



# Economic Development

## 6.1 INTRODUCTION

The Economic Development Element is an optional element of the general plan. It addresses the key factors that drive a city's economy, identifies a city's ability to attract quality employment for residents, and revenue for city programs. A majority of workers in the city travel from outside the city limits, and the majority of residents in the city work in neighboring job centers. The residents of Guadalupe have lower median incomes as compared to the County and the State. They also have long commute times, and travel far to find employment. Therefore, it is a priority for the city to identify ways to create better paying jobs for its residents.

The conversion of commercial land to mixed use can generate new job growth at the same time that it creates much needed housing for the city. Such development has the added benefit of decreasing commute times for residents that live and work in the area. The intensification of Downtown Guadalupe can also increase its attractiveness as a tourist destination and provide additional retail jobs and opportunities.

## 6.2 ISSUES AND OPPORTUNITIES

Guadalupe is surrounded by beautiful and productive agricultural lands, and agriculture is the city's main economic sector and one with the most potential for growth. Infrastructure is in place and systems are developed for the transportation of people and goods to and from the surrounding farmlands. Apio/Curation, one of the nation's largest vegetable packaging and distribution companies, has a large processing facility in Guadalupe. This is one of several packing/shipping facilities within the city. The City's location on the California coast and its mild Mediterranean climate is ideal for agriculture and provides opportunity for future agricultural operations. [Table 6-1, Resident Employment by Industry](#), shows resident employment<sup>1</sup> by industry in Guadalupe, and agriculture leads the list.

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<sup>1</sup> Resident employment means the number of an area's residents that are employed, as compared to at-place employment which refers to the number of persons employed in an area whether or not they reside in the area.

**Table 6-1 Resident Employment by Industry (Age 16+)**

Industry	Guadalupe		SB County	
	Employed Population	Percent of Total	Employed Population	Percent of Total
<b>Agriculture, forestry, fishing and hunting, and mining</b>				
Agriculture, forestry, fishing and hunting	973	29%	18,748	9%
Mining, quarrying, and oil and gas extraction	23	1%	687	0%
<b>Construction</b>	163	5%	12,302	6%
<b>Manufacturing</b>	200	6%	14,552	7%
<b>Wholesale trade</b>	207	6%	3,889	2%
<b>Retail trade</b>	327	10%	20,456	10%
<b>Transportation and warehousing, and utilities</b>				
Transportation and warehousing	35	1%	5,610	3%
Utilities	0	0%	874	0%
<b>Information</b>	56	2%	3,942	2%
<b>Finance and insurance, and real estate and rental and leasing</b>				
Finance and insurance	111	3%	5,378	3%
Real estate and rental and leasing	35	1%	4,533	2%
<b>Professional, scientific, and management, and administrative and waste management services</b>				
Professional, scientific, and technical services	0	0%	16,031	8%
Management of companies and enterprises	0	0%	151	0%
Administrative and support and waste management services	205	6%	9,667	5%
<b>Educational services, and health care and social assistance</b>				
Educational services	171	5%	24,305	11%
Health care and social assistance	405	12%	25,157	12%
<b>Arts, entertainment, and recreation, and accommodation and food services</b>				
Arts, entertainment, and recreation	61	2%	6,056	3%
Accommodation and food services	73	2%	20,535	10%
<b>Other services, except public administration</b>	161	5%	11,823	6%
<b>Public administration</b>	107	3%	8,742	4%
<b>TOTAL</b>	<b>3,313</b>	<b>100%</b>	<b>213,438</b>	<b>100%</b>

SOURCE: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates

Tourism is another sector that provides opportunity for economic revenue. Guadalupe's location along one of the major touristic routes in the world, Highway 1, gives the City great potential to capture tourist interest. The adjacent and noteworthy Guadalupe-Nipomo Dunes is the second largest remaining dune system in California. The City's Dune Center is an asset to the tourism industry, and the remains of the original Ten Commandments movie set adding further attraction to the area. Figure 6-1, *Set of the Ten Commandments*, shows the set from Cecil B. DeMille's movie the Ten Commandments.

**Figure 6-1 Set of the Ten Commandments (circa 1956)**



Source: Dunes Center website:

<http://dunescenter.org/visit-the-dunes/dunes-center/exhibits-and-activities-research/the-lost-city-of-demille/>

Annually, tens of thousands of tourists come from all over the world to travel Highway 1 from the Pacific Northwest to the Mexico border by bicycle, private automobile, tour busses, and recreation vehicles.

The City currently has no tourism infrastructure in place, which could include campgrounds, hostels, or hotels. Few other amenities exist, such as restaurants, lounges, rest stops, or coffee shops, which could potentially serve the annual procession of tourists through the area. Tourists often bypass Guadalupe as they travel between the San Luis Obispo area and Santa Barbara. By utilizing U.S. 101, bicycle tourists are an especially noteworthy sector, as the nearest facilities are located as far away as Pismo Beach to the north and Buellton and Solvang to the south. The City and stakeholders have identified bicycle tourism as a market that should be captured.

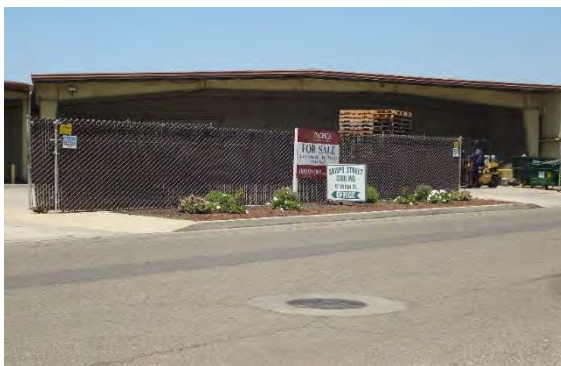
Currently, Guadalupe lacks consistent and ubiquitous high-speed broadband services. While some vendors do provide high speed Internet service in parts of the City, most importantly, high speed Internet service is lacking in the downtown corridor. This lack of Internet connection can be off-putting to potential businesses and makes it more difficult to attract 21<sup>st</sup> century industries to establish themselves in the City. As an underserved community, Guadalupe is in a somewhat unique position to leverage State and Federal

funding to improve connectivity to its citizenship at both the local and regional level as tri-county plans for broadband infrastructure improvement include the development of a Northern Santa Barbara County fiber ring extending from Ventura County in the south, up to the Five Cities area to the north in San Luis Obispo County and east to Cuyama. Guadalupe’s location along Highway 1, combined with the railroad tracks through the center of town make it an integral geographic piece for the development of regional broadband infrastructure.

The high percentage of vacant commercial buildings presents an additional opportunity. There is considerable space for new businesses to move in, and significant demand for business enterprises downtown, which would bolster local tax revenue. An artificial negative constraint on uses that are allowed in commercial, commercial-industrial, and industrial zones unjustifiably discourages new business growth. Expanding the direct retail, food, and drink service of products manufactured in the commercial-industrial and industrial zones, and expanding housing opportunities in commercial zones will enhance opportunities for new business growth and retention of existing businesses. This would serve the City twofold: by conveniently serving residents with local shopping options and by generating City revenue. Coupled with the addition of the aforementioned high-speed Internet availability, new, technology-based businesses could find the town as an attractive base of operations without the need for major cosmetic modifications that would change the character of the downtown corridor. Guadalupe’s distinct character, a mixture of Spanish and agricultural heritage, is a tremendous source of local pride.

### 6.3 ECONOMIC DEVELOPMENT STRATEGY

In the prior *Guadalupe 2002 General Plan*, Guadalupe’s economic development strategy focused on growth of the community’s economic base. Growth in basic industry (e.g., production of goods for export) would support well-paying jobs, which would then spin off service-related jobs through an economic multiplier effect. This is sound economic theory that has underpinned economic development efforts across the nation.



Nonetheless, successful implementation of this approach has proven difficult for many communities. Base industry tends to be location specific—Silicon Valley attracts high tech companies; Los Angeles attracts entertainment dollars—and identifying a community’s economic development niche is a difficult task that has over the years preoccupied many an economic expert.

The history of economic development is littered with efforts by cities to offer all sorts of incentives—from tax breaks to free land—to attract new base industry. The market is fickle, however, and the private business decision on where to locate a new business—say, an agricultural processing facility, for example—depends on more than just lower taxes. It also involves entrepreneurial spirit, history, family, climate, transportation, and a good degree of luck.

In other words, economic development sometimes requires early work that has less to do with attracting industries directly and more to do with attracting a class of young, ambitious people who are interested in making a life for themselves over the longer haul. While Guadalupe may not be today’s choice for the next Del Monte Foods—good for them if it is—it may be in a position to retain more young people who grew up in Guadalupe and perhaps even attract more young ambitious people from outside the community, neither of whom can afford housing prices in the region’s more affluent communities.

Guadalupe’s economic development strategy builds on three key assets enjoyed by Guadalupe: 1) AMTRAK and other commuter rail services, 2) affordable housing and real estate, and 3) industrial manufacturing, remanufacturing, and processing. Each of these is discussed in more detail below.

The first is Guadalupe’s AMTRAK rail service—the Pacific Surfliner. Transportation has historically played a key role in economic development across the globe, and this AMTRAK route should rightfully be front and center in Guadalupe’s economic development strategy.

The second key asset enjoyed by Guadalupe is its underdeveloped Downtown and overall low real estate prices (e.g., Guadalupe enjoys the lowest median-priced housing in Santa Barbara County). The Santa Maria Railroad is working with State and local government to institute a doubling of commuter rail service from Guadalupe to Paso Robles. The combination of commuter rail service and low real estate prices creates the potential for a robust urban housing market that can attract



young urban professionals and perhaps retain younger Guadalupe residents who do not yet have the income to purchase a single-family home in one of the more traditional residential neighborhoods of Guadalupe. With planning support from the City of Guadalupe, this urban housing market could attract the investment dollars and talented urban designers/developers needed to make such a plan a reality.

It’s worth noting that the pursuit of urban housing, which is by design more affordable and more amenable to placemaking than subdivisions of single-family housing alone, aligns well

with state priorities. This strategy builds on the momentum created by California's housing crisis, the solving of which will remain one of the State's top priorities for years to come. Therefore, the strategy has the advantage of solving the City's housing element problems and positions the community for state and federal grant dollars. It essentially turns Sacramento's "housing crisis" into Guadalupe's economic development opportunity. Furthermore, the urban infill strategy articulated in this Economic Development Element (and reinforced by changes in the Land Use Element) makes better use of Downtown real estate and tracks well with the overall trend of a diminishing need for brick-and-mortar storefronts as commerce increasingly goes online.

It is also worth noting that the former Vandenberg Air Force Base has been reconstituted as the Vandenberg Space Force Base. The Vandenberg Space Force Base is located approximately 20 miles south of Guadalupe and is accessible by the same AMTRAK Pacific Surfliner service that Guadalupe enjoys. It is not unreasonable to expect in the coming decades that the Vandenberg Space Force Base will experience considerable growth, as the nation is only at the very beginning of a new era of space-based national security concerns. Guadalupe's urban living strategy could be a natural fit for military families looking for affordable housing and urban life styles that are an easy train ride away.

A third key asset for Guadalupe's economic development involves manufacturing, remanufacturing, and processing. Guadalupe is host to a robust agricultural processing and packing industry, and the legalization of cannabis provides an opportunity for growth in this economic sector. In 2021, the Guadalupe City Council adopted regulations allowing for commercial cultivation, processing, manufacturing, testing, sale, delivery, and distribution of cannabis and cannabis products. Cannabis processing is a natural fit for Guadalupe and could provide substantial revenues in the future as the industry matures. Guadalupe has a history, a labor force, and many structures suitable for heavy and light manufacturing and processing accessible by rail and truck shipping routes.

The addition of broadband services to the downtown corridor creates a fourth and final asset for economic development. The provisioning of 21<sup>st</sup> century Internet capabilities with room for growth can attract businesses that fit the model of the existing downtown corridor industries, but can also provide options and opportunities for new and exciting businesses. It can also provide "non-conventional" job opportunities for those that work from home. Having a functional middle mile network managed in-part by the City would also allow for an additional revenue stream if broadband band access were sold as a 4<sup>th</sup> utility. Depending on how this could be funded and implemented, it could provide both near-immediate returns as well as providing new opportunities for economic growth and development for year to come.

The rehabilitation of the Royal Theater can provide both a direct and indirect boost to economic development. The establishment of the Guadalupe Center for the Visual and

Performing Arts will provide local jobs and opportunities for contracted performers and special events to bring revenue to the City. Additionally, the re-establishment of a cultural and historic venue will indirectly help economic development by adding to the tourism appeal of the town. A local performing arts center with a vibrant schedule of local and national talent can bring visitors from outside the City to stay in short-term rentals and to eat at local establishments. It also demonstrates the City's commitment to the preservation of local history, which emphasizes the unique character of the downtown corridor as a tourist destination.

The endgame for Guadalupe's economic development strategy remains the same as it was in 2002, when the City first adopted its Economic Development Element: attracting base industry, with its higher paying jobs and economic multiplier effect. The strategy outlined here builds on that original approach by focusing on its preconditions for success. Young, urban professionals create a job market that over time attract base industries looking for an educated and creative workforce.

In a nutshell, Guadalupe's strategy is one of playing the long game. Real, sustainable economic development does not occur overnight, but with sustained effort to build on its community's strengths, the City of Guadalupe can create a vision of dynamic vitality that has the potential to succeed in the long term.

## **6.4 GUADALUPE BUSINESS ASSOCIATION**

The Guadalupe Business Association is dedicated to the promotion, expansion and development of its members by providing services that directly aid, support and promote their business and by expressing and supporting common goals for the protection, identity and growth of Guadalupe businesses and the community. The association's Board of Directors is currently made up of a president, secretary, and treasurer.

As a private organization dedicated to economic development, the Guadalupe Business Association is a key partner for the City of Guadalupe as it works to create a vibrant downtown and attract higher paying jobs to the community.

## **6.5 MICROENTERPRISE PROGRAM**

The Microenterprise Program is designed to stimulate economic growth and create businesses that will improve the living conditions of residents in the community. The program provides funding to eligible businesses to start up or expand. This program is useful for small startup businesses as a loan, grant, or forgivable loan. Terms are flexible and can be tailored to the needs of the business. The financial assistance guidelines have been formally adopted by the City of Guadalupe and approved by the California Department of Housing and Community Development (HCD).

## 6.6 GOALS, POLICIES, AND PROGRAMS

### Goals

- Goal ED-1** To create a vibrant downtown as a precondition to attracting base industry and higher paying jobs.
- Goal ED-2** To promote Guadalupe for the attraction of additional base industrial jobs and tourism.
- Goal ED-3** To establish a cooperative and enthusiastic relationship with the private sector to foster the development of the City.
- Goal ED-4** To continue to grow the agricultural sector of the economy and develop relationships in this sector to mitigate residents' concerns over agricultural/urban land use conflicts.
- Goal ED-5** To develop a sustainable broadband middle mile infrastructure model with the community to support resilience, emergency services homeland security, economic growth, and business development.
- Goal ED-6** Expand allowed residential uses in Commercial Zones to provide business owners and employees housing close to work, reduce impacts of commuting, and enhance security of commercial establishments with residents available to see and report crime, vandalism, fire, and flood.
- Goal ED-7** Expand allowed retail, food, and drink sales in Commercial-Industrial Zones to attract more restaurants, wineries, breweries, distillers, and specialty manufacturers to do business in Guadalupe.

### Policies

- Policy ED-1.1** The City's primary economic development strategy is to create a vibrant, mixed-use downtown and promote a young, educated workforce to live in Downtown Guadalupe as a precondition to attracting additional base industry.



- Policy ED-1.2**                      The City will use its land use and zoning regulations to help protect the economic position of viable commercial areas and promote mixed-use development in Downtown Guadalupe.
- Policy ED-1.3**                      The City may expect local merchants and property owners to maintain their buildings to the highest possible level within their available financial means, and the City will assist with property rehabilitation and maintenance, thereby improving the visual image of the City. It will also encourage the renovation of older and historic buildings and the rehabilitation of Guadalupe’s commercial districts in general through low-interest loans and other state and federal programs.
- Policy ED-1.4**                      The City will work to revitalize the Central Business District by promoting mixed-use development, providing additional parking, upgrading properties, requiring architectural compatibility, and improving circulation with improved pedestrian and bicycle facilities. It will also support the creation of incentives and waivers of regulations to encourage revitalization and promote sustainable broadband infrastructure throughout the City.
- Policy ED-1.5**                      The City will encourage new types of commercial and industrial uses in order to diversify the City’s economic base.
- Policy ED-1.6**                      The City will support efforts to develop a coordinated small business development program and/or work with established small business organizations to provide support to existing and new small businesses, including the use of and support for the Microenterprise Program and obtaining Community Development Block Grant (CDBG) funding to support this program.
- Policy ED-1.7**                      The City will work to grow the agricultural sector of the economy, while addressing community issues created by agricultural operations.

## **Programs**

- Program ED-1.1.1**                      Within three years of adoption of the *Guadalupe 2042 General Plan*, the Building and Planning Department will undertake a process with the City Council to revise the City’s zoning ordinance to allow a fuller mix of commercial and urban

residential uses in Downtown Guadalupe and expand retail, food, and drink sales in Commercial-Industrial and Industrial Zones that is consistent with the new mixed-use designation created in the Land Use Element. See also LU-1.1.3.

**Program ED-1.1.2**

Within three years of adoption of the *Guadalupe 2042 General Plan*, the Building and Code Enforcement Unit will work with the City Council to establish a program to assist property owners in the demolition of dilapidated structures, to clean up vacant lots, and to rehabilitate and reconstruct substandard commercial and residential structures.

**Program ED-1.1.3**

On an ongoing basis, the City Administrator will work to promote economic vitality in Guadalupe by maintaining and expanding partnerships with the Guadalupe Business Association, the Economic Alliance, the Santa Maria Valley Chamber of Commerce, and the Santa Maria Economic Development Commission.

**Program ED-1.1.4**

In conjunction with the Guadalupe Broadband Task Force, Broadband Consortium of the Pacific Coast, SBCAG, and other regional stakeholder groups, the City will work towards a goal of providing a middle mile broadband infrastructure to provide broadband access to all within the City.

**Program ED-1.1.5**

As funding becomes available, the Public Works Department will work with the City Council to implement ideas that grow out of the Santa Maria Levee Project and Guadalupe to Beach Multi-Use Trail Feasibility Study to construct a regional bicycle/pedestrian facility that is routed through Downtown Guadalupe. See also CIR-1.1.10.

**Program ED-1.1.6**

The City shall continue to work through HCD to provide the Microenterprise Program to eligible businesses in Guadalupe.