
INTRODUCTION TO THE ECONOMIC DEVELOPMENT ELEMENT

Mission Viejo is a beautiful master planned community in south Orange County. With a current population of over 94,100, it consistently ranks as one of the safest cities in California. The community offers outstanding quality of life for residents and visitors, boasting more than 40 parks, multiple recreation and fitness centers, a library, a community and senior center, an aquatics center, and the Oso Creek Golf Course and open space. The city has state-of-the-art regional medical facilities at Mission Hospital and the Leonard Cancer Institute, and has outstanding schools and Saddleback Community College. The city is also home to the Shops at Mission Viejo regional mall and the Mission Viejo Freeway Center, as well as numerous smaller commercial centers, office and business parks, and high-end auto dealerships.

Incorporated in 1988, many of the city's commercial centers are older and in need of renovation and update. Like most Orange County cities, Mission Viejo faces competition from new or upgraded retail developments in nearby communities and realizes that e-commerce will continue to challenge brick-and-mortar retail sales. The City recognizes that the cost of providing public facilities, infrastructure, and services will continue to increase over time, and wants to ensure that future growth and development is fiscally sustainable and resilient, with businesses and land use generating municipal revenues sufficient to support costs. In addition, as documented in the 2017 Core Area Vision Plan, the community has expressed desires for an inviting central gathering place with more restaurants, entertainment venues, and public outdoor spaces.

With this in mind, the City of Mission Viejo has identified economic development as a key initiative in the city's long-range vision. The City has prepared a comprehensive update to the Economic Development Element of the General Plan, establishing the community's economic development goals and policies and setting future direction for economic development planning. This element is characterized under State planning law as optional, and it is a comprehensive update to the City's 2002 Economic Development Element, adopted on February 4, 2002.

PURPOSE OF THE ECONOMIC DEVELOPMENT ELEMENT

The purpose of the Economic Development Element is to maintain and enhance the economic character of the community while providing for a stable, annual budget. The element establishes a consistent set of policies which provide general direction on how the local economy, and its role in the broader regional economy, attracts and retains a balance of business types; supports the tax base; sustains the ability to provide public services; and contributes to the overall quality of life for Mission Viejo residents. It also provides policies intended to guide decision making by elected and appointed officials, City staff, and property owners and businesses that have invested in or are considering investing in Mission Viejo. Furthermore, it includes policies that

incorporate fiscal thinking into public decision making about land use and development. In sum, the element serves a vital need by relating community land use and other quality of life objectives with goals and policies directed to the improvement and strengthening of the local economy.

ECONOMIC DEVELOPMENT ELEMENT GOALS AND POLICIES

The goals and polices of this element address highly tangible fiscal requirements for the community plus other less tangible, but equally important, economic and social needs. The City must maintain and provide for sound fiscal operations over the long run or jeopardize the loss of many valid community services and benefits as a result of imprudent fiscal planning. Consequently, diverse development and lifestyle objectives of the community must be balanced so that the overall economic objective is realized. Recognizing that economic development is a multi-faceted process that responds to changing demographic trends, the following goals and policies focus on:

- (1) Strengthening the City’s economic base;
- (2) Business support and growth;
- (3) Improving the value and appearance of the City’s commercial and business centers;
- (4) Planning for modern and sustainable City infrastructure and public facilities; and
- (5) Innovation and adaption to change.

FISCAL STRENGTH AND STABILITY

The City’s ability to provide the community with a quality level of public services hinges on its means to maintain strong fiscal operations, secure State and Federal funds for qualifying programs, and use all available resources wisely and efficiently. The general fund operating budget represents a primary funding source for all public services. It is also the funding source most directly affected by local policy decisions involving administration, planning, and development. In effect, the City’s fiscal strength and stability over the long run will be greatly influenced by land use and development decisions of the past and present. The 2008–09 recession, the state’s elimination of redevelopment agencies, and the 2020-2021 Covid-19 Pandemic greatly impacted the City’s revenue stream. The ability to fund desired public facilities and services at current levels and long into the future will require either growing revenues by expanding and diversifying the tax base, or establishing new revenue streams through special funding and financing districts, such as assessment districts, community facilities districts, or business improvement districts. The following goal and policies are established:

GOAL 1: Provide for the long-term fiscal stability of the community.

Policy 1.1: Maintain a stable revenue base that is promoted by a diversified economic base (diversity yields stability).

- Policy 1.2:** Adopt a balanced budget.
- Policy 1.3:** Maintain a balance between pay-as-you-go financing and debt financing for capital projects.
- Policy 1.4:** Maintain prudent levels of reserves.
- Policy 1.5:** Consider fiscal benefits of large-scale development projects or other projects that include a major change in land use type, potentially including market driven mixed use development.
- Policy 1.6:** Periodically review policies and continue to prepare financial reports to serve as a guide for planning and administration of the City's financial resources including, but not limited to, management and budget policies, investment policies, the Long-range Master Financial Plan, the budget document, and the Comprehensive Annual Financial Report.
- Policy 1.7:** Continue to periodically conduct comprehensive updates to the City's fee schedules.
- Policy 1.8:** Pursue a balance of fiscal and qualitative community benefits when making land use decisions.
- Policy 1.9:** Pursue land uses and businesses that enhance the diversity of municipal revenue sources. Include interest and evaluation of different public-private opportunities including, but not limited to, joint ventures, city property acquisition, collaborative re-use of property and property preservation, acquisition and management.
- Policy 1.10:** Require non-City-initiated proposals to change land use and zoning designations be accompanied by a robust fiscal impact assessment to ensure an informed decision-making process.
- Policy 1.11:** As part of the discretionary review process for projects that propose amendment of land use or zoning designations, conduct thorough analysis of projected City revenues and expenses, other economic considerations (e.g. job creation), and non-economic benefits.
- Policy 1.12:** Seek commensurate public benefits from projects that will have long-term negative fiscal impacts on the City.
- Policy 1.13:** Explore alternative revenue sources to help defray the long-term costs of development (e.g. assessment districts, infrastructure financing districts).

- Policy 1.14:** Encourage the attraction, retention, and expansion of industries that generate a positive fiscal impact while balancing these revenue-generating land uses in concert with a mix of other uses that generally have neutral fiscal impacts.
- Policy 1.15:** Strive to maintain a substantial fiscal surplus to ensure sufficient financial resources during slow economic periods when revenue generation may be down.
- Policy 1.16:** Explore additional revenue sources beyond the sales tax (e.g., increase in transient occupancy tax) to promote fiscal viability. Explore raising the Transit Occupancy Tax (TOT) to be on par with surrounding market conditions and placing this measure on a future ballot for a city vote. New revenues from TOT could support the City's economic development functions, including Chamber of Commerce, sports tourism, and other revenue-producing community events.
- Policy 1.17** Be proactive in seeking a hotel, i.e. actively pursue new hotels by meeting with real estate division and strategic planning division of major hotel chains.
- Policy 1.18:** Explore the capturing of all sales tax revenue from online sales to Mission Viejo residents, from automobile sales at the mall, and from home-delivered products, private purchases, at-home purchases and installation of satellite dishes, solar panels, windows, etc.
- Policy 1.19:** Be proactive in seeking other car dealerships by actively finding, contacting, and meeting with potential dealership owners.
- Policy 1.20:** Maintain and increase property values throughout the City by encouraging all homeowner associations to enforce CC&R's and assisting them in this effort through City's code enforcement.
- Policy 1.21:** To the extent feasible, preserve and protect the property values throughout the City by better treating the water on Lake Mission Viejo to preserve its water quality.
- Policy 1.22:** Monitor service charges, fines, franchise fees, and forfeiture to ensure they are being collected and are sufficient to cover the City's costs.
- Policy 1.23:** Continue to pursue grant funding at federal, state, and county level.
- Policy 1.24:** Ensure that our City remains competitive in the regional marketplace by investigating and analyzing what other successful Orange County cities are doing to stimulate their economies. Implementation of successful strategies must be strongly considered and advanced when necessary or desirable, including analysis of business options, property acquisition and public-private business, development and real estate undertakings.

BUSINESS SUPPORT AND GROWTH

Mission Viejo respects and values its businesses to the highest degree and wants to foster an environment that consistently engages, collaborates with, supports, and celebrates its business community. The retention, expansion, and attraction of new businesses that provide the goods and services that the community feels it lacks is a key objective. The City will use a variety of economic strategies to attract new businesses and retain existing ones.

GOAL 2: **Attract and retain the types of business and employment generating uses that are beneficial to the City.**

Policy 2.1: Foster a dynamic local economy that provides and creates employment opportunities for all residents in the City. Consider and evaluate all opportunities to further this policy, such as public-private partnerships; city land-use evaluations that protect neighborhoods but assist business, property preservation, management, acquisition and re-use and successful public economic development opportunities.

Policy 2.2: Support and encourage small business development, incubators, and microenterprises through start-up assistance (e.g. permit streamlining) and identification of fiscal resources for entrepreneurship.

Policy 2.3: Review, and streamline as appropriate, City regulations, processes, and procedures that impact business development and operations.

Policy 2.4: Provide one on one assistance to new and existing businesses for permitting, expansion, relocation within the City, and other areas of concern.

Policy 2.5: Implement and maintain a Land Management software system to improve efficiency and streamline City permitting procedures.

Policy 2.6: Create and maintain positive working relationships with owners and managers of businesses operating in Mission Viejo, particularly top sales tax businesses, to better understand their needs and assist where possible. Extend this same strategy to beneficial businesses exploring Mission Viejo as a business opportunity.

Policy 2.7: Regularly update the City's inventory of business contacts, enabling communication with business owners and managers.

Policy 2.8: Explore business engagement efforts such as a business visitation program, annual business survey, business awards, and annual recognition ceremony. Partner with the Mission Viejo Chamber of Commerce to help ensure the effectiveness of business engagement efforts.

- Policy 2.9:** Identify ways to engage the Mission Viejo Chamber of Commerce and all business owners in an open dialogue to invite input and ideas about fostering a better business climate.
- Policy 2.10:** Promote economic development activities that encourage interaction and dialogue between business owners, leasing agents, property managers, and local economic development officials for the purposes of improving business recruiting and retention. Staff is to undertake all professionally necessary or desirable due-diligence review regarding business, commercial, and improvement opportunities for presentation to the City Council and community.
- Policy 2.11:** Work with the Chamber of Commerce to assist with ground breaking, grand opening or grand reopening events.
- Policy 2.12:** Work with the Chamber of Commerce to conduct an employment fair and have quarterly business community activities.
- Policy 2.13:** Collaborate with business organizations, such as the Chamber of Commerce, to attract business and light manufacturing to the city, especially where the city has a competitive advantage or is losing potential revenue to other jurisdictions.
- Policy 2.14:** Identify a range of business incentives, including grant funds, assistance programs, bonds, and other resources to attract a desirable, diverse range of businesses to Mission Viejo.
- Policy 2.15:** Use third party data to target existing businesses that may be positioned to expand within the city.
- Policy 2.16:** Ensure current information is posted on the City’s website and City social media outlets such as upcoming business seminars and conferences, demographic information, etc.
- Policy 2.17:** Develop a program to promote key areas/businesses within the city. Staff is to undertake all professionally necessary or desirable due-diligence review regarding business, commercial, and improvement opportunities for presentation to the City Council and community.
- Policy 2.18:** Highlight the city’s assets for businesses, including a highly educated workforce, high-quality recreational and retail/dining amenities for employees, access to major transportation corridors, and a proactive business environment.
- Policy 2.19:** Create innovative marketing material (printed and online) that promotes and encourages businesses to locate in Mission Viejo. Ensure staff actively engages

with businesses expressing interest, and support staffs due-diligence and analysis efforts directed to assess the needs, benefits, costs and returns arising from interested businesses.

- Policy 2.20:** Consider revisions to City’s Sign Code to allow more flexibility for grand opening and special event signage.
- Policy 2.21:** Establish a business retention program that identifies businesses possibly at risk of closure or relocation outside the city. Periodically meet with existing companies to identify service needs and assess the city’s ability to address those needs, and actively seek to retain existing businesses that are at risk of leaving the city.
- Policy 2.22:** Support employee education services, including trade school programs and business workshops, including as offered through the Small Business Administration and Small Business Development Council.
- Policy 2.23:** Encourage local business to explore internship and apprenticeship opportunities.
- Policy 2.24:** Undertake feasible legal and legislative challenges to County, State and Federal laws, orders and directives, in conjunction with other governmental entities, that have a strong likelihood of closing businesses and community spaces permanently or harming their long-term prospects.
- Policy 2.25:** Host a major job fair to help with the hiring and retention of employees so that our local stores and restaurants can be more productive and stay open longer.
- Policy 2.26:** Encourage a new business model by talking to all major stores in Mission Viejo about store-to-home delivery of products ordered online and already on their shelves in their local store.
- Policy 2.27:** Encourage a new retail approach by convincing store owners and property owners to create a more inviting, entertaining, enhanced in-store shopping experience.
- Policy 2.28:** Encourage a new retail delivery approach by facilitating curbside pickup and drive-up delivery.
- Policy 2.29:** Create a no-fee business registration fee for all businesses, to enable tracking of, and communication with, all business owners.
- Policy 2.30:** Continue to fast-track the approval process for major retail stores and outlets and market this opportunity on the City’s website.
- Policy 2.31:** Explore with the Chamber of Commerce the feasibility of a regularly updated digital Mission Viejo community business directory that is made available to the public, with ads and coupons that encourage residents to shop in Mission Viejo.

Policy 2.32: Provide specific, reasonable, monetary incentives to retail stores that are looking to locate in the City.

Policy 2.33: Identify and survey failing retail stores to ascertain ways to be of assistance or to assist property owner in finding a new tenant that would have the greatest likelihood of succeeding and of providing sales tax revenue to the City.

VIBRANT COMMERCIAL AND BUSINESS CENTERS

The General Plan recognizes that to increase the amount of retail spending in Mission Viejo, the city's older and outdated commercial centers will need to be rejuvenated into attractive destinations that will better serve the needs of residents and visitors. At the same time, increased competition from new or upgraded retail developments in other communities threaten the city's sales tax base. In addition, e-commerce will most likely continue to erode retail sales in the city. To maintain and expand the city's position, and to protect against regional retail competition and e-commerce's increasing capture of retail spending, the General Plan encourages the improvement and rejuvenation of existing commercial centers, through flexible development standards, investment in the public realm and infrastructure, and when possible with the creation of distinctive gathering places and experiences that cannot be replicated on-line. The following goal and policies are established:

GOAL 3: Create vibrant and dynamic commercial centers

Policy 3.1: Improve economic viability of office, business park and commercial centers through aesthetic enhancement, reconstruction, rehabilitation, and elimination of physical deterioration, including acquisition, subsidies, technical support, land-use options, public-private partnerships, lease and lease assistance, and all available rights and opportunities available to public agencies.

Policy 3.2: Develop design guidelines, as needed, to encourage attractive development and clear signage, without increasing costs or barriers to economic development.

Policy 3.3: Promote the development of new retail uses and retention of existing retail uses (e.g., restaurants, retail entertainment venues) that serve local needs, expand the selection of conveniently located goods and services, and help the City to compete for sales tax revenue within the region.

Policy 3.4: Attract and retain the types of businesses and employment generating uses that are beneficial to the community and maintain the city's community character.

Policy 3.6: Identify existing undeveloped, underdeveloped, or unoccupied sites and buildings

for business attraction and expansion, and possible City efforts of all lawful and beneficial types and natures, to improve the marketability of these sites, such as zoning changes or infrastructure improvements.

- Policy 3.7:** Continue to work with developers to not only bring in enhanced shopping, dining and entertainment opportunities, but also to create aesthetically pleasing developments that maintain community character and bring new jobs to the City.
- Policy 3.8:** In public decisions, discretionary land use and development approvals, and the investment of public resources, give priority to underrepresented commercial sectors in shopping, dining, and entertainment.
- Policy 3.9:** Eliminate and prevent physical deterioration and economic obsolescence by implementing maintaining a strong code enforcement program.
- Policy 3.10:** Consistent with the Core Area Vision Plan, support public and private investments and development projects that create or improve commercial districts to be amenity rich, pedestrian friendly, and experience oriented.
- Policy 3.11:** Improve existing commercial areas by enforcing codes, implementing development standards, and investment in the public realm and infrastructure.
- Policy 3.12:** Encourage a variety of shopping, dining, and entertainment businesses to establish experience-oriented shopping areas and activity centers, and expanding Mission Viejo's capture of regional retail commerce.
- Policy 3.13:** Promote the inclusion of public spaces and paseos within commercial and mixed-use developments where residents and workers can gather and interact.
- Policy 3.14:** Encourage the development of active, accessible, and pedestrian-oriented environments in Mission Viejo, through mixed-use projects that bring employment opportunities, recreation, hospitality, and retail/dining amenities in close proximity to each other.
- Policy 3.15:** Review and revise the City's Development Code, as necessary, to allow for flexibility and diversity in development, in order to attract new and desired land uses options.
- Policy 3.16:** Encourage the development and promotion of handicap accessible businesses and shopping centers in order to grow the City's employee and client base to a wider population beyond the legal obligations of the American with Disabilities Act.
- Policy 3.17:** Pursue federal, state, and county funding to design and build a tunnel or other means under the existing railroad tracks from Cabot Road into Freeway Center.

Policy 3.18: Support and facilitate a complete redevelopment of the Mission Viejo Village Center (our central core) and the strip malls just north and south of Avery Parkway (car dealership row).

Policy 3.19: Modify sign ordinance to permit larger commercial monument signs, but with uniform design criteria (materials, lighting, landscaping, etc.).

MODERN AND RELIABLE INFRASTRUCTURE

Much of the City's public right-of-way, utilities, and community facilities were built to capture a market demand for low-density residential living with traditionally separated shopping center and business parks. As the City's infrastructure ages, and new land use trends emerge, the demand for modernization of the City's infrastructure will increase and the community will require a consistent and sophisticated public works financing strategy. For these reasons, the following goal and policies are established:

GOAL 4: Plan for modern and sustainable improvement to the City's infrastructure and public facilities.

Policy 4.1: Develop and maintain public facilities, infrastructure, and fiber optic network to encourage business recruitment and future expansion demands. This includes City participation in public-private partnerships, asset management, asset expansion, adoption of new business models, technology and public assets which enhance existing businesses and attract beneficial new businesses.

Policy 4.2: Maintain quality physical infrastructure, including landscape slopes and medians, that supports business operations and encourages business investment.

Policy 4.3: Achieve sustainable economic development by limiting growth to that which is compatible with the carrying capacity of the environment and the service infrastructure.

Policy 4.4: Explore additional traditional and nontraditional funding sources that can be used for necessary rehabilitation, improvement, and replacement to the City's infrastructure and public facilities.

Policy 4.5: Continue to prepare updates to the Seven-Year Public Works Capital Improvement Program to be utilized as a long-range planning tool in identifying future capital improvement projects that will improve the performance of the City's transportation system.

Policy 4.6: Continue to plan for and periodically update the City's Facility Rehabilitation and Replacement Fund.

Policy 4.7: Partner with private developers to provide the infrastructure they need to facilitate their building in the City, as intended in Policy 4.1.

FOSTERING INNOVATION

In a competitive business attraction and retention environment, Mission Viejo will approach all Economic Development endeavors in a manner that is forward-thinking, innovative, and adaptive to changing economic forces. For these reasons, the following goal and policies are established:

GOAL 5: **A community that is forward-thinking, innovative, and adaptive to changing economic forces.**

Policy 5.1: Cooperate with neighboring communities and regional service providers to ensure that businesses and residents have access to state-of-the-art technology and data services.

Policy 5.2: Remain aware of and responsive to future changes in business needs, including new space formats. The City should, where beneficial, act to support and enhance the opportunities arising from future changes.

Policy 5.3: Maintain flexible and up-to-date land use regulations that foster creative development opportunities and are responsive to changing business trends, best practices, technological advancements, and community needs.

Policy 5.4: Review the City's Economic Development Element every five years, and update as appropriate.

Policy 5.5: Monitor and explore regional and national changes in economic trends, in order to best support existing local businesses and position Mission Viejo to capture growing and sustainable industry clusters.

Policy 5.6: Promote strategies that create an economic development mindset integrated throughout City Hall including elected and appointed officials, and City employees. Utilize consultants, professionals in business, real estate, construction, taxation, and necessary fields to train, advise, coordinate and participate as necessary to advance economic development goals and opportunities in and for the City.

Policy 5.7: As financial resources are available, invest in economic development training for staff, elected and appointed officials, and key community stakeholders.

- Policy 5.8:** Promote the establishment of workplace alternatives, including home occupations, shared workspaces, and telecommuting.
- Policy 5.9:** Consider negotiations with Southern California Edison to allow the City to lease SCE Easements for City vehicle parking on a long-term lease, freeing up other City-owned sites for potential development and future revenues.
- Policy 5.10** Create an inviting, informative City website for those seeking to relocate to Orange County or to open a store or restaurant in Saddleback Valley.

RELATED GOALS AND POLICES

The goals and policies contained in other elements of the City's General Plan are also important in addressing economic development issues. The contents of all the General Plan elements are complementary and must be integrated to provide comprehensive and consistent guidelines. The issues, goals and policies addressed within the Economic Development Element are correlated with those in the Land Use, Housing, Circulation, Conservation/ Open Space and Public Safety elements. Together, these elements address and minimize barriers to economic growth such as inadequate infrastructure or transportation systems, or physical conditions that may discourage investment in the City. Table ED-1 identifies the policies within this Element and how these policies relate to the other elements within the General Plan.