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Growth and Economic Development

Yuba City is committed to maintaining a vibrant and healthy economy, providing land for planned development, ensuring the fiscal and financial health of the City, and working with the private sector to help ensure that adequate infrastructure, particularly streets, water and wastewater treatment capacity, is available to attract and maintain business. How this will be accomplished is addressed in this element of the General Plan. Details on specific land use proposals are in Chapter 3 and public utilities are addressed in Chapter 7; the focus in this chapter is on overall economic development and what the City can do to facilitate it.

2.1 EXISTING AND PROJECTED POPULATION

EXISTING POPULATION

According to the U.S. Census, the population of Yuba City was 36,760 in the year 2000, an increase of 8,500 residents or 30 percent since 1990.¹ This represents an average annual growth rate of about 2.7 percent. The U.S. Census estimates that the population of the unincorporated areas within the Yuba City Sphere of Influence (SOI) in the year 2000 was 20,270.² This adds up to a year 2000 total population of approximately 57,030, or about 3.8 residents per acre, in the Yuba City SOI. In early 2001, the Walton Annexation further increased the population of Yuba City—and decreased the population of the unincorporated area within the SOI—by approximately 7,000 residents. The California Department of Finance (DOF) estimates the City population at 47,200, as of January 2002.

Annexations continue to represent a significant share of the City's population growth. Since 1989, the City has annexed approximately 2,370 acres, increasing the City area by 54 percent. A substantial amount of the annexed land is on the south side of the City, extending south to Bogue Road and westward from the riverfront.

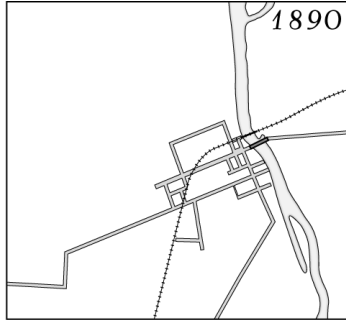
PACE OF GROWTH

Incorporated in 1908, Yuba City's population began to grow more rapidly after World War II, as a result of returning veterans, improved access from highway construction, and the constraints placed on development in its sister city, Marysville, which is surrounded by flood-control levees. Growth has continued to be strong, with the population nearly doubling every twenty years since 1940. Figure 2-1 illustrate the pattern of growth since incorporation.

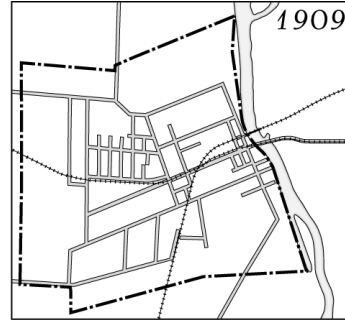
Table 2-1 compares population growth of the City and Sutter County between 1980 and the year 2000 according to the U.S. Census. Over the past 20 years, the population of Yuba City has nearly doubled, while the population of Sutter County has grown by half.

¹ U.S. Census, 2000.

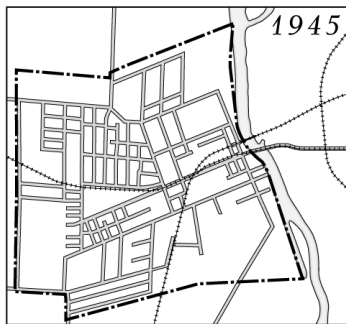
² Ibid.



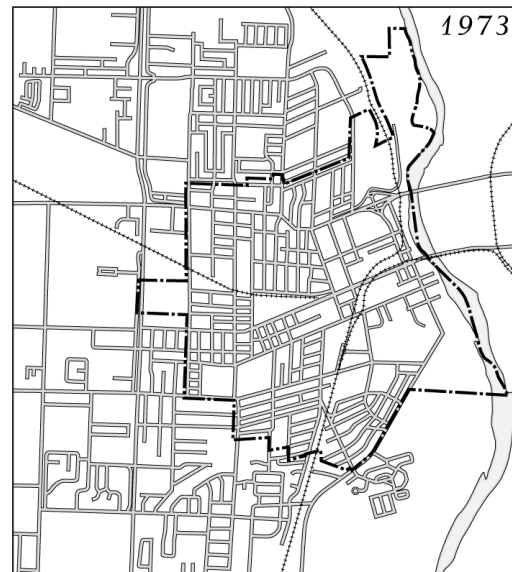
1890: Yuba City is established in the area of Bridge and Second Streets on the Feather River at the location of the road and rail crossings to Marysville. The beginnings of a gridded street system are visible.



1909: Yuba City is incorporated in 1908 and a municipal boundary is established. Residential growth moves west from the commercial center following a second rail line crossing the Feather River from Marysville.



1945: Growth continues to move west, but is contained by the municipal boundary. The residential street grid west of Live Oak Boulevard expands with commercial activity continuing along Colusa Avenue.



1973: Rapid residential and commercial expansion continues west into unincorporated Sutter County, but also extends north and south along State Route 99 which provides improved access. The area around State Route 99 and Colusa Avenue emerges as an auto-oriented commercial hub.

Figure 2-1
Historical Growth of Yuba City

Yuba City’s population growth accounted for 69 percent of the County’s total population growth between 1980 and the year 2000.

Table 2-1: Population Growth 1980-2000; Yuba City and Sutter County

	1980	1990	Annual Growth Rate 1980-1990	2000	Annual Growth Rate 1990-2000
Yuba City	18,740	28,260	4.2%	36,760	2.7%
Sutter County ¹	52,250	64,415	2.4%	78,930	2.1%

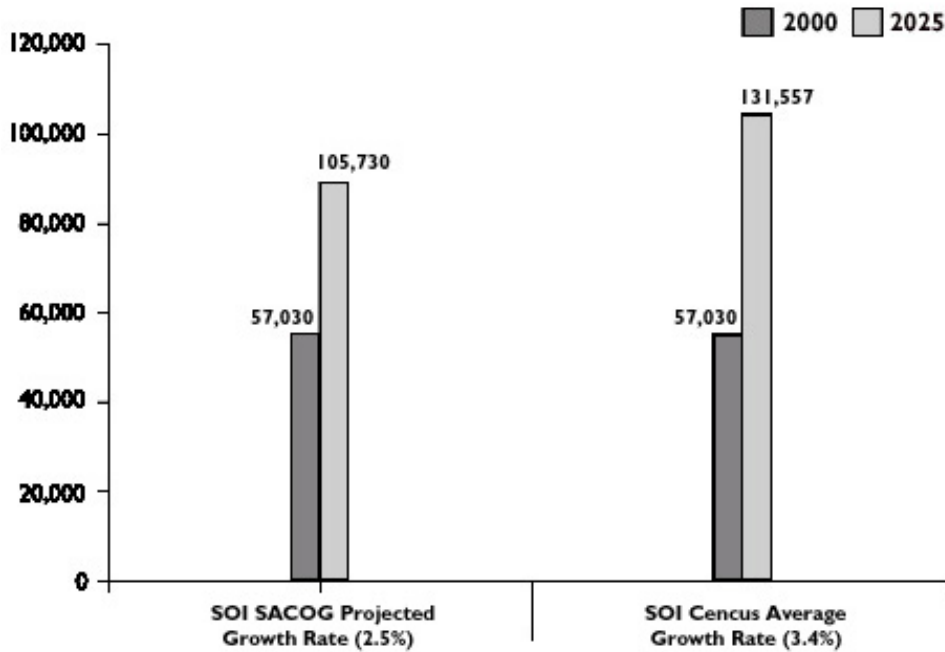
¹ Includes population in incorporated areas.

Source: U.S. Census, 2000.

PROJECTED POPULATION

The Sacramento Area Council of Governments (SACOG) projects that Yuba City’s population could reach 68,150 in the year 2025, an increase of 85 percent increase over the 2001 estimated population of 36,760.³ This represents an average annual growth rate of 2.5 percent. Assuming the population of the unincorporated areas of the Planning Area will grow at a rate similar to that of the incorporated city, the Planning Area population will be 105,730 in 2025.

Chart 2-1: Growth Rate Comparison for Yuba City Sphere of Influence



³ SACOG Estimates and Projections, 2001.

Using the 3.4 percent average annual growth rate reflected in the Census data between 1980 and 2000, the population of Yuba City Planning Area could reach 131,557 in the year 2025, an increase of 130 percent over the current estimated population.⁴ Chart 2-1 shows relative growth within the City and the Sphere of Influence (SOI) – the urban growth area within the Planning Area, assuming some annexation mirroring historic trends and also some development within the unincorporated area.

2.2 REGIONAL ECONOMIC CONTEXT

LOCAL ECONOMY CHARACTERISTICS

Yuba City's early economic growth was related to providing services within a large agricultural area. In addition to agriculture, which served as the traditional employment base for the region, employment cores were developed in downtown Yuba City and at the intersection of Highway 20 and Highway 99. With substantial growth occurring in the past 20 years, Yuba City is now the economic hub of the surrounding agricultural area, providing services for both city and regional residents. It also is part of the Sacramento metropolitan area economy and is influenced by trends in this larger area.

Several key components of the local economy include the following:

- Yuba City's Town Center has emerged as a successful employment center specializing in health care and related services in the redevelopment zone near downtown.
- While Yuba City is a net exporter of workers—many of which are drawn to the job-rich Sacramento Metropolitan area—Yuba City is the shopping and urban services center for Yuba and Sutter counties.
- Annexations have added opportunities for additional commercial and industrial development within the City, and residential development both in the City and the surrounding unincorporated area has expanded the base for retailing within the City.
- Recent publicity as a 'top small city' in national print media has raised Yuba City's profile. The City's location along the Feather River and access to recreational resources also is a plus.
- Yuba City's employment mix is different from that of the region at large; government is a greater force on a regional scale, whereas medical employment is stronger in the City. Also, agriculture is a much stronger presence in Yuba-Sutter than in the Sacramento region's other counties, and many local jobs are low-paying. This needs to be considered when considering which industries to target for economic development initiatives.



The Yuba City Downtown Business Association has been successful in attracting people to shop Downtown.

⁴ This represents an average of the annual growth rates experienced in Yuba City between 1980 and 1990, and between 1990 and 2000, according to the U.S. Census.

- Attractive wage scales and competitive land costs, when compared with other locations within the Sacramento metropolitan area, and highway access to Sacramento and other California markets are strong selling points; the challenge for many industries is to find the right land and building space and supporting infrastructure.

EXISTING EMPLOYMENT

Employment is the principal indicator of community economic conditions. Employment in 2000 is estimated at 16,914 jobs, within the City, which represents a 53.76 percent increase in jobs since 1990.⁵ In spite of the recession that affected most of the country in the early 1990s, employment in Yuba City grew by 27.5 percent, or 3025 jobs, between 1990 and 1995.

Table 2-2 presents SACOG’s 2000 industry breakdown in Yuba City in comparison to Sutter County. The proportion of total employment for each industry sector is shown in parentheses. City residents are much more likely to be employed in retail, office, or medical positions, whereas workers in the County overall show higher concentrations in education, manufacturing, and other sectors. The biggest employment increases in recent years have been in the manufacturing and medical industries.

Table 2-2: Employment by Sector (Percent of Total Jobs) (2000)

	<i>Retail</i>	<i>Office</i>	<i>Medical</i>	<i>Education</i>	<i>Manufacturing</i>	<i>Other</i>
Yuba City	5,646 (33.4)	2,777 (16.4)	2,313 (13.7)	689 (4.1)	1,205 (7.1)	4,284 (25.3)
Percent change since 1990	77.5	25.4	101.3	2.1	172.6	28.1
Sutter County	6,703 (39.6)	3,307 (19.6)	2,414 (14.3)	1,585 (9.4)	2,794 (16.5)	7,797 (46.1)
Percent change since 1990	68.8	29.8	97.2	15.4	42.1	35.0

Source: SACOG Estimates and Projections, 2001.

PROJECTED EMPLOYMENT

According to SACOG projections, Yuba City is expected to add approximately 11,500 jobs by the year 2020, which represents a 68 percent increase for the City, and approximately two-thirds of the total increase for the entire County.⁶

Table 2-3 presents SACOG’s forecast for 2010 and 2020, by employment sector. The greatest growth will be in the retail sector with just over 3,770 new jobs, which makes sense given projected population growth. Strong growth also is expected for the office, medical, and manufacturing sections, which together will add 4,300 jobs.

⁵ SACOG Employment Estimates, 1990-2025. Note that estimates for individual cities are not available for 2025.

⁶ SACOG, 2001.

Table 2-3: Projected Employment by Industrial Sector in Yuba City (2000 to 2020*)

Sector	2000		2010		2020	
	Employees	Percent share	Employees	Percent share	Employees	Percent share
Retail	5,646	33.4	7,500	33.1	9,420	33.1
Office	2,777	16.4	3,594	15.8	4,542	16.0
Medical	2,313	13.7	3,019	13.3	3,783	13.3
Education	689	4.1	1,071	4.7	1,290	4.5
Manufacturing	1,205	7.1	1,857	8.2	2,272	8.0
Other	4,284	25.3	5,643	24.9	7,116	25.0
Total	16,914	100.0	22,684	100.0	28,423	100.0

* Employment estimates for individual cities are not available for 2025.

Source: SACOG Employment Estimates, 1990-2025.

2.3 EMPLOYMENT GROWTH PROSPECTS

The City is intent on promoting economic growth, as well as focusing economic development efforts in areas that will contribute most to making the City a vital, vibrant community. Employment growth in Yuba City will allow the City’s economic base to expand in tandem with its population. Employment opportunities are expected to increase due to the new hospital, continued and potentially expanded food processing operations, and increased demand for retail goods. The Yuba-Sutter Economic Development Corporation has had many inquiries from specialty food and beverage processors and believes that this is a niche worth developing in spite of recent plant closings. Much of the City’s future economic base is already present in the form of developed land and occupied non-residential space, although there will be opportunities for new jobs in the Highway 20 corridor and other locations, as depicted on the land use plan (See Chapter 4).

New commercial and retail centers are planned at accessible locations to serve both City residents and shoppers from other communities. Regionally-oriented commercial areas are planned along Route 20, Route 99 and major arterials, and community commercial uses will be developed within neighborhoods and communities. Future employment centers have been designated for manufacturing, processing, and warehousing (includes resource-based processing), as well as for business, technology, and light industry. Together, these sites in the employment centers could accommodate up to 10 million square feet of new space, or 22,000 jobs at an average of one job per 450 square feet of space.

Even though sufficient land is designated for employment uses, land use planning needs to be supplemented by other tools – city policies, targeted recruitment, incentives or subsidies – to encourage a specific type of use. In addition, the City’s population growth will help fuel expected employment growth by creating demand for additional retail, service (business, professional, medical, and other), and public sector uses. Diversity in employment will expand job opportunities for local residents and help to stabilize the local economy.

2.4 DEFINING AN ECONOMIC DEVELOPMENT STRATEGY

A coordinated economic development strategy is essential for supporting Yuba City’s community development objectives, such as increasing the industrial base, continuing to support Downtown revitalization, enhancing community character, and supporting commercial development along corridors and in neighborhoods. Such a strategy should include a managed program of fiscal development, strategic public improvements, and a balanced approach to land use. It could build on and reinforce initiatives that already have been undertaken by the Yuba-Sutter Economic Development Corporation and by the City Administrator’s office, and capitalize on technical assistance and grant funding provided by state and federal agencies. This element envisions the following central roles for the City:

- *Promoting agriculturally-related processing, agricultural equipment manufacturing, sales and services, “niche” manufacturing, health care facilities and professional offices.* The County’s agricultural heritage can be a cornerstone of its economic development efforts, but new initiatives to attract agricultural industry clusters and related manufacturing and services—which include food and beverage processing, agricultural and farm implements, small-scale specialty companies, and business services—are projected to benefit from significant growth in the Sacramento metropolitan area through the planning period, and would certainly provide excellent employment- and revenue-generating opportunities for Yuba City if the City positioned itself properly to capture a portion of this growth. Yuba City also may benefit from support activities and services for Beale Air Force Base (AFB). Lastly, Yuba City may be successful in attracting “call center” operations because of the community’s large labor pool and competitive land costs.



New office space Downtown serves the health care sector.

- *Promoting development that results in fiscal benefits to the City.* The relative benefit or burden of various land uses on the City’s General Fund is important in considering how future development in Yuba City should be prioritized. Promoting the construction of revenue-generating uses (non-residential uses that generate sales and property tax monies), as well as ensuring that each new residential development pays its fair share of the costs to provide public services, provides the City with a more diverse fiscal base.
- *Regional scale retail and consumer service uses need to be located in the Route 99 and Route 20 corridors where pass-by traffic, good visibility, and image will enhance sales potential.* Yuba City has a significant advantage with these state highways and should protect the supply of available land in commercial locations that make the most sense for retail and service sector uses.
- *Businesses in these clusters have several locational considerations.* Good access from major highways and proximate amenities for employees are very important factors. Locations must project a high-quality image, typically expressed by a high-level of design, landscaping, and maintenance. Such an image is generally provided in campus-style office or business park developments. In addition, “back office” uses such as call centers will seek space in large-

floorplate buildings, and professional office tenants will pay a premium for space in high-profile or high-image buildings, often an architecturally interesting building with visibility from a major highway.

- *Enhancing cultural amenities, such as a convention center, performing arts center, or cultural center, in downtown Yuba City or elsewhere.* This recommendation offers three distinct, yet very important advantages. First, if such a facility was located downtown, this would generate pedestrian traffic and support retail opportunities into the evening hours. Complementary uses, such as restaurants, clubs, and coffee shops, would also tend to locate near where crowds gather. Second, such facilities provide a strong image of culture, sophistication, and community pride. Such an image is important if Yuba City is to evolve from bedroom community for Sacramento workers to important sub-regional job center, particularly in the attraction of R&D and office complexes, specialty agricultural industries and support services for Beale AFB. Third, such facilities can also result in strong growth in the visitor services sector by catering to those who come to enjoy recreational and entertainment opportunities related to the facilities.
- *Attracting a new job training, vocational school, or community college campus.* Establishment of a higher educational facility within Yuba City would improve the skills and educational attainment of the local labor force. Additionally, it would provide local employers with convenient opportunities for continuing education and/or job training. The University of Phoenix has a satellite campus at Beale Air Force Base and they or another similar institution may be interested in another facility in Yuba City itself.

Yuba City’s economic development strategy shifts focus from traditional approaches—such as provision of tax breaks and other subsidies—to investing in the skills of the workforce, infrastructure for agricultural processing and technological innovation, and a superb quality of life. The City also might consider working with Yuba-Sutter Economic Development Corporation on lending programs for qualified businesses and also protecting opportunities related by Beale AFB by working with the County, Yuba-Sutter Economic Development Corporation and the community’s elected representatives to ensure that Beale is not affected by the next round of military base closures, which could affect up to 20 percent of the bases in California.

Yuba City also has been active in the Sister City Program, with one sister city in Japan. This program was initiated by President Eisenhower in 1956; today, more than 900 U.S. cities are paired with over 1,300 cities in 92 countries. Sister cities provide opportunities for international business contacts, increased awareness of other cultures, student exchanges, and development of mutually beneficial relations in economic development, education, the arts, culture, medicine, government and sports. Cross-cultural charitable efforts also have been initiated by sister cities, and many American cities have several partners. Given the strong Sikh community in Yuba City, it may be appropriate to initiate study of inviting one or more additional sister cities in the Punjab region of India (e.g. Jullundhur, Patiala, Chandigarh, and Ludhiana).

2.5 GUIDING AND IMPLEMENTING POLICIES

A key initiative of this General Plan is to maintain a balanced land use program that provides opportunities for commercial and industrial development, dispersed throughout the community and at appropriate locations within the urban area served by adequate infrastructure.

The General Plan Land Use Diagram, described in Chapter 3, recognizes that industrial users have a broad range of needs, and provides for more land than may be needed over the planning period to allow for a choice of sites. The specific policies that follow focus on those actions the City can take that will enable the land use and development concepts of this General Plan to be realized.

GUIDING POLICY

- 2.5-G-1 Foster a climate in which business can prosper and actively promote economic development opportunities and knowledge of Yuba City in the region, state and nation.
- 2.5-G-2 Maintain a positive, small-business climate, and strengthen the City's tax base by encouraging environmentally sensitive development with tax generation potential.
- 2.5-G-3 Build long-term partnerships between the City and businesses, business organizations, and the educational, arts and environmental communities.
- 2.5-G-4 Promote economic development activities that link residents with businesses in the City, such as job training and job development, and facilitate a desired jobs/housing balance.

For further discussion of jobs/housing balance, see Section 4-3 in the Chapter 4, Land Use.

- 2.5-G-5 Encourage agricultural processing and cooperative distribution and marketing of agricultural products.
- 2.5-G-6 Promote agricultural-related technology and opportunities for “back office” uses and specialty manufacturing.
- 2.5-G-7 Enhance aspects of the community that help economic development and draw residents to Yuba City, including small-town ambience, educational, cultural, environmental and recreational resources, and affordable housing.

IMPLEMENTING POLICIES

Overall Organization and Coordination

- 2.5-I-1 Work with regional economic development organizations to foster the economic health of the area and dedicate funding to joint marketing of the City's economic development objectives, including preparation of newsletters, press releases, program summaries, mailing lists, client testimonials, economic data, and articles in various industry journals.

Many issues facing the region affect all communities and can be solved only through regional dialogue and cooperation. Economic development can be mutually beneficial for each city.

- 2.5-I-2 Work closely with the County and Yuba-Sutter Economic Development Corporation in advocating support for Beale Air Force Base and urge the Defense Department to keep it open.

The next round of military base closures could affect up to 20 percent of the bases in California. While Beale's mission has recently been expanded, it still is subject to review. Coordinated local advocacy can have an impact on the decision-making process, so keeping Beale open should be a high priority for the City.



Beale AFB is a regional asset that can be leveraged for local job creation.

- 2.5-I-3 Continue to identify, pursue and capture state, federal and other grants for economic development.

The Yuba-Sutter Economic Development Corporation has been active in pursuing grants, and the City should continue to work with them on program funding of mutual benefit.

- 2.5-I-4 Establish bi-annual priorities between capital projects and economic development projects within the context of the City's Capital Improvement Program (CIP); emphasize in the CIP Economic Development and Revitalization Programs to be coordinated with the Redevelopment Agency's programs.

Programs

- 2.5-I-5 Support a coordinated approach to working with key industries for the purposes of targeted marketing (on a case-by-case basis) to existing firms to be retained and/or expanded and new firms to be sought. Identify underrepresented industries that may be attracted to Yuba City and actively try to recruit them.

Candidates include businesses involved with agricultural processing and agricultural equipment, health services, tourism, professional service, "back-office" services, agricultural services, computer software and services, organic agriculture and specialty foods. As part of this program, the City, working closely with Yuba-Sutter Economic Development Corporation could develop a Business Attraction Strategy which secures new business activity for Yuba City's vacant and underutilized sites. The Strategy should include the following components:

- *Identify target sites and solicit cooperation of property-owner;*
- *Identify necessary on- and off-site infrastructure improvements;*
- *Identify target industries (and possibly specific firms);*
- *Prepare marketing materials, in coordination with Yuba-Sutter Economic Development Corporation and the Chamber of Commerce;*

- *Conduct outreach through mailings, personal contact, trade shows; and*
- *Coordinate with permit processing.*

2.5-I-6 Assist local merchants and business organizations interested in forming business improvement districts to promote a definable identity for specific commercial areas through coordinated signage, landscaping and entry/identity symbols.

2.5-I-7 Work with the State Employment Development Department, the California Training and Education center, Yuba Community College and higher education institutions to establish practical job training and vocational education programs on campuses within Yuba City that are geared to specific industries and occupational needs.

Examples may include the visitor industry, specific agricultural commodities, health care, agricultural-related high technology manufacturing, and back office uses, such as call centers. Business involved in support functions for Beale Air Force Base also may benefit from specialized training.

2.5-I-8 Work with the school districts to develop internship, mentoring and workplace learning programs for Yuba City high school students.

This program could help students who are not college-bound into productive adult careers in the community.

2.5-I-9 Establish a program, such as "Yuba City Marketplace," to connect local business needs with local products and services and encourage all businesses and residents in Yuba City to make purchases in the community whenever possible to support local firms.

Yuba City businesses can "multiply" their profits by purchasing goods and services locally.

2.5-I-10 Continue to support the City's Downtown Farmer's Market by helping sponsors in marketing and related promotional activities.

2.5-I-11 Explore creating an additional Sister City relationship with one or more communities in India.

Sister Cities International, a nonprofit organization that certifies Sister City affiliations can assist in this process, and its Annual Fund for Partnership, Innovation and Excellence may provide some financial assistance. Beneficial exchanges can facilitate community-building, which will indirectly have economic development effects.



The Downtown Farmer's Market has been a success.

Cultural Amenities, Image and Business Climate

- 2.5-I-12 Promote cultural amenities and facilitate special events in the community that will draw visitors to the community.

Potential events include Yuba City Artisans and Crafts Fair, Feather River–oriented weekends, sporting events and other seasonal events that will attract visitors to the community.

- 2.5-I-13 Work with local hotels and motels, the Chamber of Commerce, Yuba-Sutter Economic Development Corporation, and recreational organizations and business to promote a Yuba City-Feather River "weekend package" of emphasizing the community's historical and community assets, and access to recreational facilities and recreational areas.



- 2.5-I-14 Explore the feasibility of establishing a convention center or performing arts center, either Downtown or in another accessible location.

Access to the Feather River and other recreational facilities in the area is a community asset.

This initiative also should be coordinated with efforts to upgrade hotel facilities and attract new hotels and motels to Downtown and the Route 99 and Route 20 corridors.

Commercial and Industrial Development

- 2.5-I-15 Maintain a generous supply of "ready to go" commercial and industrial land by annexing and zoning sites prior to receipt of development applications.
- 2.5-I-16 Develop guidelines for adaptive reuse of commercial/industrial buildings and "incubator" development projects, including "live/work" studios.
- 2.5-I-17 Work with Sutter County and the Yuba-Sutter Economic Development Corporation on developing a resource-based industrial park in the Route 99 corridor north of the City that would service the agricultural and processing businesses in the County.

Also, see policies in Chapter 3: Land Use.

Fees and Development Standards

- 2.5-I-18 Explore financing plans for existing businesses seeking to expand in Yuba City for whom payment of fees "upfront" may represent a major financial burden. Six- or twelve-month financing programs could be considered.

This program should be integrated with assistance provided by the Redevelopment Agency and by Yuba-Sutter Economic Development Corporation.

- 2.5-I-19 Provide incentives to attract and encourage environmentally desirable businesses and business activities, including possibly reduced fees for outstanding environmental conservation efforts.

Use of agricultural waste for energy co-generation facilities is one example of such an effort, and there are state and federal grant programs and tax credit for such activities.

- 2.5-I-20 Periodically survey the business community for evaluation of City services and improvement suggestions.

In order to retain the businesses that currently exist and to attract new ones, the City needs to “feel the pulse” of the business community. Establishing a regular program to ensure dialogue between the community and the City is essential to ensuring that the City’s policies encourage and stimulate commercial vitality.

- 2.5-I-21 Explore the potential for adjustments to development controls that allow for more efficient use of sites already developed for employment uses (e.g., through height and/or floor area ratio (FAR) increases).

- 2.5-I-22 Promote, consistent with the Traffic and Circulation Element, public transportation opportunities, in order to serve business areas and transport workers.

- 2.5-I-23 Encourage non-motorized means of transportation to business areas.

See Chapter 5, Traffic and Circulation for details on proposed bike and trail systems.

- 2.5-I-24 Assure adequate revenue sources to finance City capital and program initiatives that will enhance economic development prospects.

Examples of initiatives potentially requiring capital outlays are new streets and infrastructure for development areas, amenities along the Feather River and provision of other kinds of community infrastructure. Provision of assisted housing may also involve capital costs. Ongoing costs of administering newly established programs (e.g., a job center) and/or providing services in conjunction with expanded activity (expansion of water service) will require increased operating costs and, potentially, augmentation of existing sources of operating revenues. Enlargement of the City’s responsibilities, whether in capital or operating realm, should occur only when decision makers are satisfied that a range of adequate financing options is available.

- 2.5-I-25 Assure that ongoing budgets provide for adequate maintenance of the City’s capital facilities, and establish fees commensurate with services rendered (e.g. application processing fees, planning, building and safety and engineering) to recover costs of these services.

