



## Economic Development Strategies

Section 4



## Introduction

The economic development strategies described below complement the redevelopment strategies in Section 3 in that they promote business attraction, job creation, revenue generation, and workforce development. The redevelopment strategies target specific physical improvements within Downtown Hollister that are supportive of the following economic development strategies (in no particular order of priority):

1. Target, Recruit, Retain, and Expand Downtown Businesses
2. Market Downtown to Residents and Regional Markets
3. Expand the Types of Community, Cultural, and Civic Activities
4. Explore Educational Partnership Opportunities Between Youth and Businesses
5. Identify, Pursue and Manage Funding Sources

These economic development strategies will be most effective if they continue to highlight and rely on the collaboration of Hollister's greatest resource – its people.

Successful implementation of these strategies requires cooperation from property and business owners, investors, and developers along with continued support from the Hollister Downtown Association (HDA), the City of Hollister (City), the Planning Commission (Commission), the City Council (Council), the Redevelopment Agency (Agency), the Chamber of Commerce (Chamber), and San Benito County (County).

These strategies were selected to be realistic and practical, but are also flexible to adjust with the changing conditions in Downtown. These may be modified from time to time to address changes in infrastructure needs, economic conditions, and competition from areas within the City and from surrounding communities. The City, HDA, property and business owners, and other stakeholders should actively pursue implementation of these strategies to foster the timely and appropriate economic development of Downtown Hollister.

Refer to Appendix A for information on the socio-economic conditions underlying these strategies.



## Strategy 1: Target, Recruit, Retain, and Expand Downtown Businesses

### Issues

There are a number of industries (stable and growing) that Hollister could target and recruit to Downtown, which would complement existing businesses, draw different user groups, and create local job opportunities for residents. While the City of Hollister is home to 24 of the “Top 25 Employers” in San Benito County, many of the City’s most significant employment-producing industries are not projected to grow significantly in the Monterey Bay Area through 2014. Currently, the City is also faced with a 10.8 percent unemployment rate.

Furthermore, most of the existing businesses in downtown Hollister operate on business hours that cater to a daytime employment base and residents who remain in Hollister during the weekdays. The 60 percent of Hollister residents who commute out of Hollister daily to work are not being targeted effectively and, in turn, shop in neighboring and regional communities for their goods and services. This contributes to leakages that ultimately reduce the long-term economic viability of Downtown businesses, especially given that Hollister’s out-commuter population is only expected to increase. Revenue from potential regional users (who travel by Hollister on their way to work in neighboring communities during the week) and tourists are also not being captured.

Approximately 83 percent of Hollister households are identified as “family” households and nearly 33 percent of the City’s population is under the age of 18. Given these demographics, there are opportunities for new Downtown businesses that serve families and younger population groups.

The targeted recruitment and retention of new industries, as well as expansion of existing Downtown businesses will ensure that all of these “audiences” are being provided with a variety of local goods, service, and entertainment options. Moreover, this strategic effort will greatly enhance the number of local employment opportunities.

### Objectives

Provide diverse goods and service options to a range of patrons, increase local job employment opportunities and sales tax revenues, and re-define Downtown Hollister as a destination for the goods and services needs of residents first and visitors second.

### Actions

HDA should implement the following actions to actively promote and support Downtown businesses that serve local residents (including weekday out-commuters), regional users, tourists, youth and families:

- Hire an economic development strategist to assist in preparing an aggressive marketing strategy to target, recruit, and retain specific industries (responding to Hollister’s current dependence on the convenience goods and service station sales tax revenue categories).
- Target and recruit industries that are currently absent from Downtown, but have the ability to strengthen it as a destination for local families, youth, and tourists (e.g. comparison goods: specialty shops, apparel, general merchandise, home furnishings; eating and drinking establishments: mid-range, family dining, and/or fine dining offerings; personal and professional services: after-school tutorial programs, martial arts, dental and legal services).

- Target and recruit growing industries into Downtown (e.g. retail trade, health and social sciences, information technology, creative enterprise clusters, agri-tourism, construction, etc.).
- Ensure that required permit review and/or business licensing application processes for prospective Downtown businesses are streamlined and not cost prohibitive.
- Concentrate auto-related uses along the new Highway 25 Bypass near the new Honda Powerhouse Dealership, Lowe's Center, and Gibson Center. There will be strong revenue generation opportunities as more tourist traffic intersects the City in this area. This concentration will allow non-competing types of businesses to locate Downtown and remain successful in catering to a pedestrian-oriented crowd.
- Support small business incubators, targeted specifically to help the out-commuter and through-commuter population to remain local during some days of the week by providing communal office space with tele-commuting, video-conferencing, and shared conference space capabilities (approximately 24 percent of Hollister's residents are currently commuting over an hour to work; this will become increasingly important as travel congestion is expected to worsen significantly by 2025).
- Develop a business retention program that annually surveys the satisfaction, expectations, and expansion needs of Downtown businesses.
- Encourage Downtown businesses to extend their hours of operation to include evenings and weekends, or restructure hours to open and close a few hours later in order to accommodate Hollister's out-commuter population and tourists.



## Strategy 2: Market Downtown to Residents and Regional Users

### Issues

The Hollister Downtown Association (HDA) currently markets and promotes events using television, radio and local newspaper. However, in order to be most effective, these communication mediums must be regularly updated and expanded to maximize exposure.

Many successful downtown communities have implemented measures to promote their downtowns through a variety of advertising outlets. Advertising is a crucial means of informing people of the goods and services offered in Downtown Hollister. Neighboring communities such as Los Banos and Merced have resident commuters traveling into and through Hollister during Monday through Friday for work, so it is important to target regional users as well local residents. HDA markets Downtown with a website, membership brochure, and various posters and fliers.

### Objectives

Enhance the image of Downtown Hollister as a destination for local residents and regional users, as well as entice those groups to shop, dine, and/or participate in activities within the district.

### Actions

HDA, in collaboration with the City and Agency, should promote Downtown Hollister through the following:

- Develop a slogan for marketing Downtown Hollister.
- Incorporate the slogan within the existing logo into visual and promotional elements (including signage, gateways, and HDA materials) and encourage business owners to incorporate the logo/slogan into their own advertising.
- Brand Downtown through visual elements, including signage and gateways.
- Produce and aggressively distribute a quality comprehensive and unified brochure for Downtown. The brochure should be provided at the City of Hollister, Hollister Chamber of Commerce, inside the businesses advertised, and in motels/hotels within the City and throughout San Benito County.
- Enhance and maintain the HDA website as a central point for Downtown information.
- Add a link to the HDA website on the official City of Hollister website and encourage Downtown business owners to do the same.
- Consider marketing Downtown online using services such as video clips (e.g. YouTube), social networking (e.g. MySpace, Facebook), blogs (e.g. Blogger, Blogspot), and podcasts (e.g. iTunes).
- Utilize Internet-based technologies to promote Downtown events, businesses, and points of interest (e.g. online videos, online walking tours, podcasts, and links to online ratings sites).
- Encourage quarterly cluster advertising by Downtown business owners.
- Create or expand on-going seasonal promotions to draw employees, local residents, and regional users into Downtown on a regular basis (e.g. New Year's, Valentine's Day, Memorial Day, Christmas, etc), especially during evenings and weekends.
- Coordinate the development and distribution of a Downtown "welcome kit" with the City of Hollister, which is mailed to new residents of the community.
- Prepare and implement an aggressive public relations plan for promoting Downtown's vision and image. This public relations plan should outline specific goals, timelines, implementation and monitoring components to expand the marketing efforts already in place.

## Strategy 3: Expand the Types of Community, Cultural, and Civic Activities

### Issues

Downtown Hollister has a limited number of events in which residents can participate, that create a draw into the area during evenings and weekends, and which represent the large Hispanic or Latino population that exists (approximately 58 percent of Hollister's residents).

Vibrant downtowns usually have a variety of pedestrian-oriented activities scheduled throughout the year to attract people of all ages to the downtown areas. There is a strong synergy between community, cultural and civic activities and the success of businesses in the area of these events. A number of enticing events leads to increased frequency of use of local businesses.

### Objectives

Create a vibrant Downtown with a wide spectrum of community, cultural and civic activities that represent the character of the Downtown and the local community.

### Actions

HDA should actively promote and support activities to promote Downtown, such as:

- Heritage Walk (Tour of Historic Buildings or Other Landmarks)
- Farmers Markets
- Outdoor Movie Nights
- Summer Concert Tours
- Live Street Performers (Musicians, Mimes, Card Players, Chalk Artists, etc.)
- Host Chalk Art, or Large Chess/Checkers Game Competitions
- School Plays
- Annual Parades, Beauty Pageants, or Talent Shows
- Classic Car Shows or Motorcycle Rallies
- Family Friday Nights Out, Flashlight Nights
- Wine-Tasting Events
- Book Clubs and Sales
- Art and Wine, or Agricultural Street Festivals
- Sidewalk Sales
- Seasonal Holiday Festivities (Tree-Lighting Ceremony, Haunted House, Ice Skating Rink, Harvest Festivals/Parades, and Fourth of July Fireworks and Parade; around Appropriate Holidays and Seasons)
- Cultural Fairs, Dances, Festivities
- Family-Oriented Events (Ice Cream Social, Downtown Picnic)
- Develop additional events that are targeted to Hollister residents who commute out of the City for work. Such events should be scheduled during the evenings and on weekends.



HDA should do the following to actively promote these events:

- Advertise Events at Local Schools and Involve Youth in Activities.
- Advertise Local Business who Sponsor Events.
- Develop, Update and Distribute a Quarterly Downtown Calendar of Events.
- Maintain an Online Community Calendar.
- Consider advertising events using online event calendars (e.g. Yahoo's Upcoming).
- Distribute Flyers of Upcoming Events to Local Businesses (Leave Them Next to Counter Register).
- Hang Event Banners Across Downtown Streets.
- Advertise Upcoming Events in Local Newspaper, Website, and on Radio (Capture/Inform Commuters).
- Print Articles and Photos about Success of Events in Local Newspaper and Online.
- Create Friendly Business Competition at Community Events to Draw Interested Participants.
- As funding becomes available, hire a full-time promotions coordinator for Downtown events.

## Strategy 4: Explore Educational Partnership Opportunities Between Youth and Businesses

### Issues

Approximately 33 percent of Hollister's population is under the age of 18 and yet there are limited programs for youth. There are missed opportunities to engage the youth in community activities.

Furthermore, Hollister has a higher percentage of residents working in construction, production, transportation, and material moving trades than surrounding counties. Targeted industries that may wish to locate within Hollister in the future will evaluate the workforce skill sets.

### Objectives

Build strong educational partnership opportunities between Hollister's young population and Downtown businesses. Involving youth in community events is highly effective in creating a "sense of place," in marketing the actual events, in instilling a strong sense of pride, ownership, and accountability for how that "place" is maintained, and ultimately contributes to overall public safety.

### Actions

The City, Agency, and HDA should promote youth and business owner teamwork/educational opportunities within Downtown through implementing the following:

- Establish a Downtown volunteer crew of business owners and hire teens/young adults to assist with events organization, logistics (i.e. set-up, tear-down, clean-up), and public safety measures. This teaches youth how to facilitate events and instills within them a sense of community pride that helps reduce overall public safety concerns and vandalism.
- Commission local students to participate in design competitions for Downtown events and graphics (e.g. event ideas or naming, gateway signage, event banners, program fliers, etc.) to attract interest in the Downtown. Students tend to share their projects with family and friends, which can ultimately serve as a strong "by word-of-mouth" marketing tool.
- Explore opportunities to educate youth through Demonstration or Envision Schools, whereby a range of 400 to 500 students are given the opportunity to partake in "real-life" projects (consulting to the City, Chamber of Commerce, or local businesses) and simultaneously obtain state educational credits.
- Ensure that the local adult school offers coursework related to the specific industries that are targeted for the Downtown long-term.
- Provide internship opportunities for students within Downtown businesses.



## Strategy 5: Identify, Pursue and Manage Funding Sources

### Issues

Successful downtowns have secured funding sources for improvements, activities, and on-going maintenance of their downtown area. In order to re-energize Downtown Hollister and increase the sales tax revenue that is currently being captured by neighboring communities, HDA must build a strong funding base to proceed with the Redevelopment and Economic Development Strategies outlined in this report. Both sets of strategies are cyclical in nature – meaning that the successful completion of a few initial small projects (or “small wins”) will instigate the successful funding and implementation of larger, more comprehensive strategies (or “big wins”).

### Objectives

In order to successfully implement and monitor the recommended improvements described in this plan, HDA must identify secure funding sources and increase its funding base. As the funding base increases, more projects will be completed. More completed projects assist in building a stronger funding base – ultimately optimizing Downtown Hollister’s potential as a soulful place where people gather to enjoy one another and the passing of time.

### Actions

HDA, in conjunction with the City and Agency, should actively pursue increasing its funding base by implementing the following actions:

- Research and apply for local, state, and federal grant programs.
- Implement a property-based Business Improvement District (BID) to increase revenue and engage property and business owners in the self-management of the Downtown.
- Institute a paid parking system within Downtown (see Strategy 4 in Section 3).
- At a future date (following 2012), the City may wish to evaluate the cost, benefits and feasibility of pursuing Enterprise Zone Designation through the State of California. There are very few eligibility openings in 2009, 2010, 2011, and 2012; hence, the application process will be highly competitive. However, the program is very beneficial to communities in that it offers business tax benefits that include, but are not limited to, up to \$37,440 in state tax credits for each qualified employee, sales tax credits on purchases of \$20 million per of qualified machinery and machinery parts, up-front expensing of certain depreciable property, and up to 100% Net Operating Loss (NOL) carry-forward up to 15 years.