ITEM NO. 30

STAFF REPORT

CITY OF OCEANSIDE

DATE: June 25, 2014

TO: Honorable Mayor and City Councilmembers

FROM: Economic Development

SUBJECT: **APPROVE THE ECONOMIC SUSTAINABILITY STUDY FIVE YEAR PLAN UPDATE AND USAGE OF THE DOCUMENT**

SYNOPSIS

Staff recommends that the City Council approve the Economic Sustainability Study Five Year Plan update and asks staff and City Council to use the document to assist in future Economic Development decision making.

BACKGROUND

In 2008 the Economic Development Commission (EDC) developed a Sustainability Study which outlined data points to benchmark progress on key economic indicators. Further, the Study included recommendations that City Council should consult when making policy decisions that could impact the City's economic conditions and jobs. The ten recommendations were developed to ensure the City would be economically sustainable into the future (see page 1 of the Economic Sustainability Study Five Year Plan).

At that time, the EDC selected six areas that were identified as being key to Oceanside's long term economic sustainability. The six key indicators became the "Dashboard" of economic variables to be measured and tracked. It was the recommendation of the EDC that these indicators be monitored and used by the City Council and staff as a reference point when making decisions that could affect the economic goals for Oceanside (see page 1 of the Economic Sustainability Study Five Year Plan).

ANALYSIS

The Sustainability Study was completed five years ago. The EDC was presented updated data at its December 11, 2013 meeting. Those data points are included in the 2013 EDC Sustainability Study Five Year Plan (Attachment 1).

At the March 11, 2014, EDC Meeting, the Commission unanimously approved the 2013 Update to the Economic Sustainability Study Five Year Plan. The approved five year recommendations/goals and "dashboard" of variables are listed in Attachment 1, page 13, and the top three recommendations are summarized below.

The EDC concluded through discussion and debate that the most challenging concern in the City is the General Plan which was last updated in June 2002 and the three older zoning ordinances: the 1986 Zoning Ordinance for Coastal Areas; the 1992 Zoning Ordinance for outside of Coastal; and the 1992 Downtown Zoning Ordinance. The EDC believes updating the General Plan and Zoning Ordinances is the top priority to keep the City economically sustainable.

The EDC's second and third recommendations were to preserve commercial and industrial job producing properties in order to keep the City economically sustainable. Currently, uses such as high density residential are requesting zone amendments to occur on properties that are zoned for job and revenue producing uses and single family homes. This concerns the EDC because high density residential costs the City money in additional safety services and recreation but brings in little revenue. Also, Oceanside's current jobs-to-housing ratio is .64 (.71 if the civilian employment on Camp Pendleton is included) and removing job producing land from the city's inventory will negatively impact Oceanside's ability to reach a 1:1 jobs-to-housing ratio.

Listed below is the "Dashboard" of economic variables that will be tracked, monitored and reported to City Council and EDC over the next five years which will help to evaluate the progress being made in Oceanside.

1. Increase the Jobs to Housing Ratio to at least a 1:1 ratio
2. Increase Transient Occupancy Tax Revenue by adding 100 new rooms per year
3. Monitor the public safety numbers for the Downtown area
4. Increase office space per capita to 8 sq. ft per capita over a 5 year period
5. Increase Property Tax and Sales Tax per capita
6. Benchmark Commercial Processing Time and improve annually
7. Monitor building permits processed annually for commercial and industrial properties
8. Monitor planning projects processed annually for commercial and industrial properties

FISCAL IMPACT

There is no direct fiscal impact.

INSURANCE REQUIREMENTS

Does not apply.

COMMISSION OR COMMITTEE REPORT

The Economic Development Commission reviewed the proposal at its March 11, 2014 meeting and unanimously recommended approval.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council approve the Economic Sustainability Study Five Year Plan update and asks staff and City Council to use the document to assist in future Economic Development decision making.

PREPARED BY:

Tracey Bohlen
Economic Development Manager

SUBMITTED BY:

Steven R. Jepsen
City Manager

REVIEWED BY:

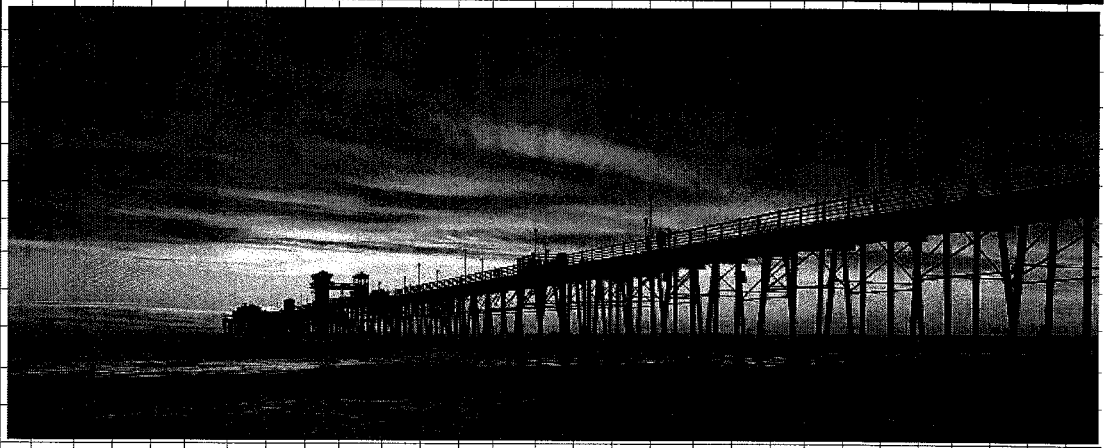
Michelle Skaggs Lawrence, Deputy City Manager

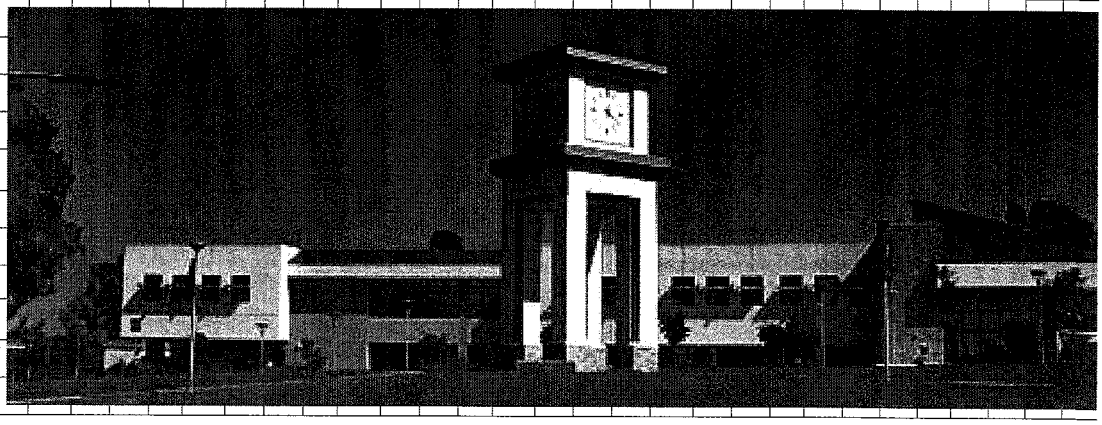
James R. Riley, Financial Services Director

Attachments: 1. Economic Sustainability Study Five Year Plan

ECONOMIC SUSTAINABILITY STUDY

5-YEAR PLAN 2013 - 2018





ECONOMIC DEVELOPMENT COMMISSION

Summary of the 2008 Economic Sustainability Study

On May 4, 2008, City Council adopted the Economic Sustainability Study for Oceanside and agreed to use the "Dashboard" as a tool to determine if projects would be a benefit to the City using measurable benchmarks. The measurements were: To increase the jobs to housing to a 1:1 ratio; increase the Transient Occupancy Tax; make downtown a super destination by building a destination hotel and completing development in the core blocks; increase office space to 8 square feet per capita over the next five years; increase sales and property tax revenue per capita; and improve processing of commercial and industrial building requests and improve annually.

2008 Economic Sustainability conclusions discussed the jobs to housing balance being significantly below the regional average and the impact of insufficient jobs which forces people to commute, to bear the expense of commuting and likely increases City expenditures for social services. Also noted, the median household income was below other cities in both coastal San Diego County as well as the Highway 78 corridor cities, which is why education is so important as it impacts household income. Oceanside also had lower housing prices compared to other San Diego coastal cities which impacts property tax revenues. The sales tax revenue per capita was also lower than other cities. This was largely due to the lack of auto outlets and regional malls, which is a function of having available property close to major streets and highways. Having higher median incomes would drive the retail stores to Oceanside which would increase sales tax revenue. Lastly, the report stated that Transient Occupancy Tax was low for a city with three and a half miles of beach.

The Economic Development Commission reviewed the range of data presented in the 2008 Sustainability Study and selected six areas that they identified as being key to Oceanside's long term Economic Sustainability. The six key indicators listed below were the "Dashboard" of economic variables that have been measured and tracked over time. It was the recommendation of the Commission that the indicators be monitored and used by the City Council as a reference point when making decisions that could affect the economic goals for Oceanside.

"DASHBOARD" of Key Economic Indicators

1. Increase the Jobs to Housing Ratio to at least a 1:1 ratio
2. Increase Transient Occupancy Tax Revenue by adding 100 additional rooms a year
3. Make Downtown a "Super" Destination by building a destination hotel and complete development in the core blocks
4. Increase office space per capita to 8 sq. ft per capita over a 5 year period
5. Increase Sales Tax Revenue and Sales Tax per capita
6. Benchmark Commercial Processing Time and improve annually

Ten recommendations were developed as part of the 2008 Sustainability Study, to help expand the City's revenues and jobs to keep the city economically sustainable for years to come. The 2008 recommendations were to:

1. Maintain the integrity of office and industrial zoned property to assure there was land to create quality employment opportunities;
2. Identify new office sites to house higher paying employment opportunities;
3. Re-evaluate zoning ordinances to minimize/eliminate non job creating uses within business parks;
4. Work to attract high-end development and high paying jobs;
5. Retain sales tax revenue producing land uses; Identify land for new car dealers;
6. Identify new hotel sites in order to achieve greater Transient Occupancy Tax;
7. Promote Oceanside as a tourism destination including improving beach infrastructure;
8. Continue investing in infrastructure and assure transportation effectiveness;
9. Re-evaluate current zoning and pursue new revenue generating opportunities;

10. Utilize a "Dashboard" of economic indicators for all decisions affecting the long term economic sustainability of the City. The EDC strongly recommended that the City Council utilize these indicators at every City Council meeting and budget decision in order to assure a holistic approach to decision making.

This Economic Sustainability Update is being prepared to compare and contrast the "Dashboard" of economic variables and the recommendations from the 2008 Sustainability Study to see how the City has improved and to evaluate what is needed to keep moving forward. The data will be used by the Economic Development Commission to develop recommendations to increase the City's wealth and sustainability for the next five years, fiscal years 2013-14 to 2017-18. The information will be presented to City Council with the goal that the Council will use this Economic Sustainability Update as a guideline when decisions affecting the economic viability and economic goals for the City are being discussed.

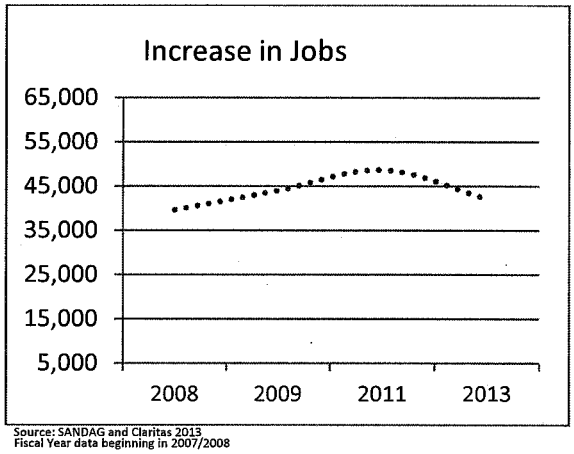
The 2013 data shows mild gains over 2008. Oceanside as well as the rest of the country suffered significant losses due to the Great Recession which officially began in December 2007 but really hit a sharp downward turn in September of 2008. Some economists say the Great Recession was over in 2009 however, the Global Recession began in 2009 and the City of Oceanside was stagnant with very little building occurring and very little space being absorbed. In the first few years of the Great Recession from 2007 to 2010, many small companies closed their doors and companies that stayed open down-sized operations and staff to compensate for the loss in revenue.

Job Creation/Jobs to Housing Ratio

A clear indicator of the economic sustainability of a community is the number of jobs it has compared to the number of housing units. The optimal situation is to have at least one job for every housing unit.

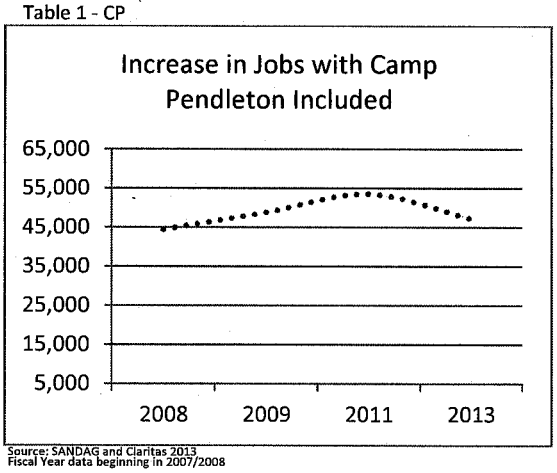
Jobs and Housing:
In 2008 the City had 39,610 jobs and in 2013 the number of jobs rose to 42,146, a 6% increase overall. If the civilian employment on Camp Pendleton Marine Base is included in the jobs number, jobs in Oceanside would increase by nearly 5,100. According to Claritas 2013 data, there are 1,393 private civilian employees on Camp Pendleton and according to the Community Planning and Liaison Office at Camp Pendleton, 3,687 civilian employees of the Federal Government are working on the base. When the civilian jobs on Camp Pendleton are added to the Oceanside job number, the count increases to 47,226, as shown in Table 1-CP. The prior year Camp Pendleton job numbers were estimated based upon the 2013 data. While these numbers do not indicate how many of the jobs are held by Oceanside residents, it gives residents the opportunity to work close to home since they are directly adjacent to Oceanside.

Table 1



Source: SANDAG and Claritas 2013
Fiscal Year data beginning in 2007/2008

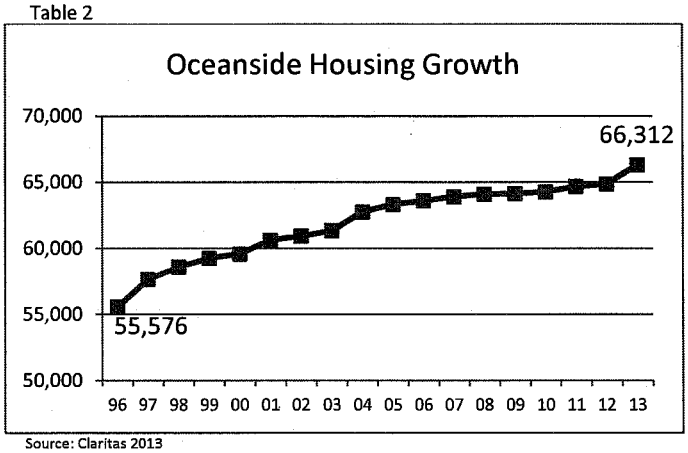
Table 1 - CP



Source: SANDAG and Claritas 2013
Fiscal Year data beginning in 2007/2008

The number of housing units in the City in 2008 was 64,102 which grew by 2,211 units to 66,312 in 2013.

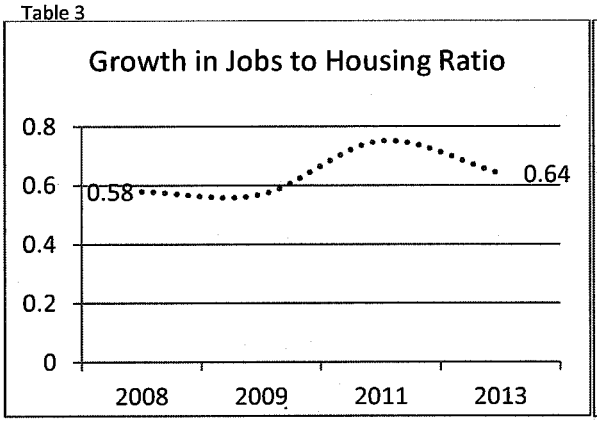
Table 2



Source: Claritas 2013

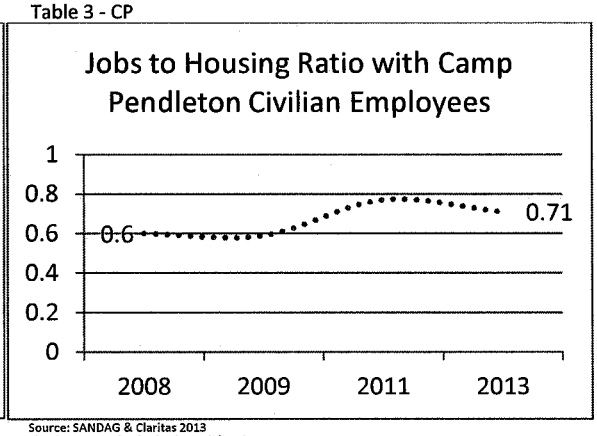
The jobs to housing ratio that was reported in the 2008 Sustainability Study showed a .62 ratio which narrowly grew to .64 in 2013, a slight 2% increase over five years, Table 3. As shown in Table 4 below, the jobs to housing ratio was believed to be at .87 in 2012 but was adjusted in 2013 to .64 based upon the revised amount of jobs and housing units reported for Oceanside by SANDAG and Claritas. As shown in Table 3-CP below, when the table is adjusted for the civilian employment on Camp Pendleton, the jobs-to-housing ratio increases to .71, up .09 points.

Table 3



Source: SANDAG & Claritas 2013
Fiscal Year Data beginning in 2007/2008

Table 3 - CP



Source: SANDAG & Claritas 2013
Fiscal Year Data beginning in 2007/2008

Table 4

Changes in Jobs to Housing Ratio

YEAR	JOBS	HOUSING	RATIO
2000	29,827	59,581	0.5
2001	32,640	60,627	0.54
2002	30,991	60,923	0.51
2003	32,611	61,344	0.53
2004	33,652	62,767	0.54
2005	34,770	63,324	0.55
2006	36,064	63,601	0.57
2007	36,779	63,905	0.58
2008	36,489	64,102	0.57
2009	39,610	64,135	0.62
2010	43,977	64,275	0.68
2011	48,641	64,672	0.75
2012	56,351	64,856	0.87
2013	42,146	66,312	0.64

Source: Claritas, SANDAG

This 2% increase in the jobs-to-housing ratio, although small, is showing swift gains in the 2014 calendar year. It is anticipated that new businesses moving into Oceanside will bring more than 400 new jobs with the goal of 800 new jobs

for 2014. These businesses include: Olli Salumeria, 25 jobs; DiBella Baking Company, 25 jobs; Walmart Neighborhood Market, 75 jobs; Sparsha Pharma, 25 jobs; Springhill Suites, 50 jobs; Hello Betty Fish House, 70 jobs; DD's Discount Store, 40 jobs; Buffalo Wild Wings, 60 jobs; Bagby Beer, 25 jobs; and Surfside Tap Room, 8 jobs. The new jobs that increased the numbers in 2013 include: Endurance House, 4 jobs; Zig Zag Pizza, 25 jobs; Jersey Mike's, 35 jobs; Ross Dress for Less second store, 40 jobs; Legacy Brewing Company, 4 jobs; Bounce Composites, 12 jobs. Also, many more companies are looking at locating in Oceanside due to the close proximity to freeways that run north and south as well as north-east and south-east that will bring additional employment. Table 5 below shows the jobs-to-housing ratio for all of the North County cities in 2013.

Table 5

City	Employment	Total Housing	Jobs to Housing Ratio
Carlsbad	64,527	46,758	1.38
Encinitas	26,120	26,346	0.99
Escondido	48,787	49,394	0.99
Oceanside	42,146	66,312	0.64
Poway	30,787	17,001	1.81
San Marcos	37,906	29,825	1.27
Solana Beach	7,568	6,675	1.13
Vista	34,731	31,987	1.09
Countywide	1,443,991	1,073,369	1.35

Additionally, specific to Oceanside, the City did see an up-tick in the number of multi-family housing units being developed where job and revenue producing uses were previously zoned. The rezoning and increase in housing units and density inhibits the number of jobs that can be placed in Oceanside and lowers the jobs to housing ratio, reduces potential revenue generation to the City, and increases the need for City Police, Fire and neighborhood services.

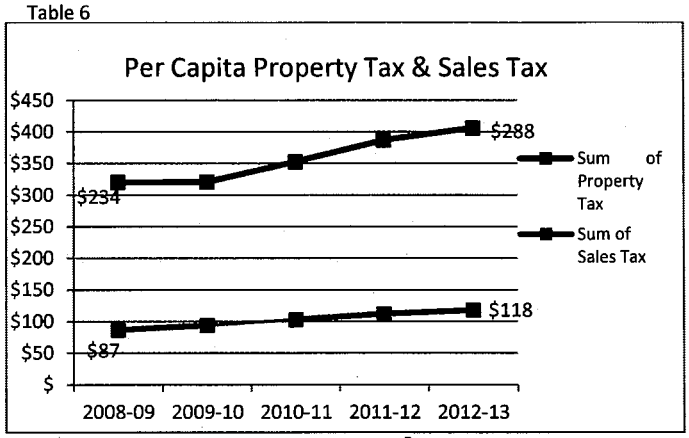
Per Capita Property Tax

Property and sales tax revenues are the primary funding source for the General Fund that pays for all non-utility public services; per capita property tax and sales tax is how much each citizen pays. The per capita property tax in 2008 was $234, which included Redevelopment Tax Increment funds. In 2013, the property tax received per capita was $288 which includes one-time disbursement of $2.7 million from old redevelopment funds (Table 6).

The California State Legislature enacted a law which dissolved Redevelopment Agencies in California in February 2011. Once a Redevelopment Agency was formed in a designated area, the entity would receive 100 percent of all property tax revenue generated over a base amount that was set the year the Redevelopment Area was formed. When the State of California dissolved Redevelopment Agencies, the remaining fund balances and the on-going revenue was apportioned to the various entities that typically receive property tax revenues. For Oceanside that includes: Oceanside Unified School District; City of Oceanside; County of San Diego; Mira Costa College; San Diego County Office of Education; Tri-City Hospital; and the County Water Authority.

The one-time property tax money received in 2012 equaling $2.7 million was the City of Oceanside's proportional share of property tax revenue from the former Oceanside Downtown Redevelopment Agency fund balance.

Table 6



Source: Oceanside Finance Department 2012/2013 Fiscal Year Data 4th Quarter

Per Capita Sales Tax

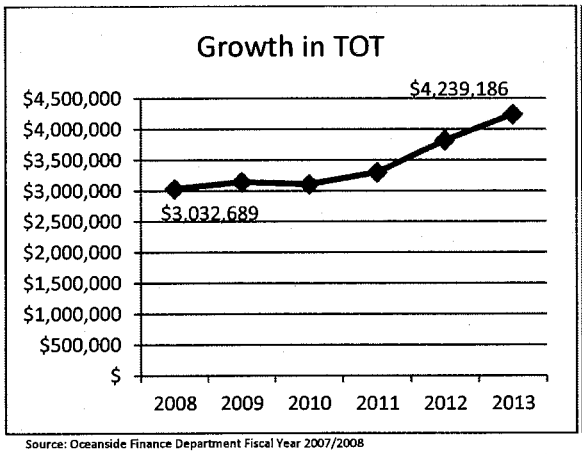
Per capita sales tax data is gradually increasing, Table 6. The per capita sales tax in 2008 was $87 and has risen to $118 in 2013 for a 26 percent increase over five years. Per capita sales tax revenue is anticipated to continue to increase. Additional retail development is in the entitlement process for El Camino North shopping center and Town and Country shopping center. The retailers include: Starbucks; Pie 360; Habit Burger; Buffalo Wild Wings; DD's Discount; WalMart Neighborhood Market; Jersey Mike's; El Pollo Loco; Ross Dress for Less; Frazer Farms; and Earthgrown Market which will bring additional sales tax dollars to Oceanside over the next year.

Transient Occupancy Tax (TOT)

TOT, or the "hotel tax", revenue is an indicator of tourism dollars spent in the community. TOT in 2008 was $3,032,689 (Table 7). The City received $4,239,186 in 2012-13, for an increase of almost 40 percent.

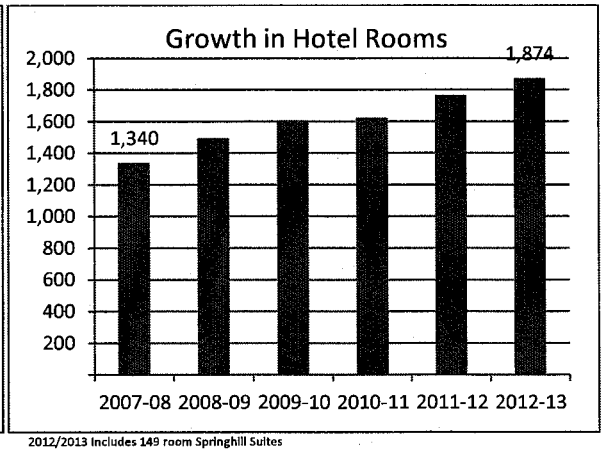
In 2008 the City had 1,340 hotel rooms (Table 8). Today, with the addition of: a 125 room Marriott Residence Inn in October 2008; a 110 room Holiday Inn Marina in 2009; 8 additional rooms added at the Oceanside Palms (Motel 6) on North Coast Highway; a 142 room Marriott Courtyard in 2011; and a 149 room Marriott Springhill Suites, which opened February 2014, the City has a total of 1,874 hotel rooms, an increase of 534 rooms in a five-year period. With the addition of Springhill Suites and the renewal of the Tourism Marketing District to include all hotel and vacation rental properties this will add additional marketing dollars which will help the TOT to continue to increase.

Table 7



Source: Oceanside Finance Department Fiscal Year 2007/2008

Table 8



2012/2013 Includes 149 room Springhill Suites

Hotels in the pipeline include: The Beach Resort Hotel should be moving forward in 2015 with a 360 room hotel and 6,400 square feet of meeting space to be located at Pacific Street at the foot of the Pier; The Inn's at Buena Vista Creek, a Hilton branded, 3 hotel project with a total of 425 rooms and about 10,000 square feet of meeting space is working on completing an environmental impact report; 1010 Oceanside located at Horne and Mission Avenue in the Downtown is looking for funding for a 124 hotel rooms, 90 live-work lofts and 8,300 square feet of retail; a 93 room Holiday Inn has an application in for a hotel at Mission Ave and Highway 76; totaling 1,031 hotel rooms that may be added to the Oceanside inventory. The Beach Resort Hotel and 1010 Oceanside are approved by the Planning Commission and just need to submit for grading plans and building permits and the two remaining hotels are in the entitlement process through the Planning Department.

Change in Square Footage and Vacancy Rates

The available square footage in the City has increased for retail, office and industrial over the past five years which positions the City well for the future. In 2008, the retail space available in the City was 4,596,770 square feet and the vacancy rate was 5.8%. The retail vacancy rate in the first quarter of 2013 was 6.8%; however, much of the vacant retail space is in the pipeline to be filled with expanding or new businesses.

Office space in 2008 was approximately 1 million square feet with a vacancy rate of 6.7%. In 2013, the City has about 1.2 million square feet with a vacancy rate of 15.6%, which is down slightly from 2012. Industrial space in 2008 equaled 6,852,957 square feet with a 13.9% vacancy rate. In 2013, the industrial space equals 8 million square feet with a 14.8% vacancy rate.

Building and Planning Metrics

In early 2009, the automated system called TrackIt was launched which allowed projects in planning and building to be tracked through the entitlement or building permit process. Building permits issued for commercial, industrial and residential projects is a good indicator of how the City is doing economically.

As building permits increase, so do the number of temporary and permanent jobs and income to the City through property and sales taxes generated. This is due to the new construction and new businesses or residences locating in the City. The number of planning entitlements approved gives an indicator of what the increase will be in future construction helping the City to make projections based upon relevant data. Presented in this report are new metrics that will be tracked that help to indicate the economic sustainability of the City by looking at the building permits issued and planning entitlements approved.

Table 9 compares data on building permits issued in 2009 compared to 2013. The red bar indicates the number of tenant improvements (TI's) for commercial or industrial building issued in those years and the blue line indicates the number of permits issued for new construction. In 2009, five building permits were issued for new construction and 61 were issued for TI's. In 2013, thirteen building permits were issued for new construction which is a 160% increase over 2009; and 126 TI permits were issued for a 107% increase over 2009; indicating that new investment in Oceanside is taking place at an accelerated pace and absorption of buildings within the City is occurring at an increase.

Table 9

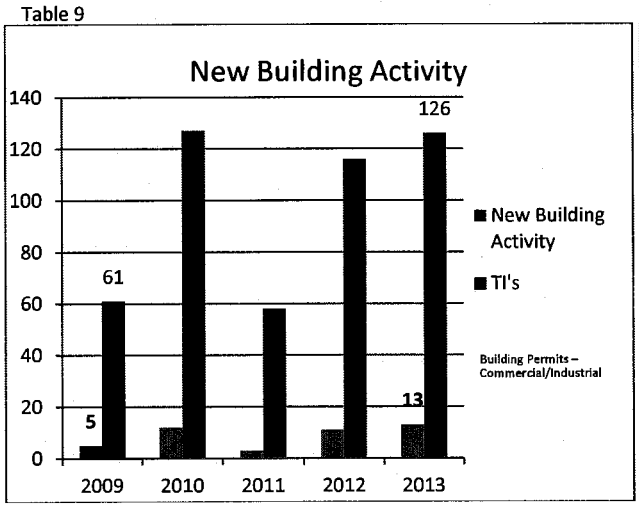


Table 10

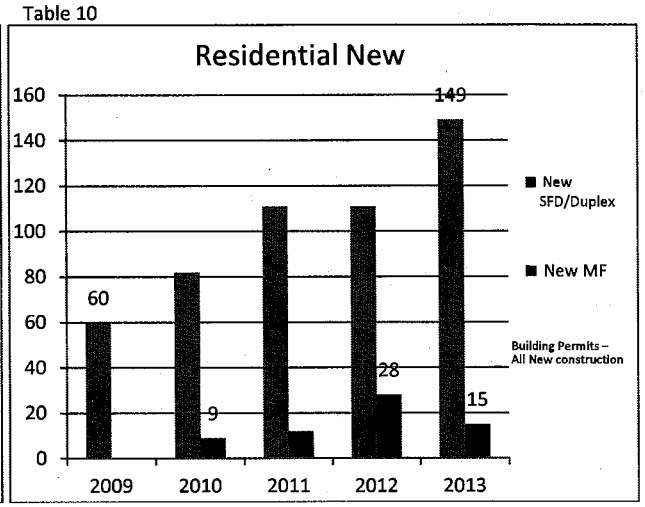
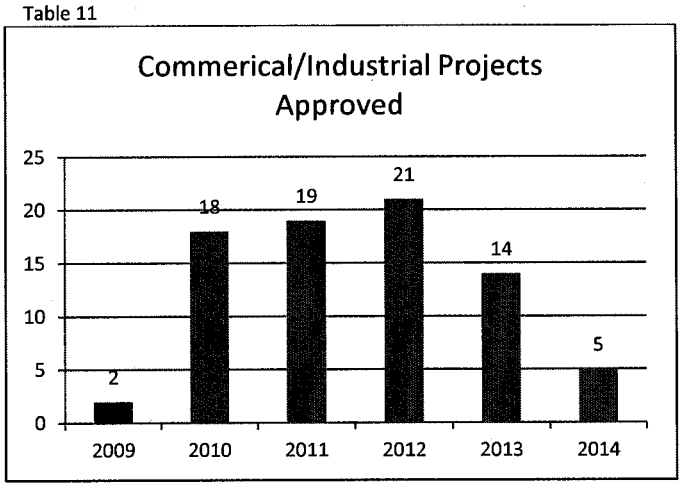


Table 10 above shows the number of new single family and multi-family units developed. In 2009, sixty new single family units received building permits and no multi-family building permits were issued. In 2013, 149 new single family housing units received building permits showing an increase of 148% over 2009 and 15 multi-family housing units received building permits showing an increase of 6000% over 2009.

Table 11 shows the number of commercial and industrial projects that received planning approvals. In 2009, two projects received entitlements and in 2013, 14 projects received entitlements for an increase of 600%.

Table 11



Planning Entitlements

Summary

Although the jobs-to-housing-ratio is disappointing due, in part, to the countrywide reassessment of jobs numbers; generally speaking the economic future in Oceanside is looking quite positive after the Great Recession. Most key

indicators are trending upward with commercial and industrial space being absorbed and planning and building permits in process are rising steadily.

Staff is seeing a rise in the number of applications being received requesting a rezone from job producing zoning to high density residential zoning. To keep Oceanside economically sustainable the City needs to maintain the zoning on the remaining job producing properties and to encourage the development of executive housing for the City verses high density multi-family units which requires more City services and produces less economic value.

Economic Vitality Strategy

City Council adopted a Strategic Plan in 2013 that contains several specific objectives. Economic Development works on all the objectives throughout the year. Below are the City Council's strategic goals and how Economic Development has tried to achieve those goals.

1. *Aggressively pursue job creation opportunities: Economic Development has worked on recruiting new retail, manufacturing and medical uses to the City with success. New retail in 2013-14 includes:*

Restaurants

- Papaya Bay Restaurant opened in March 2013 at 3815 Mission Ave. in the Mission Plaza Real Shopping Center.
- Jennie's Cafe on South Coast Highway will be relocated across the street in March 2014. Jennie's has leased the former Azafran Cuban restaurant building.
- Legacy Brewing opened in October 2013 at 363 Airport Rd. The new brewery is housed in the former Transworld Media building located at the entrance to the Airport Industrial Area.
- The Cohn Restaurant Group opened Zig Zag Pizza Pie at 333 N. Myers St., in the Wyndham Resorts next door to 333 Pacific.
- Jersey Mike's opened in October 2013 at 4111 Oceanside Blvd in the Del Oro Marketplace.
- Tapioca Express opened in July 2013 at 2611 Vista Way. It is a full service café with an assortment of teas, smoothies, wraps, lumpia and salads in the El Camino North shopping center.
- Succulent Café opened at 322 N. Cleveland St. in February 2013. The café offers coffee, tea, pastries and sandwiches in a tropical setting.
- Camino Town & Country shopping center located at 2213-2281 El Camino Real, is constructing a new drive thru 1,800 sq. ft. Starbucks and 10,000 sq. ft. pad site which should be opening by Fall 2014. The pad site will house new retail amenities: Habit Burger, Elements Therapeutic Massage, and Sports Clips.
- Buffalo Wild Wings has scraped their building at 2685 Vista Way in the El Camino North shopping Center and has built a new restaurant which will open by summer 2014.
- Domino's will be opening in the downtown at 301 Mission Ave. in the Oceanside Terraces building.
- Surfside Tap Room opened a beer-tasting room at 507 N Coast Hwy. Surfside in March 2014.
- Bagby Beer is working on their tenant improvements for a new restaurant and brewery at 601 S. Coast Highway. Construction is underway with plans to open before fall 2014.

Health and Wellness

- Relax Spa and Smile Nail Spa opened in Suite J. Oceanside Town and Country shopping center at 1729 - 1772 Oceanside Blvd.
- Planet Fitness opened in January 2013 at 4130 Oceanside Blvd. in the Rancho Del Oro shopping center in the former Longs Drugs store.
- LA Fitness opened in August 2013 at 2335 Vista Way in the El Camino North shopping center. This Oceanside facility is the largest in the state at 75,365 sq. ft.

- Beauty 101 opened January 2013 at 117 South Coast Hwy.
- Influence Salon opened in June 2013 at Ocean Village located at 401 N. Coast Highway
- Miracle Ear has leased 862 sq. ft. at 4161 - 4171 Oceanside Blvd. in the Del Oro Marketplace shopping center.

Pets

- A second PetSmart opened at 443 – 475 College Blvd. in the Mission Marketplace shopping center.
- Pup Culture Pet Spaw is now open at 3762 Mission Ave. in the Marketplace del Rio shopping center.

Shopping

- A second Ross store opened on July 20, 2013 at the Mission Marketplace shopping center at College Blvd. and Hwy 76.
- Urban Wave Company, a souvenir shop leased 1,100 sq. ft. at 410 Mission Ave. This is their second location in Oceanside.
- One Stop Bargain has leased 13,400 sq. ft. at 1527 Mission Ave. in the Flags on Mission Center.
- El Super Grocery Store opened in February 2013 at the Flags on Mission shopping center, 1527 Mission Ave.
- North County Hobby & Toys leased space at 110 Freeman St.
- Two new businesses have moved into the former North County Times Building located at 1722 S. Coast Hwy. Raen Optics has leased 14,805 sq. ft. and 2,200 sq. ft. to Sealand Natural Resources, Inc.
- Mega Five Oceanside, a souvenir, clothing and jewelry shop opened a second retail store and warehouse in an 8,500 sq. ft. space at 525 South Coast Hwy., in the former KFive building.
- Gems N' Loans pawn and second hand shop opened in September 2013 at 520 N. Coast Hwy.
- Oceanside Bikes is located at 408 Mission Ave. in Downtown Oceanside
- Plethora Galleria, a shop that sells used clothing, jewelry and vintage furniture opened in July 2013 at 609 Mission Ave.
- LIVE, the studio, the gallery, the store located at 212 N. Coast Hwy (Artists Alley). They sell vintage furniture, home décor, lighting, jewelry and gifts
- DD's Discounts has leased 37,238 sq. ft. at 1527 Mission Ave. in the Flags over Mission Center. "DD's" stands for "deep discounts" and is part of the Ross Corporation. DD's opened in April 2014.
- Earthgrown Market leased 15,000 sq. ft. in Loma Alta Creek and opened their doors in March 2014.
- Walmart "Neighborhood Market" opened on January 29, 2014 at 1046 Mission Ave. in the Mission Square shopping center. The Neighborhood Market has groceries, sundries, clothing and a pharmacy.
- Frazier Farms has leased 67,000 sq. ft. at 1820 Oceanside Blvd. This locally owned healthy grocery store chain is working on tenant improvements and should open in fall 2014.
- Endurance House, a triathlon store, opened in Downtown Oceanside at 401 N. Coast Hwy in September 2013

New manufacturing and medical or office opening in 2013-14 includes:

- Bounce Composites moved into Oceanside in June 2013 at 340 Via El Centro in the Airport area. Bounce manufactures stand up paddle boards with a unique technology.
- Embry-Riddle Aeronautical University moved into 6,038 sq. ft. in May 2013 at 3609 Ocean Ranch Blvd. in the Ocean Ranch Corporate Center
- Ceet Racing Group opened at 1696 Ord Way in June 2013 offering after market seats and graphics for dirt bikes and ATVs
- Legacy Brewing opened in October 2013 at 410 Airport Rd crafting fine beer in a historic American atmosphere
- Ares Armor Metal Works moved into 5,000 sq. ft. at 2420 Industry St. in August 2013
- North American Repower moved into 2625 Temple Heights Dr. in August 2013
- Total Training, offers quality instruction to users of creative software, opened in August 2013 at 1636 Ord Way

- DiBella Baking moved their corporate offices into 3524 Seagate Way and developed the bakery in 2014 moving the baking process from New York, NY to Oceanside, CA. DiBella Baking Company has leased 14,302 sq. ft. at 3524 Seagate Way in the Seagate Corporate Center. DiBella will manufacture Italian biscotti in several flavors that are sold to airlines and health food stores. The company is working on tenant improvement plans with the baking anticipated to start in summer 2014.
- Nitro Circus Live USA, Inc. has also leased 917 sq. ft. at 3548 Seagate Way in the Seagate Corporate Centre.
- Olli Salumeria purchased Lot 22 in Pacific Coast Business. A salami manufacturer out of Virginia will build an 83,000 sq. ft. building, which will initially employ 25 people and could grow to 75 employees as new phases are implemented over the next four years. The building construction is underway with an anticipated plant operations date in late fall 2014.

More businesses are in the pipeline and others are looking at Oceanside as a potential location for their industrial and retail businesses in the coming months and years.

2. *Attract Biotech/Life Science businesses:*
   Economic Development conducted a mailing to 250 biotech and life science businesses worldwide that were looking for a US presence. One success is Sparsha Pharma who opened their first US plant in Oceanside at 3919 Oceanic Dr in May 2014. Currently established in India, Sparsha is a transdermal patch drug delivery company that is looking to gain FDA approval for their product in the United States.

   Staff also worked with the Oceanside Chamber to conduct a mailing to 120 Orange County biotechnology businesses. The Oceanside Chamber is making follow-up phone calls to ask for a business visit to discuss their future expansion or relocation plans. This is still in progress. Oceanside has also partnered with Gilead Sciences and Mira Costa College to sponsor a booth in the California Pavilion at Bio 2014 to be held at the San Diego Convention Center in June 23-26, 2014. This joint effort will market Oceanside to a world-wide audience of biotechnology companies.

3. *Pursue Agri-tourism:*
   The City is working with the Visit Oceanside sales team on establishing agri-tourism activities and vacation packages for tourists looking for a different experience. Although not completely solidified some of the ideas include bird watching packages, brewery experiences to learn to brew your own beer and winery packages to visit the local Beach House Winery to learn how to grow grapes and make wine. The first Agro-tourism event was held in June 2014 with over 90 participants.

4. *Encourage Job Growth:*
   Economic Development assists brokers and businesses with expansion plans and locating new businesses to the area. More than 500 new jobs will be in the Oceanside economy by the end of 2014 with a goal of 1,000 new jobs for each year through 2018.

Economic Sustainability Five Year Recommendations/Goals to City Council 2013 to 2018 in Order of Priority

1. Request that the City Council allocate funding for the update of the General Plan Land Use Element and Zoning Ordinance in order to establish appropriate land use/zoning designations that would result in an acceptable mix of land uses City-wide that are grounded in economic realities.
2. Ensure job producing commercial and industrial zoning remains intact. This will help to increase the jobs to housing ratio to a 1:1. If property is amenable to residential, seek low density to reduce fiscal impact, except in smart growth opportunity area identified by SANDAG.
3. Retain sales tax producing zoning and properties to ensure the City's economic viability.
4. Enlist the help of the brokerage community by having a Brokers Summit to select input regarding streamlining development requirements.
5. Focus on making the Harbor a tourist destination; Evaluate creative ways to increase revenue in the Oceanside Harbor Area.
6. Beautify Oceanside by cleaning sidewalks and streets and develop a program for businesses to participate.
7. Put infrastructure in place in specific industrial areas that will encourage bio-tech businesses to locate in Oceanside. Example: Brine lines; sewer discharge; electrical upgrades, etc.
8. Maintain the customer service focus in Development Services and ensure the front counter staff receives training.
9. Enhance programs to address the transient-homeless population in the Downtown to make Downtown more visitor friendly in order to better promote tourism and business development.
10. Create a focused approach to reduce the graffiti, dumping and the homeless problems in the industrial business parks.
11. Work to attract high paying jobs to Oceanside by marketing Oceanside as a biotech and high tech hub.
12. Pursue new hotel opportunities to ensure growth in the Transient Occupancy Tax and to encourage visitors to the Southern California Sports Complex at El Corazon to stay in Oceanside.
13. Invest in working regionally with San Diego Regional EDC to roll out the regional brand with the goal to attract new businesses to the North County area.
14. Work with the Visit Oceanside and Main Street Oceanside groups to develop a brand and identity for Oceanside Tourism and Downtown Tourism.
15. Pursue opportunities for Shapers Alley to expose the artistry of surf, skate and standup paddle boards to a broader community.

"Dashboard" of Economic Variables that will be monitored and reported to City Council and EDC

1. Increase the Jobs to Housing Ratio to at least a 1:1 ratio
2. Increase Transient Occupancy Tax revenue by adding 100 additional rooms a year
3. Monitor the public safety numbers for the Downtown area
4. Increase office space per capita to 8 sq. ft per capita over a 5 year period
5. Increase property tax and sales tax per capita
6. Benchmark commercial processing time and improve annually
7. Monitor building permits processed annually for commercial and industrial properties
8. Monitor planning projects processed annually for commercial and industrial properties

ECONOMIC SUSTAINABILITY STUDY

5-YEAR PLAN
2013 - 2014

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