



city of RANCHO CUCAMONGA

AGENDA

CITY COUNCIL SPECIAL MEETING

Wednesday, March 18, 2015 ♦ 3:30 p.m.

City Hall ♦ Tri-Communities Room
10500 Civic Center Drive ♦ Rancho Cucamonga, CA 91730

A. CALL TO ORDER:

A1. Pledge of Allegiance

A2. Roll Call: Mayor Michael
Mayor Pro Tem Spagnolo
Council Members Alexander, Kennedy and Williams

B. COMMUNICATION FROM THE PUBLIC:

This is the time and place for the general public to address the City Council and Fire Protection District on only those items listed on the agenda. State law prohibits the Council and Fire Board from addressing any issue not previously included on the Agenda. The Council and Fire Board may receive testimony and set the matter for a subsequent meeting. **Comments are to be limited to five minutes per individual or less, as deemed necessary by the Mayor, depending upon the number of individuals desiring to speak.** All communications are to be addressed directly to the Council, and Fire Board, not to the members of the audience.

This is a professional business meeting and courtesy and decorum are expected. Please refrain from any debate between audience and speaker, making loud noises, or engaging in any activity which might be disruptive to the decorum of the meeting. The public communications period will not exceed one hour prior to the commencement of the business portion of the agenda. During this time period, all those who wish to speak on a topic contained in the business portion of the agenda will be given priority, and no further speaker cards for these business items will be accepted once the business portion of the agenda commences. Any other public communications which have not concluded during this one hour period may resume after the regular business portion of the agenda has been completed.

-- CONTINUED --

C. ITEMS OF DISCUSSION:

- P1 C1. APPROVAL OF AN UPDATE TO THE CITY'S ECONOMIC DEVELOPMENT STRATEGIC PLAN.**

D. ADJOURNMENT

I, Marie Macias, MMC, Interim City Clerk Services Director, of the City of Rancho Cucamonga, or my designee, hereby certify under penalty of perjury that a true, accurate copy of the foregoing agenda was posted on March 12, 2015, per Government Code 54954.2 at 10500 Civic Center Drive, Rancho Cucamonga, California, and on the City's website.



Marie Macias, MMC
Interim City Clerk Services Director
City of Rancho Cucamonga

STAFF REPORT

ECONOMIC & COMMUNITY DEVELOPMENT



Date: March 18, 2015

To: Mayor and Members of the City Council
John R. Gillison, City Manager

From: Jeff Bloom, Deputy City Manager/Economic & Community Development *JAB*

By: Flavio H. Nuñez, Management Analyst II

Subject: **Approval of an update to the City's Economic Development Strategic Plan**

RECOMMENDATION

Approve the Economic Development Strategic Plan Update.

BACKGROUND

In 2002, the Rancho Cucamonga Redevelopment Agency retained the services of Economics & Politics, Inc., an economic development consulting firm, to update the City's original 1996 Economic Development Strategic Plan. The update was completed in 2003 and has served as the City's Economic Development Plan for business attraction, retention, and expansion for the past eleven years. As a result, staff has successfully implemented a number of successful programs and services that have facilitated business growth and expansion of the local economy. Since that time, the economy has changed significantly, legislative changes have occurred, the economic environment continues to transform, and time has elapsed since the last update of the strategic plan. As a result City Council determined that an update to the City's Economic Development Strategic Plan was necessary to position the City for success in the new emerging economy and marketplace. It was also determined necessary to retain the professional services and expertise of a firm that specializes in developing economic development strategic plans. Professional firms with this experience have access to specialized analytical tools and data warehousing systems that will aid in the development of a successful strategic plan for Rancho Cucamonga. City staff did not have the resources nor the expertise to conduct the specialized analysis needed for the preparation of the new plan.

Upon a successful Request for Qualifications process and interviews the City retained the firm of Strategic Economics, Inc. to update the City's Economic Development Strategic Plan. Strategic Economics is a national leader in providing economic analysis and strategic thinking necessary to create sustainable, high-quality places for people to live and work. Examples of their work include economic development strategies, neighborhood and downtown planning and revitalization, corridor revitalization studies, real estate transaction analysis and structuring to name a few. Strategic Economics has also previously worked on the City's 2010 General Plan Update as a sub-consultant. As a sub-consultant for the General Plan Update, they provided technical analysis of the local and regional demographics and economic trends to help the City craft land use policies meeting its Healthy RC framework for economic and environmental sustainability.

The Economic Development Strategic Plan Update included three major phases of work.

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- Phase 1, included core tasks that served as a baseline for the economic background of the report. These tasks included one-on-one, in-person interviews with City Councilmembers, developers, real estate professionals, business owners, school officials, and other members of the community that evaluated the current business climate. Other tasks also included industry analysis and commercial real estate market analysis.
- Phase 2, included additional analysis tasks that provided important insight into place based strategies. Place based strategies are specific to geographical areas in the City that have comparative advantages and needs from other areas in the City. This included identifying sub-areas of economic importance based on factors such as business concentrations, fiscal contributions, employment activity and areas that could experience future employment growth. This phase also included an assessment of the local workforce, examining things such as, commute patterns, skill level and education attainment to name a few. This phase was completed with the preparation of the economic background report.
- Phase 3, built upon the findings in the economic background report to create the Economic Development Strategic Plan. This phase included a look at the City's current use of social media and electronic communication to build on and improve economic development. In the absence of economic development tools formerly available through the City's Redevelopment Agency.

Finally, there are two overall important themes of this Economic Development Strategic Plan Update. The first is the integration of economic development efforts into the all facets of City operations, and the second is an emphasis on the connections to Healthy RC.

ANALYSIS

As described earlier, Phase 1 included tasks that served as a baseline for the economic background of the report. The key findings of the economic background report were organized into four main topics: competitive context, population and employment trends, workforce characteristics, and real estate market dynamics. These four topic areas were key to identifying both strengths and weaknesses that would then be used to develop the goals and strategies of the Plan. The following is a brief summary of these four topic areas.

The City's competitive context is described as one that depends largely on the development and market pressures exerted in the region as a whole. Some of the factors that are likely to influence economic development in the City include; land availability, port activity, transportation access, quality of life, educational resources, and the built environment.

Population and employment trends were another key aspect of the background report. The Inland Empire has been one of the fastest growing regions in California over the last two decades, and the growth trend is expected to continue. Rancho Cucamonga's population growth has mirrored that of the Inland Empire, but as the City is built out, the rate of growth is expected to slow. Similarly The Inland Empire has been one of the fastest growing regions in California over the last two decades, and the growth trend is expected to continue. The fastest growing industries in the Inland Empire are resident-serving industries and logistics. Rancho Cucamonga currently has a diverse employment base representing a wide range of industries. Office-based jobs are a small but growing part of Rancho Cucamonga's employment picture. Similar to the Inland Empire, Rancho Cucamonga is well-positioned to experience job growth within Transportation and Warehousing and

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Wholesale Trade, Retail, Accommodation and Food Services, and Healthcare and Social Assistance sectors are likely to experience strong growth in Rancho Cucamonga along with population increases in the region.

Despite the City's reputation as a bedroom community, Rancho Cucamonga's workforce has a ratio of nearly one job in the City for each employed resident. Most Rancho Cucamonga residents do not work in the City. In 2011, 13 percent of Rancho Cucamonga residents worked in the City, and 49 percent work in the Inland Empire. After the City of Rancho Cucamonga, the City of Los Angeles is the most common commute destination for residents. It is important to note that many cities – including neighbors such as Ontario and Fontana – have similar or greater shares of residents commuting elsewhere. Residents of the City have historically had a lower unemployment rate than the Inland Empire or Los Angeles County, possibly due to higher education levels. However, the background report identified a mismatch between the educational attainment associated with Rancho Cucamonga jobs and that of its residents. The most common jobs in Rancho Cucamonga are those that typically require a high school degree or less, while most adult residents have at least a couple of years of college education or an Associate's degree.

The fourth key finding of Phase I addressed real estate market dynamics. Rancho Cucamonga has many competitive advantages for industrial uses, including its regional location, transportation access, and high-quality building stock. Rancho Cucamonga has a strong industrial market, particularly for distribution and warehousing activities. Rancho Cucamonga has 36 million square feet of industrial space, with the greatest amount of the space dedicated to distribution or warehousing. Rancho Cucamonga is well-positioned to capture future growth in manufacturing. Commercial broker reports cite increased demand for smaller manufacturing facilities that are able to shift production quickly, and the demand for these types of smaller spaces is on the rise in the Inland Empire.

The Inland Empire office market has begun to show initial signs of improvement since the recession. The onset of the Great Recession, combined with an excess inventory of new office space delivered after 2006 caused the office market to tumble, with vacancy rates reaching 16 percent in 2009. Although the market has improved significantly, real estate developers and brokers report that significantly lower vacancy rates (below 10 percent) and higher rental rates (around \$2.00 per square foot) will be necessary before new speculative construction is possible. Rancho Cucamonga's existing office space has generally been built in single-use, auto oriented environments that are lacking on-site amenities such as retail, restaurants and services. Increasingly, tenants value having convenient, nearby amenities and services such as health clubs, retail, and restaurants, within walking distance of the office. This vision of walkable employment districts featuring a mix of uses is consistent with the Healthy Rancho Cucamonga initiative's principles. It is also consistent with the land use patterns indicated in the General Plan.

Rancho Cucamonga is the premier retail destination in San Bernardino County. Brokers report that national retailers show a strong interest in Rancho Cucamonga due to the City's high income and education levels, strong population growth, and good freeway access. On average, retail rents in Rancho Cucamonga are higher than the Inland Empire as a whole and vacancy rates are lower. Conversely, the need to revitalize under-performing centers will be important to address in order to increase sales and provide needed sales tax revenues for the City.

TARGET INDUSTRIES

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Based on the key findings in each of the four topic areas of the economic background report including the interviews with City staff, and the community stakeholders, five target industry groups were identified:

1. Health Care and Social Assistance
2. Transportation, Warehousing, and Wholesale Trade
3. Retail, Accommodation, and Food Services
4. Manufacturing
5. Professional, Scientific, and Technical Services.

Each industry group was evaluated on five key characteristics as follows:

- Projected Job Growth – forecasted growth in the Inland Empire and Los Angeles County from 2010 to 2020.
- Real Estate Market Demand – suitability of the industry group to Rancho Cucamonga's real estate market conditions.
- Rancho Cucamonga's Competitive Position – attractiveness of Rancho Cucamonga to industry groups based on location, assets, land uses, and transportation networks.
- Compatibility with Resident Labor Force – match between the skills required by the industry group and the educational attainment levels of the majority of existing residents, which are generally higher than residents of the surrounding region (68 percent of Rancho Cucamonga residents have some college, or earned an Associate's degree or higher).
- Average Wage – Wage levels offered by occupations in the industry group relative to the City's median wage of \$42,700.

Healthcare and Social Assistance - The Healthcare and Social Assistance sector provides medical care and social assistance, and includes employment in hospitals, medical offices, residential care facilities, and social assistance, such as child care workers, home care aids and social and community service providers.

Transportation, Warehousing and Wholesale - The Transportation, Warehousing and Wholesale Trade sector provides the transportation, storage and distribution of goods. Typical occupations include truck drivers, freight and stock movers, and wholesale/manufacturing sales representatives.

Retail, Accommodation and Food Services - includes businesses engaged in the sale of retail merchandise the provision of lodging, meals, snacks and beverages. Typical occupations include cashiers, retail salespersons, food preparation workers and servers.

Manufacturing - typically involves the transformation of substances and materials into new products. It can include a wide range of types of businesses, ranging from food and textile manufacturers to

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medical device and electronics manufacturing. Typical jobs vary by type of manufacturer, but may include machinists, team assemblers, and technicians.

Professional, Scientific and Technical Services - As defined by the Bureau of Labor Statistics, Professional, Scientific and Technical Services includes a wide range of activities, such as "legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services." Occupations vary widely, but include accountants, lawyers, and management analysts.

STRATEGIES AND ACTIONS

Based on the results of the Background Report analysis and the input gathered from all the participants in the project, the Economic Development Strategic Plan defines seven Priority Areas for economic development activities over the next five years:

1. Office Development
2. Retail Development and Revitalization
3. Business Outreach and Support
4. Industrial Development and Retention
5. Hospitality
6. Workforce Development
7. Marketing and Communications

For each Priority Area, a brief description is provided below. For a more complete list of goals and implementation actions, please see the attached Economic Development Strategic Plan Update.

Priority Area 1: Office Development

Attracting new office development would allow the City to provide more highly skilled jobs in the City that better match the profile of local residents. In addition, it would help to minimize residents' commutes and diversify the local economic base. Although the regional economy is growing, the Inland Empire continues to have excess office vacancies, with limited new development in Rancho Cucamonga. The City's existing office space is generally auto-centric, with few retail and restaurants in walking distance of office buildings. To keep up with changing demand, the City's office areas should evolve into mixed-use, pedestrian-friendly, amenity-rich workplace districts that integrate housing and retail to attract companies and workers.

Priority Area 2: Retail Development and Revitalization

A thriving retail market is important to the City's fiscal health as retail sales taxes are a major contributor to the General Fund. Victoria Gardens has been a major asset to Rancho Cucamonga, attracting visitors from the greater region. In addition, many local shopping centers, particularly on the I-210 corridor are well-performing and serving the needs of residents in the City. Some outdated and unanchored shopping centers on Foothill Boulevard have lagged behind the success of other retail centers in the City. Flat or declining retail sales from these centers have put a strain on the City's General Fund. Rancho Cucamonga should prioritize the revitalization of this historic corridor into a mixed-use, pedestrian-friendly environment that could be a model for the rest of the

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City. The goal for this section is to enhance retail centers and encourage mixed-use development at key locations.

Priority Area 3: Business Outreach and Support

Rancho Cucamonga has had success in attracting a wide range of industries throughout its history. Over time, business needs and preferences changed and the City must ensure that it is well positioned to react to these shifts. Businesses note that quality customer service from the City is an expectation not an amenity. Rancho Cucamonga should evaluate how its service is received by those who have had a good experience and those that state there is room for improvement. The goal for this section is to ensure that Rancho Cucamonga is seen as a welcoming place for business and improve its services to existing companies and potential start-ups.

Priority Area 4: Industrial Development and Retention

Rancho Cucamonga has historically been a sought-after location for industrial businesses in the Inland Empire. The City offers access to the highly-skilled workforce, the Ports of Los Angeles and Long Beach, and freeways that connect to national trucking routes. Industrial demand in the region is strongest for distribution and warehousing as the availability of developable land in the Inland Empire has allowed for large format buildings desired by logistics companies. As Rancho Cucamonga's older industrial building stock was developed prior to current business preferences, it consists of smaller warehousing and distribution facilities compared to newer developing Inland Empire cities located to the east. While these buildings are not well-matched to the current preferences of large logistics tenants, they are well-suited for smaller firms, particularly manufacturers. The goal for this Priority Area is to ensure that the City maintains and grows its industrial businesses, focusing on light industrial, manufacturing, and warehousing.

Priority Area 5: Hospitality

As with retail sales taxes, transient occupancy taxes (TOT) generated by hotels are a significant source of revenues to the City's General Fund. Rancho Cucamonga hotels have generally tracked the performance of the overall economy. With local economic conditions improving, there has been renewed interest from hotel developers to build in Rancho Cucamonga. Currently, hotels in the City are classified limited service, offering modest nightly rates and few amenities. Having more full-service hotels that offer higher nightly rates would provide the City with increased TOT revenues, and would help support efforts to attract office-based industries to Rancho Cucamonga. While attracting full-service hotels are a longer term proposition, in the short-term there is strong potential for smaller boutique hotel development in locations like Victoria Gardens. If the new boutique hotels are successful, this could help lay the groundwork to eventually attract full-service hotels to the City. The strategies to promote the hospitality sector include attracting new hotel properties to Rancho Cucamonga, and continuing efforts to increase visitation to the region and to the City in partnership with the Greater Ontario Tourism Marketing District.

Priority Area 6: Workforce Development

Rancho Cucamonga has had success in attracting highly skilled professionals due to its strategic location, as well as excellent residential neighborhoods, schools, parks, community facilities, and other amenities. The City's skilled labor force is one of its greatest assets for economic development. However, the lack of multifamily rental housing in Rancho Cucamonga may impede its ability to attract younger professionals at the beginning stages of their careers. While nearly half of the city's households are small one- and two person households, more than two-thirds of the existing housing units are single-family homes. There is a shortage of new multi-family housing

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units with the features and amenities that meet the needs of younger professionals (singles and couples without children). The goal for this Priority Area is to ensure that the City remains competitive and continues to attract qualified employees by encouraging the development of a wider variety of workforce housing options, and to work closely with workforce development partners, including the San Bernardino County Workforce Department, to cultivate local talent.

Priority Area 7: Marketing and Communications

The City's existing marketing communications efforts are primarily geared toward providing information to residents as a means of building stronger neighborhoods and communities, which are important to maintaining and strengthening quality of life. These include social media strategies sharing news and tips on emergency preparedness, newsletters, advertising, Ready RC and BYB2RC. To achieve its economic development goals and attract businesses that will further strengthen quality of life, the City should expand its outreach strategies and structures to focus on strengthening and growing jobs in key economic development sectors (professional services, health, and pharmaceutical businesses).

In summary the attached Economic Development Strategic Plan was a collaborative effort involving a multi-disciplinary City staff team, business leaders, community representatives and regional economic professionals, and the City Council. The process of developing the Plan was also made with an emphasis to integrate this Plan with other ongoing City Initiatives such as Team RC, Healthy RC, and Ready RC. It is a policy document that will guide the City's economic development priorities and activities over the next three to five years.

Respectfully submitted,



Jeffrey A. Bloom, Deputy City Manager/Economic & Community Development

Attachment – Economic Development Strategic Plan Update

Economic Development Strategic Plan

City of Rancho Cucamonga

Final Draft
February 2015



prepared for:
City of Rancho Cucamonga

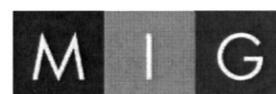


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I. INTRODUCTION

BACKGROUND

This Economic Development Strategic Plan is a policy document that will guide the City of Rancho Cucamonga's economic development priorities and activities over the next three to five years. An update to the existing Economic Development Strategic Plan was necessary due to changing conditions since the previous plan, including a national recession and recovery, and the end of redevelopment. This Plan's development began in January 2014, commencing with collection and analysis of data covering demographic, economic, business, and market conditions. The findings of those analyses – which can be found in the Background Report – identified the advantages and disadvantages for economic development in the City. The Plan's strategies and actions are designed to strengthen the City's existing advantages, and take action to address disadvantages or gaps. The process of developing this Economic Development Strategic Plan involved participation from a broad set of community members and stakeholders, with an explicit effort to integrate this Plan with other ongoing City initiatives.

BROAD PARTICIPATION

The Economic Development Strategic Plan was a collaborative effort involving a multi-disciplinary City Staff Team, business leaders, community representatives, regional economic development professionals, and City Council. To ensure that the plan incorporated the views of diverse stakeholders, the project process included the following components:

- Staff Advisory Committee – The team conducted three (3) in-person meetings with the Staff Advisory Committee, composed of City staff from various departments, to discuss the project's goals, technical findings, and formulate strategies.
- Stakeholder Advisory Committee - The team facilitated two (2) in-person meetings with the Stakeholder Advisory Committee, which represented businesses, real estate professionals, and community leaders, to gather input regarding technical findings and strategies.
- Interviews – The team completed telephone interviews with local and regional economic development professionals, business leaders, and real estate experts to collect data and solicit feedback.
- City Council – The team met individually with each member of the City Council to discuss economic development goals and priorities for the City.

REPORT ORGANIZATION

The Economic Development Strategic Plan is organized into four sections: Following this Introduction, Section II provides an Executive Summary; Section III presents key findings from the Background Report; and Section IV contains the Strategies and Implementation Actions of the Economic Development Strategic Plan.

II. EXECUTIVE SUMMARY

ECONOMIC TRENDS

Since its incorporation in 1977 from three unincorporated communities, Rancho Cucamonga has experienced several cycles of economic transformation. In its early period, the City's economic base was still agricultural, and Rancho Cucamonga was known for its citrus farms and vineyards. During the 1980s and 1990s, as the Inland Empire region grew at a tremendous pace, Rancho Cucamonga's agricultural character was transformed. The increased cost of living in Los Angeles and Orange Counties enabled developers to build new high-quality single-family residential neighborhoods and commercial shopping centers in Rancho Cucamonga and other Inland Empire communities, catering to middle-class families. At the same time, manufacturing and warehousing companies began to locate in Rancho Cucamonga, drawn by the low cost of land, freeway access along I-15 and I-10, rail infrastructure, and proximity to the ports of Long Beach and Los Angeles. From 1990 to 2000, as the economic base in Rancho Cucamonga grew, the ratio of jobs to population in Rancho Cucamonga increased from 0.24 to 0.34 jobs per resident. Through the mid-2000s, the City attracted many high-skilled workers drawn to the quality of life in Rancho Cucamonga and the Inland Empire. The presence of the talented labor pool led to the growth of industries with "back office" operations such as finance and insurance, as well as professional services firms providing support to the large manufacturing and logistics businesses.

Over the decades, Rancho Cucamonga's business mix has diversified and strengthened to include a wide array of industries and occupations. While the 2007-2009 recession resulted in job losses in nearly every industry sector in the Inland Empire, there are many signs that the region is recovering and once again adding jobs. Today, Rancho Cucamonga has particular strengths in a wide range of industries, including:

Manufacturing - Rancho Cucamonga has a significant employment concentration in Manufacturing. In 2011 there were nearly 9,000 manufacturing jobs in Rancho Cucamonga (13 percent of all jobs in the City). In this respect, Rancho Cucamonga is more similar to Los Angeles County than the Inland Empire; this can be explained by the fact that much of Rancho Cucamonga's industrial development occurred in the 1980s and 1990s, well before the emergence of large e-commerce distribution and warehousing facilities so prevalent in other Inland Empire cities.

Logistics – The logistics sector added over 3,000 new jobs in Rancho Cucamonga from 1998 to 2011, largely related to booming e-commerce industries. Rancho Cucamonga has a number of competitive advantages for attracting these users, including the port and railway infrastructure, freeway access, and the nearby LA/Ontario International Airport.

Office-based Industries – Office-based jobs in Rancho Cucamonga are primarily in Finance and Insurance, and Professional, Scientific, and Technical sub-sectors. Many of these firms provide support to the large manufacturing and logistics users in the Inland Empire. Though office users are still relatively a small share of the City's economic base, Rancho Cucamonga has higher concentrations of office-based jobs than the Inland Empire overall, indicating that it has a competitive advantage for these types of firms.

Healthcare and Social Assistance – The health sector is the only one that experienced growth during the recent recession, and shows strong potential in Rancho Cucamonga given the region's projected population growth, good regional accessibility, and existing cluster of smaller medical facilities, such as Kindred Hospital, and medical offices associated with Kaiser Permanente and San Antonio Community Hospital.

Retail, Accommodation and Food Services - Retail, Accommodation and Food Services combined are expected to grow rapidly in the Inland Empire. Rancho Cucamonga has one of the strongest performing retail centers in the region, Victoria Gardens. The City can expect to continue to experience a steady rate of demand, with more national retailers beginning to consider the region a primary market.

LOOKING AHEAD

Over the past 35 years, the City of Rancho Cucamonga has grown into one of the Inland Empire's premier cities, featuring a skilled workforce, strong manufacturing sector, high quality housing stock and growing office-based sectors. Although the City and the Inland Empire in general were hard hit by the Great Recession, Rancho Cucamonga has been able to leverage its significant assets to make great strides towards recovery. The City's success is in large part due to its adherence to high standards regarding the quality of new development, as well as the roll-out of initiatives like Healthy RC that emphasize community health and prosperity.

To continue thriving into the next decade, the City of Rancho Cucamonga must address a number of challenges, including:

- Diversifying the types of jobs available - The City would like to expand the economic base to include a greater number of highly skilled office-based jobs, thereby reducing the overall commute and increasing quality of life for residents.
- Creating an environment that is attractive to Millennials - While the City has historically been known as a family-friendly community, it has had less success attracting younger professionals. In order to attract office-based businesses that cater to the "Millennial" workforce, it will be critical for Rancho Cucamonga to facilitate the development of walkable and bike-friendly mixed-use places that are appealing to this demographic group.
- Shifting towards infill development - As the City continues to mature and the number of opportunity sites for development becomes limited, it will also be important to encourage new types of development and investment on infill sites to accommodate business growth.
- Implementation without redevelopment - With the demise of redevelopment, the City has fewer tools and staff capacity for economic development activities.

INTEGRATION WITH EXISTING INITIATIVES

This Economic Development Strategic Plan is intended to fortify linkages between existing City initiatives, including Team RC, Healthy RC, and Ready RC, to emphasize that economic development activities are shared across all departments in the City.

- **Team RC** – Team RC defines the cultural foundation of Rancho Cucamonga and sets the vision for the delivery of service for all those that live, work, play, and learn in the City. The concept of Team RC is about empowering its employees through innovation, collaboration, and leadership.
- **Healthy RC** – Healthy RC encourages a healthy and sustainable lifestyle for residents and visitors to Rancho Cucamonga. The City-community partnership includes a wide range of programs, policies, infrastructure and events to create healthy minds, healthy bodies and a clean, sustainable earth.
- **Ready RC** – The Ready RC program is devoted to the recovery of our community through mitigation, preparedness and response activities designs especially for business. Ready RC

provides outreach, training, and relationship building with local businesses *before* an emergency to ease recovery and get the community back on track *after* an emergency.

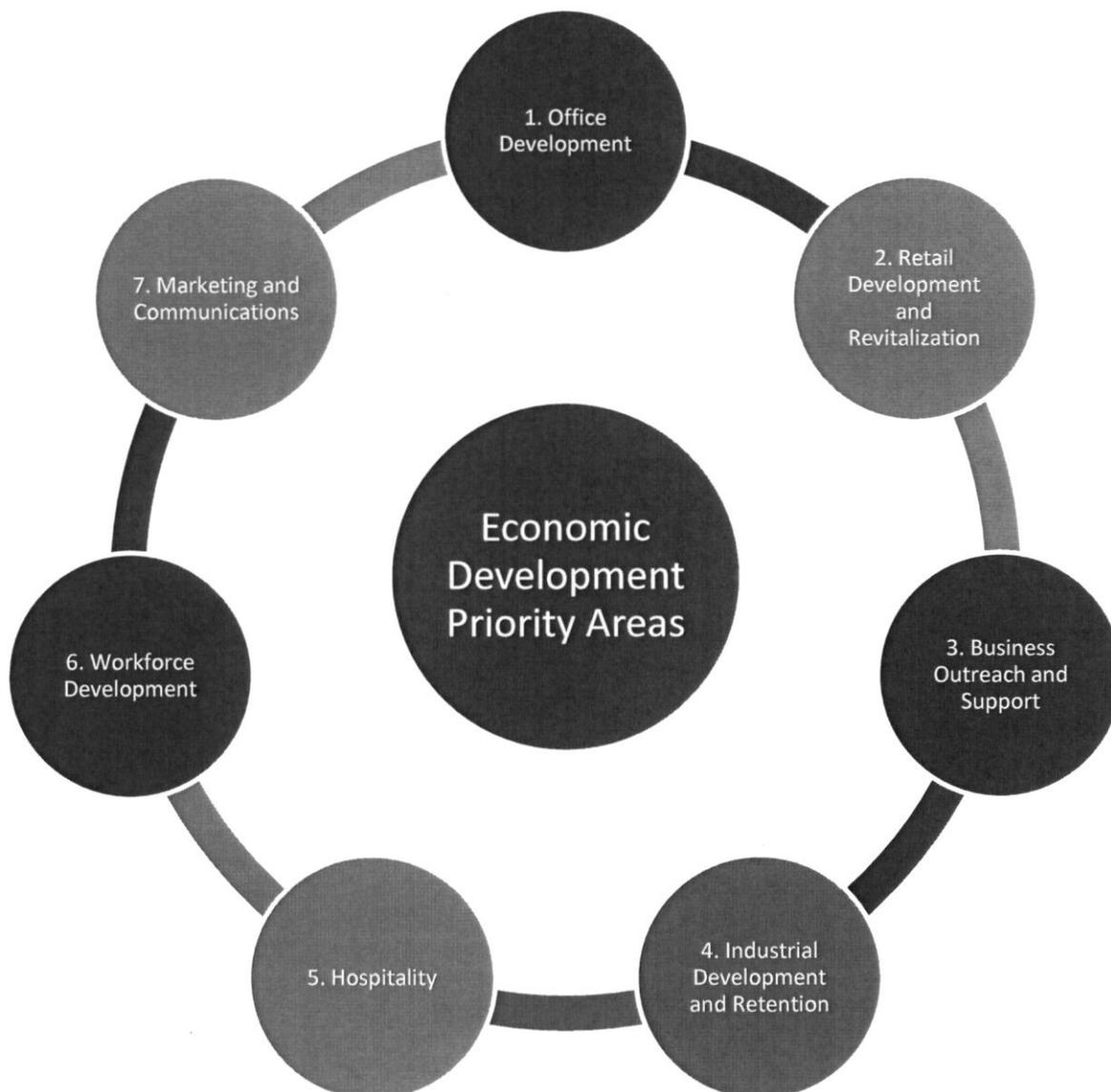
Since it was launched in 2008, Healthy RC has been an exemplar of a partnership between residents, businesses, community organizations, and the City of Rancho Cucamonga. Healthy RC's overarching goals are to be accessible and inclusive of all community members, promote a culture of health, and provide practical solutions for the entire community. Similarly, the ReadyRC initiative is designed to give community members the tools required to be prepared to mitigate, prepare, respond, and recover from community disasters. There are many areas where the Economic Development Strategic Plan connects with the principles of Healthy RC and Ready RC, including:

- **Healthy Lifestyles** – The Economic Development Strategic Plan encourages the creation of walkable, bikeable districts that facilitate physical activity and healthier choices for residents, workers, and visitors. The integration of transit with bicycle and pedestrian infrastructure gives the community better mobility and access to work, school, stores, gyms, and many other destinations.
- **Marketing and Communications** – Like the Healthy RC Dining Program, the Economic Development Strategic Plan contains implementation actions that will highlight the successes of existing businesses and ensure that their stories are being heard.
- **Recruiting Health-Related Businesses** – The Economic Development Strategic Plan identifies health care as one of the key opportunity sectors for growth, with specific actions to recruit and grow the health care industry in the City.
- **Incorporating Sustainability** – The Economic Development Strategic Plan recommends making green infrastructure investments to incorporate sustainability principles into the built environment.
- **Emphasizing Resiliency and Supporting Community Services** – Economic development activities that generate increased revenues and promote fiscal health allow the City to be resilient through economic cycles. In addition, a prosperous economy allows the City to also continue providing high-quality services, especially to low-income families in Rancho Cucamonga.

This Economic Development Strategic Plan emphasizes the multi-departmental Team RC approach to implementation. The Plan prioritizes actions that will allow the City to leverage its existing staff capacity, build on the success of initiatives like Healthy RC and Ready RC, and continue evolving its economic development activities to be responsive to the needs of targeted industries and their workforce.

PRIORITY AREAS FOR ECONOMIC DEVELOPMENT

Based on the results of the Background Report analysis and the input gathered from all the participants in the project, the Economic Development Strategic Plan defines seven Priority Areas for economic development activities in Rancho Cucamonga over the next five years, shown in the diagram below:



Although all of the Priority Areas are important to the City's economic development, they are generally ordered by the frequency in which that issue was cited by staff, City Council members, and stakeholders as an area of concern. For example, office development (Priority Area 1) was frequently discussed as an area requiring attention by the city, while hospitality (Priority Area 5) and workforce development (Priority Area 6) were discussed less often.

The integration of strategies for these seven Priority Areas will allow the City to maintain and strengthen its economic competitiveness over the next five years and beyond. In addition, in recognition that the

City's economic development activities have always required robust partnerships, the Plan emphasizes the need for deepening existing collaborations with local businesses, property owners, brokers, developers, educational institutions, workforce development agencies, regional agencies, and other stakeholders to achieve effective implementation.

For each Priority Area, a brief description of the goals, strategies, implementation actions, lead departments, potential partners, and suggested time frame are provided below.

Priority Area 1: Office Development

Attracting new office development would allow the City to provide more highly skilled jobs in the City that better match the profile of local residents. In addition, it would help to minimize residents' commutes and diversify the local economic base. Although the regional economy is growing, the Inland Empire continues to have excess office vacancies, with limited new development in Rancho Cucamonga. The City's existing office space is generally auto-centric, with few retail and restaurants in walking distance of office buildings. To keep up with changing demand, the City's office areas should evolve into mixed-use, pedestrian-friendly, amenity-rich workplace districts that integrate housing and retail to attract companies and workers. The City must also continue to work on its outreach and recruitment to target industries in order to increase employment in office-based firms. This will require strategies to engage strategic partners in the development community, facilitate discussions with business leaders, and establish a pilot program for recruitment focused on one of the target sectors.

Priority Area 2: Retail Development and Revitalization

A thriving retail market is important to the City's fiscal health as retail sales taxes are a major contributor to the General Fund. Victoria Gardens has been a major asset to Rancho Cucamonga, attracting visitors from the greater region. In addition, many local shopping centers, particularly on the I-210 corridor are well-performing and serving the needs of residents in the City. Outdated and unanchored shopping centers on Foothill Boulevard have lagged behind the success of other retail centers in the City. Flat or declining retail sales from these centers have put strain on the City's General Fund. Rancho Cucamonga should prioritize the revitalization of this historic corridor into a mixed-use, pedestrian-friendly environment that could be a model for the rest of the City. The goal under this Priority Area is to enhance retail centers, especially on the West Foothill corridor, and to encourage mixed-use development at key locations like the Haven office corridor.

Priority Area 3: Business Outreach and Support

Rancho Cucamonga has had success in attracting a wide range of industries throughout its history. Over time, business needs and preferences changed and the City must ensure that it is well positioned to react to these shifts. Businesses note that quality customer service from the City is an expectation, not an amenity. Rancho Cucamonga should evaluate how its service is received by those who have had a good experience and those that state there is room for improvement. The goals in this Priority Area are to ensure that Rancho Cucamonga is seen as a welcoming place for business, and to continue to improve its services to existing companies and potential start-ups.

Priority Area 4: Industrial Development and Retention

Rancho Cucamonga has historically been a sought-after location for industrial businesses in the Inland Empire. The City offers access to the highly-skilled workforce of Southern California, the Ports of Los Angeles and Long Beach, and relatively uncongested freeways that connect to national trucking routes. Industrial demand in the region is strongest for distribution and warehousing as the availability of developable land in the Inland Empire has allowed for large format buildings desired by logistics companies. As Rancho Cucamonga's industrial building stock was developed prior to current business preferences, it consists of smaller warehousing and distribution facilities compared to younger IE cities located to the east. While these buildings are not well-matched to the current preferences of large logistics tenants, they are well-suited for smaller firms, particularly manufacturers. The goal for this Priority Area

is to ensure that the City maintains and grows its industrial businesses, focusing on light industrial, manufacturing, and warehousing.

Priority Area 5: Hospitality

As with retail sales taxes, transient occupancy taxes generated by hotels are a significant source of revenues to the City's General Fund. Rancho Cucamonga hotels have generally tracked to performance of the overall economy. With local economic conditions improving, there has been renewed interest from hotel developers to build in Rancho Cucamonga. Currently, hotels in the City are classified limited-service, offering modest nightly rates and few amenities. Having more full-service hotels that offer higher nightly rates would provide the City with increased TOT revenues, and would help support efforts to attract office-based industries to Rancho Cucamonga. While attracting full-service hotels are a longer-term proposition, in the short-term there is strong potential for smaller boutique hotel development in locations like Victoria Gardens. If the new boutique hotels are successful, this could help lay the groundwork to eventually attract full-service hotels to the City. The strategies to promote the hospitality sector include attracting new hotel properties to Rancho Cucamonga, and continuing efforts to increase visitation to the region and to the City in partnership with Greater Ontario Tourism Marketing District.

Priority Area 6: Workforce Development

Rancho Cucamonga has had success in attracting highly skilled professionals due to its strategic location, as well as excellent residential neighborhoods, schools, parks, community facilities, and other amenities. The City's skilled labor force is one of its greatest assets for economic development. However, the lack of multifamily apartment and condominium housing in Rancho Cucamonga may impede its ability to attract younger professionals at the beginning stages of their careers. While nearly half of the city's households are small one- and two-person households, more than two-thirds of the existing housing units are single-family homes. There is a shortage of new multi-family apartment and condominium units with the features and amenities that meet the needs of younger professionals (singles and couples without children). The goal for this Priority Area is to ensure that Rancho Cucamonga remains competitive and continues to attract qualified employees by encouraging the development of a wider variety of workforce housing options, and to work closely with workforce partners to cultivate local talent.

Priority 7: Marketing and Communications

The City's existing marketing and communications efforts are primarily geared toward providing information to residents as a means of building stronger neighborhoods and communities, which are important to maintaining and strengthening quality of life. These include social media strategies sharing news and tips on emergency preparedness, newsletters, advertising, and BYB2RC. To achieve its economic development goals and attract businesses that will further strengthen quality of life, the City should expand its outreach strategies and structures to focus on strengthening and growing jobs in key economic development sectors (professional services, health, and pharmaceutical businesses). Strategies include auditing marketing materials to hone the Rancho Cucamonga brand, enhancing the individualized sales approach for recruitment, and establishing an online and social media presence that is dedicated to economic development.

III. BACKGROUND REPORT FINDINGS

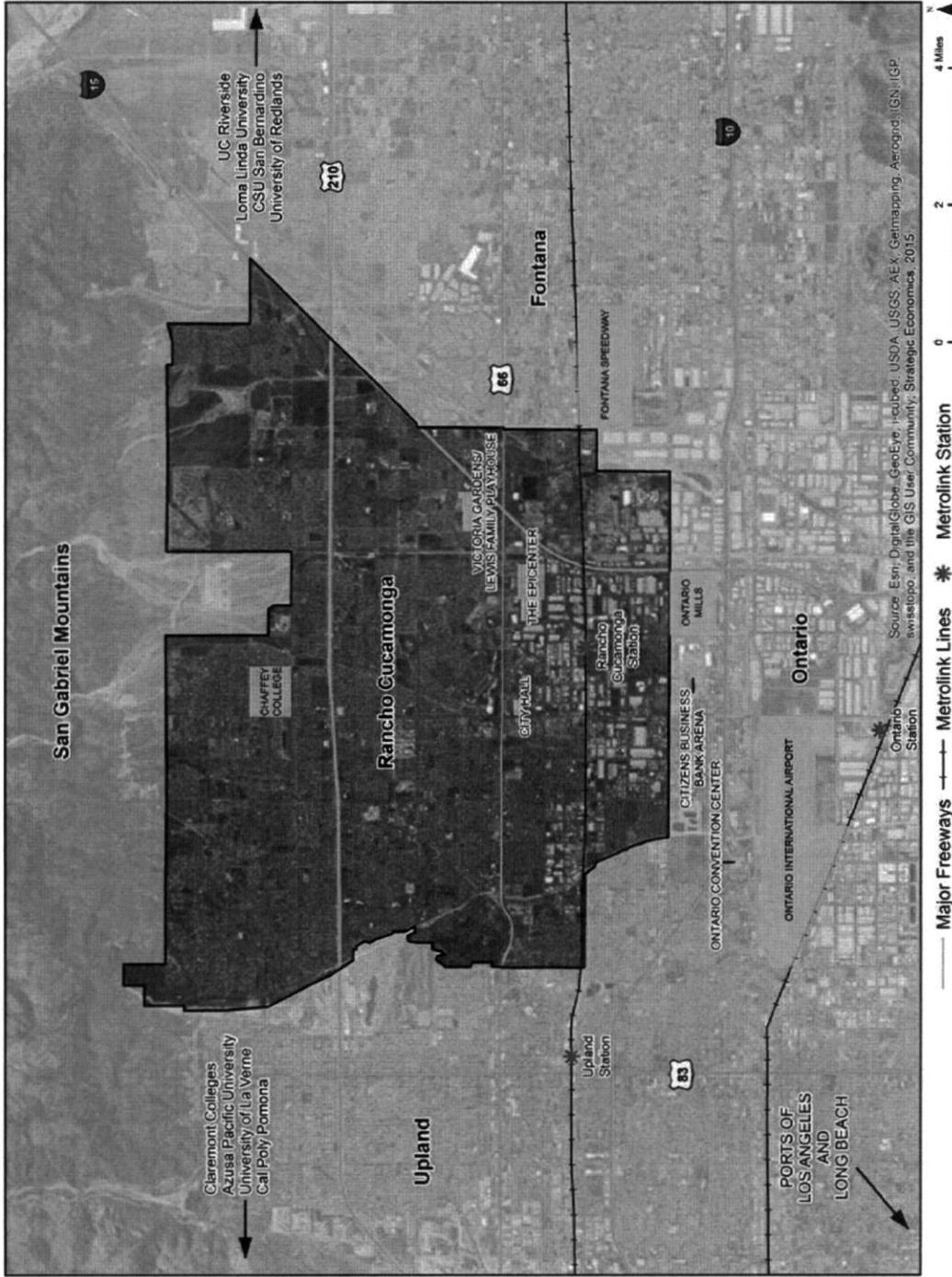
The Background Report of the Economic Development Strategic Plan (EDSP) provided an evaluation of population, employment, and market trends; identified local and regional assets; and summarized the opportunities and barriers to growth. The report also identified the growth potential of key industries in Rancho Cucamonga to set the stage for the creation of an effective economic development strategy. The following summarizes the key findings of the economic background report, which is the foundation for the strategies and implementation actions recommended in the EDSP. Also included is an assessment of the City's existing marketing and communications functions as they relate to economic development to inform recommendations regarding new outreach and communications strategies.

COMPETITIVE CONTEXT

The City of Rancho Cucamonga is located at the junction of the Inland Empire (IE) to the east, and Los Angeles County (LA County) to the west. Rancho Cucamonga's future growth potential depends largely on the development and market pressures exerted in the region as a whole. Some of the City's key assets that will influence economic development in Rancho Cucamonga (see **Figure 1**) include:

- **Land availability relative to other communities.** The City still has a significant number of development opportunities on both "greenfield" sites and infill properties.
- **Ports and airports.** The ports of Los Angeles and Long Beach, rail infrastructure, rich freeway access, and the proximity of the LA/Ontario International Airport all support the City's economic growth, particularly for goods movement and logistics industries.
- **Transportation access.** Rancho Cucamonga is fortunate to have both freeway access and a Metrolink rail station, both of which provide strong regional connections for commuters. In addition, the airport serves a variety of businesses as well as hotel and recreation uses.
- **Quality of life.** Local business owners, developers, real estate brokers and other stakeholders consistently cited Rancho Cucamonga's quality of life as the City's primary competitive advantage. The City's quality of life is reinforced by programs, policies, infrastructure, and events included in the Healthy RC initiative.
- **Educational resources.** The City is home to Chaffey College and a satellite campus of the nearby University of Redlands, and only a few miles from the Claremont Colleges. The surrounding region includes the University of La Verne, Azusa Pacific University, University of California Riverside, Cal Poly Pomona, Loma Linda University, and California State University, San Bernardino. In addition, the City's public school district is well regarded and an important attractor for employees and businesses.
- **Built environment.** Commercial real estate brokers report that the City of Rancho Cucamonga is well-known for its high quality building stock and first-class municipal infrastructure.

Figure 1: Rancho Cucamonga's Local Assets



Source: Esri, DigitalGlobe, GeoEye, iSatellite, USDA, USGS, AEX, Geomapping, Aerogrid, IGN, IGP, swisstopo, and the GIS User Community, Strategic Economics, 2015.

POPULATION AND EMPLOYMENT

Rancho Cucamonga and the greater Inland Empire region have grown rapidly over the last two decades, and the growth trend is expected to continue. The City grew from 100,000 residents in 1990 to 165,000 residents in 2010. The rate of population growth is expected to slow slightly in coming decades but will remain strong.

Rancho Cucamonga currently has a diverse employment base, with particular strengths in manufacturing, logistics, retail, accommodation and food services, and health care. There are significant employment concentrations in manufacturing and logistics industries, with many opportunities for growth. Retail and health care are also likely to experience strong growth along with population increases in the region.

Office-based jobs are a small but growing part of Rancho Cucamonga's employment picture. Rancho Cucamonga is a competitive location for office users; from 1998 to 2011, 20 percent of all new Office-based jobs in the region were captured in Rancho Cucamonga. It is important to note, however, that Rancho Cucamonga's total share of Office-based jobs still lags that of LA County.

WORKFORCE

Rancho Cucamonga has a healthy jobs-housing balance, with a ratio of nearly one job in the City for each employed resident. However, most residents do not work in the city. In 2011, 13 percent of Rancho Cucamonga residents worked in the City, and 49 percent work in the Inland Empire. After the City of Rancho Cucamonga, the City of Los Angeles is the most common commute destination for residents. It is important to note that many cities – including neighbors such as Ontario and Fontana – have similar or greater shares of residents commuting elsewhere.

Rancho Cucamonga residents have relatively high levels of educational attainment compared to those in the surrounding region. In 2012, nearly 27 percent of Rancho Cucamonga residents had a Bachelor's degree or higher, compared to 17 percent for the Inland Empire as a whole. The share of Rancho Cucamonga residents with a Bachelor's degree or higher more closely resembles Los Angeles County than the Inland Empire. This indicates that there may be potential for the City to attract firms that value proximity to a highly educated workforce.

There is an apparent mismatch between the educational attainment associated with Rancho Cucamonga jobs and that of its residents. The most common jobs in Rancho Cucamonga are those that typically require a high school degree or less, while most residents have at least a couple of years of college education or an Associate's degree

INDUSTRIAL DEVELOPMENT AND RETENTION

Rancho Cucamonga has many competitive advantages for industrial uses, including superior regional location, access, and high-quality buildings. Rancho Cucamonga has a strong industrial market, particularly for distribution and warehousing activities. The majority of new planned or proposed construction in Rancho Cucamonga is industrial in nature.

Rancho Cucamonga is well-positioned to capture future growth in manufacturing, particularly in the established smaller scale industrial area. The area bounded by East Foothill Boulevard to the north, Haven Avenue to the west, Fourth Street to the south, and I-15 to the east (see the area outlined in yellow in **Figure 2**) has a high number of smaller floor-plate industrial and office buildings of less than 50,000 square feet, which are ideal for small manufacturers and office-based businesses that support the larger

logistics users. Commercial broker reports cite increased demand for smaller manufacturing facilities that are able to shift production quickly, and the demand for these types of smaller spaces is on the rise in the Inland Empire. Rancho Cucamonga has a strong advantage in attracting these types of firms, including a well-trained workforce; a strong reputation for quality of life; reduced time costs due to its location; and discounted utilities. The City is well-positioned to attract a variety of different manufacturing businesses, ranging from larger firms producing food or tires, to smaller firms specializing in advanced manufacturing or value-added technologies. However, proactive efforts on behalf of the City and region will likely remain necessary to continue to attract manufacturing businesses.

While many of the city’s existing buildings are not sufficiently large for large logistics users, there are opportunities to accommodate distribution and warehousing tenants in new buildings. Brokers report that distribution and warehousing tenants are looking for at least 500,000 square feet, 36 foot clearance heights, more loading docks, and secured yards for trucks. Most of Rancho Cucamonga’s current industrial building stock is not well-matched to new warehousing space. However, there are opportunities to accommodate new development of large distribution centers in the area bounded by East Foothill to the north, I-15 to the west, East Fourth Street to the south, and the city of Fontana to the east (see the area outlined in red in Figure 2).

Figure 2: Key Industrial Areas



OFFICE DEVELOPMENT

The Rancho Cucamonga office market is small but has potential for growth in the long term. The City's office market primarily serves smaller, local-serving businesses or regional back-office operations. The current economic recovery has led to renewed interest in the Inland Empire office market, and that more regional and even national businesses have become interested in locating in Rancho Cucamonga. This demand is primarily driven by industrial businesses, which prefer to locate their corporate headquarters or regional offices near their industrial facilities. In the short-term, local brokers report that Rancho Cucamonga is unlikely to attract new Class A office development without a tenant in place, given the high vacancy rates in new office buildings developed in the IE. In the longer term, brokers report that Class A office development in Rancho Cucamonga may be possible in conjunction with proactive efforts to raise the City's visibility as a Class A office destination.

Rancho Cucamonga's existing office space has generally been built in single-use, auto-oriented environments, lacking on-site amenities such as retail, restaurants and services. Increasingly, tenants value having convenient, nearby amenities and services such as health clubs, retail, and restaurants, within walking distance of the office. This vision of walkable employment districts featuring a mix of uses is consistent with the Healthy Rancho Cucamonga initiative's principles. Real estate brokers report that – with the exception of office space at Victoria Gardens – most office locations in Rancho Cucamonga do not offer walkable amenities for workers. Brokers also note that Rancho Cucamonga lacks the creative, flexible office space currently in demand by many tenants.

Quality of life and a highly-skilled labor force are Rancho Cucamonga's primary advantages in attracting office talent. Rancho Cucamonga has developed a reputation for good schools, high-quality homes, and an educated workforce. Brokers noted that – as a result of these factors - the City is the preferred residential location in the Inland Empire for business owners and skilled workers. Factors such as quality of life and proximity to walkable, mixed-use environments will be critical to attracting talented young workers, as well as the development of new Class A office space.

The southern end of Haven Avenue is best positioned for future growth. Due to its relative proximity to Interstates 10 and 15 and the LA/Ontario International Airport, the southern portion of Haven Avenue has the greatest potential to attract office tenants and future office development. The build-out of Empire Lakes and Piemonte at Ontario Center will further enhance the area, through increased residential and office activity, and the provision of additional retail amenities.

RETAIL DEVELOPMENT AND REVITALIZATION

Rancho Cucamonga is the premier retail destination in San Bernardino County. Brokers report that national retailers show a strong interest in Rancho Cucamonga due to the City's high income and education levels, strong population growth, and good freeway access. Victoria Gardens is a regional shopping destination and a major asset to the City of Rancho Cucamonga. Part of the center's success is its uniquely walkable retail experience with a family-friendly atmosphere. In addition, restaurants are performing particularly well in Rancho Cucamonga.

The need to revitalize under-performing centers will be important to address in order to increase sales and provide needed sales tax revenues for the City. While Victoria Gardens and other anchored shopping centers are performing well, outdated or unanchored centers are struggling. National tenants prefer to locate in anchored centers –those with a major tenant such as a grocery or department store - because the anchor tenant tends to draw more customers to the shopping center. While anchored centers have led the retail recovery, brokers note that the unanchored centers are more challenging to tenant and command much lower rental rates.

The creation of mixed-use, walkable and bike-friendly environments within Rancho Cucamonga will contribute to the City’s competitive advantage by improving quality of life and access to retail and entertainment amenities. Vertical mixed-use development in Rancho Cucamonga may be limited in the short term, due to the high cost of structured parking and the unproven nature of the market. However, there is short-term potential for horizontal mixed use development, in which residential, retail and even office uses retain separate buildings, but are integrated into a multi-use, walkable district. If planned and phased appropriately, these horizontally mixed-use districts can set the stage for higher density vertical mixed-use development in the longer term. These types of mixed-use places are also consistent with the City’s goal to encourage a healthy and sustainability lifestyle for residents and visitors, as envisioned in the Healthy RC initiative, and may contribute to the revitalization of underperforming retail centers.

HOTEL

Rancho Cucamonga is home to twelve hotels, located primarily along Fourth Street and Foothill Boulevard. All of the hotels currently located in Rancho Cucamonga are defined as limited service, meaning they lack amenities such as eat-in restaurants, bars, and conference facilities. These hotels have historically tracked the broader economy, performing well when people have money to spend and struggling when travelers start to cut back on expenses. The Fourth Street corridor is the location of choice in Rancho Cucamonga for national hotel brands. Six of eight national brand hotels are located on Fourth Street, accounting for almost 79 percent of Rancho Cucamonga’s Transient Occupancy Tax (TOT) revenues.

The performance of the local hotel cluster is healthy and contributes significantly to the City’s long-term fiscal health.

In the last two years, the occupancy rates and revenues from hotels in Rancho Cucamonga have grown significantly. Average daily rates (ADRs) in Rancho Cucamonga are generally higher than the IE but slightly lower than LA County.

Future hotel growth is tied to the passenger volume at Ontario Airport. The number of passengers using the airport has declined by 45 percent since 2007, largely due to fare increases and reduced service. The airport has become less competitive than other regional airports like LAX. The outcome of a pending lawsuit regarding local control of the airport will have consequences for the local hospitality industry.

In the short-term, the potential for a boutique hotel in Rancho Cucamonga is strong; full-service hotels will take longer to attract. Given the budget-conscious nature of many visitors to the Inland Empire and the existing supply of limited-service hotel, there is limited potential for attracting a new full-service hotel in Rancho Cucamonga. Ontario’s full-service hotels – the DoubleTree Hotel Ontario Airport and Embassy Suites Ontario Airport – are currently struggling; the Embassy Suites has filed for bankruptcy, and the DoubleTree has been forced to lower its rates to compete with limited service hotels. However, there is strong potential for new boutique hotels at Victoria Gardens. Although they may not be classified as “full-service” in traditional terms, they are more likely to be upscale in nature and will have access to many amenities of a full-service hotel due to their location within Victoria Gardens.

MARKETING AND COMMUNICATIONS

Figure 3 on the following page outlines the City’s current use of communications tools (including social media) for economic development and other marketing purposes. For each tool, the table summarizes the lead department, principal functions, desired outcome, and primary audience.

The City is already engaged in using an expansive set of marketing and communications tools; however, the vast majority of them are primarily targeted to existing residents and to existing businesses. The only marketing activity that is specifically tailored towards prospective firms is the Business Visitation Program. Although the BYB2RC is also meant to bring in prospective businesses, the primary channel for the communications strategy is through existing residents, who are meant to generate the leads.

The generation of promising leads for new business recruitment is almost always a result of direct personal contact with the decision makers of business prospects, rather than through existing residents. One-on-one interviews with City staff, and a review of best practices in the field of local economic development, have revealed that there is no substitute for individualized outreach. Business decisions to locate or relocate to a new City are not made lightly; significant investment is made by business leaders to weigh the options and understand the context of any potential new “homes.” There is a need for sustained one-on-one attention and relationship development with business prospects and/or strategic partners, such as site selectors and commercial real estate brokers are opportunities to encourage long-term relationships with Rancho Cucamonga.

Social media tools can also play an important role in amplifying the City’s economic development “brand,” initiatives, and successes. However, the City must shift towards the use of tools that are more business-oriented rather than resident-oriented in order to make connections with prospective businesses that it wishes to recruit.

Figure 3: Existing Marketing and Communications Efforts

Marketing Tool	Lead Department	Function	Desired Outcome	Primary Audience		
				Existing Residents	Existing Businesses	Prospective Businesses
Social Media (Facebook, Twitter, Next Door, Vimeo)	City Manager's Office	Sharing news, events, tips, emergency messages	Build stronger neighborhoods and community, promote use of City offerings and resources, emergency preparedness	Yes	Yes	No
Newsletters ("Grapevine")	City Manager's Office	Sharing news, events, tips	Build stronger neighborhoods and community, promote use of City offerings and resources, emergency preparedness	Yes	Yes	No
Business Visitation	Planning/ Economic Development	Maintain existing businesses (primary function, currently); lead generation, relationship development or relocation to RC	Strengthening of existing businesses and relationships. Business location or relocation to RC	No	Yes	Yes
BYB2RC	Planning/ Economic Development	Generate potential business prospects by encouraging residents to contact their employers	Business location or relocation to RC	Yes	No	No
Greater Ontario Market District Partnership	City Manager's Office	Attract conferences and conventions to the area; offer RC hotel and amenity offerings	RC as destination	No	No	No
Collateral Information and Advertising (economic development focus)	City Manager and Planning/ Economic Development	Provide prospective business with information via periodic advertisements in industry publications, brochures, and conferences/events	Business location or relocation to RC	No	No	Yes
Outdoor Advertising (billboards, street banners, direct mail)	All	Sharing news, events	Build stronger neighborhoods and community	Yes	Yes	No
Broadcast Advertising	All	Sharing news, events, tips, emergency messages	Build stronger neighborhoods and community, promote use of City offerings and resources, emergency preparedness	Yes	Yes	No
City Website	All	Sharing news, events, tips, emergency messages	Build stronger neighborhoods and community, promote use of City offerings and resources, emergency preparedness	Yes	Yes	No
Library Advertising	All	Sharing news, events, tips	Build stronger neighborhoods and community, promote use of City offerings and resources	Yes	Yes	No

Source: City of Rancho Cucamonga, MIG, Strategic Economics, 2014.

TARGET INDUSTRY ASSESSMENT

Based on the economic, employment and real estate trends described above, as well as interviews with City staff, Strategic Economics identified five target industry groups in Rancho Cucamonga. Each industry group was evaluated on the following key characteristics:

- Projected Job Growth – forecasted growth in the Inland Empire and Los Angeles County from 2010 to 2020.
- Real Estate Market Demand – suitability of the industry group to Rancho Cucamonga’s real estate market conditions.
- Rancho Cucamonga’s Competitive Position – attractiveness of Rancho Cucamonga to industry groups based on location, assets, land uses, and transportation networks.
- Compatibility with Resident Labor Force – match between the skills required by the industry group and the educational attainment levels of the majority of existing residents, which are generally higher than residents of the surrounding region (68 percent of Rancho Cucamonga residents have some college, or earned an Associate’s degree or higher).
- Average Wage – wage levels offered by occupations in the industry group relative to the City’s median wage of \$42,700.

The five industry groups, listed in alphabetical order, are described further below and summarized on **Figure 4** on the following page.

1. **Health Care and Social Assistance** – The Health Care and Social Assistance sector is expected to add more than 130,000 new jobs in the Inland Empire and Los Angeles County from 2010 to 2020. Jobs in this sector provide higher than average wages, and a large share of them require higher education, which make them a good fit for the City’s labor force.
2. **Manufacturing** - The City is home to a wide variety of different types of manufacturing businesses currently. The jobs in this sector range from entry-level to high-skill occupations. Brokers and industrial businesses report that Rancho Cucamonga is a highly competitive location for manufacturing, and there are signs that this sector has potential to grow in the City as other locations in the region become more expensive.
3. **Professional, Scientific, and Technical Services**- While this sector is not expected to grow significantly, Rancho Cucamonga has historically been more successful at attracting these industries than the Inland Empire overall. The most common jobs in these types of industries demand a high level of education, and are therefore a good match for Rancho Cucamonga residents.
4. **Retail, Accommodation, and Food Services** – These combined industries are expected to add more than 215,000 new jobs to the region from 2010 to 2020. While the jobs in this industry group do not typically offer high wages, these services are important for attracting and retaining residents, businesses, and visitors. The revenues generated by retail, restaurants, and hotels also play a critical role in the long-term fiscal health of the City.

5. **Transportation, Warehousing, and Wholesale Trade** – The logistics industry is projected to grow rapidly in the region, with strong market support for development in the Inland Empire and Rancho Cucamonga.

Each of the five industry groups evaluated above has the potential to contribute to Rancho Cucamonga’s economic development in different ways. Overall, growth in these industry groups – and Healthcare and Social Assistance and Professional, Scientific and Technical Services in particular – will help to achieve many of the city’s economic development objectives, including creating new jobs that better match the educational levels of existing residents, reducing commutes for residents and workers, and encouraging a healthier lifestyle. Specific goals and strategies associated with these target industry groups are explored further in Section III of this report.

Figure 4: Industry Assessment Matrix

Industry Group	Projected Job Growth	Real Estate Market Demand	Rancho Cucamonga Competitive Position	Compatibility with Resident Labor Force	Average Wage Relative to City Median*
Healthcare and Social Assistance	Strong	Strong	Moderate	Strong	Higher
Manufacturing	Low	Moderate	Moderate	Moderate	Moderate
Professional, Scientific and Technical Services	Moderate	Low	Moderate	Strong	Higher
Retail, Accommodation and Food Services	Strong	Moderate	Moderate	Low	Lower
Transportation, Warehousing and Wholesale Trade	Strong	Strong	Moderate	Moderate	Moderate

*The estimated median wage for existing jobs in Rancho Cucamonga is \$42,700.

Source: Strategic Economics, 2014.

IV. STRATEGIES AND ACTIONS

Based on the results of the Background Report analysis and the input gathered from all the participants in the project, the Economic Development Strategic Plan defines seven Priority Areas for economic development activities in Rancho Cucamonga over the next five years:

1. Office Development
2. Retail Development and Revitalization
3. Business Outreach and Support
4. Industrial Development and Retention
5. Hospitality
6. Workforce Development
7. Marketing and Communications

For each Priority Area, a brief description of the goals, strategies, implementation actions, lead departments, potential partners, and suggested time frame are provided below.

Priority Area 1: Office Development

Attracting new office development would allow the City to provide more highly skilled jobs in the City that better match the profile of local residents. In addition, it would help to minimize residents' commutes and diversify the local economic base. Although the regional economy is growing, the Inland Empire continues to have excess office vacancies, with limited new development in Rancho Cucamonga. The City's existing office space is generally auto-centric, with few retail and restaurants in walking distance of office buildings. To keep up with changing demand, the City's office areas should evolve into mixed-use, pedestrian-friendly, amenity-rich workplace districts that integrate housing and retail to attract companies and workers.

The City must also continue to work on its outreach and recruitment to target industries in order to increase employment in office-based firms. This will require strategies to engage strategic partners in the development community, facilitate discussions with business leaders, and establish a pilot program for recruitment focused on one of the target sectors.

Strategies

Recruit new office users to the City, with a focus on professional services, health, and pharmaceutical industry sectors.

The City's recruitment efforts to attract more office jobs that meet the educational attainment levels of the workforce should focus on the sectors identified in the Background Report as the industries with the highest potential for growth in Rancho Cucamonga. These include professional services, health, and pharmaceutical businesses.

Encourage development of mixed-use office districts that integrate housing, office, retail, and amenities.

Many of today's workers, particularly younger professionals, prefer pedestrian-friendly environments with housing and retail options within close proximity to jobs. Rancho Cucamonga should encourage these mixed-use districts to remain competitive for office-based companies in the target industries.

Facilitate a walkable, bicycle-friendly environment in office districts consistent with Healthy RC.

Workers have indicated that they would prefer to have multiple transportation options for their commute. Rancho Cucamonga can build upon the Healthy RC Initiative to provide residents and workers with alternative modes to get around.

Leverage new transit investments to strengthen the attractiveness of Rancho Cucamonga for office development. Quality of life has always been one of Rancho Cucamonga’s advantages in attracting residents to the City. New transit investments, including a Bus Rapid Transit system along Foothill Boulevard, are coming soon and will further contribute to that quality of life. The City should leverage its quality of life and new transit investments to make Rancho Cucamonga a more desirable place to develop office buildings and create walkable, mixed-use environments that attract Class A tenants.

Develop strategic partnerships with commercial real estate experts.

To recruit new corporations and office users, the City should engage strategic players in the location and relocation process, such as site selectors and commercial real estate brokers. As a first step, the City may consider conducting informal focus groups or roundtable lunch discussions as a way to gain a better understanding of the clients and potential businesses from site selectors and commercial real estate brokers. Developing long-term relationships with these strategic players and leveraging their knowledge of their clients’ needs can inform the City’s longer term economic development strategy.

Implementation Actions

1.1 Leverage existing relationships with brokers and site selection professionals to gain deeper insight on the location decisions of target industries.

The City will identify qualified real estate experts in the community and conduct informal but regularly scheduled luncheons to deepen relationships and keep partners apprised of the city’s economic development goals and priorities. The City will endeavor to learn more about the location decisions of target industries through this effort to inform a more tailored recruitment and marketing strategy.

Lead Department: Planning/Economic Development

Partners: Brokers, Site Locators

Time Frame: Short (1-2 years)

1.2 Establish a pilot program focused on recruitment of one of the target sectors for economic development.

Based on input gathered from real estate professionals, develop and test a pilot program to recruit one of the key target industries (professional services, health, or pharmaceuticals). Conduct the pilot program with a few targeted business prospects to “beta test” the effort and gather constructive feedback.

Lead Department: Planning/Economic Development

Partners: Businesses

Time Frame: Medium (2-3 years)

1.3 Explore ways to work with regional partners (San Bernardino County, IEPP) to raise the profile of the region and attract office users.

Rancho Cucamonga will deepen its partnerships with regional entities like the County of San Bernardino Economic Development Agency and Inland Empire Economic Partnership to create a more targeted business attraction strategy that focuses on the key industries (professional services, health, and pharmaceutical businesses).

Lead Department: Planning/Economic Development

Partners: County of San Bernardino Economic Development Agency, Inland Empire Economic Partnership

Time Frame: Short (1-2 years)

1.4 Attend targeted economic development events to promote Rancho Cucamonga to prospective target companies.

Rancho Cucamonga staff will prioritize economic development events that are targeted to professional services, health, and pharmaceutical companies to build awareness of the City as a location for new businesses. Some of the events that may be prioritized in the first year of implementation include MD&M West, Electronics West, and Pacific Design and Manufacturing, and the California Economic Summit. The City will maintain a record of the amount of successful recruitment that is derived from these events.

Lead Department: Planning/ Economic Development

Partners: Communications Manager

Time Frame: Short (1-2 years)

1.5 Target recruitment of corporate/regional headquarters to companies with industrial facilities already in the City or Inland Empire.

Rancho Cucamonga will identify corporations with industrial facilities but no office presence in the City. Rancho Cucamonga will emphasize its high quality of life and potential for greater quality control as potential reasons for these businesses to relocate.

Lead Department: Planning/Economic Development

Partners: County of San Bernardino Economic Development Agency, Inland Empire Economic Partnership

Time Frame: Medium (2-3 years)

1.6 Encourage office developers to integrate multi-family housing, retail, and restaurants into their development projects within a five- to ten-minute walk distance.

Rancho Cucamonga will work with developers to include a mix of uses in new office developments in the district (within a five- to ten-minute walking distance) that takes the form of horizontal or vertical construction. The City will develop and implement policies that encourage developers looking to create mixed-use projects, including rental apartments and condominiums.

Lead Department: Planning/Economic Development

Partners: Public Works

Time Frame: Short (1-2 years)

1.7 If retail is not viable currently, work closely with office and mixed-use developers to design projects that can be phased to accommodate retail uses in later phases.

Rancho Cucamonga will work with developers to site new office projects to allow for future phases to include retail uses in the event that mixed-use is not currently viable. This includes potential policies such as requiring minimum ceiling heights of approximately 15 feet on the ground floor in order to enable conversion to retail use in later phases.

Lead Department: Planning/Economic Development

Partners: Developers, Building and Safety Services

Time Frame: Medium (2-3 years)

1.8 Identify and encourage pedestrian and bicycle improvements in office districts to better connect them to retail centers, transit stops, and recreational trails.

The City will identify opportunities for pedestrian and bicycle improvements within office districts to improve connectivity to housing, retail, and recreation.

Lead Department: Planning/Economic Development

Partners: Public Works, Engineering Services

Time Frame: Medium (2-3 years)

1.9 Continue to work with transit agencies to encourage public transit improvements on Haven and Milliken.

Rancho Cucamonga will continue to collaborate with Metrolink and Omnitrans to provide higher quality transit service on Haven and Milliken to better serve the office corridor. The City will work with transit agencies to evaluate how public transportation is currently utilized and identify opportunities for enhanced service.

Lead Department: Planning/Economic Development

Partners: Metrolink, Omnitrans, Engineering Services

Time Frame: Long (3-5 years)

Priority Area 2: Retail Development and Revitalization

A thriving retail market is important to the City's fiscal health as retail sales taxes are a major contributor to the General Fund. Victoria Gardens has been a major asset to Rancho Cucamonga, attracting visitors from the greater region. In addition, many local shopping centers, particularly on the I-210 corridor are well-performing and serving the needs of residents in the city. Outdated and unanchored shopping centers on Foothill Boulevard have lagged behind the success of other retail centers in the city. Flat or declining retail sales from these centers have put strain on the City's General Fund. Rancho Cucamonga should prioritize the revitalization of this historic corridor into a mixed-use, pedestrian-friendly environment that could be a model for the rest of the city. The goal for this section is to enhance retail centers and encourage mixed-use development at key locations.

Strategies

Revitalize declining shopping centers, focusing on West Foothill Corridor.

Retail sales are critical to the fiscal health of the City and aging, unanchored shopping centers on West Foothill generate lower sales revenues than elsewhere. Rancho Cucamonga should work to assist these struggling centers to boost sales tax revenues to the City.

Encourage mixed-use development and newer retail tenants and formats.

Many neighborhoods in Rancho Cucamonga lack the walkability that attracts younger workers and students. The City should encourage development patterns that allow for mixed-uses and newer retail formats.

Implementation Actions

- 2.1 Identify shopping centers in West Foothill Corridor that have low or declining sales and offer technical assistance to property owners.**
 The City will undertake an in-depth retail analysis of the West Foothill Corridor to obtain quantitative data on the performance of individual shopping centers and identify those with low or declining sales. Once these centers have been identified, the City may conduct outreach to brokers, property owners, and businesses in these centers to provide targeted technical assistance.
Lead Department: Planning/Economic Development
Partners: Retail Brokers, Property Owners, Retail Businesses
Time Frame: Medium (2-3 years)
- 2.2 Conduct ongoing outreach to brokers and site selection professionals to match businesses to existing vacant spaces.**
 Rancho Cucamonga will continue communicating with brokers and site selection professionals to inform them of priority areas. The City will work with these individuals to match businesses to existing properties.
Lead Department: Planning/Economic Development
Partners: Retail Brokers, Property Owners, Retail Businesses
Time Frame: Short (1-2 years)
- 2.3 Offer incentives to property owners in declining shopping centers that are considering redevelopment and revitalization options.**
 The City will reach out to owners of underperforming shopping centers and offer zoning and design incentives to encourage redevelopment into mixed-use projects. Incentives could include an expedited entitlement process and more flexible design guidelines.
Lead Department: Planning/Economic Development
Partners: Property Owners, Retail Brokers, Retail Businesses
Time Frame: Short (1-2 years)
- 2.4 Continue to support re-tenanting in existing shopping centers by relaxing parking requirements without requiring individual parking studies.**
 The City will seek to minimize the need for individual parking studies for businesses interested in leasing space in declining shopping centers. The City may consider performing its own parking study for the Foothill Corridor to determine if there is potential for reducing parking requirements in certain shopping centers.
Lead Department: Planning/Economic Development
Partners: Engineering Services, Property Owners, Retail Brokers, Retail Businesses
Time Frame: Short (1-2 years)
- 2.5 Continue to improve signage code and landscaping requirements to allow for better retail visibility.**
 The City will identify areas for improvement in the signage code and landscape requirements to allow for better retail visibility from street level. The City will consult with retail brokers and business owners to understand concerns about the current code.
Lead Department: Planning/Economic Development

Partners: Public Works, Retail Brokers, Retail Businesses
Time Frame: Medium (2-3 years)

2.6 Work with property owners and developers to organize a series of visioning workshops for each segment of the Foothill Corridor.

The City will engage property owners on Foothill Boulevard to attend two to three visioning workshops, with a goal of creating a sense of the possible improvements to the east and west segments of the corridor. The workshops might include illustrations of shopping center redesign options, signage and lighting investments, and other design improvements that revitalize the corridor. The City will act as a facilitator in the discussion.

Lead Department: Planning/Economic Development

Partners: Retail Brokers, Developers, Property Owners, Retail Businesses

Time Frame: Medium (2-3 years)

2.7 Reduce parking requirements to encourage higher intensity development, particularly in locations served by transit.

The City will examine its parking regulations for new developments to determine if locations are oversupplied with parking. The City will prioritize areas well-served by transit for further reductions in parking requirements.

Lead Department: Planning/Economic Development

Partners: Engineering Services, Public Works, Metrolink, Omnitrans

Time Frame: Medium (2-3 years)

2.8 Apply mixed-use zoning that allows for both horizontal and vertical mixed-use projects.

To facilitate mixed-use, the City will apply zoning along the West Foothill Corridor that encourages vertical but also allows for horizontal mixed-use projects that create strong pedestrian and street connections between uses. When real estate conditions are sufficient for vertical mixed-use to be feasible, the City may revisit the zoning code as necessary.

Lead Department: Planning/Economic Development

Partners: Public Works, Engineering Services

Time Frame: Medium (2-3 years)

2.9 Recruit new retail and restaurants that cater to younger professionals and “empty nester” households.

The City will actively recruit retail tenants that diversify the retail mix in Rancho Cucamonga and create unique experiences for customers. For example, both Millennials and Baby Boomers are more likely to eat out than other demographic groups. Millennials in particular have a demonstrated preference for casual, affordable, gourmet and “exotic” restaurants. When recruiting new retail and restaurants, the City should consider businesses that can appeal to these important market segments.

Lead Department: Planning/Economic Development

Partners: Retail Brokers, Developers

Time Frame: Medium (2-3 years)

2.10 If mixed-use is not viable currently, work closely with housing developers to design projects that can be phased to accommodate retail uses in later phases.

Rancho Cucamonga will work with developers to site new residential projects to allow for future phases to include retail uses in the event that mixed-use is not currently viable. This includes potential policies that require minimum ceiling heights of 15 feet on the ground floor to allow for conversion to commercial uses in later stages of community build out.

Lead Department: Planning/Economic Development

Partners: Developers

Time Frame: Medium (2-3 years)

Priority Area 3: Business Outreach and Support

Rancho Cucamonga has had success in attracting a wide range of industries throughout its history. Over time, business needs and preferences changed and the City must ensure that it is well positioned to react to these shifts. Businesses note that quality customer service from the City is an expectation not an amenity. Rancho Cucamonga should evaluate how its service is received by those who have had a good experience and those that state there is room for improvement. The goal for this section is to ensure that Rancho Cucamonga is seen as a welcoming place for business and improve its services to existing companies and potential start-ups.

Strategies

Conduct outreach, technical assistance, and communications to businesses and entrepreneurs.

Rancho Cucamonga has a reputation for a high-quality built environment and should ensure that its lofty standards are met. The City should undergo an evaluation process and access feedback from businesses and entrepreneurs to understand their level of satisfaction with public services and support.

Continue to provide high-quality services to businesses and commercial developers.

High-quality service is now an expectation amongst businesses and developers, and not seen as a unique advantage. There continues to be a perception that the process for entitlements and approvals can be lengthy and unpredictable. The City should continuously re-evaluate its processes and work to provide high-quality services.

Continue to prepare businesses and the community for emergency situations in order to ease recovery after an emergency.

The Ready RC program is devoted to the recovery of the Rancho Cucamonga community after an emergency. The City should continue to conduct outreach through Ready RC to the business community to ensure that local establishments are prepared in advance of an emergency.

Implementation Actions

3.1 Re-examine the permitting, licensing, and entitlements processes and create more streamlined processes.

The Planning Department will continue to examine the permitting, licensing, and entitlements process through quantitative research and interviews with businesses and developers that have received entitlements and been denied approvals, in order to understand the strengths and weaknesses of the existing processes.

Lead Department: Planning

Partners: Economic Development, local brokers, developers

Time Frame: Short (1-2 years)

3.2 Implement a “concierge” service that will assign specific City staff to guide existing business owners, prospective businesses, and developers through the entire process.

The City will explore the potential to implement a new concierge service that will assign specific staff members to work closely with high-priority applicants (particularly industrial and commercial businesses) and expedite the process and provide a single point of contact.

Lead Department: Planning

Partners: All Departments

Time Frame: Medium (2-3 years)

3.3 Continue to improve and enhance new software tools to facilitate entitlements and business licenses.

The City will continue to work to improve its website to allow for applications for some types of business licenses and permits online, with the ability for the customer to track progress. Existing tools like Accela and new tools will continue to be enhanced to optimize the customer experience.

Lead Department: Planning/Economic Development

Partners: All Departments

Time Frame: Medium (2-3 years)

3.4 Work closely with entrepreneurs to encourage business start-ups and expansions in Rancho Cucamonga.

Rancho Cucamonga will work with start-up enterprises, such as maker spaces or small, advanced manufacturers, to provide a clear understanding of City regulations and connect them with resources such as business mentorship programs. The City will continue to provide local business owners and residents with support programs such as consulting or workshops through the Inland Empire Small Business Development Center.

Lead Department: Planning/Economic Development

Partners: All Departments

Time Frame: Short (1-2 years)

3.5 Survey businesses annually to assess the level of satisfaction with City services.

Rancho Cucamonga will create an online annual survey for existing business owners to evaluate City services.

Lead Department: Planning/Economic Development

Partners: All Departments

Time Frame: Medium (2-3 years)

3.6 Employ the Ready RC program to prepare businesses for emergency situations and a stronger recovery.

Rancho Cucamonga will provide outreach, training and relationship building with local businesses to ensure emergency preparedness.

Lead Department: Fire Department

Partners: Planning/Economic Development

Time Frame: Short (1-2 years)

Priority Area 4: Industrial Development and Retention

Rancho Cucamonga has historically been a sought-after location for industrial businesses in the Inland Empire. The City offers access to the highly-skilled workforce of Southern California, the Ports of Los Angeles and Long Beach, and relatively uncongested freeways that connect to national trucking routes. Industrial demand in the region is strongest for distribution and warehousing as the availability of developable land in the Inland Empire has allowed for large format buildings desired by logistics companies. As Rancho Cucamonga's industrial building stock was developed prior to current business preferences, it consists of smaller warehousing and distribution facilities compared to younger IE cities located to the east. While these buildings are not well-matched to the current preferences of large logistics tenants, they are well-suited for smaller firms, particularly manufacturers. The goal for this Priority Area is to ensure that the City maintains and grows its industrial businesses, focusing on light industrial, manufacturing, and warehousing.

Strategies

Foster a diverse and resilient economic base by preserving existing industrial space.

Rancho Cucamonga has a strong competitive advantage in attracting smaller firms with its existing small industrial buildings. The city acts as an incubator and is a location of choice for emerging businesses in the region. Rancho Cucamonga should maintain this diverse collection of firms and important source of tax revenues by preserving the City's existing industrial space from conversion to other uses.

Create development opportunities for new large-scale warehousing.

Logistics is a fast growing sector in the Inland Empire but Rancho Cucamonga has not been able to capture a large share of employment because its existing warehouse building stock was built decades ago. Today, warehouse users require larger spaces and taller ceiling heights. The City should identify opportunities for large-scale development to accommodate warehousing uses without diminishing its core industrial building stock.

Continue to provide incentives to industrial businesses through investments in infrastructure and utilities.

Rancho Cucamonga should continue to identify areas with infrastructure constraints so that land could be easily developed when market conditions allow for high value-add projects. The City should promote incentives, such as inexpensive utilities offered through the Rancho Cucamonga Municipal Utility, to industrial users that would benefit from them.

Implementation Actions

4.1 Maintain industrial building stock of 50,000 square feet and less to accommodate smaller businesses in the established industrial area bounded by Foothill Boulevard, Haven Avenue, I-15, and Fourth Street.

Recognizing the importance of a diverse employment base, the City will take measures to ensure that its building stock of less than 50,000 square feet will be maintained in the established industrial area bounded by Foothill Boulevard to the north, Haven Avenue to the west, I-15 to the east, and Fourth Street to the south. This will include ensuring that the zoning code preserves these low-cost spaces that accommodate smaller firms that provide Rancho Cucamonga with a diverse economic base.

Lead Department: Planning/Economic Development

Partners: N/A

Time Frame: Short (1-2 years)

4.2 Encourage new development of large-scale warehousing space in areas that have capacity for large-scale industrial uses.

Rancho Cucamonga will encourage warehouse development in the area bounded by Foothill Boulevard to the north, I-15 to the west, the city of Fontana to the east, and Fourth Street to the south. This area has available sites to accommodate new large-scale industrial development. The City will provide the necessary infrastructure, including roadways, sewer/stormwater, and utilities to these areas of expansion. The City will work with brokers, developers, and site selection specialists to identify properties that could be good candidates for new development and potential assemblage if needed.

Lead Department: Planning/Economic Development

Partners: Brokers, Developers, Site Selectors

Time Frame: Short (1-2 years)

4.3 Invest in road, stormwater, and energy infrastructure to support new and existing industrial businesses, maintain competitiveness, and ensure resiliency.

Rancho Cucamonga will make investments in roadways sewer/stormwater and energy infrastructure to enable new development.. The City will work with utility providers to explore the potential to implement “green” roads, sewer/stormwater, and energy infrastructure in order to promote more sustainable and efficient systems.

Lead Department: Public Works/Engineering

Partners: Planning/Economic Development, RCMU, Water District

Time Frame: Medium (2-3 years)

4.4 Join new initiatives and networks that are focused on advanced manufacturing nationally and locally.

The City will broaden its involvement beyond the traditional manufacturing venues to network with emerging leaders in the field, including the national Urban Manufacturing Alliance, and the Vocademy (representing the “maker” movement in the Inland Empire). The City will engage local educational facilities, such as Chaffey College, in these partnerships.

Lead Department: Planning/Economic Development

Partners: Local Manufacturers

Time Frame: Medium (2-3 years)

Priority Area 5: Hospitality

As with retail sales taxes, transient occupancy taxes (TOT) generated by hotels are a significant source of revenues to the City’s General Fund. Rancho Cucamonga hotels have generally tracked to performance of the overall economy. With local economic conditions improving, there has been renewed interest from hotel developers to build in Rancho Cucamonga. Currently, hotels in the City are classified limited-service, offering modest nightly rates and few amenities. Having more full-service hotels that offer higher nightly rates would provide the City with increased TOT revenues, and would help support efforts to attract office-based industries to Rancho Cucamonga. While attracting full-service hotels are a longer-term proposition, in the short-term there is strong potential for smaller boutique hotel development in locations like Victoria Gardens. If the new boutique hotels are successful, this could help lay the groundwork to eventually attract full-service hotels to the City. The strategies to promote the hospitality sector include attracting new hotel properties to Rancho Cucamonga, and continuing efforts to increase visitation to the region and to the city in partnership with Greater Ontario Tourism Marketing District.

Strategies

Attract full-service and boutique hotels to Rancho Cucamonga.

Rancho Cucamonga currently lacks full-service and boutique hotels that support Class A office users. The higher nightly rates associated with these types of hotels would translate into increased TOT revenues for the City.

Support existing hotel properties and boost visitation to the Inland Empire and Rancho Cucamonga.

The City can help to support the existing hotel and tourism industry by supporting the campaign to gain control of the LA/Ontario Airport, collaborating with the Greater Ontario Tourism Marketing District on promoting the region, and offering better retail services and transportation options for visitors.

Implementation Actions

- 5.1 Continue to encourage development of new boutique hotels in Victoria Gardens.**
Rancho Cucamonga will continue working with the property owner at Victoria Garden to explore locations for a smaller, boutique hotel on the site. The City will explore the feasibility of a structured parking garage.
Lead Department: Planning/Economic Development
Partners: Victoria Gardens, Forest City
Time Frame: Short (1-2 years)
- 5.2 Continue to support campaign to gain local control of LA/Ontario Airport to increase arrivals.**
Rancho Cucamonga will continue to support neighboring cities in the campaign to gain local control of Ontario Airport from Los Angeles World Airports.
Lead Department: Office of City Manager
Partners: City of Ontario, Greater Ontario Convention and Visitors Bureau
Time Frame: Short (1-2 years)
- 5.3 Continue to collaborate with Greater Ontario Tourism Marketing District to ensure Rancho Cucamonga's attractions are featured in promotions material.**
To boost tourism dollars spent in Rancho Cucamonga, the City will proactively coordinate with the Greater Ontario Tourism Markets District on communicating Rancho Cucamonga's visitor-oriented assets. The City will provide updated information about local events and destinations on a regular basis.
Lead Department: Planning/Economic Development
Partners: Greater Ontario Tourism Marketing District
Time Frame: Short (1-2 years)
- 5.4 Encourage development of convenience retail and restaurants on Fourth Street to support existing hotels.**
The City will promote smaller scale retail development along Fourth Street the within walking distance of the area's hotels to make them more competitive.
Lead Department: Planning/Economic Development
Partners: Hotels
Time Frame: Medium (2-3 years)

5.5 Work with Greater Ontario Tourism Marketing District to establish coordinated shuttle service between hotels, retail centers, recreational trails, and attractions in Rancho Cucamonga and Ontario.

The City will work with the Greater Ontario Tourism Marketing District to assess the feasibility of operating a coordinated shuttle service that would connect guests to major destinations, including the airport, larger hotels, Victoria Gardens, Ontario Mills, and other important activity centers. This action item should also include participation from Omnitrans, the local transit provider.

Lead Department: Planning/Economic Development

Partners: Greater Ontario Tourism Marketing District, Omnitrans

Time Frame: Long (3-5 years)

Priority Area 6: Workforce Development

Rancho Cucamonga has had success in attracting highly skilled professionals due to its strategic location, as well as excellent residential neighborhoods, schools, parks, community facilities, and other amenities. The City's skilled labor force is one of its greatest assets for economic development. However, the lack of multifamily rental housing in Rancho Cucamonga may impede its ability to attract younger professionals at the beginning stages of their careers. While nearly half of the city's households are small one- and two-person households, more than two-thirds of the existing housing units are single-family homes. There is a shortage of new multi-family housing units with the features and amenities that meet the needs of younger professionals (singles and couples without children). The goal for this Priority Area is to ensure that Rancho Cucamonga remains competitive and continues to attract qualified employees by encouraging the development of a wider variety of workforce housing options, and to work closely with workforce development partners, including the San Bernardino County Workforce Department, to cultivate local talent

Strategies

Attract and retain highly skilled professionals to Rancho Cucamonga.

The existing labor force in Rancho Cucamonga is highly qualified and trained. The city's economic development strategy prioritizes the attraction and retention of these highly skilled workers.

Retain recent graduates of local schools and colleges.

Most residents in Rancho Cucamonga commute to other cities for work, and the City can help to reverse that trend by cultivating the workforce pipeline. This involves retaining recent graduates of local schools and colleges, and attracting younger, talented workers to Rancho Cucamonga.

Implementation Actions

6.1 Continue to encourage development of diverse housing options, including high-quality multifamily housing, near existing office districts.

The City of Rancho Cucamonga will continue to encourage the development of rental apartments and condominium housing, particularly within walking distance of the Haven corridor to create a greater diversity of housing options for workers. The higher-density rental and for-sale housing, integrated into the existing built environment, can also help to support more retail along the Haven corridor to support residents and workers.

Lead Department: Planning/Economic Development

Partners: Housing

Time Frame: Short (1-2 years)

6.2 Collaborate closely with Chaffey College, Claremont Colleges, and school districts on workforce development programs.

The City will strengthen its partnerships with local colleges, school districts, and San Bernardino County Workforce Department to develop programs that enable students to gain skills desired by local employers.

Lead Department: Planning/Economic Development

Partners: San Bernardino County Workforce Department, Chaffey College, Claremont Colleges, Rancho Cucamonga school districts

Time Frame: Medium (2-3 years)

Priority Area 7: Marketing and Communications

The City's existing marketing communications efforts are primarily geared toward providing information to residents as a means of building stronger neighborhoods and communities, which are important to maintaining and strengthening quality of life. These include social media strategies sharing news and tips on emergency preparedness, newsletters, advertising, Ready RC and BYB2RC. To achieve its economic development goals and attract businesses that will further strengthen quality of life, the City should expand its outreach strategies and structures to focus on strengthening and growing jobs in key economic development sectors (professional services, health, and pharmaceutical businesses).

Strategies

Conduct market research to understand the appropriate communications strategy for target audiences

This process should include identifying and prioritizing key target audiences: professional services and healthcare/ pharmaceutical companies. By delving deeper into understanding their business needs and matching to RC strengths, business offerings and/or processes—a form of product development—the City can communicate clear benefits and advantages for the business to be located in Rancho Cucamonga. This process should begin with market research that expand beyond the EDSP to better understand audience motivations and needs. This new information should then inform the City's policy development and business offering and lead to marketing of the distinct “product” and promotion of the benefits the City offers its targeted businesses. Existing efforts and marketing communications materials should be reviewed and refined to reflect these developments.

Develop a sales approach to economic development

While advertising and collateral information are part of a layered and integrated marketing plan, recruiting large corporations and businesses to locate in Rancho Cucamonga are big corporate decisions that will require more than information. This will likely require longer-term relationship building and a sales approach to recruitment. From interviews and the City's current Business Visitation initiative, it takes time to find the right contact and decision maker within a business. More often than not, in-person visits and direct relational contact are the most effective ways of garnering the attention and business of prospective clients.

Establish an integrated economic development “homebase” and social media tools that target business recruitment

In an effort to bolster and catalyze the City's social media investments, an integrated, online economic development “homebase” is needed to help support RC's initiatives. This presence will be the focal point for the City's communications for economic development initiatives by providing a rich destination for social media outreach, offering a clear path for the City's target audiences to find information, and promoting the City's assets to businesses. This economic development “homebase” will also distinguish the City's business-oriented strategies from the resident-oriented communications initiatives that already exist. Along with the online presence, there are specific components of the City's existing social media

toolkit can be refined to better target prospective businesses. This includes shifting to tools that are more business-oriented, like Linked-in and YouTube. Overall, the success of using social media for economic development will require consistent staff involvement and management in order to accomplish the following: 1) being ready for and responsive to unsolicited leads; 2) learning from input through social media and responding with relevant and meaningful information; 3) nurturing relationships through seamless handoffs from social media to personal interactions; and 4) deepening and affirming relationships with the City's existing businesses by featuring their stories and showcasing the City's "product."

The numbering of implementation actions mirrors the sequencing of the activities, which is also illustrated in **Figure 5**.

Implementation Actions

7.1 Conduct qualitative research to refine marketing and communications strategies that will reach the targeted businesses in the professional services, health, and pharmaceutical industries.

The City will conduct qualitative research among target audience members (key sectors) through focus groups and one-on-one interviews to better understand the needs of these businesses, and the key factors that inform their location decisions.

Lead Department: Planning/Economic Development

Partners: Communications Manager

Time Frame: Short (1-2 years)

7.2 Identify the City's primary assets and strengths from the perspective of target industries, in order develop a unique, tailored "sales pitch" for each of its audiences to communicate the "Rancho Advantage."

The City will define a focused and unique selling proposition for each target audience. This includes a better articulation of the "Rancho Advantage," its attractiveness to business prospects, and its uniqueness compared to competitors.

Lead Department: Planning/Economic Development

Partners: Communications Manager

Time Frame: Short (1-2 years)

7.3 Evaluate the Business Visitation program's effectiveness and consider expanding visits to prospective new businesses.

The City will track and evaluate the effectiveness of the existing program (e.g. number of leads, quality of leads, personnel/staffing costs) and determine whether this initiative might evolve and inform a more sales-oriented strategy to recruit new businesses. A social media campaign using LinkedIn should be considered as a key outreach tool (see 7.9).

Lead Department: Planning/Economic Development

Partners: All Departments

Time Frame: Short (1-2 years)

7.4 Develop a brand identity focused on economic development (logo, wordmark, and colors)

The City will develop a new brand identity (separate from the existing citywide identity) to support economic development initiatives. The brand identity will communicate RC's economic development assets, instill strength and confidence,

and promote the City's ability to support the rigors and meet the demands of corporate business.

Lead Department: Office of City Manager

Partners: Communications Manager

Time Frame: Medium (2-3 years)

7.5 Audit and refine existing marketing communications materials to be more focused and aligned with the City's strategic market position.

The City will review existing communications materials to understand how the current communications strategies connect with the intended audiences, and identify potential areas for improvement or realignment based upon its new understanding of market position and assets. Additionally, based on the defined "sales pitch" per target audience (see 7.2), the City will identify gaps in tactics, materials and tools, including hardcopy materials and electronic collateral to support web-based and social media campaigns.

Lead Department: Planning/Economic Development

Partners: Communications Manager

Time Frame: Medium (2-3 years)

7.6 Develop a small sales force and action plan for identifying, tracking, and developing business leads.

The City will determine how it can develop quality leads and ongoing relationships among prospective businesses, and set an action plan for generating and pursuing quality leads. The action plan should include detailed campaigns and associated tactics by target audience, including use of the website and social media tools (see 7.8).

Lead Department: Planning/Economic Development

Partners: All Departments

Time Frame: Medium (2-3 years)

7.7 Restructure the current BYB2RC program to focus on target audiences/sectors and start-up support.

Assess what aspects of BYB2RC should be maintained in support of a sales-oriented strategy for target sectors, including promotion of start-ups and entrepreneurship opportunities for existing residents and how this initiative might inform a more business-oriented strategy.

Lead Department: Planning/Economic Development

Partners: All Departments

Time Frame: Medium (2-3 years)

7.8 Create a new business-focused website integrated with the new economic development brand. The City will create a website that reflects the new economic development brand (see 7.4), dedicated to business recruitment that serves as the "homebase" for campaigns and public information, and provides an online destination for target audiences. (The BYB2RC website and refined program (see 7.7) will be subsumed under this website.)

Lead Department: Planning/Economic Development

Partners: All Departments

Time Frame: Medium (2-3 years)

7.9 Launch new social media tools that focus on marketing to existing and new businesses. The city will develop new social media campaigns primarily through the development of a dedicated LinkedIn profile and feed, integrated with the website (see 7.8) and the new economic development brand. The LinkedIn tool will allow business prospects to subscribe to posts and have immediate access to City staff for inquiries. The LinkedIn platform will also be linked to relevant business-oriented and real estate “groups” in the Inland Empire and nationally, to leverage the existing networks. Specific campaigns will be developed as part of the sales force’s action plan (see 7.6) and should consider the following tactics through a Linked-In platform:

- Short YouTube videos highlighting the new economic development brand identity.
- Posts that engage in dialogue: “Looking to relocate your business? What are you looking for? Rancho Cucamonga may be your future home.”
- Posts of content and articles from other sources that are relevant to the target audiences, but also reflective of the City’s values: “Could Rancho Cucamonga be the best new home for your business?” with a link to an article: “5 Things to Prioritize When Relocating Your Business”,
- Posts of recent success stories of a new business relocating to Rancho Cucamonga, or an expansion of an existing RC business relevant to the target audience.

Lead Department: Planning/Economic Development

Partners: Communications Manager

Time Frame: Medium (2-3 years)

Figure 5: Sequencing of Marketing and Communications Implementation Actions

Marketing & Communications Implementation Actions	FY 2015-16	FY 2016-17	FY 2017-18
7.1 Conduct qualitative research	→	→	
7.2 Identify the City's primary assets and strengths	→	→	
7.3 Evaluate the Business Visitation program	→	→	
7.4 Develop a brand identity		→	
7.5 Audit and refine existing marketing communications materials		→	→
7.6 Develop a small sales force		→	→
7.7 Restructure the current BYB2RC program		→	→
7.8 Create a new business-focused website		→	→
7.9 Launch new social media tools		→	→