

## Economic Advisory Task Force - Draft Focus Group Summaries

### Tourism Focus Group Summary

#### **Introduction**

In February and March of 2004, seven representatives of the local tourism industry met as a Focus Group to provide recommendations to the City of Santa Cruz's Economic Advisory Task Force. The Focus Group included a variety of tourism stakeholders including representatives from the lodging industry, the County Visitor's Council, the restaurant industry, beach area businesses, ecological and sport tourism advocates and the Chamber of Commerce.

The group's discussion focused on providing answers to two key questions:

1. What is the long-term vision for the City's tourism industry?
2. What are the requirements to achieve this vision (strategies to leverage assets or overcome obstacles)?

#### **Vision for Economic Excellence**

Focus Group participants were asked to identify their long-term vision for the tourism industry. The common vision themes discussed were:

- *A Variety of Accommodations* – establish Santa Cruz as a destination that offers a variety of visitor accommodations in order to broaden the visitor market for Santa Cruz.
- *Revitalized Hotel Stock* – work towards creating a hotel inventory that provides a higher quality product to accommodate longer staying visitors.
- *Strengthen Transportation* – improve, promote and build upon recreational transportation opportunities for visitors to include greater signage, better circulation and alternative transportation options.
- *Market Santa Cruz* – create a comprehensive marketing strategy that conveys the unique experience that is Santa Cruz and that draws upon and is connected to the market strategies for Santa Cruz's retail, arts and other related economic sectors.
- *Change the Image* – educate the residents of Santa Cruz regarding the local benefits of tourism.

#### **Strategic Actions**

Focus Group participants were asked to develop strategies to support the vision statements. They are organized as follows:

### Redevelopment/Regulatory Strategies:

- *Diversified Hotel Products* - Santa Cruz's hotel offerings lack a range of hotel products including more upscale boutique facilities, all-suite or extended stay, and a larger conference center/meeting facility.
  - Create zoning incentives for the remodel and addition of rooms to existing hotels/motels.
  - Set a quality standard for new and remodeled hotel/motel product (this could be a City standard or industry adopted standard or both).
  - Hire a consultant to evaluate hotel/motel stock and to create a list of priorities for plan of renovation.
  - City to actively pursue project that includes conference center/meeting facility.
- *Hotel Façade Improvement Program* - Create a Hotel façade improvement program. Explore potential funding sources such as Redevelopment grants or loans, CDBG funds or Planning Department fee incentives.

### Transportation/Improvement Strategies

- *Support Recreational Rail* - Tourism groups to work with City leaders to actively pursue and provide political support for a recreational rail program.
- *Link Visitor Points of Interest* - Create a visitor signage/transportation plan that focuses on finding signage and transportation linkages connecting the Boardwalk, the wharf, downtown, the Seymour Discovery Center/Long Marine Lab, the future Monterey Bay Visitor's Center and Tannery Arts District, and the UCSC campus cultural venues. Potential transportation linkages to include, parking – shuttle programs, trolley, bus, train and improving pedestrian walkways and bikeways.
- *Prioritize Improvements* - City to prioritize the work program and identify funding sources for the remaining recommended improvements specified by the Beach and South of Laurel Plan to link the area between the beach and the downtown area.

### Marketing Strategies:

- *Create a City Marketing Plan that addresses the following:*
  - specialty markets
  - resort market
  - off-season events/programs
  - visitor “fun packages”

- coordinates year round activities
  - drawing day visitors to a larger variety of visitor locations
  - connects Arts/Culture/Entertainment, Retail and Visitor Accommodations
  - considers central reservation call center for all Santa Cruz properties for consistent marketing
  - additional funding potential for CVC
- *Event Coordination* - Facilitate cooperation between City, hospitality industry and event organizers to better manage the scheduling of special events and attractions.
- *Educate Local Public* - Provide information to the public that directly relates tourism tax dollars to public benefits.
- *City Support* - City to show political support for tourism and tourism related projects through political decision making.

## Manufacturing/Technology Focus Group Summary

### **Introduction**

During March and April of 2004, six representatives of the local manufacturing and technology industries met as a Focus Group to provide recommendations to the City of Santa Cruz's Economic Advisory Task Force. This Focus Group included representatives of local manufacturers, software companies, biotechnology firms, green industry advocates and the real estate industry.

The group's discussion focused on providing answers to two key questions:

1. What is your long-term vision for the City's technology and manufacturing industries?
2. What are the requirements to achieve this vision (strategies to leverage assets or overcome obstacles)?

### **Vision for Economic Excellence**

Focus Group participants were asked to identify their long-term vision for the technology and manufacturing industries. The common vision themes discussed were:

- *Take the Lead in Partnerships* – City to lead strategic partnerships with UCSC and other technological leaders to drive innovation and economic impact.
- *Go Green* – partnerships with and regulatory support for the green industry and green products which will add sustainability to our local economy along with traditional economic benefits.
- *Adaptive Development* – smaller, flexible light manufacturing and technology spaces and incorporate them into mixed use development.
- *Promote New Technology* – development of existing industrial land for new technology industries in order to foster new business and small start-ups.

### **Strategic Actions**

Focus Group participants were asked to develop strategies to support the vision statements. The following are the draft strategies developed by the group:

- City to design and implement a “Business One-Stop Center” so that businesses will have one point of contact for all necessary entitlements, fees, etc. needed to establish/expand a new or existing business, including:
  - The packaging of applications forms into one package.
  - All zoning matters related to business.
  - All Finance Department matters related to business.

- City to develop to design and implement a program that would provide potential new business and expanding business information on:
  - Business assistance programs.
  - Economic data about the City of Santa Cruz.
  - Resources for new businesses.
- City to develop and implement a City-wide available sites GIS database, available electronically via an interactive web-based platform which provide up-to-date information on zoning, current development, leasing/purchase information, etc.
- City to identify and develop, through direct construction on City-owned properties or in partnership with private or public land owners, small light industrial/manufacturer incubation spaces throughout the City for rent at affordable rates.
- City to meet with business associations located in the industrial areas to develop plan to address homeless and vagrancy issues near employment centers.
- City to make changes to its zoning ordinance to:
  - Allow for industrial commercial lots smaller than 20,000 square feet.
  - Allow for a more market-force mechanism to determine parking requirements in commercial areas rather minimum parking requirements currently in place.
  - Revise zoning ordinance to include biotechnology and nanotechnology (and other pertinent future technologies) as allowed uses for areas zoned Industrial.

## Small Business/Home Occupation Focus Group Summary

### **Introduction**

During February and March of 2004, six representatives of small business and home occupation interests met as a Focus Group to provide recommendations to the City of Santa Cruz's Economic Advisory Task Force. The Focus Group included small business owners, Chamber of Commerce representatives, commercial lenders, and local entrepreneurs.

The group's discussion focused on providing answers to two key questions:

1. What is your long-term vision for the small business and home occupations in the City?
2. What are the requirements to achieve this vision (strategies to leverage assets or overcome obstacles?)

### **Vision for Economic Excellence**

Focus Group participants were asked to identify their long-term economic vision for the small businesses and home occupations. The common vision themes discussed were:

- *Cooperative Spirit* - a streamlined permitting process in order to facilitate and support new and expanding businesses.
- *Incubation of New Ideas and Business* – a place of incubation and new commercial ideas.
- *Transportation* – a transportation system that promotes the efficient movement of goods and services throughout the City and beyond.

### **Strategic Actions**

The following strategies were developed by the small business and home occupation group:

- City to design and implement a “Business One-Stop Center” so that businesses will have one point of contact for all necessary entitlements, fees, etc. needed to establish/expand a new or existing business, including:
  - The packaging of applications forms into one package.
  - All zoning matters related to business.
  - All Finance Department matters related to business.
- City to develop a culture in which they address businesses “in a business manner,” by:

- Adopting a corporate culture that more positively reflects the private sector.
  - Acknowledging the importance of business in Santa Cruz to dispel the myth that Santa Cruz is business un-friendly.
  - Training regulatory (Planning) and other related staff (Finance) to develop a corporate, business friendly culture that can respond to the permit and fee needs of small businesses/home occupations.
- City to identify and develop, through direct construction on City-owned properties or in partnership with private or public land owners, small business/small manufacturer incubation spaces throughout the City for rent at affordable rates.
- City to develop specific incentives to encourage illegal home occupations/small businesses to attain the correct permits and pay the appropriate fees.
- Develop rewards and business assistance products to deliver to businesses which become legal, for example:
  - Free copy of city's Business Directory on CD-ROM.
  - Provide and widely advertise a 90-day furlough period during which currently illegal home occupations/small businesses can attain proper permits with no penalties (Staff sub-recommendation).
- City to analyze and amend City Purchasing procedures to support local businesses by:
  - Giving local businesses priority weighting in City procurements;
  - Insuring that local businesses are invited to bid to provide city services/supplies;
  - Make it simpler for local businesses to get on the City's procurement lists.
  - Keep and maintain procurement lists in a more up-to-date manner (Staff sub-recommendation).
- City to develop and implement a City-wide available sites GIS database, available electronically via an interactive web-based platform which provide up-to-date information on zoning, current development, leasing/purchase information, etc.
- City to actively sponsor special events that have a direct link to revenue generation in good and bad economic times.

- City to develop a long-range event promotion strategy for City-sponsored/promoted events.
- City to analyze dedication of a certain percentage of TOT to fund special events sponsorship and direct promoting of events that will generate direct and in-direct revenues to the City and to its businesses.
- City to make changes to its zoning ordinance to:
  - Allow for mixed-use live-work development in non-residentially zoned areas as well as residentially zoned areas.
  - Allow for ground floor small manufacturing uses with 2<sup>nd</sup> and 3<sup>rd</sup> floors dedicated to townhouse uses in non-residentially zoned areas.
  - No residential on ground floors in industrial zones.
  - Allow for industrial commercial lots smaller than 5,000 square feet.
  - Allow for downtown-style qualities to develop in less dense zones/districts of the City, i.e.: urban settings=desirable employment centers.
  - Allow for a more market-force mechanism to determine parking requirements in commercial areas rather minimum parking requirements currently in place.

## Arts/Culture/Entertainment Focus Group Summary

### **Introduction**

In January of 2004, seven representatives of the local arts, culture, and entertainment industries met as a Focus Group to provide recommendations to the City of Santa Cruz's Economic Advisory Task Force. This Focus Group represented a variety of cultural and art institutions including local museums, performing venues, cultural organizations, entertainment groups, gallery owners, and public art commissioners.

The group's discussion focused on providing answers to two key questions:

1. What is your long-term vision for the City's art, culture and entertainment industries?
2. What are the requirements to achieve this vision (strategies to leverage assets or overcome obstacles?)

### **Vision for Economic Excellence**

Focus Group participants were asked to identify their long-term vision for the arts/culture and entertainment industry. The common vision themes discussed were:

- *Supported Creative Talent* – Santa Cruz should be a community that embraces creative talent – such as artists, performers, curators, writers, etc. – and supports and grows the industry sector philosophically, financially, and through physical facilities.
- *Cultural Magnet for the West Coast* – Santa Cruz should be a City with a strong, vibrant and expanding Arts/Culture and Entertainment industry that is known throughout California as an Arts and Culture destination.
- *Promotion of the “Santa Cruz Arts Experience”* – Santa Cruz should possess a comprehensive marketing strategy that conveys the unique wealth of artistic talent in Santa Cruz and that draws upon and is connected to the market strategies for Santa Cruz's retail, tourism, and other related economic sectors.

### **Strategic Actions**

Focus Group participants were asked to develop strategies to support the vision statements. They are as follows:

#### Market/Partnership Strategies:

- *City Acknowledgement of the Arts/Culture/Entertainment* – City's Economic Element and General Plan and promotional materials to include specific statements regarding the importance of the Arts/Entertainment to the quality

of life in the City of Santa Cruz and to acknowledge its important economic impacts, and to identify Santa Cruz as a cultural destination.

- *Market Santa Cruz Arts to West Coast* – City to encourage and participate in a work program with appropriate promotional organizations to develop a marketing plan that proactively communicates the unique “Arts Experience” that is Santa Cruz throughout the State and West Coast.

Marketing might include:

- City “brand” identity as an Arts Town.
- City to encourage Conference and Visitors Council to increase its promotion of Santa Cruz as an arts destination.
- *Outline Economic Benefits* – City to promote and participate in a County-wide and/or City-wide Economic Impact Study regarding the impact of the arts on the local economy. Strategies developed through the study will be considered for incorporation into the City’s Economic Strategy.
- *Business Partnership Base* – City to promote the arts to existing and new corporations and businesses and to encourage their sponsorship and financial support of the arts.
- *Master Events Calendar* -- City to work with appropriate cultural and tourism organizations to assist in the production of a comprehensive events calendar to be distributed locally and regionally to potential arts and entertainment visitors.
- *Stronger Alliances*– City, Economic Development/Promotional organizations and Cultural/Arts organizations to develop a framework to create greater alliances and coordination between Arts/Culture and Entertainment, Retail, and Tourism industries

### Regulatory Strategies

- *Gallery Culture* – City to actively promote the location and start-up of retail and working galleries in its key economic centers, notable the Central Business District (Downtown), the Eastside, and Mission Street, as well as other areas.
  - Develop financial and regulatory incentives for gallery start-ups
- *Live-Work Ordinance* – City Planning Department to analyze zoning ordinance for the inclusion of a Live-Work ordinance to allow for development and construction of live-work units to promote affordable studio and living spaces.

- *Financial Incentives* - City to develop financial incentives for new or expanding arts, culture, and entertainment businesses and ventures to assist with start up and expansion costs.
  - Pursue funding sources such as Federal and State Grants for the Arts.
  - Loans and grants.
  - Reduced fees and permit costs.
  - Tenant improvement loans.
- *Zoning Ordinance/Process Review* – City Planning Department to analyze Zoning Ordinance for the inclusion of simpler and faster processing for businesses involved in the arts, culture or and entertainment.
- *Cultural Districts* – City to identify areas of the City as Cultural Districts.
  - Cultural District to include incentives for arts through regulatory flexibility.
- *Economic Task Force* - City to consider the permanent formation of an Economic Advisory Task Force in order to promote and encourage strategic partnerships amongst arts/culture/entertainment and key economic sectors and the City.

Capital Improvement Strategies:

- *Large and Modern Performing Arts Venue* – City, in cooperation with Cultural/Arts Organizations, to develop plan to remodel and modernize the Civic Auditorium.

## Retail Focus Group Summary

### **Introduction**

In February and March of 2004 seven representatives of retail and local serving businesses met to provide input to Santa Cruz's Economic Strategy. The task force represented a variety of sectors including independent retailers, workforce development coordinators, and commercial land/business brokers.

The group discussion focused on providing answers to two key questions:

1. What is your long-term vision for the City's retail industry?
2. What are the requirements to achieve this vision (strategies to leverage assets or overcome obstacles?)

### **Vision for Economic Excellence**

Focus Group participants were asked to identify their vision for the retail industry. The common vision themes discussed were:

- *Strong, Vibrant and Diverse retail sector* – retail that provides needed services to visitors and residents in order to capture both tourism and local retail spending.
- *Retention and Expansion* – promote the preservation, retention and expansion of existing businesses within Santa Cruz.
- *Vital Neighborhood Serving Centers* – business districts, cultural districts and neighborhood centers that are clearly defined and that include high quality, high density housing as well as a variety of other uses including a strong retail component.
- *Extended Stay Visitors* – visitors that spend more than one night and consequently more retail dollars in Santa Cruz.
- *The Revitalization of Retail Areas* - maximization of neglected properties and the modernization of the existing infrastructure.

### **Strategic Actions**

Focus Group participants were asked to develop strategies to support the vision statements. They are as follows:

- *Promote positive Santa Cruz identity* – City and visitor serving groups to develop a marketing plan to proactively communicate a positive image of Santa Cruz to the local area, Bay Area and state.

- *Conference Hotel* – City to actively pursue project that includes conference center/meeting facility in order to promote multi-day stays and conferences within the City.
- *Better signage and transportation/parking options for visitors* – City to develop signage program to provide better link geographical retail areas and to connect visitors with transportation options and parking structures.
- *Improve traffic circulation between downtown and beach area* – City to contract circulation study for strategies to connect beach area with downtown and other retail areas, to implement existing traffic elevating options for the beach area (shuttle buses/trolley) and to develop a long term strategy to raise the resources to implement current and future improvements to that area.
- *Prioritize public infrastructure projects* – Business associations and other organizations representing retailers and the visitor serving industry to work with City Council to provide Public Works a priority list for public infrastructure projects.
- *Long Term Water Supply* – City to actively pursue adequate long-term water supply.
- *Revolving loan program* - City to develop revolving loan program for new or expanding local businesses to assist with start up costs, improvements and worker training.
- *Stronger alliance among visitor serving industries* – Established business organization to sponsor workshops to create greater alliances and coordination between the retail, entertainment and tourism industries.
- *Zoning Ordinance/Process Review* – City Planning Department to amend zoning ordinance to include a simpler, streamlined processing for a variety of retail uses.
- *Amend current façade improvement program* – City to reconsider removing some of the limitations of the current façade improvement program.
- *Develop market study* – City to contract market study to create strategies and an implementation plan to address:
  - Visitor perceptions of Santa Cruz
  - Out of area perception of Santa Cruz
  - Loss of retail dollars to other cities/counties
  - Out of town retailer perceptions of Santa Cruz

## Education Focus Group Summary

### **Introduction**

In February of 2004, six representatives of the local education industry met as a Focus Group to provide recommendations to the City of Santa Cruz's Economic Advisory Task Force. The Focus Group represented a variety of institutions including local public and private schools, workforce development and computer training providers. Key administrators and educators for the University of California Santa Cruz were also interviewed and provided feedback.

The group's discussion focused on providing answers to two key questions:

1. What is your long-term vision for education in the City?
2. What are the requirements to achieve this vision (strategies to leverage assets or overcome obstacles?)

### **Vision for Economic Excellence**

Focus Group participants were asked to identify their long-term vision for the education industry. The common vision themes discussed were:

- *Create an up-to-date workforce* - Elevate the knowledge workforce at all levels by improving the skills and knowledge of individual workers, improving responsiveness to companies, and addresses emerging employment trends.
- *Market educational opportunities* - Create a community identity that includes excellent educational opportunities at all levels.
- *Educational partnerships* – Expand the current educational partnerships between the City and UCSC and look for new potential programs that will be mutual beneficial. (this could be less specific and include more types of partnerships)
- *Attract educators* - Promote Santa Cruz as a place with an exceptional quality of life to valued educators.

### **Strategic Actions**

Focus Group participants were asked to develop strategies to support the vision statements. They are as follows:

- The formation of a system to tie workforce development providers and agencies together that:
  - Includes greater business involvement
  - Adequately predicts upcoming employment needs
  - Results in courses customized to employer needs

- Workforce programs that instill essential employability skills
- Create a Education Consortium to continually identify business needs, better integrate resources and promote regional higher education assets
- Establish a permanent forum for the interaction between representatives of local industry clusters and secondary education and K-12 educators in order to continuously identify workforce needs.
- Develop an advocacy strategy on funding for public secondary education especially work force programs
- Examine potential incentives to businesses that invest their own resources in employee skill development
- City to identify potential Cabrillo College extension site in downtown area and to support the location of such a campus.
- City to promote public and private educational programs through Community Grants program (Social Services Program or other funding sources)
- City to provide incentives for employers that wish to maintain and attract new workers through employers assisted housing.