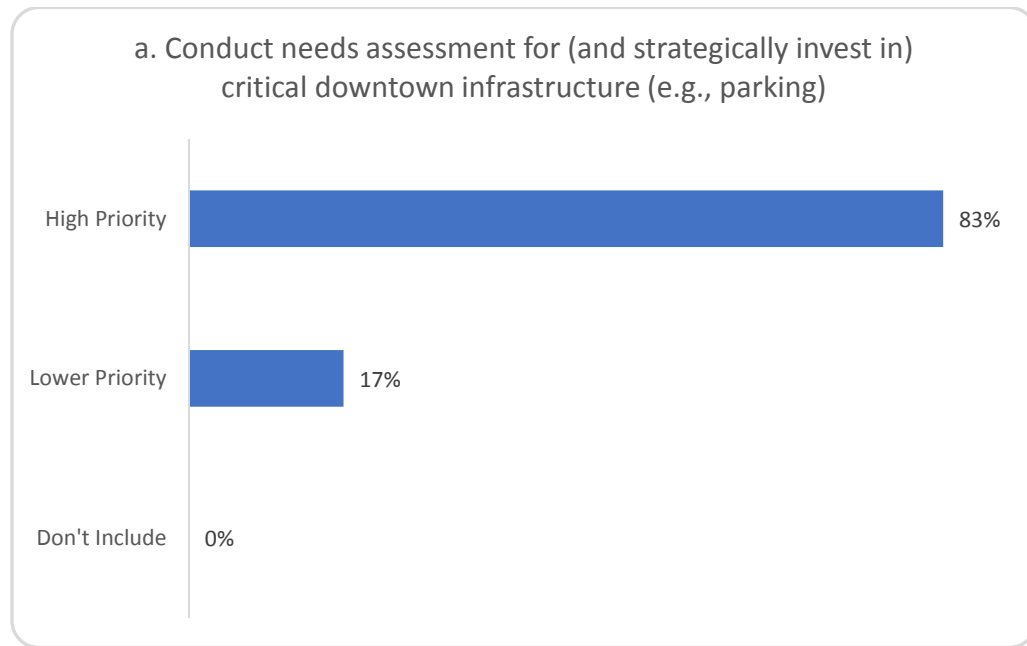
h. Coordinate with City's Tourism & Marketing Administrator to expand promotion of Escondido as a destination for tourism



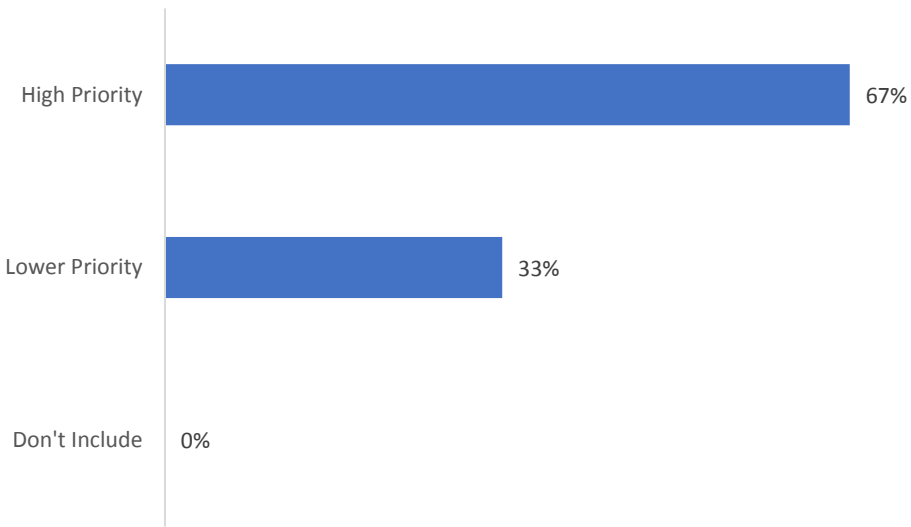
i. Continue to provide City's Special Events Coordinator with sufficient resources to expand attraction of visitors/shoppers to Escondido through special events promotion



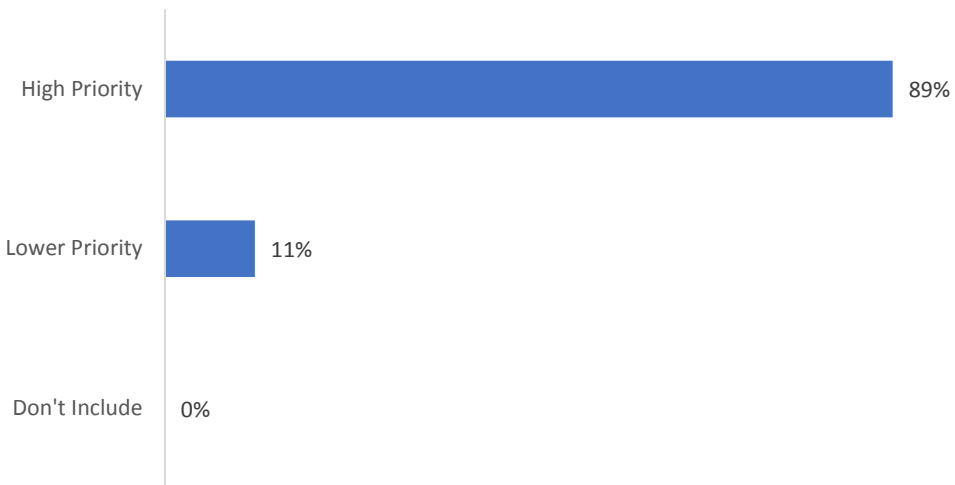
Strategy 5: Continue focus on downtown revitalization



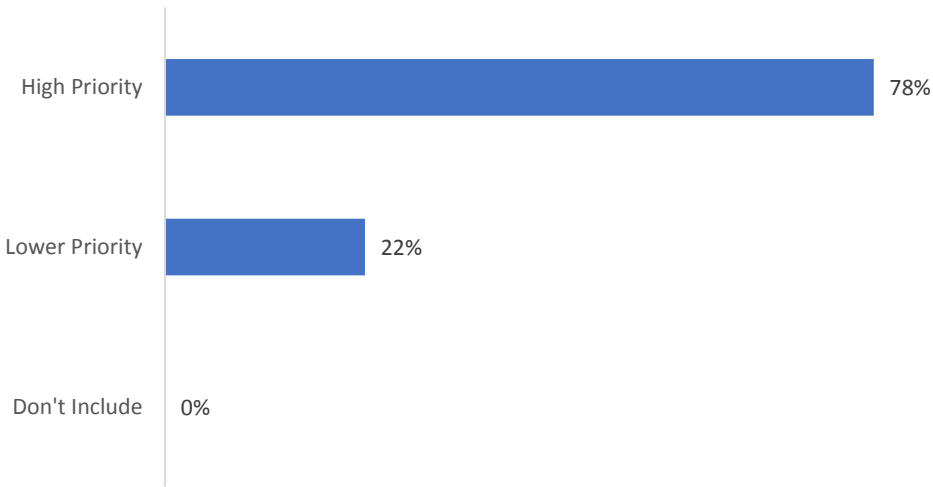
c. Expand cleanup and maintenance efforts



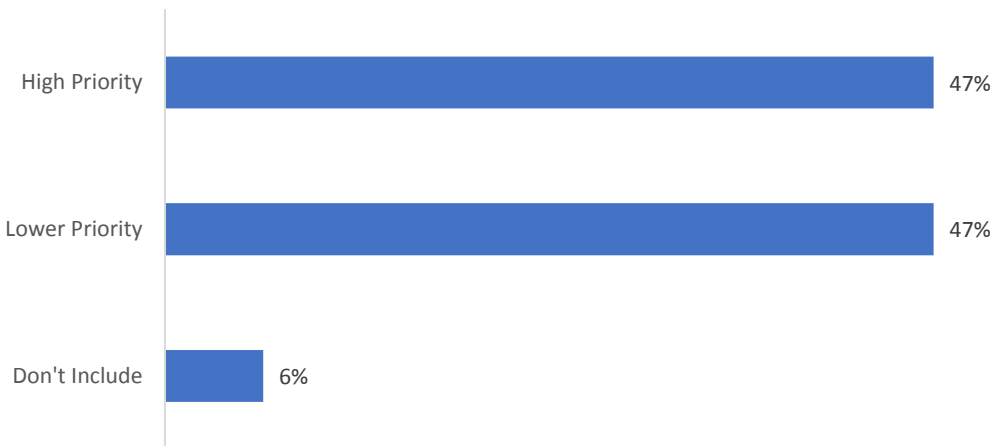
d. Increase resources directed at addressing homelessness and related impacts to downtown business environment



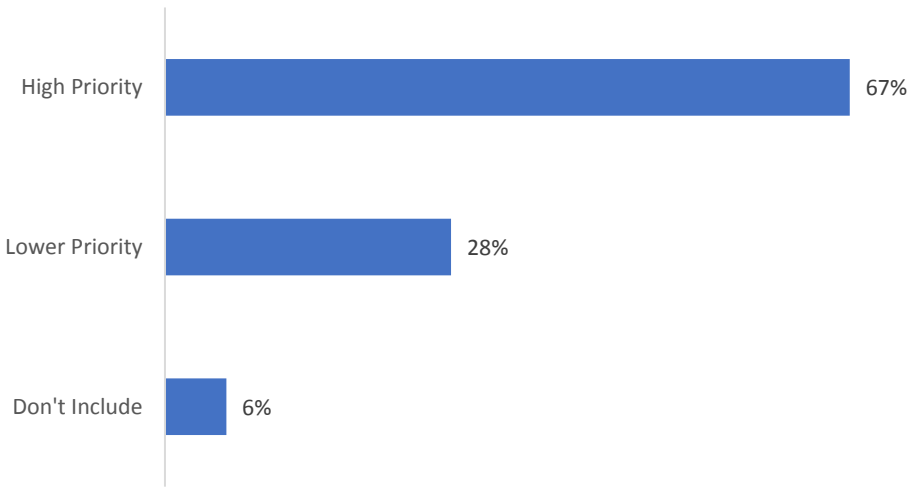
e. Offer incentives to attract new businesses (e.g. facade improvements grants, fee deferrals/waivers, etc.)



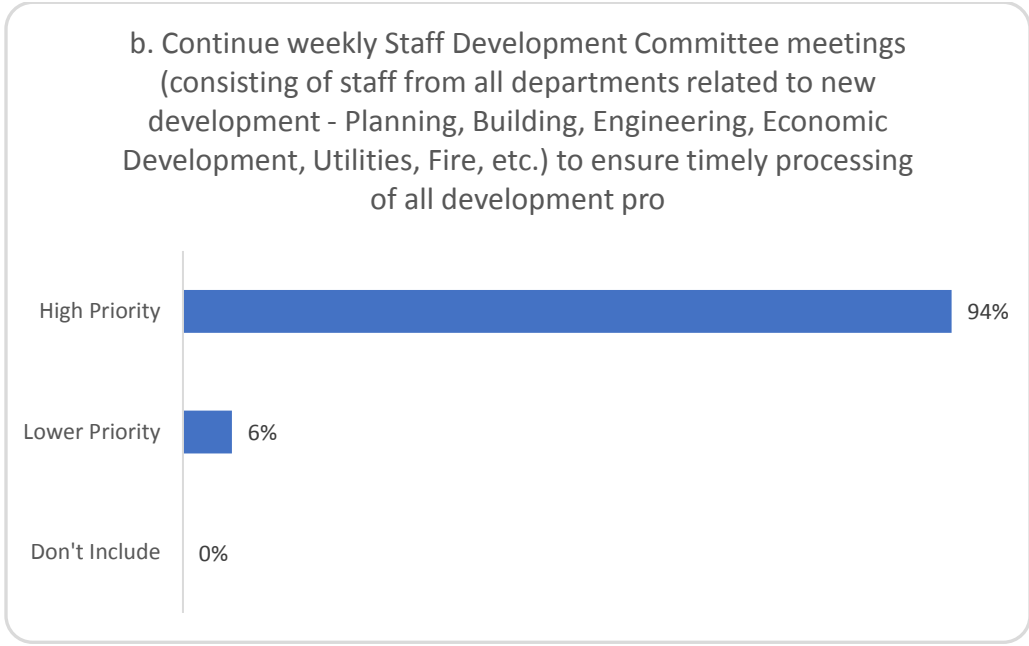
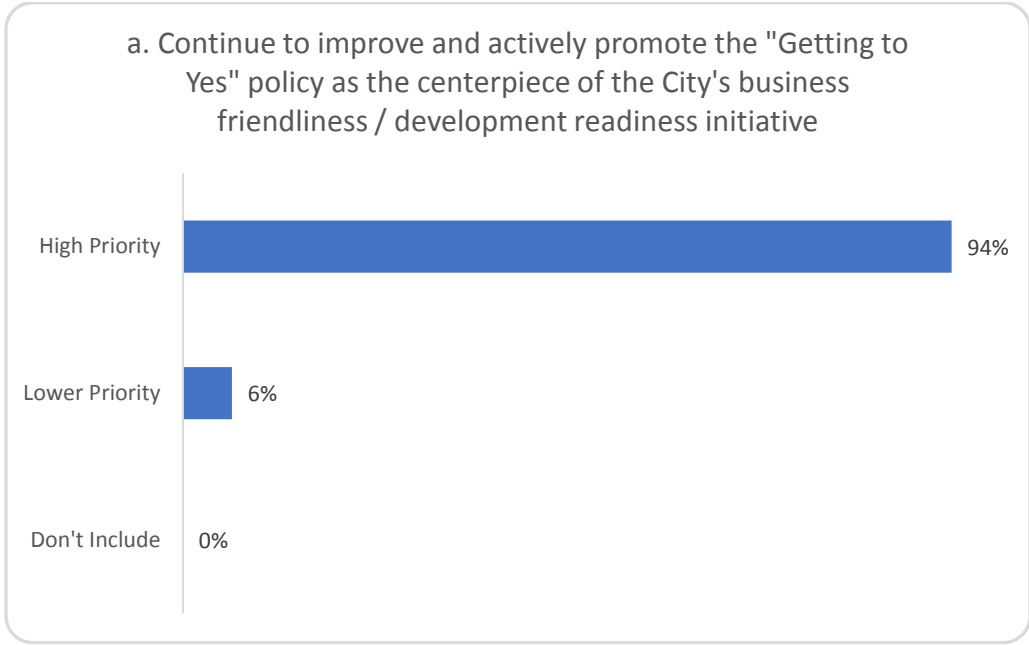
f. Work with landlords to recruit temporary/seasonal tenants to fill vacant storefronts until permanent tenants can be attracted



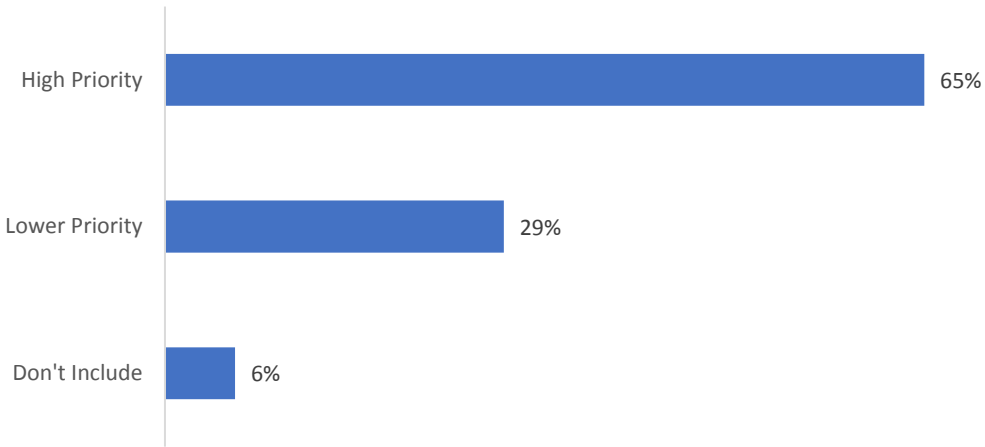
g. Create strategic partnerships with downtown residential developers



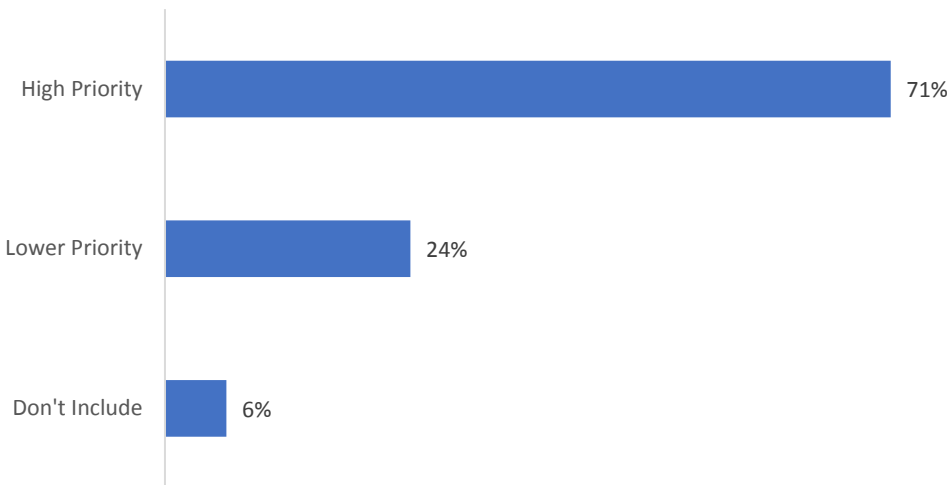
Strategy 6: Ensure that City's development/permit processing is timely and business friendly



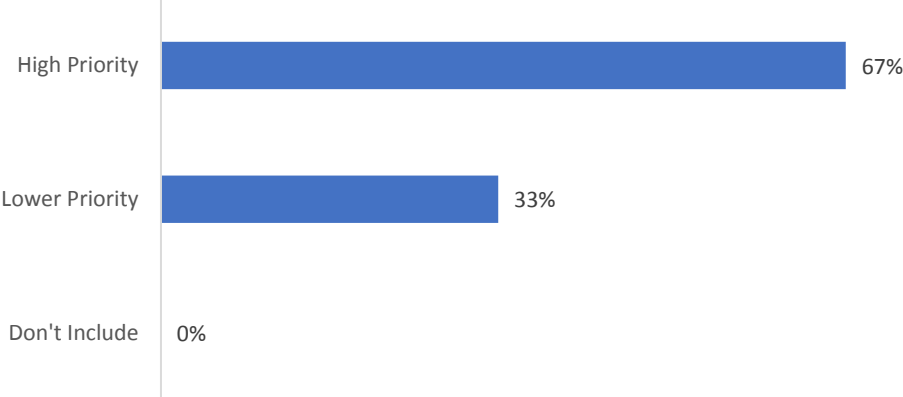
c. Improve accuracy of projecting the timeframe for project approvals (i.e., give applicants a realistic estimate of how long the process will take)



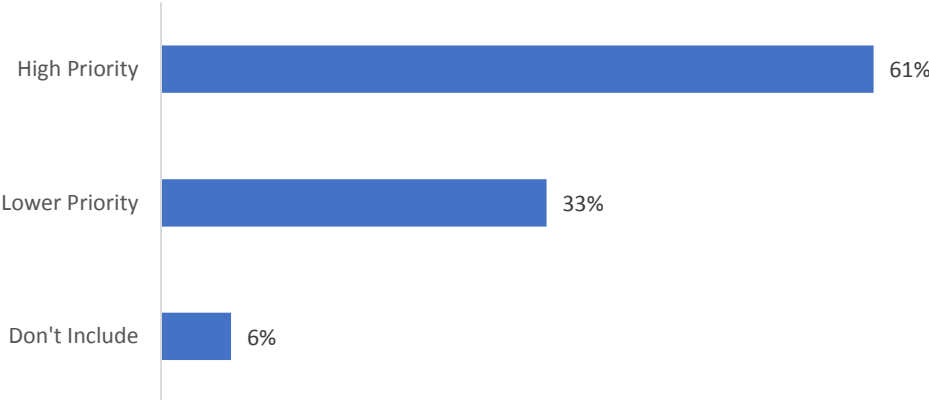
d. Continue to promote City's fee deferral policy (<http://www.escondido.org/fee-deferral-policy.aspx>)



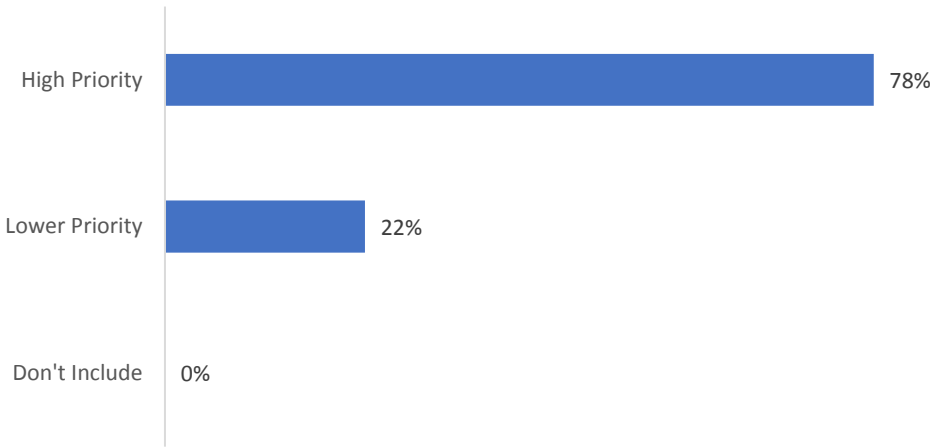
e. Continue to meet regularly with Building Industry Association (BIA) to get feedback on challenges with the City's entitlement/approval/permitting processes and make adjustments as needed



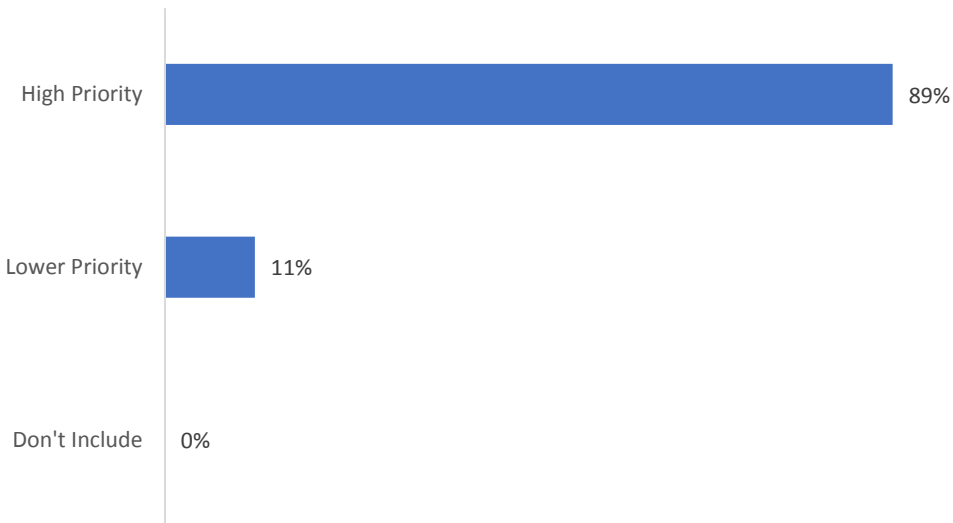
f. Actively utilize the City's ombudsman function (see Action Item 1b) to provide an "advocate" for businesses and development projects going through the approval/permitting process



g. Improve utilization of City's systems for tracking permit processing times (so that available databases can be fully integrated with above action items)

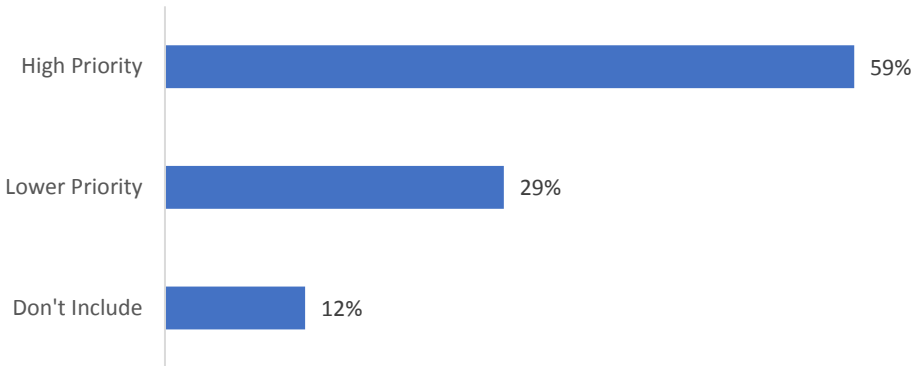


h. Move toward automated (online) processing of permits

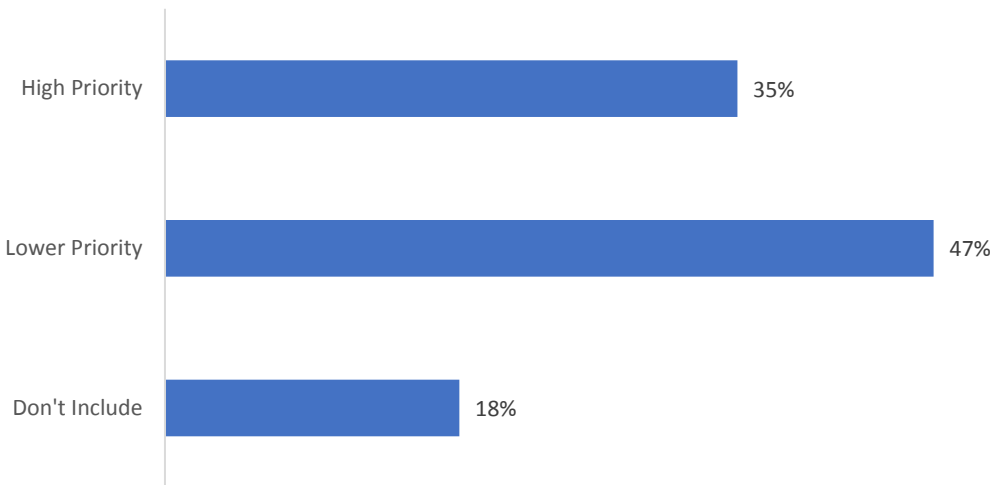


Strategy 7: Expand athletic / recreational / environmental amenities, consistent with and in coordination with the relevant policies from the City's General Plan

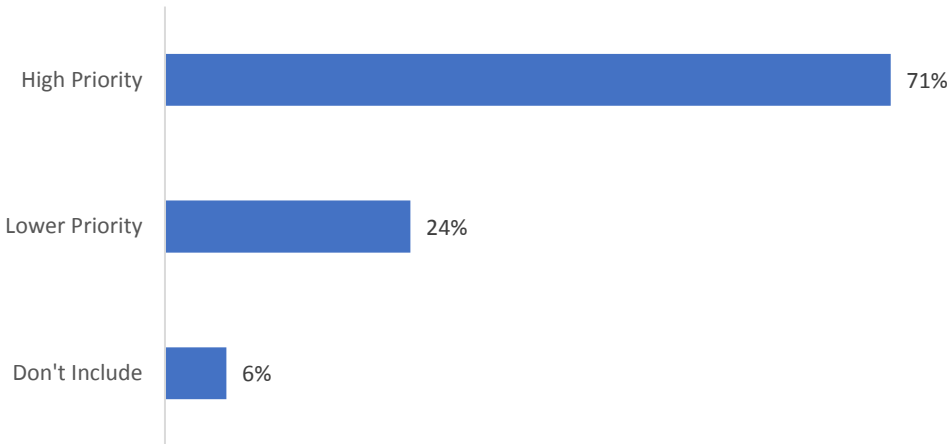
a. Undertake an updated review of both the existing stock (and imminently planned improvements) of parks & rec. facilities and those included within the Gen. Plan, Community Health Services element, and assess the extent to which existing and future facil



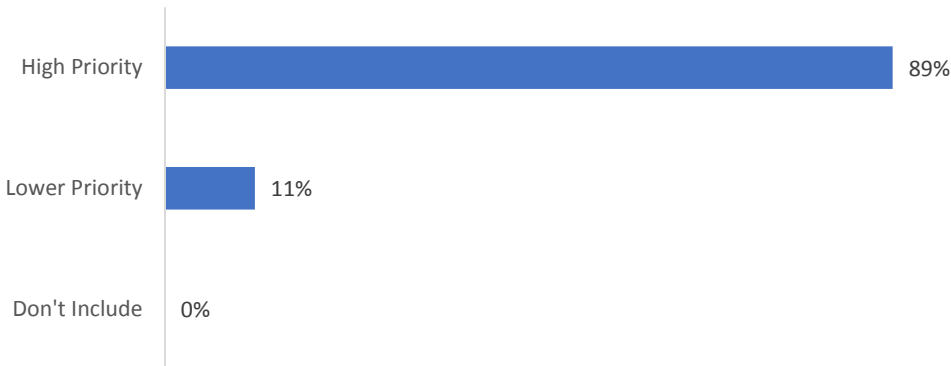
b. As funds become available, complete sections of Escondido Creek Trail Master Plan



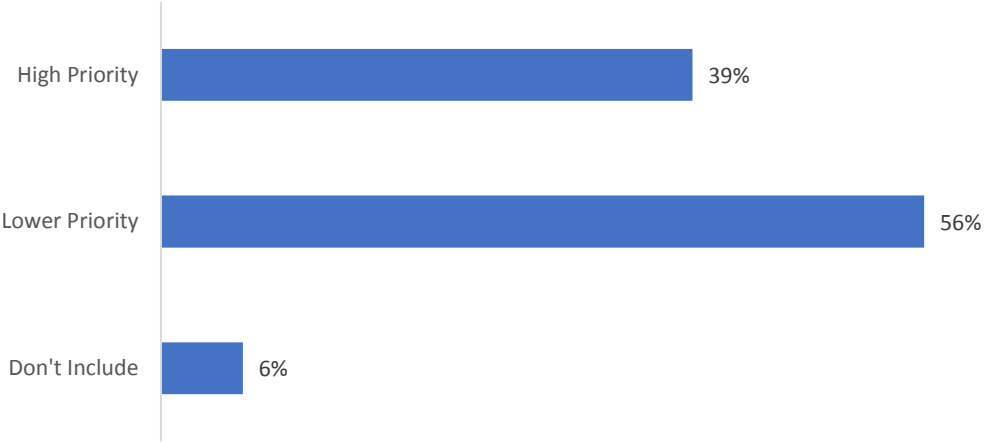
c. Support implementation of Grape Day Park Master Plan (including new library) as an integral component of Escondido's placemaking efforts



d. Actively integrate new/forthcoming facilities into economic development marketing efforts (forthcoming improvements include Kit Carson Park playground and sports fields; repurposing the tennis courts at Washington Park; and completion of the Missing Li

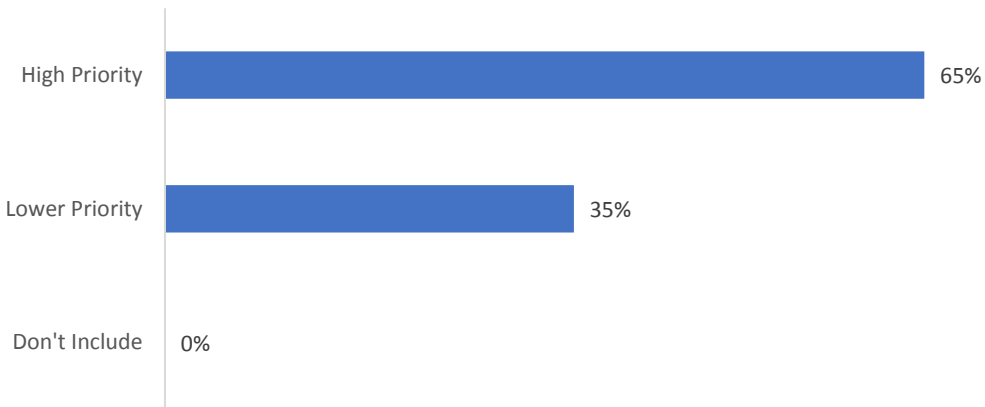


e. Investigate potentials for additional major facilities suggested by the CEDS Committee: soccer complex and new tennis center

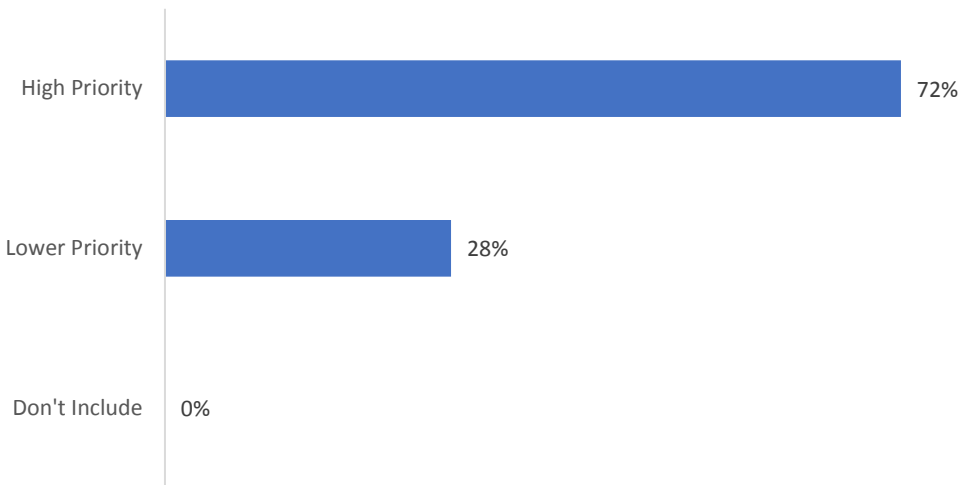


Strategy 8: Focus existing relationships with primary/secondary schools and higher education institutions to ensure adequate pipeline of skilled workers

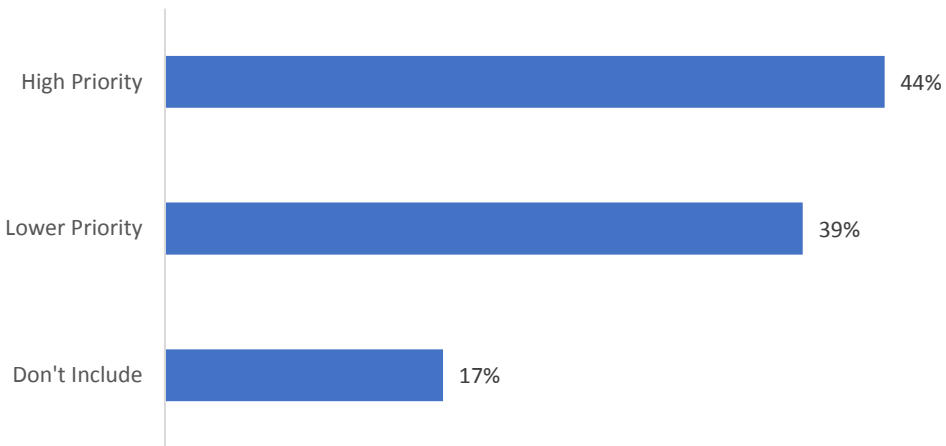
a. Continue outreach to local employers to identify workforce development needs and opportunities (e.g., through the industry/employer roundtables sponsored by the Innovate 78 partnership)



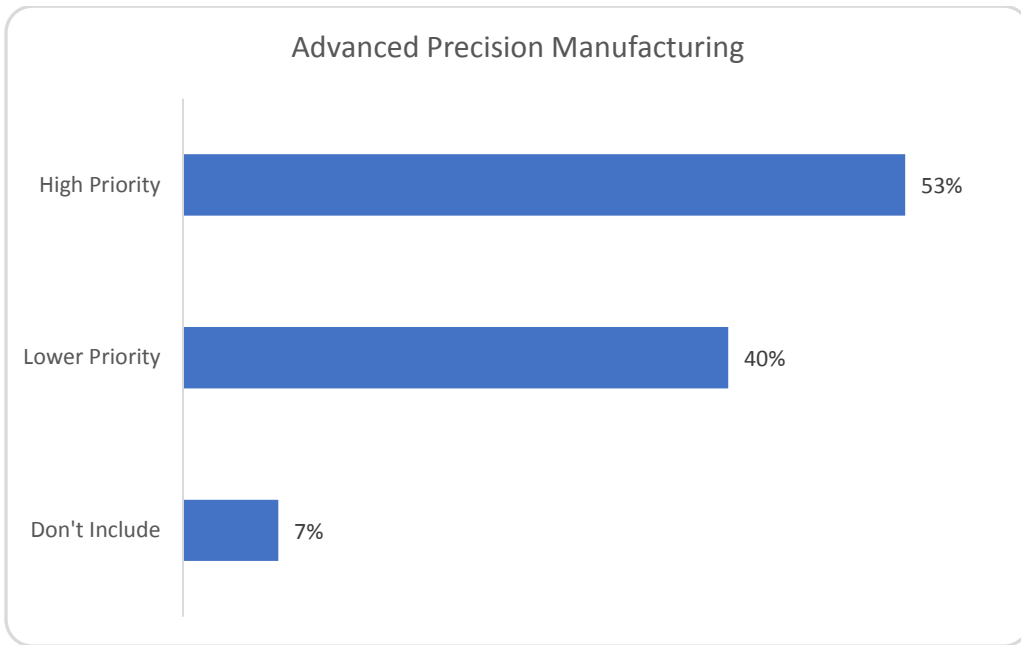
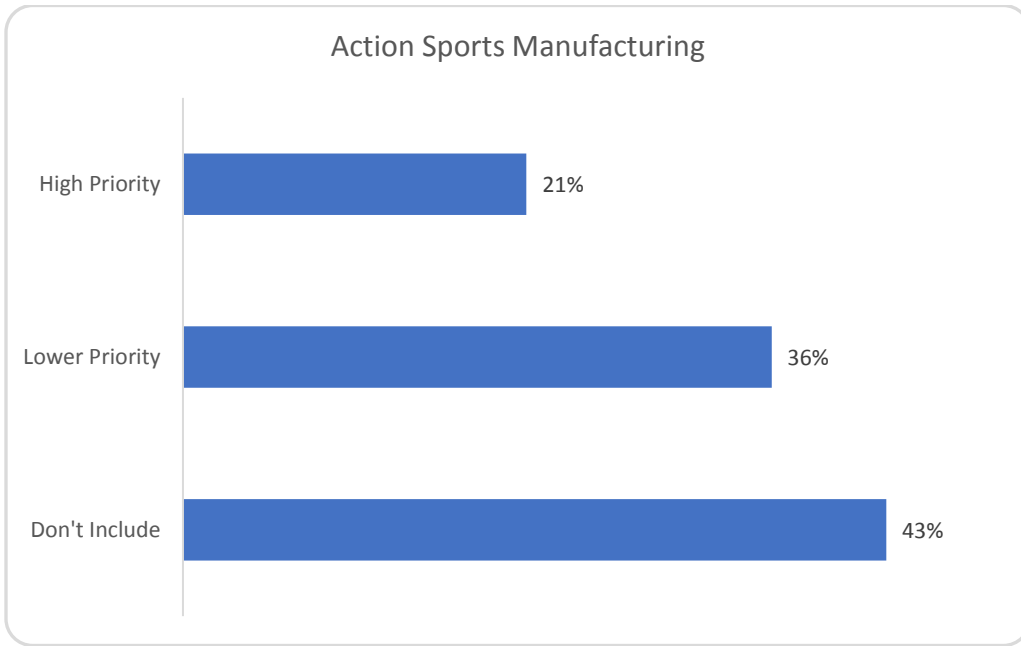
b. Interface with education system (at all levels) to expand training capacity in areas in which gaps have been identified



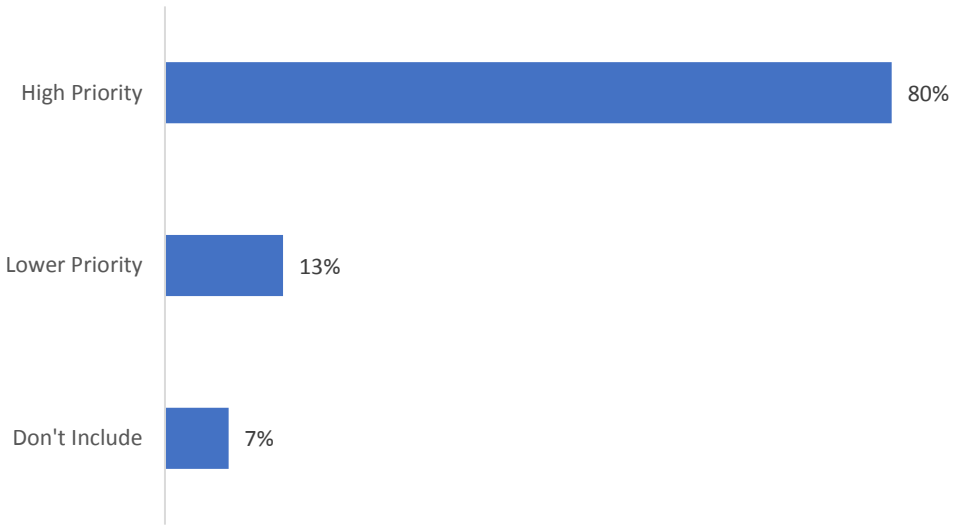
c. Establish, as appropriate, and monitor ongoing collaborative efforts such as STEM (Science, Technology, Engineering, and Mathematics) programs and the like



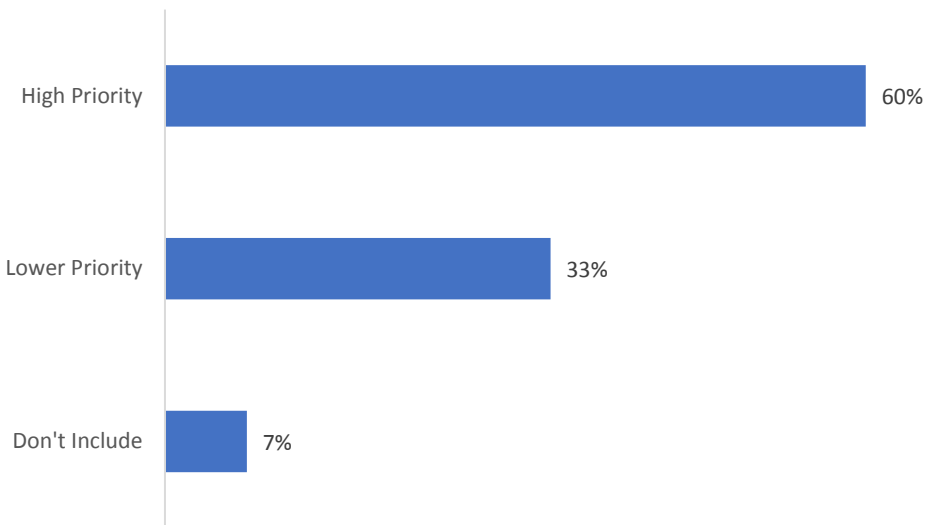
Industry Clusters (*Identified as high-priority cluster in 2013 CEDS)

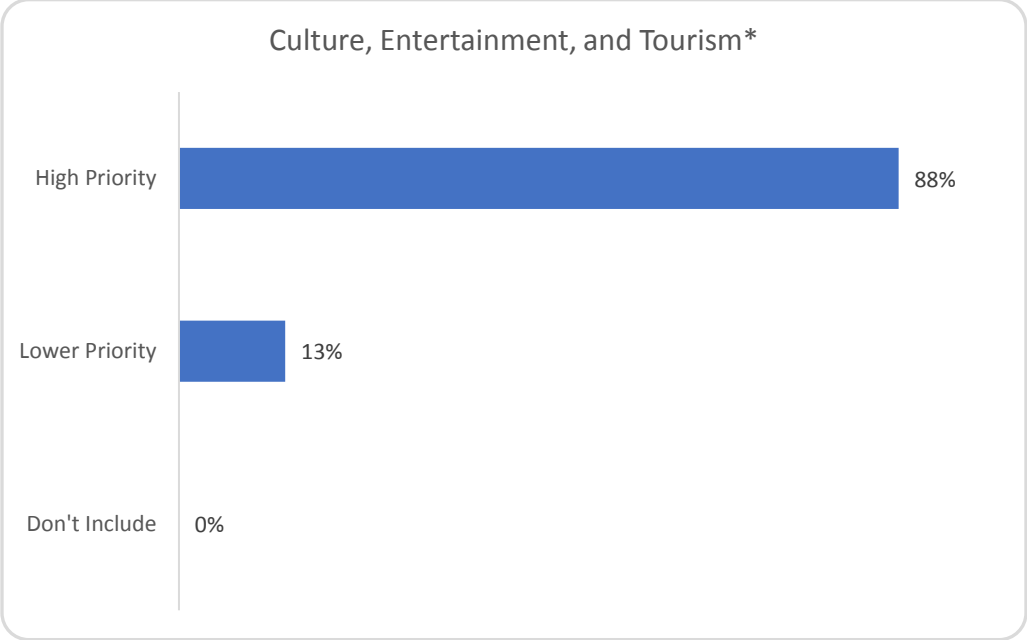
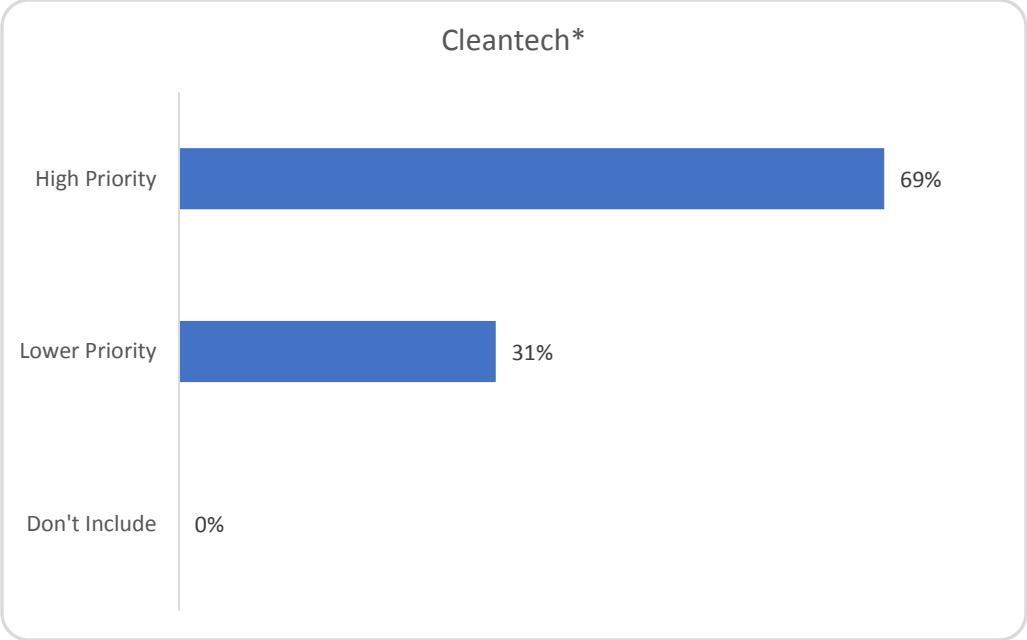


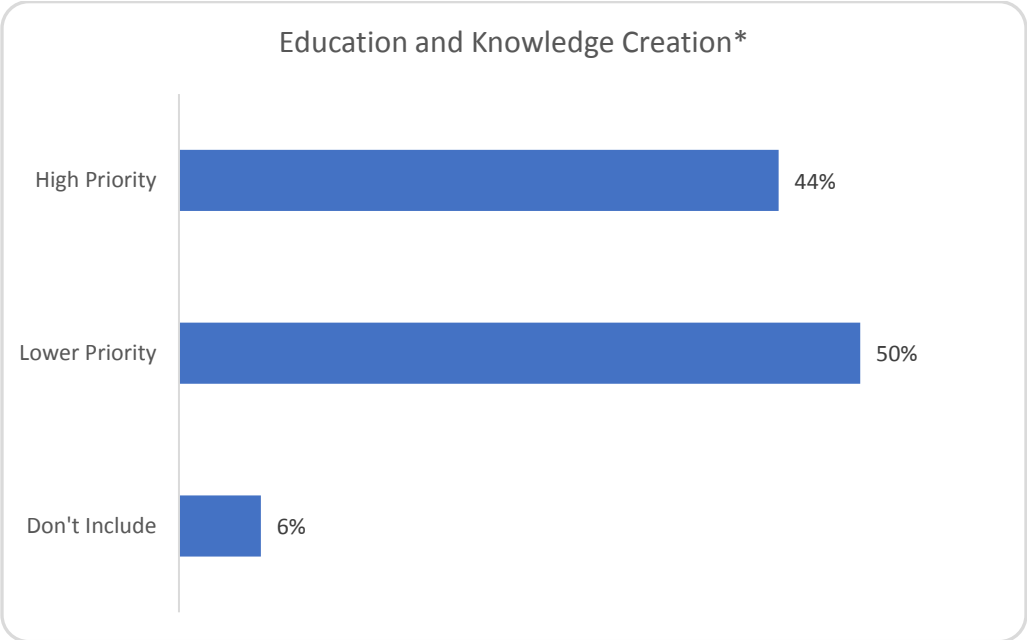
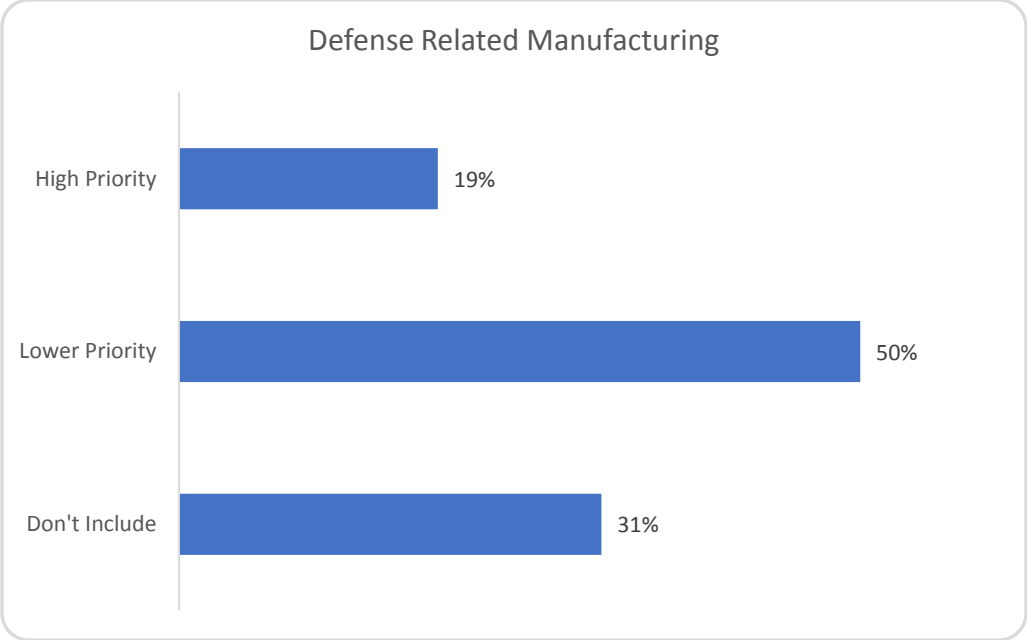
Agribusiness and Ag-Tech



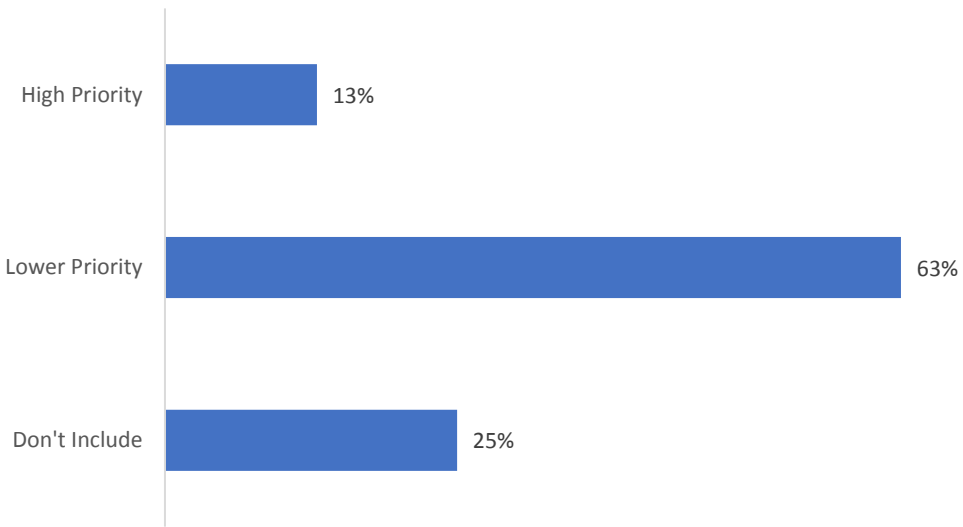
Business and Professional Services



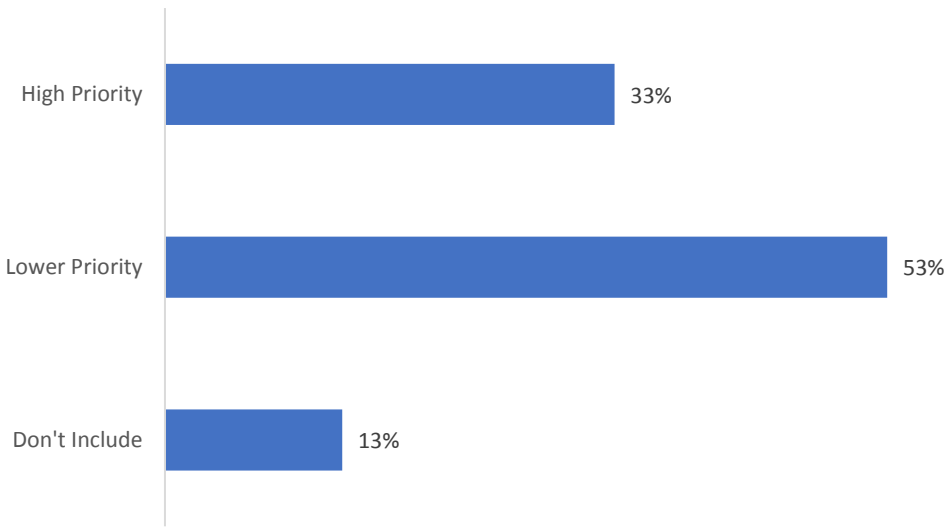




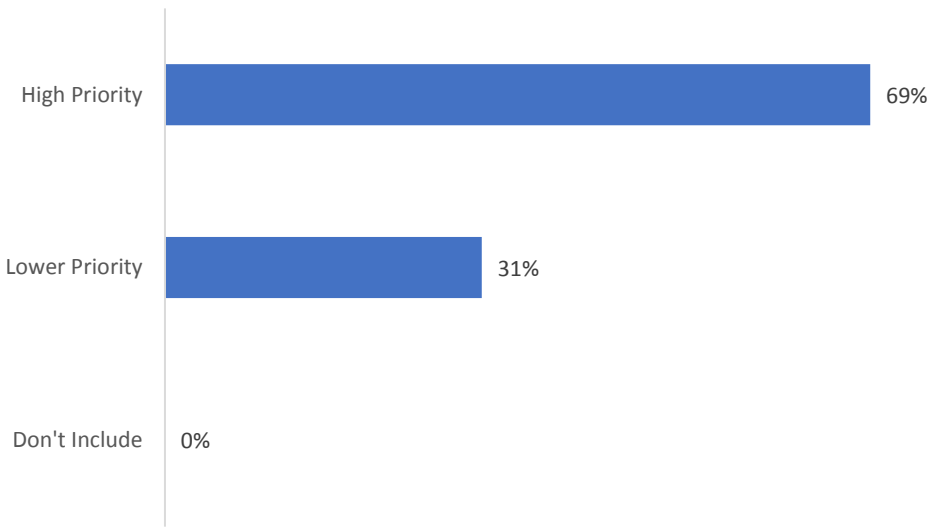
Elderly Care Services



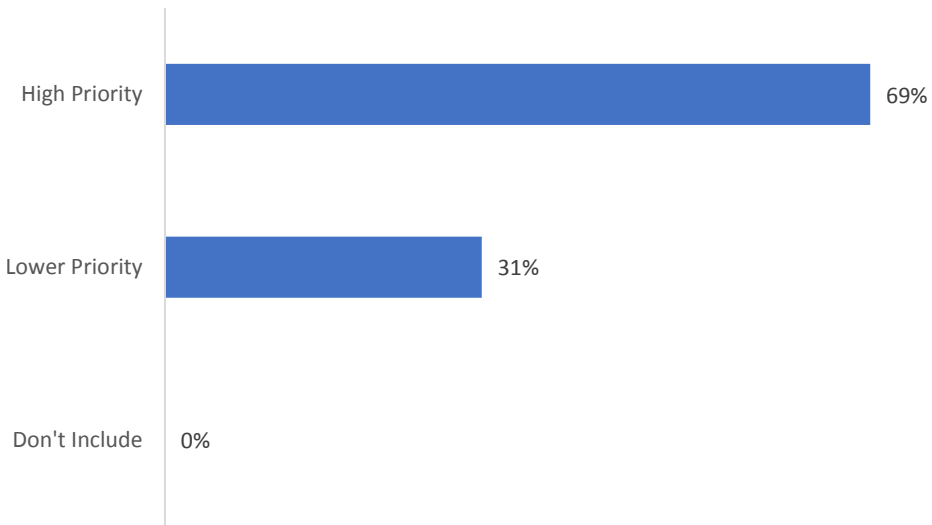
Energy Generation



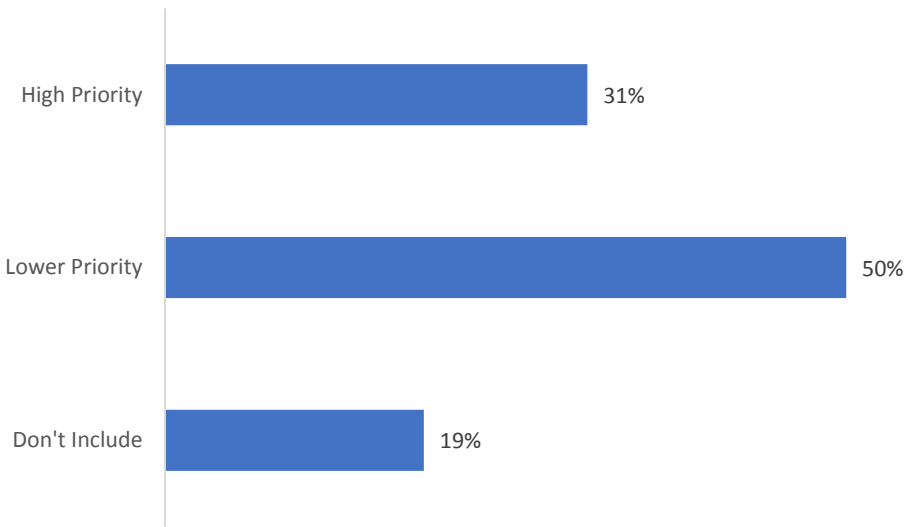
Hospitals and Healthcare*



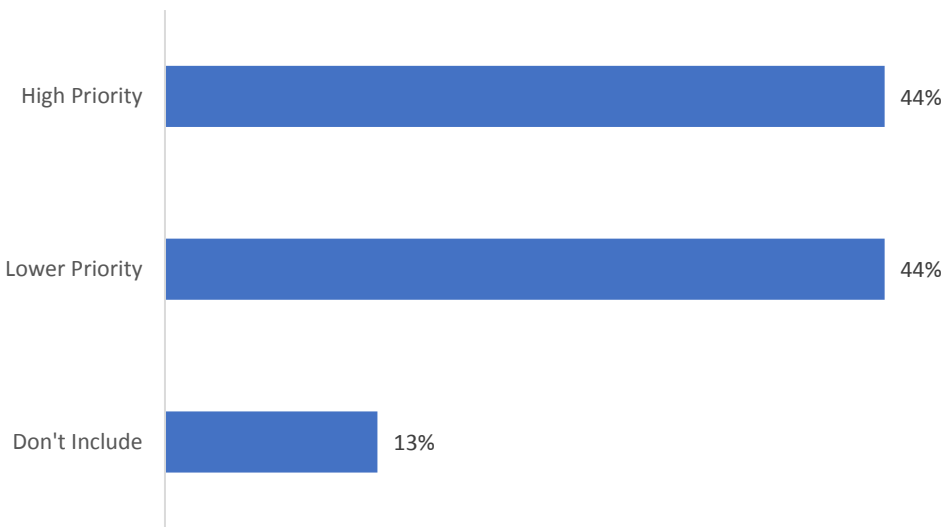
Information, Communications, Technology



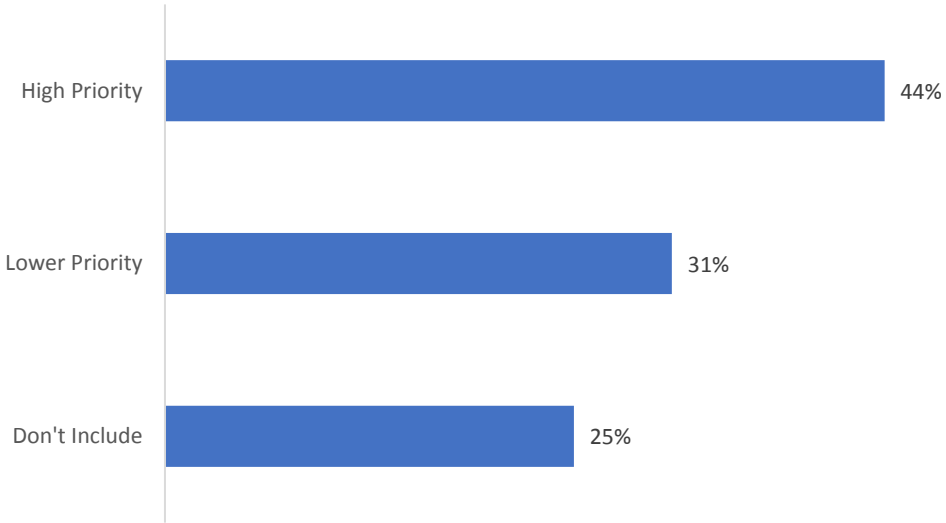
Medical Devices



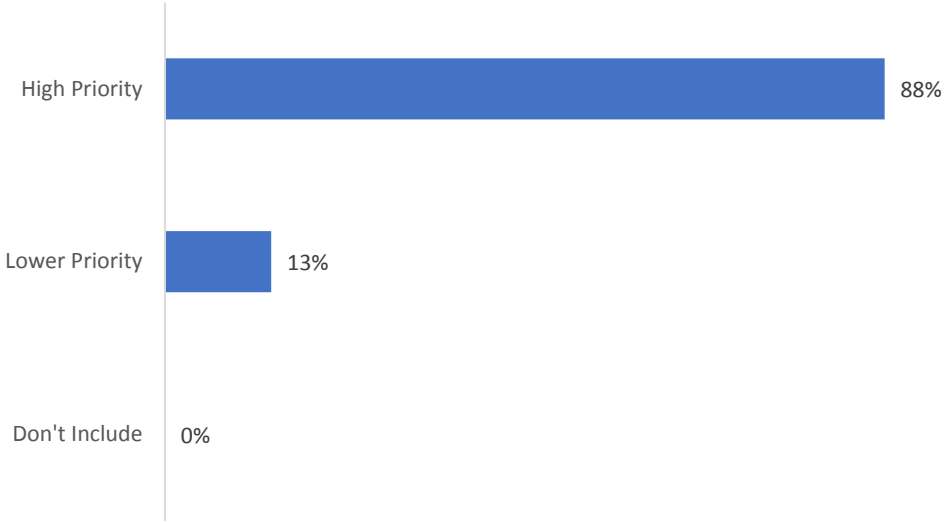
Pharmaceuticals

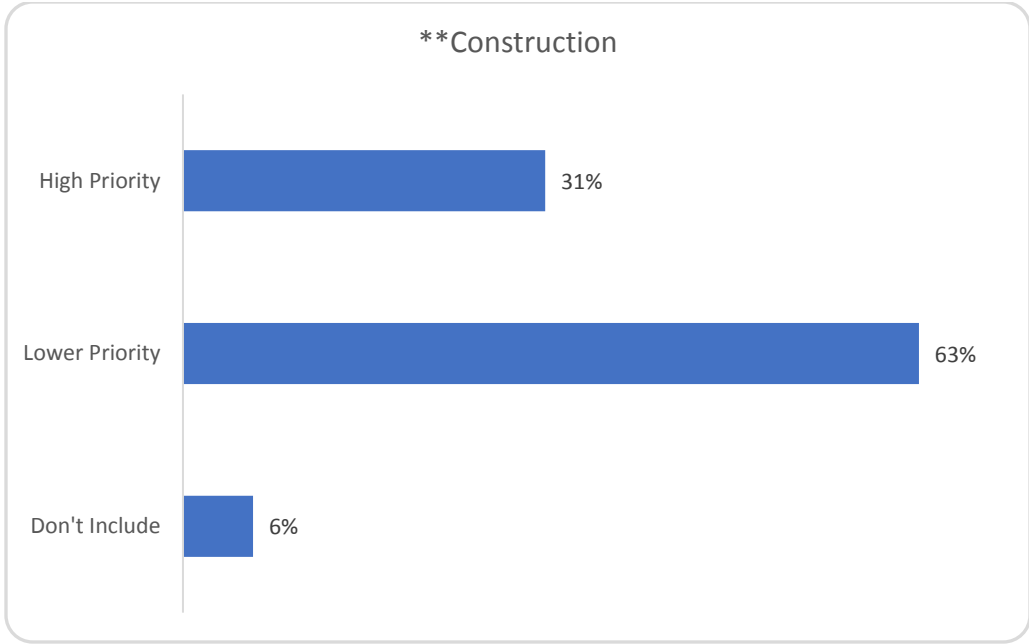


Retail Trade



Specialty Foods and Beverages*





****Added at first CEDS meeting**

APPENDIX G. EDA-Required Census Data

Table G-1
Population, Per Capita Income, and Unemployment Rates
U.S., San Diego County, and City of Escondido
2015 and 2016

Area	Population			Per Capita Income (\$)			Unemployment Rate (%)		
	2015	2016	Average	2015	2016	Average	2015	2016	Average
U.S.	321,418,821	323,127,515	322,273,168	29,979	31,128	30,554	6.30	5.80	6.05
San Diego County	3,299,521	3,317,749	3,308,635	32,227	34,328	33,278	6.90	6.20	6.55
City of Escondido	151,458	151,594	151,526	24,261	25,023	24,642	8.10	5.90	7.00
Escondido / U.S. ¹						81%			1.0
San Diego County / U.S. ²						109%			0.5

Notes:

1. Ratio of per capita incomes in Escondido to the U.S. and absolute difference in unemployment rates between Escondido and the U.S.
2. Ratio of per capita incomes in San Diego County to the U.S. and absolute difference in unemployment rates between San Diego County and the U.S.

Source: U.S. Census Bureau, 2014 and 2015 American Community Survey, 1-Year Estimates.

Table G-2
Population, Per Capita Income, and Unemployment Rates
City of Escondido Census Tracts
2012 - 2016 5-year Estimates

Census Tract	Population	Per Capita Income (\$)	Unemployment Rate (%)	Per Capita Income Tract / U.S.	Unemployment Rate (%) Tract - U.S.
201.03*	10,809	34,461	8.2	116%	0.8
201.05*	4,013	25,602	7.0	86%	-0.4
201.06*	3,581	26,020	1.6	87%	-5.8
201.07*	4,125	26,031	6.1	87%	-1.3
201.08	6,022	16,096	12.9	54%	5.5
201.09	5,592	21,454	5.0	72%	-2.4
202.02	7,137	11,645	7.7	39%	0.3
202.06	5,478	14,813	5.7	50%	-1.7
202.07	5,185	13,949	8.2	47%	0.8
202.08	2,638	19,547	10.4	66%	3.0
202.09	5,307	14,968	6.3	50%	-1.1
202.10	4,830	19,344	7.0	65%	-0.4
202.11	7,041	17,170	6.1	58%	-1.3
202.13	3,878	11,438	9.1	38%	1.7
202.14	6,074	11,861	14.6	40%	7.2
203.04*	6,435	34,183	3.1	115%	-4.3
203.05	6,068	31,702	8.5	106%	1.1
203.06*	8,981	32,733	7.1	110%	-0.3
203.07*	7,593	29,063	5.9	97%	-1.5
203.08	5,450	20,923	3.7	70%	-3.7
203.09	4,371	21,374	5.0	72%	-2.4
204.01*	2,329	53,484	8.6	179%	1.2
204.03*	4,058	27,763	7.3	93%	-0.1
204.04*	4,710	40,398	5.0	135%	-2.4
204.05*	3,169	52,511	2.4	176%	-5.0
205	5,569	17,173	8.2	58%	0.8
206.01	6,041	15,274	7.9	51%	0.5
206.02*	6,074	22,142	9.8	74%	2.4
207.05*	4,991	27,550	7.0	92%	-0.4
207.06*	6,359	48,890	6.9	164%	-0.5
207.07	5,159	17,059	8.4	57%	1.0
207.08*	3,857	32,245	5.5	108%	-1.9
207.09*	8,036	34,186	6.4	115%	-1.0
207.10*	1,638	66,926	4.8	224%	-2.6
U.S.		29,829	7.4		
San Diego County		32,482	7.8		
Escondido		23,397	7.2		

Notes:

* Census Tracts that are partially located in the City of Escondido.

Bolded and italicized values meet eligibility criteria.

Source: U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates.

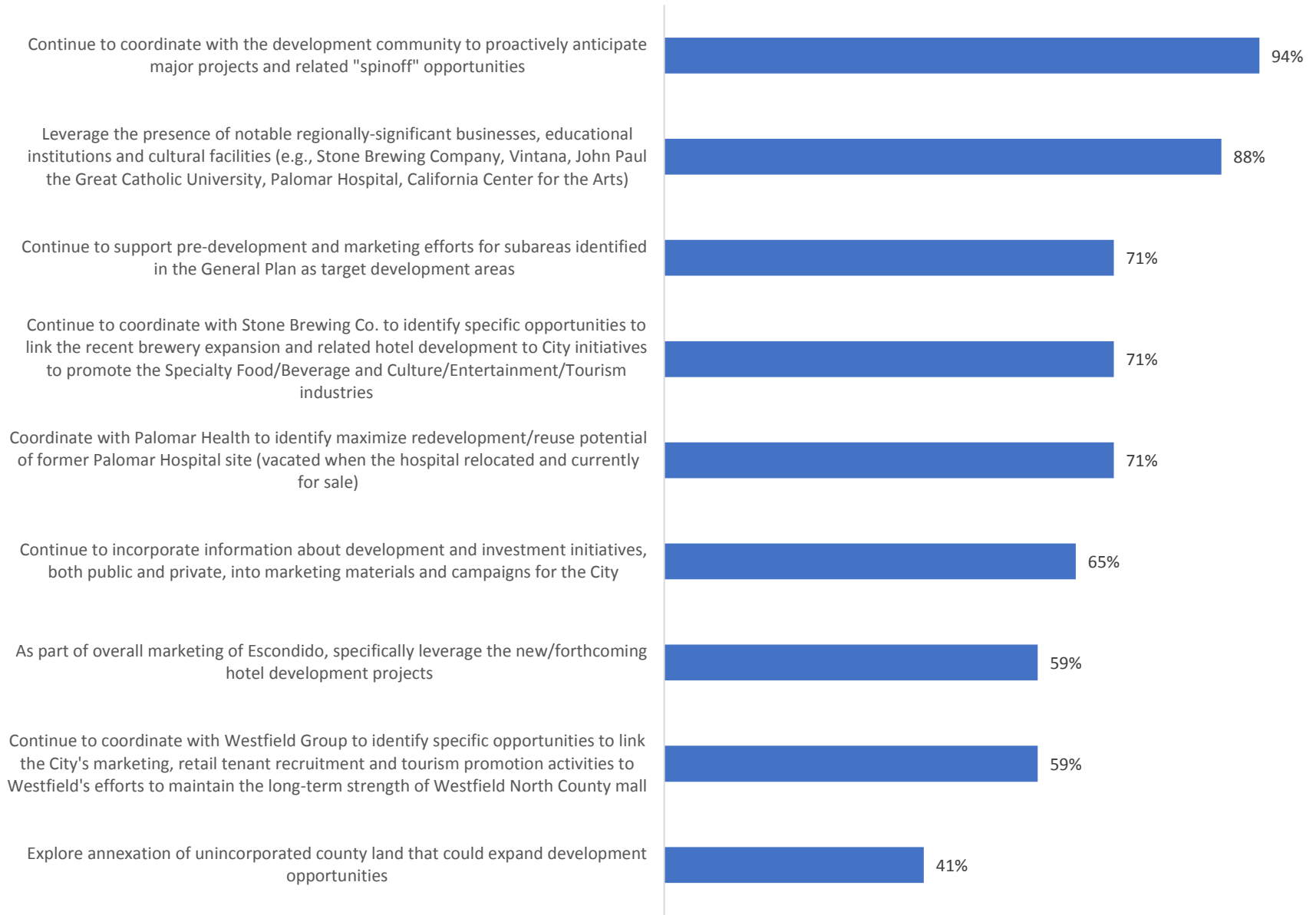
APPENDIX H. Action Items Prioritization

Percentage of Respondents who Selected "High Priority"

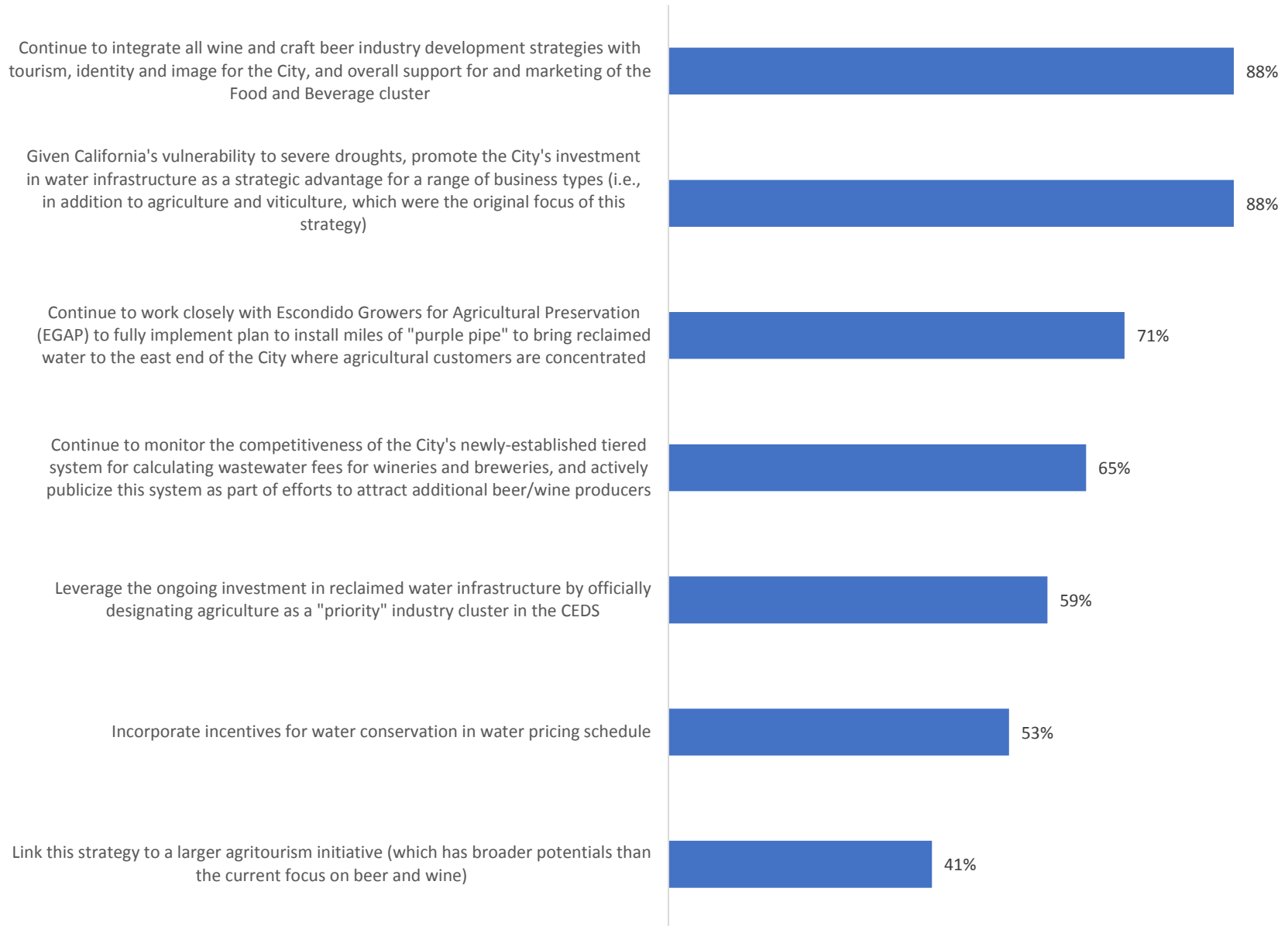
Strategy 1: Expand City's organizational capacity for economic development



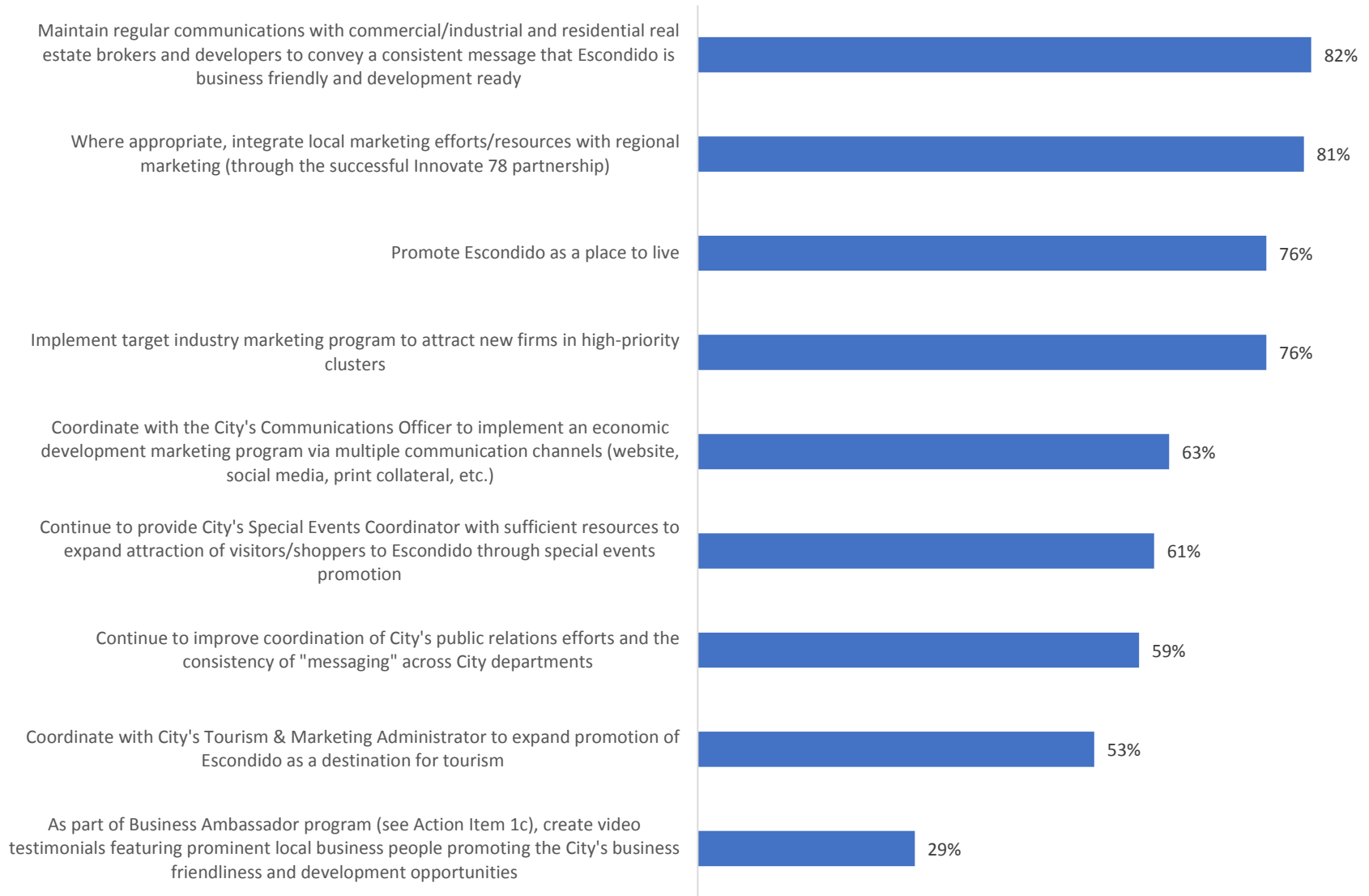
Strategy 2: Leverage recent/ forthcoming development and investment to attract new business, visitors and residents to the City



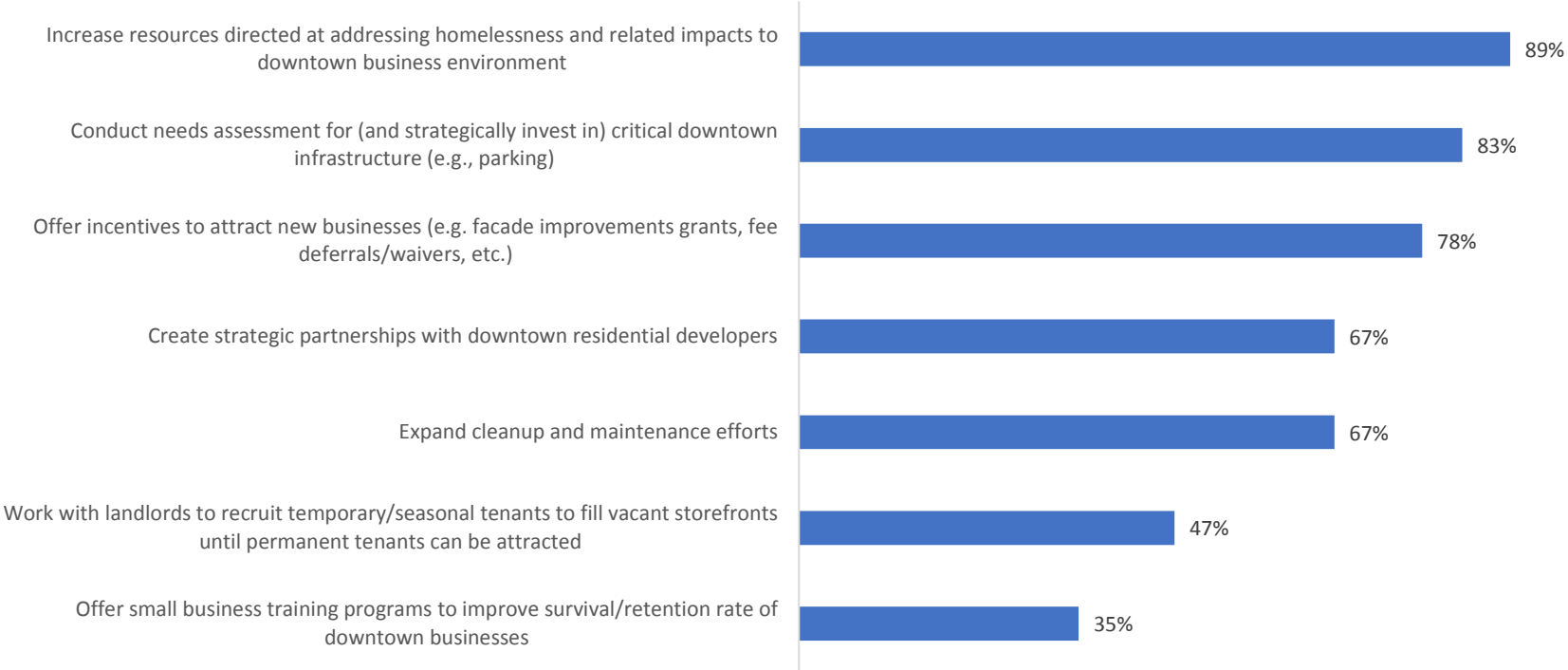
Strategy 3: Continue efforts to develop reclaimed water for agriculture and other economic development purposes



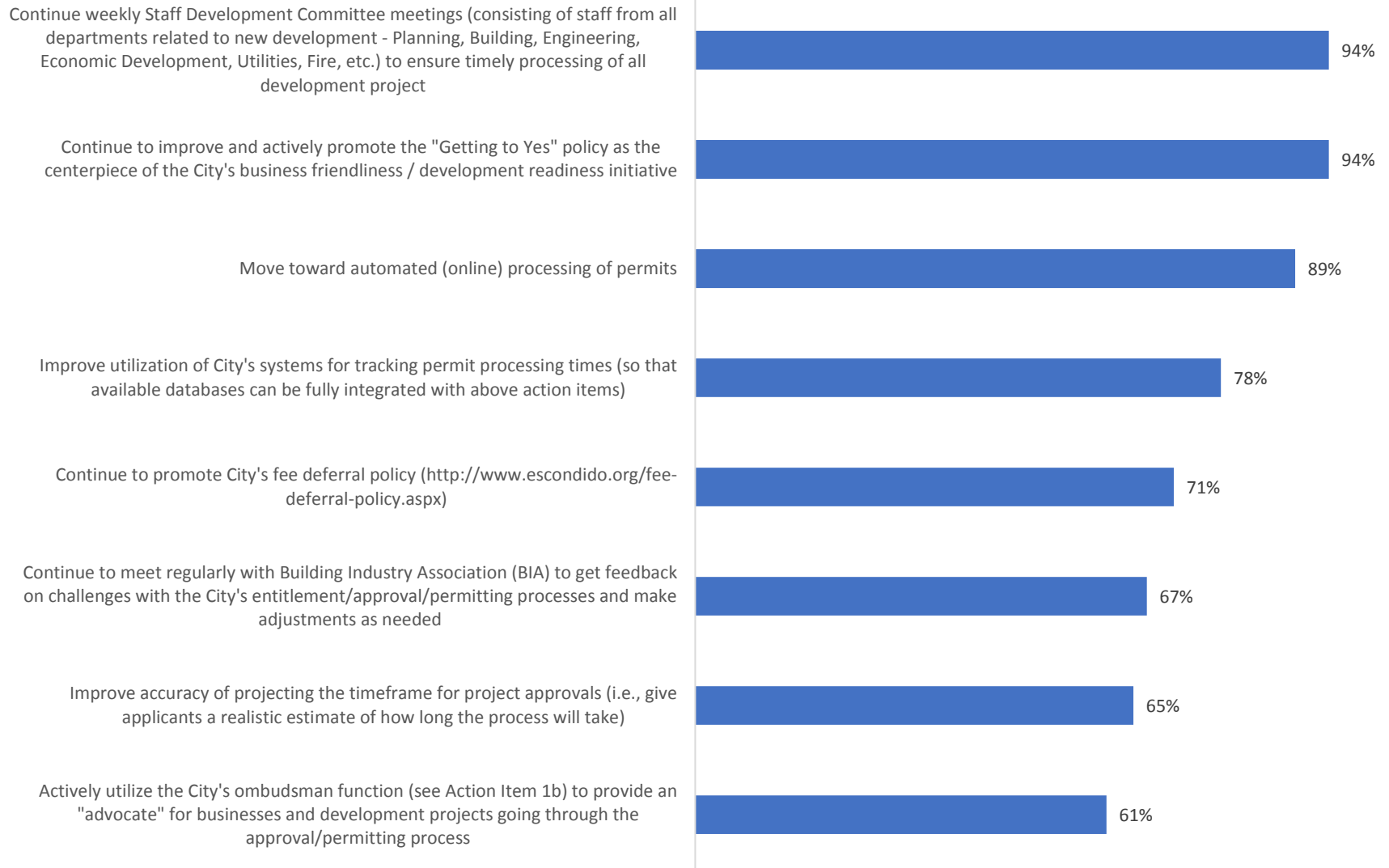
Strategy 4: Expand and focus economic development marketing efforts



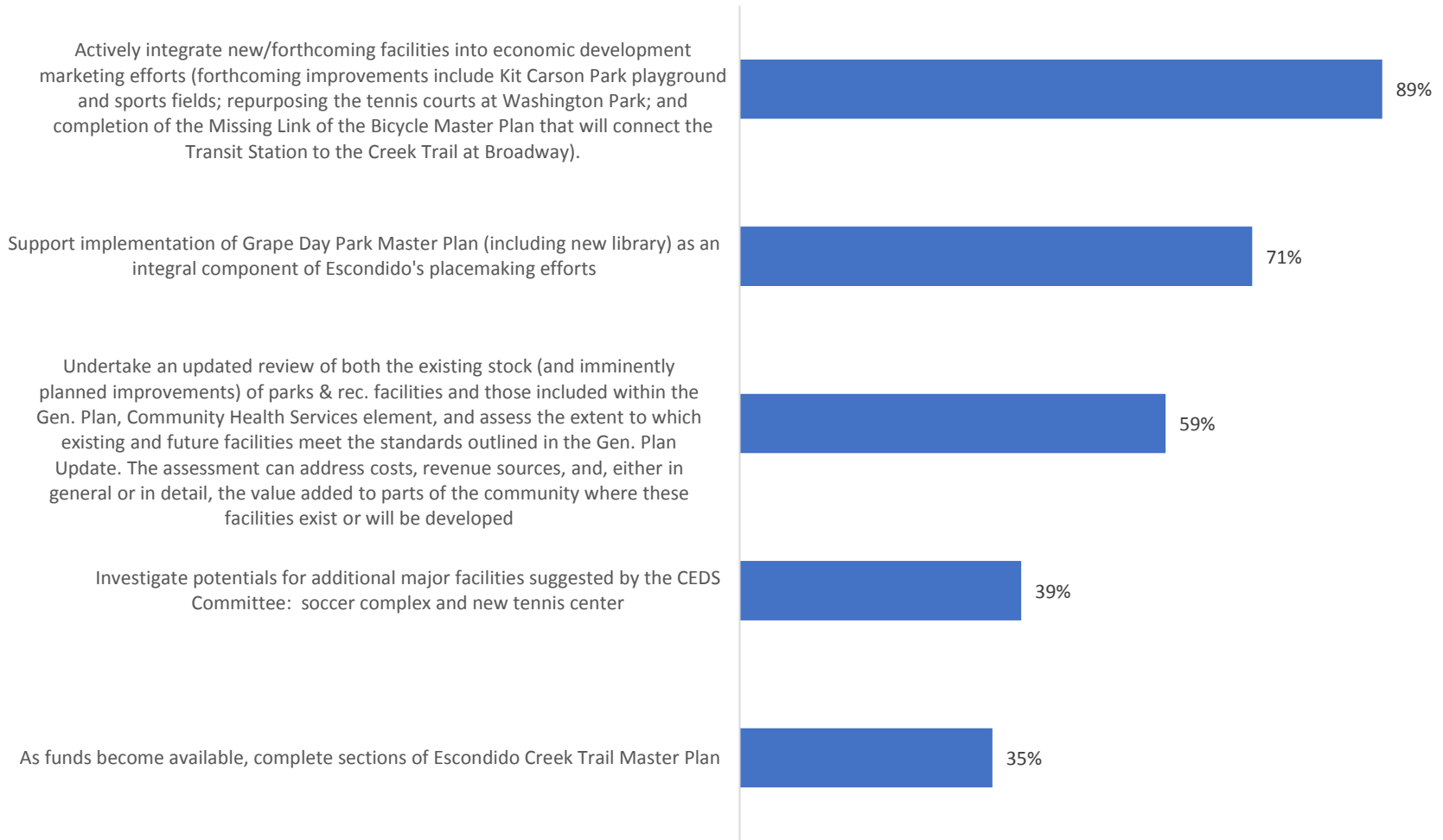
Strategy 5: Continue focus on downtown revitalization



Strategy 6: Ensure that City's development/permit processing is timely and business friendly



Strategy 7: Expand athletic / recreational / environmental amenities, consistent with and in coordination with the relevant policies from the City's General Plan



Strategy 8: Focus existing relationships with primary/secondary schools and higher education institutions to ensure adequate pipeline of skilled workers

