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# ECONOMIC DEVELOPMENT

## Introduction

The Economic Development Element guides the City's future policy decisions to support and strengthen the local economy. Although not required for a General Plan, the City has included this Element to recognize that fostering economic vibrancy and resilience is essential to planning for Laguna Niguel's future.

While presented as a separate chapter, this Element is interconnected with other General Plan Elements, such as Land Use, Housing, Mobility, and Resource Management, as decisions in one area may impact economic development and vice-versa.

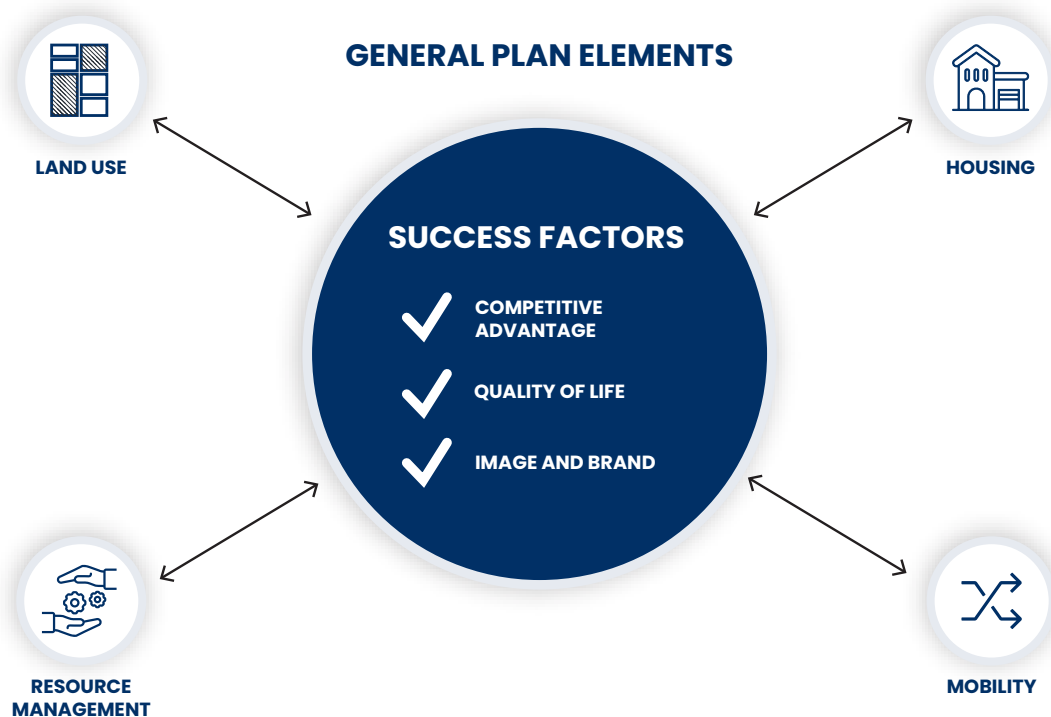
The Economic Development paradigm illustrates the cyclical and interconnected relationships between economic development and other General Plan Elements. The goals and policies of the other Elements, such as Land Use and Mobility, play a critical role in shaping economic development in how they impact the City's competitive advantages, quality of life, and overall image and brand. Similarly, economic development goals and policies influence the planning and implementation of the other Elements. In short, economic development is integral to the overall success of the other Elements and to achieving the City's long-term vision.

## Key Opportunities and Challenges

The Economic Development Element has been developed through input from City staff, key stakeholders, and analyses conducted over the past several years on Laguna Niguel's existing socioeconomic, demographic, market, and fiscal trends and conditions. Focused fiscal and market studies by City-retained consulting firms identified several key opportunities and challenges impacting economic growth and development in the City. They include the following:

- **Affluency and Education.** Laguna Niguel residents are highly educated, with more than half the population holding at least a bachelor's degree, and their average earnings exceed those of the broader Orange County region. These higher levels of affluence and education are reflected in the industries in which residents are employed, including the higher-paying industries of healthcare and professional

## Economic Development Paradigm



services. At the same time, the City has a significant number of residents employed in several lower-paying industries, including food services and retail trade.

- **Workforce Disparity.** There is a shortage of employment opportunities within the City that align with the skills of its resident workforce, leading many to commute to job centers in Irvine, Los Angeles, Newport Beach, and Mission Viejo. Although redevelopment opportunities are limited in a largely built-out city, and office development has been a challenged real estate sector, there are key sites such as the Chet Holifield Federal Building that present opportunities to attract the types of industries suited to the City's skilled workforce.
- **Retail Landscape.** The City has a strong regional retail presence, anchored by big-box stores, with more retail space per capita than surrounding communities.

However, there are categories of retail, such as entertainment and dining, in which the City experiences considerable "leakage" of resident spending to other nearby communities. Opportunity areas within Laguna Niguel are well-positioned to become vibrant environments that combine in-demand shopping, dining, and entertainment amenities, along with public spaces and housing opportunities.

- **Financial Strength.** Laguna Niguel has a strong revenue base, with the majority of revenues generated by both property and sales taxes. The City's conservative fiscal reserve policy further supports long-term financial sustainability. Looking ahead, anticipated new development, especially within designated Opportunity Areas (see Land Use Element), is poised to diversify and boost tax revenues, reduce retail spending "leakage", and even draw visitors and shoppers from neighboring cities.





## Organization of Element

The goals and policies identified in the Economic Development Element are focused on key areas in which the City has the greatest opportunity to promote economic stability and development, given its market conditions and position within the region. These goals and policies underscore the City's commitment to a strong and resilient economy, cultivating a place where workers, residents, visitors, and businesses can thrive, today and into the future. The Economic Development Element is organized into three goal topics, as follows:

- Support the Business Community
- Stimulate Revitalization and Economic Growth
- Maintain Fiscal Sustainability



# SUPPORT THE BUSINESS COMMUNITY

## Goal ED-1

A strong local economy where existing businesses are supported, new businesses are attracted, and a business-friendly environment is fostered.

One of the City's most vital assets in promoting and sustaining economic growth is its existing economic base. Supporting existing local businesses so that they can thrive, grow, and adapt to changing economic conditions will not only help those businesses and their employees, but also demonstrate to other businesses that the City is a desirable place to locate. This support extends to residents and workers who may be looking to start or grow a business in the City. Laguna Niguel has established itself as a business-friendly environment through its tailored relationship support, flexible accommodations that remove barriers, and regional connectivity. Ongoing support for existing and new businesses while remaining connected to the wider region will be essential to help the local economy thrive. Additionally, Laguna Niguel is part of a wider regional economy in Southern Orange County, and fostering strong connections with regional partners will enhance the City's support for its local business community.



## ED-1 Policies

- ED-1.1 Business Support.** Implement policy adjustments to reduce barriers and streamline support to local businesses by evaluating City regulations, processes, and procedures that impact business development and operations.
- ED-1.2 Community Partnerships.** Cultivate partnerships, encourage dialogue, and collaborate with the local business community including the Chamber of Commerce, other civic organizations, and regional partners to leverage resources, share best practices, and align initiatives that support business growth and sustainability in Laguna Niguel.
- ED-1.3 Business Community Promotion.** Promote the existing business community and highlight Laguna Niguel's business-friendly environment through marketing initiatives, community engagement, and collaboration with local and regional partners.
- ED-1.4 Business Resources.** Assist existing and new businesses in identifying available resources through direct outreach and facilitating connections to support business needs.
- ED-1.5 Business Retention.** Encourage the retention of existing industry and employment generators in the community by providing and maintaining high-quality services and facilities.
- ED-1.6 Business Entrepreneurship.** Support local and regional businesses and entrepreneurs in establishing and expanding in-demand businesses in Laguna Niguel.
- ED-1.7 Economic Monitoring and Adaptation.** Regularly assess local and regional economic indicators and adapt policies and programs to align with evolving market trends and community needs.
- ED-1.8 Technology and Outreach.** Ensure the City's public-facing economic development resources, including webpages, the interactive Geographic Information System tool, social media, and other platforms provide accessible and current information for the business community.
-  **ED-1.9 Community Assets.** Highlight the City's assets for businesses, including a workforce with a variety of skills and education levels, high-quality recreational and retail/dining amenities for employees, access to major transportation corridors, and a proactive business environment.







# STIMULATE REVITALIZATION AND ECONOMIC GROWTH

## Goal ED-2

Strategic redevelopment of targeted growth areas to attract investment, create jobs, and strengthen Laguna Niguel's identity and long-term vitality.

Major commercial activity sites have the potential to drive economic diversification, anchor business activity, provide a unique sense of place, and generally open the City to increased economic opportunity. Through designating "Opportunity Areas" (the Marketplace at Laguna Niguel, the Chet Holifield Federal Building site, and Town Center area, as described in the Land Use Element), Laguna Niguel can promote economic activity that serves the needs of residents, workers, and visitors. Encouraging the redevelopment of these key sites into vibrant mixed-use environments can generate employment and consumer activity that can support a wide range of businesses with an established customer base. These opportunities in turn will enhance the City's overall economic base, prospects, and sense of place.








## ED-2 Policies



- ED-2.1 Mixed-Use Development.** Promote the application of land use overlays that facilitate blending commercial with complementary public and residential uses within the City's Opportunity Areas to create multi-functional developments that contribute to more sustainable and diversified community growth.
- ED-2.2 Housing Choices.** Promote the application of land use overlays that facilitate the development of housing for a range of household types and income levels within the City's Opportunity Areas which can generate future demand for business development and enhancing local economic resilience.
- ED-2.3 Fiscal Impact.** Ensure new developments positively impact the City's fiscal health by evaluating the project's effects on City revenues, expenditures, and service demands.
- ED-2.4 Industry Alignment.** Support the development of projects that address the needs of industries aligned with the City's resident workforce, including technology, healthcare, and professional services.

- ED-2.5 Key Sector Employers.** Engage local and regional representatives from key industries like technology, finance, healthcare, and other high-skilled sectors to explore opportunities for future investment and location in the City.
- ED-2.6 Business Attraction.** Outreach to businesses specializing in in-demand experiential retail that align with the community's goals to locate within underutilized areas of the City.
- ED-2.7 Strategic Reinvestment.** In addition to designated Opportunity Areas, support reinvestment efforts for undeveloped, underdeveloped, or unoccupied sites that align with the City's land use vision and goals.
- ED-2.8 Flexible Office Space.** Promote the development of coworking hubs and flexible office environments to align with the evolving needs of businesses, entrepreneurs, and remote workers.
- ED-2.9 Hotel Development.** Promote targeted sites for upper midscale and upscale hotel developments that serve local and regional hospitality needs and provide multi-use spaces for conferences and events.
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- ED-2.10 Public Spaces.** Promote the inclusion of vibrant public spaces and family-friendly areas in developments to create opportunities for community events and gatherings and to cultivate a sense of place.
- ED-2.11 Marketing and Branding.** Develop a marketing and branding strategy to highlight Laguna Niguel's commercial zones.





# MAINTAIN FISCAL SUSTAINABILITY

## Goal ED-3

Long-term fiscal health through prudent financial management, diversified revenue sources, strategic growth, and transparent policies that sustain quality public services and economic resilience.

The City's long-term fiscal health relies on sustainable financial planning and management of operations. Through initiatives like the adopted Laguna Niguel 2050 Strategic Plan, the City has distinguished itself with its prudent financial planning, not having any debt, making strategic investments that have significantly increased projected investment income, and growing City reserves.


Continued diligent financial management is essential to maintaining the City's long-term fiscal health. Going forward, the City must continue to prudently manage both revenues and expenditures to sustain the quality of public services and the overall quality of life in Laguna Niguel. A diversity of revenue sources helps safeguard the City's budget during downturns in revenue-generating activities.

Laguna Niguel currently benefits from a strong tax base, with half its revenue from property taxes and another quarter from sales taxes. Enabling a range of new development and business types will reduce the City's reliance on any one sector of the market and economy. Additionally, new residential and commercial growth will generate the need for additional services and infrastructure and their associated costs. The City can plan for these needs through continued strong financial management and sound fiscal policies.





## ED-3 Policies

- ED-3.1 Diversify Revenue Sources.** Explore opportunities to expand and diversify the City's revenue sources.
-  **ED-3.2 Strategic Growth.** Encourage new development that generates economic growth and increased tax revenue.
- ED-3.3 Retail Support.** Promote expansion of retail sectors that are in-demand locally and regionally to increase sales tax revenues and expand retail amenities available to residents, workers, and visitors.
- ED-3.4 Development Impact Assessment.** Ensure that new developments cover the cost of providing necessary City infrastructure and public services, which may potentially include fair share contributions.
- ED-3.5 Economic Development Funding Opportunities.** Monitor and seek public, private, and non-profit funding sources for community revitalization and economic development initiatives.
- ED-3.6 Cost Management.** Prudently manage the City's revenues and expenditures.
- ED-3.7 Fiscal Sustainability.** Strive to maintain a strong fiscal reserve to ensure sufficient financial resources during slow economic periods when revenue generation may be reduced.
- ED-3.8 Fiscal Transparency.** Provide transparency in City fiscal policy and activities.



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