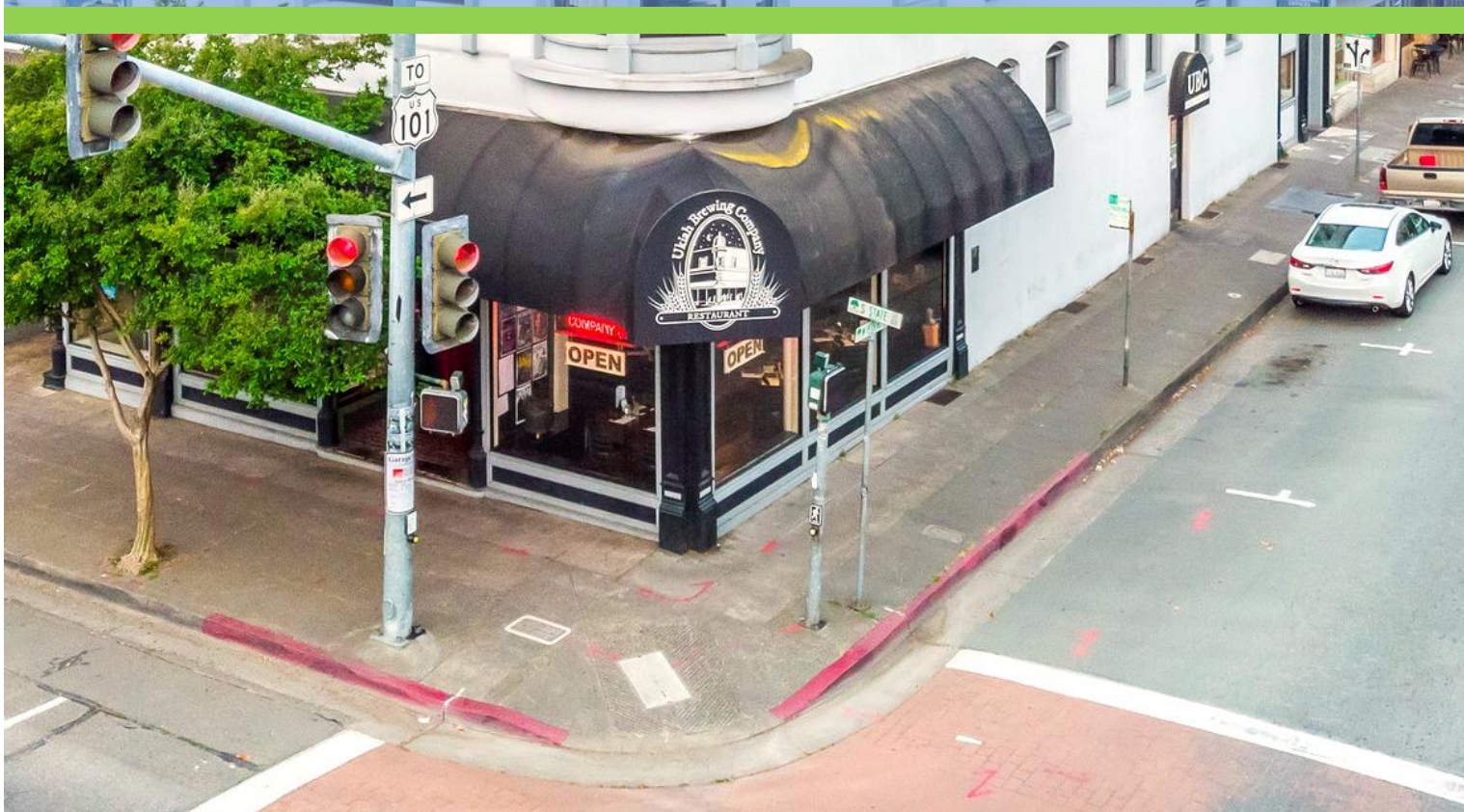




3 Economic Development Element





Economic Development Element

This Economic Development Element provides guidance on how Ukiah can build upon its successes by fostering a business-friendly environment, encouraging additional local employment opportunities, cultivating economic diversification, and expanding the tourism industry. The City also has an opportunity to seek partnerships through collaboration, which are key to a successful economic development strategy.

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3.1 Regional Economy

Ukiah's economy is steadily growing. It reflects Ukiah's position in the broader regional context. Most of the city's industries and jobs are driven by the surrounding natural resources and the city's importance as a regional and governmental center. Farming, fishing, and forestry occupations make up an outsized portion of the city's employment base. These occupations employ about four percent of city residents, which is more than six times the national average for such occupations.

By sector, more residents of Ukiah are employed in health care, education and social assistance than any other industry, with about 14 percent of residents working in those fields. After healthcare and social assistance, retail trade accounts for 13 percent of employment; retail and food services make up about 10 percent.

Ukiah's position as Mendocino County's seat means that public administration jobs also make up a large portion of the city's employment base, with approximately seven percent of the city's residents employed in public administration. Generally, Ukiah's economic base is slowly growing and diversifying. Since 2013, the number of jobs in the city has increased from 6,200 to 6,700.

Major employers in and around Ukiah mirror the major employment sectors. In government, both Mendocino County and the City of Ukiah are major employers. Ukiah Valley Medical Center, the largest medical center in the region, serving both the city and many of the rural communities nearby, is the largest employer in the healthcare sector. Education-related employers include Ukiah Unified School District, Mendocino College, and several private and charter schools. Costco and Walmart are the largest retail employers, collectively employing several hundred residents between them. Finally, there are several major agricultural and forestry related employers in and around Ukiah.

The City's ability to meet its economic development goals depends on regional market forces outside of the City's control. However, the City does have control over how to position itself as a place to do business. This includes targeting the types of businesses that the community wants to attract and retain, ensuring that resources are available for the labor force to improve its occupational skills, and sustaining a business climate that makes the community attractive for business location and expansion. By targeting business attraction, improving the labor force, and optimizing the business climate, a community positions itself to attract and retain businesses that serve markets beyond its own borders and bring higher paying jobs into the community.

In addition to accommodating growth and attracting new businesses, successful economic development also requires a consensus about the needs of growing businesses, community values, and the type of community in which people want to live. The City, by helping make Ukiah attractive as a place to live for creative and skilled residents, will, in turn, create opportunities for economic growth, including opportunities to expand access and availability for remote working. These initiatives are essential activities that can ensure sustainable and diversified economic growth opportunities.

The City relies partially on partnerships with Mendocino County, local economic development organizations, and businesses to pursue its economic development goals. Goals and policies in this section seek to leverage resources throughout the city, county, and region to support and implement the goals of the 2040 General Plan and the Economic Development Element. This includes coordinating with the county, local economic development organizations, engaging in partnerships with the private sector, and maintaining relationships with regional and State agencies. It also includes an emphasis on businesses that add value to the region's agricultural products and the economic infrastructure.

Partnerships and collaboration between Ukiah, the business community, and local and regional organizations is key to economic success. Successful partnerships can lead to a unified community that focuses on fostering a



business-friendly environment collectively advancing the City and the region. Mendocino County also has an economic development program, as well as the Mendocino County Tourism Commission, that the City can continue to coordinate with to support local growth and programs. The City and Mendocino County can also work together on annexations to realize the vision of the Ukiah Valley Area Plan and serve as an economic driver for future business opportunities. These partnerships maximize the City's regional economic influence, leverage the power of collaborative efforts, and support the City's ability to both assist businesses and attract tourists.

Goals and Policies

ED-1 *To be a key partner with other agencies and organizations to achieve the City's and the region's economic goals.*

ED-1.1 Interagency Coordination

Coordinate with local agencies, jurisdictions, and tribes; and other groups and organizations working to promote Ukiah's economic development.

ED-1.2 Economic Initiatives

The City shall support regional economic initiatives and marketing activities by actively participating in economic development programs.

ED-1.3 Public /Private Partnerships

The City shall support and encourage public/private partnerships and other efforts to implement key development projects that meet the City's economic development goals.

ED-1.4 Economic Development Strategy

The City shall prepare and periodically update an Economic Development Strategy, which shall be used as an operational guide to implement the economic development goals, policies, and programs of the General Plan.

3.2 Economic Foundations

Economic prosperity is dependent on critical infrastructure systems that provide adequate capacity, reliable service, and flexible functionality. Water is a critical resource for any economic growth. A well-maintained and connected transportation infrastructure is essential for the community, employees, and employers. Businesses depend on reliable, affordable City services. In addition, new technologies, particularly broadband and/or satellite capacity, need to be widely deployed through both public and private investments. Ukiah wants to encourage private-sector investment to encourage business development, enhance local employment opportunities, and improve the overall quality of life for residents.

Goals and Policies

ED-2 *To promote a strong local economy by improving critical infrastructure, including water, transportation, and renewable energy.*

ED-2.1 City Investment Priorities

During review and updates of public facility master plans and the Capital Improvement Program, the City shall prioritize investment in infrastructure, services, and other assets that are critical to future economic vitality, including public safety, water supply and quality, transportation, energy, and environmental resources, to support job growth and economic development.

ED-2.2 Energy Infrastructure

The City shall work to improve energy infrastructure to increase availability, reliability, sustainability, and use of renewable energy sources.

ED-3 *To provide opportunities for expansion of businesses by ensuring the availability of suitable sites, appropriate zoning, and access to infrastructure and amenities.*

ED-3.1 Land Supply Inventory

The City shall maintain and/or annex an adequate land supply to meet projected commercial and industrial land demand.

ED-3.2 Infill Sites

The City shall coordinate with interested developers and relevant public agencies to develop infill sites consistent with the Land Use Diagram.

ED-3.3 Airport Industrial Park

The City shall develop adequate linkage from the Airport Industrial Park to the east side of the airport.

3.3 Tourism and Recreation

Ukiah is surrounded by wineries, State parks, and an abundance of outdoor recreational areas, providing numerous activities for visitors and residents alike, including hiking, biking, golf, camping, fishing, boating and wine tasting. The goals and policies in this section seek to continue to enhance and expand attractions in Ukiah that serve visitors, making Ukiah a premier recreation destination. Policies in this section seek to strengthen and expand the attractions Ukiah offers and the services and amenities the tourism industry provides to visitors.

Goals and Policies

ED-4 *To attract visitors and provide them with the amenities and services to make their stay in Ukiah enjoyable.*

ED-4.1 Supporting Tourism

The City shall encourage and support the development of sustainable and innovative visitor-serving attractions that expand on the tourism market in Ukiah and Mendocino County and add to the quality of life for residents.

ED-4.2 Downtown

The City shall reinforce the Downtown as the civic and cultural heart of Ukiah by supporting public arts, cultural and entertainment programs, restoration of aging structures, lodging, and a robust mix of residential, retail, and service uses.

ED-4.3 Boutique Hotel

The City shall encourage and support the development of a boutique hotel in Downtown to provide an opportunity for overnight stays in the heart of Downtown and for visitors to enjoy and explore Ukiah's local business, restaurants, and nightlife.

ED-4.4 Public Art

The City shall reduce barriers for private efforts that create art in public places (e.g., murals, sculptures), and support development of a Public Art Master Plan with appropriate funding mechanisms to support and maintain public art installations.

ED-4.5 Tourism-Supporting Services

The City shall support the local dining, lodging, and retail sectors to ensure visitors enjoy Ukiah to the fullest.

ED-5 *To ensure Ukiah's long-term economic success and sustainability by diversifying and expanding tourist attractions.*

ED-5.1 Outdoor Recreation

The City shall maintain existing and promote new outdoor recreation opportunities and facilities at a high level to solidify Ukiah's position as a leader in outdoor recreation.

ED-5.2 Bicycle Tourism

The City shall support efforts to promote and expand the local and regional bicycle trail network to attract visitors seeking a quality outdoor recreation experience.

ED-5.3 Great Redwood Trail

The City shall continue to support the expansion of the Great Redwood Trail linking Marin, Sonoma, and Humboldt counties and enhancing trail access in Ukiah.

ED-5.4 Special Events

The City shall support special events that benefit local businesses and contribute to the City's overall economic success.

ED-5.5 Agricultural Tourism

The City shall strive to attract tourism centered on the agriculture industry throughout the Mendocino County region, including wineries, cannabis farm tours, farm stays, tasting rooms, and beverage production tours.

3.4 Business Attraction, Retention, and Expansion

The goals and policies in this section address the need to focus attention on the attraction of new businesses, as well as the retention, and expansion of existing businesses in Ukiah. Businesses that have outgrown their existing spaces or are deciding whether to relocate are the target audience for business retention and expansion activities. Existing businesses provide Ukiah's job base and constitute the most effective starting point from which to diversify the economic base. Keeping these jobs in Ukiah is an important goal because most of the job creation is done by expansion of existing businesses.

The City of Ukiah recognizes the economic potential of supporting local entrepreneurship and the creation of new businesses. The entrepreneurship goal and its supporting policies seek to create a culture of local entrepreneurship and innovation and to expand the local economy by supporting the establishment of home-grown businesses.

Goals and Policies

ED-6 *To maintain a supportive business climate and a healthy economy that leads to the expansion of existing businesses and the attraction of new ones.*

ED-6.1 Regulatory Environment

The City shall promote business-friendliness in the regulatory and permitting process through collaboration, innovation, exchange of ideas and best practices, and the improvement in clarity and efficiency in the permitting process to take advantage of opportunities for streamlining in the development permit process.

ED-7 *To grow the local economy and employment base by supporting efforts to retain, expand and attract local businesses.*

ED-7.1 **Attract Skilled Workers**

The City shall support, maintain, and enhance the social and cultural amenities of the city (such as attractive public spaces, public art displays, museum(s), historic venues and sites, and recreational facilities and programs).

ED-8 *To cultivate a culture of entrepreneurship to encourage and support local business start-ups.*

ED-8.1 **Business Incubators**

The City shall encourage and support the establishment of local business incubators and programs designed to support the successful development of entrepreneurial companies through an array of business support resources and services.

ED-8.2 **Home-Based Businesses**

The City shall support and expand the opportunities for establishment and operation of home-based businesses that are compatible with surrounding neighborhoods.

3.5 Workforce Training and Education

The local labor force represents one of the most crucial competitive factors for economic vitality. Businesses depend on having enough healthy, reliable workers suited to the functions that their operations require. From a planning perspective, the skills, education levels, and other qualifications needed for local jobs should be matched to the characteristics of the local labor force. In addition, local institutions should be ready to prepare the labor force to work in the growing industries within the region. The goals and policies in this section address the need for increasing the job skills and occupational opportunities for the local labor force.

Goals and Policies

ED-9 *To improve labor force preparedness by providing the local workforce with the skills needed to meet the requirements of evolving business needs.*

ED-9.1 **Interagency Workforce Collaboration**

The City shall work with Mendocino College, Ukiah Unified School District, and Mendocino County to support innovation and the development, retraining, and retention of a skilled workforce.

ED-9.2 **Local Graduate Retention**

The City shall actively support efforts to keep local high school and college graduates in the local workforce.

ED-9.3 City Hiring Practices

The City shall pursue best practices aimed at maximizing local hiring in coordination with education and training providers.

3.6 Diversified Economy

Economic diversity can help create long-term stability and economic resilience. This resilience (the ability to recover from adverse changes in the economy or environment) is particularly important as the effects of climate change create economic disruptions through wildfire, drought, and increasingly variable storm events. The market outlook for different industries with the potential to grow and thrive in Ukiah depends on local, national, and global factors.

Other opportunities for diversification include environmental technologies (“green economy”) and the creative sector. The green economy includes business activities that benefit the environment or conserve natural resources. For the foreseeable future, California laws and policies will continue to drive demand for these types of goods, services, and technologies. Demand will further increase as other states adopt similar standards that conserve natural resources, reduce greenhouse gas emissions, and mitigate environmental impacts. Goals and policies in this section are intended to support diversification of Ukiah’s economy.

Goals and Policies

ED-10 *To foster a robust and diversified local economy that provides quality employment and attracts stable businesses.*

ED-10.1 Value-Added Agriculture

The City shall encourage and support the expansion of value-added agricultural products (e.g., processing, packaging, product development) with an emphasis on local distribution and consumption.

ED-10.2 Agricultural Support Services

The City shall encourage agricultural support services, such as vineyard and harvest management, to be based in Ukiah.

ED-10.3 Airport-Related Businesses

The City shall encourage and promote the development of airport-related businesses at the Ukiah Municipal Airport.

ED-10.4 Local-Serving Retail

The City shall encourage the establishment and expansion of commercial businesses that increase local spending within Ukiah and provide needed goods and services to residents and businesses.

ED-10.5 Culturally Diverse Businesses

The City shall review and amend its policies and procedures to ensure equity of opportunity to encourage and support a diverse business community.



ED-11 *To diversify the economic base of Ukiah through the development and expansion of environmental, creative, and innovative businesses, including the non-profit sector.*

ED-11.1 Creative Economy

The City shall encourage the expansion of the local creative economy, including arts businesses, creative and performing arts, and non-profit organizations, as well as professional service sectors built around the creative arts.

ED-11.2 Green Economy

The City shall support the development and reduce local regulatory barriers for industries and businesses that promote and enhance environmental sustainability, greenhouse gas reductions, decarbonization, climate change adaptation, resiliency, and renewable energy generation, storage, and transmission, including solar power and other appropriate renewable sources.

ED-11.3 Support Green Businesses

The County shall promote the efforts of existing businesses that meet green business criteria; job training in green building techniques and regenerative farming; and strive to build green technologies into and decarbonize existing public facilities.

ED-11.4 Sustainable Business Development

The City shall encourage the development and expansion of businesses that advance social equity, environmental quality, and economic sustainability, as well as capitalize on key industry strengths. Economic sustainability includes planning and preparation for disaster response and long-term resiliency of businesses and economic assets in the city.

3.7 Implementation Programs

Programs	Implements Which Policy(ies)	Responsible Supporting Department(s)	2022 – 2025	2026 – 2030	2031 – 2040	Annual	Ongoing
<p>A Economic Development Strategy The City shall prepare, adopt, and regularly update an Economic Development Strategy, which shall be used as an operational guide to implement the economic development goals and policies of the General Plan. The strategy should address business attraction, retention, and expansion, infrastructure priorities, tourism, intergovernmental coordination and cooperation, economic diversification, and workforce development. The Economic Development Strategy should be prepared in coordination with the local business community, Economic Development and Financing Corporation, Greater Ukiah Chamber of Commerce, West Business Development Center, Mendocino Private Industry Council, Mendocino County, and other groups and organizations working to promote Ukiah’s economic development. Following completion of the Economic Development Strategy, the City shall review and update the Strategy every five years.</p>	<p>ED – 1.4</p>	<p>City Manager Community Development</p>	<p>■</p>				



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