Economic Development Strategic Plan Update

City Council Committee of the Whole

November 10, 2021

Agenda

1. Introduction
2. Roadmap to the EDSP
3. Resident Engagement
4. Business Engagement
5. Data & Research
6. Upcoming Collaboration & Next Steps
7. Feedback and Council Direction

Roadmap to the EDSP

Economic Development Strategic Plan Roadmap

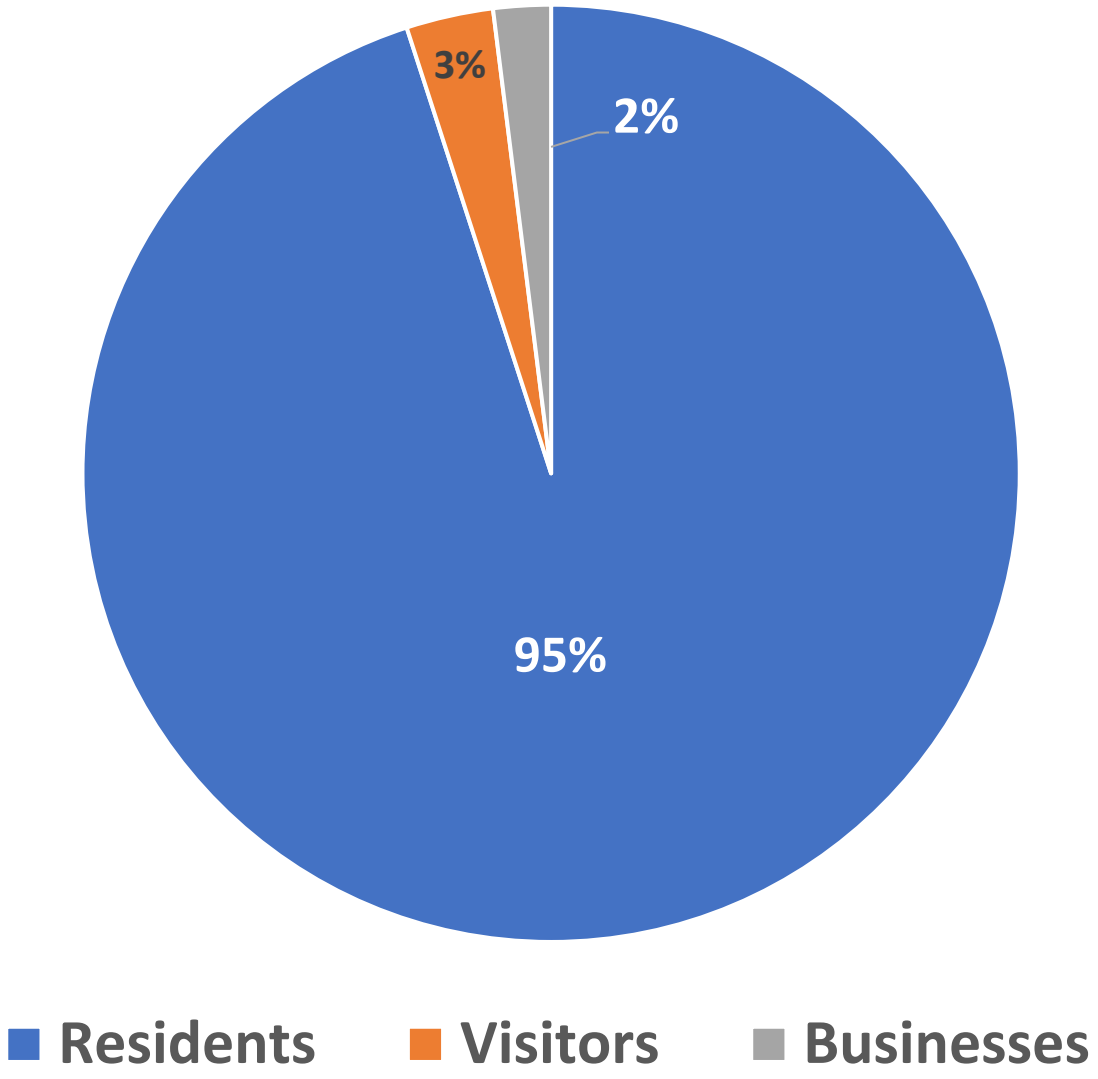
Resident Engagement

Resident Engagement

Types of Surveys

1. Shopping, Dining & Entertainment
2. Starting / Owning a Business
3. Workforce Needs
4. Wealth Building

3,400+ Responses



Resident Survey Distribution

- Coordination w/ Communications Dept.
- Social Media Platforms
- Paid & Targeted Ads
- In-person Events
- Economic Development Partners
- Chamber of Commerce Newsletter
- Spanish and English
- Print & Digital

Is Retailer Expanding?

Is Community Supportive?

Is Retailer Seeking Locations in Area?

Is Locating Financially Feasible?

Does the Community Have Suitable Real Estate?

Are There Enough Customers to Sustain Business?

Is Retailer Expanding?

Is Community Supportive?

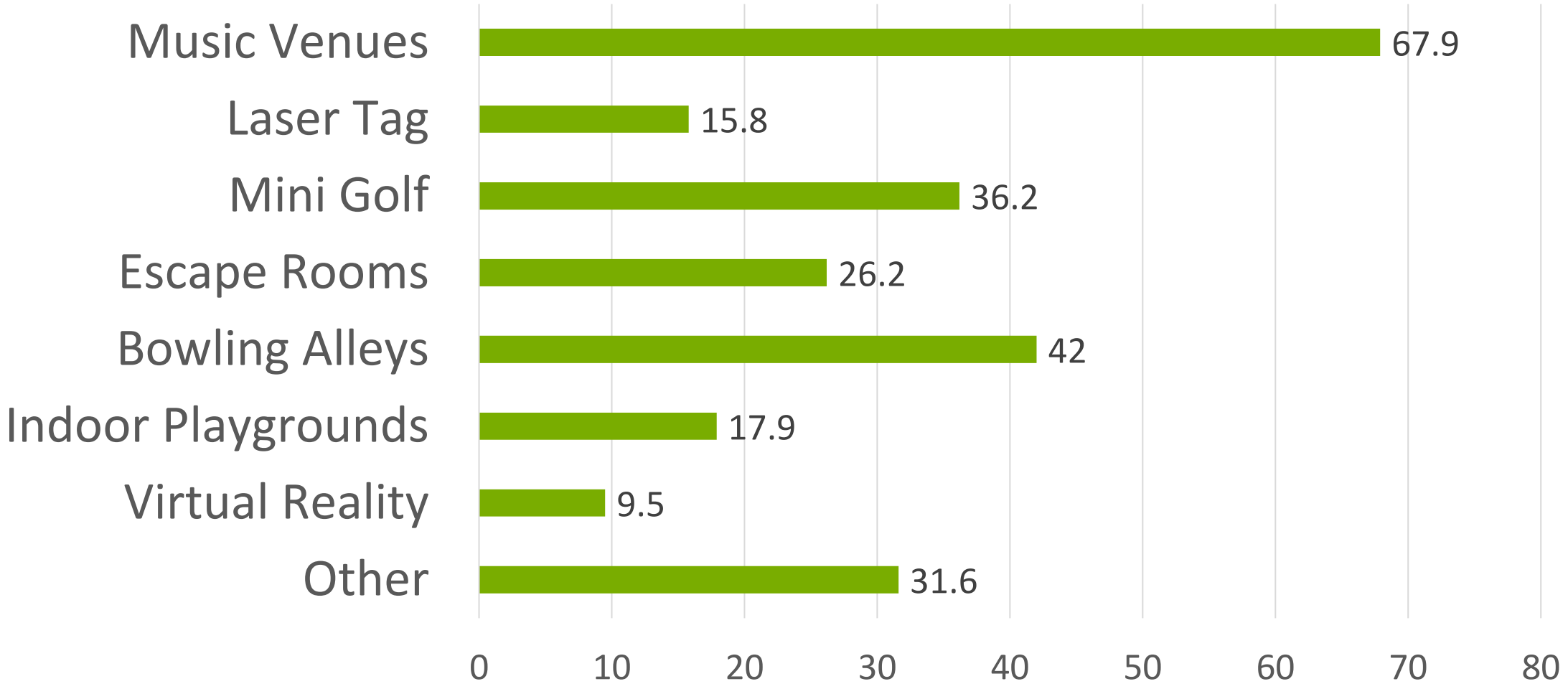
Is Retailer Seeking Locations in Area?

Is Locating Financially Feasible?

Does the Community Have Suitable Real Estate?

Are There Enough Customers to Sustain Business?

Entertainment



Shopping Local

Local Shopping, Dining, Entertainment

Live Music

Independent Restaurants

Shopping Besides South Corona

Things to do with Kids

Food Diversity

Fine Dining

Things to do with Teens

Clean and Safe Areas

Healthy Restaurants

Originality

Fun

More Luxury Stores

Cultural Diversity

Fewer Chains

More Night Life

Outdoor Dining

Vegan Restaurants

More Upscale Vendors

Places to Walk

Too Many Big Box Stores

Variety

Key Takeaways: Shopping, Dining, Entertainment

Desire Diversity

Seeking Experiences

Rehab Downtown

Safe Environment

Traffic is Challenging

- Residents want FUN & UNIQUE Things to Do
- Focus on Certain Sectors
- Dig into Specificity
- Family Friendly
- Support Existing Retailers & Properties
- Pair with Data

Starting or Owning a Business

In Progress

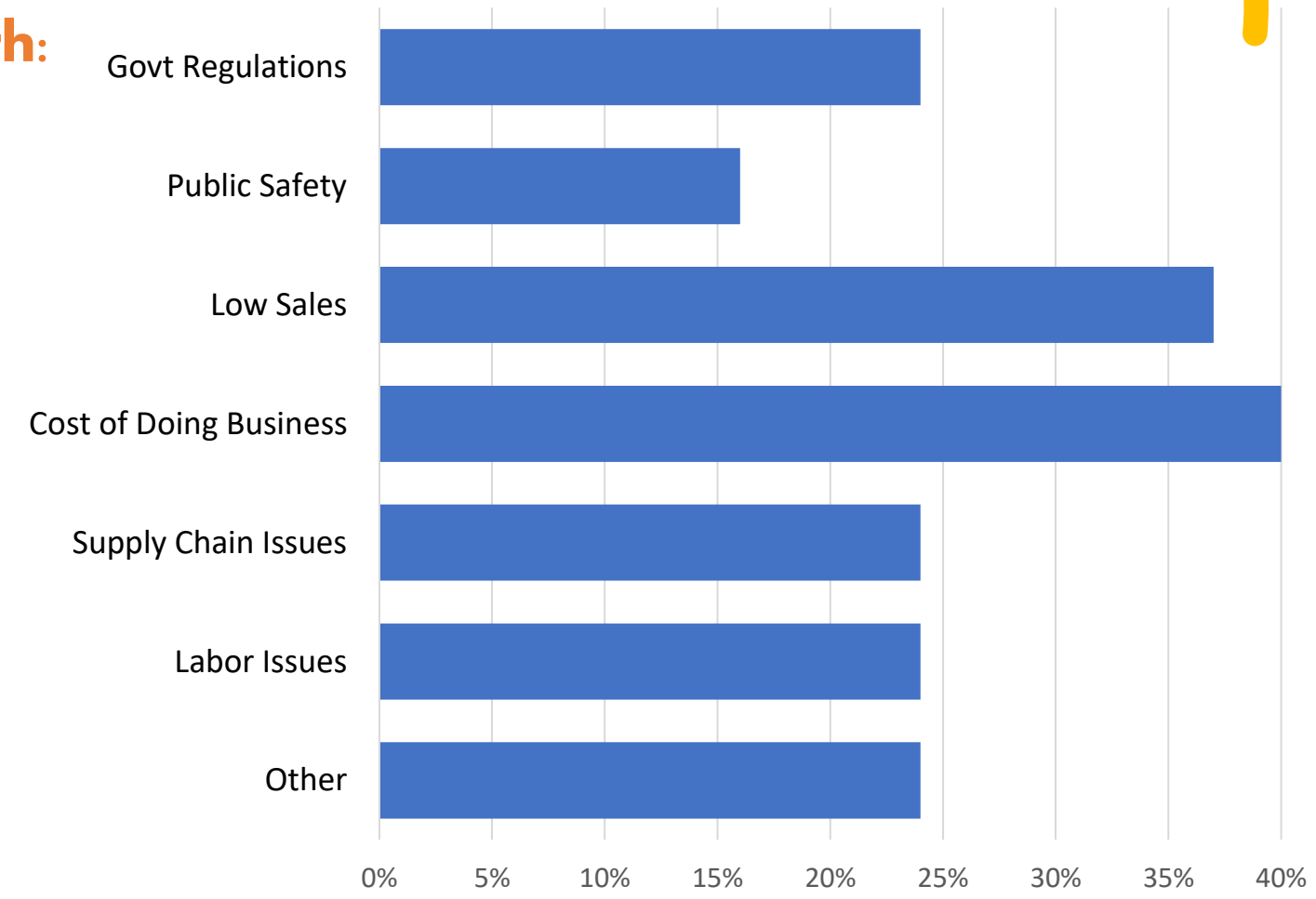
Businesses Want City Support With:

- Connect to Funding Providers
- Marketing and Advertising
- Business Networking Connections

The City Can Provide Support By:

- How To Do Business Guide
- Workshops
- Connections to Investors
- Mentorship

Biggest Challenges Facing Businesses



Resident Engagement: Next Steps

- Continue Engagement
- Workforce Needs Survey
- Financial Security & Wealth Building Survey
- Coordination with Econ Dev Efforts
- Downtown Revitalization Plan
- Platforms for Targeted Retail Attraction

Q&A

Business Engagement

Economic Development Strategic Plan Roadmap

Brokers & Property Managers

Major Themes

Retail

- Local appealing demographics for businesses
- Make retail destinations more walkable

Industrial

- Low inventory/high demand
- Low rents/higher availability relative to west IE and central OC

Office

- Need new/cool product to be competitive
- Need efficient concentration of product

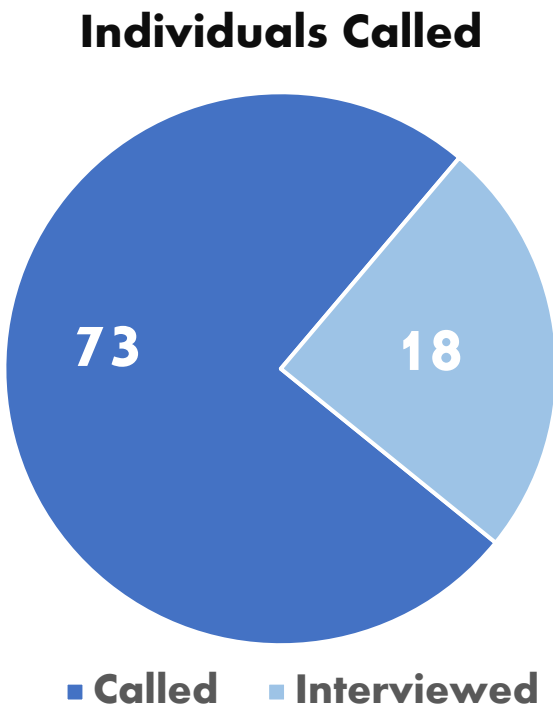
Across Markets

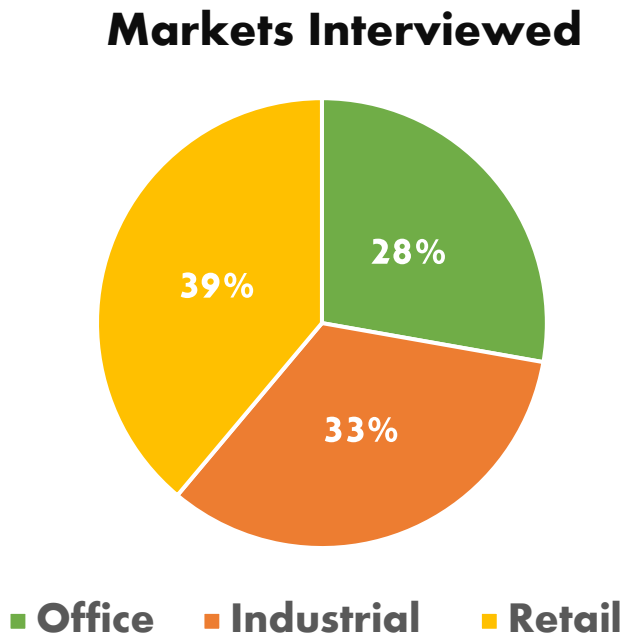
- Value relationships between broker community and City staff
- Value a positive permitting process experience
- Tenants are seeking less long-term leases

Brokers & Property Managers

Types of Interview Questions

1. Familiarity with market in Corona
2. Outside areas new businesses are considering
3. Types of businesses locating in Corona
4. How can Corona be more competitive to attract business

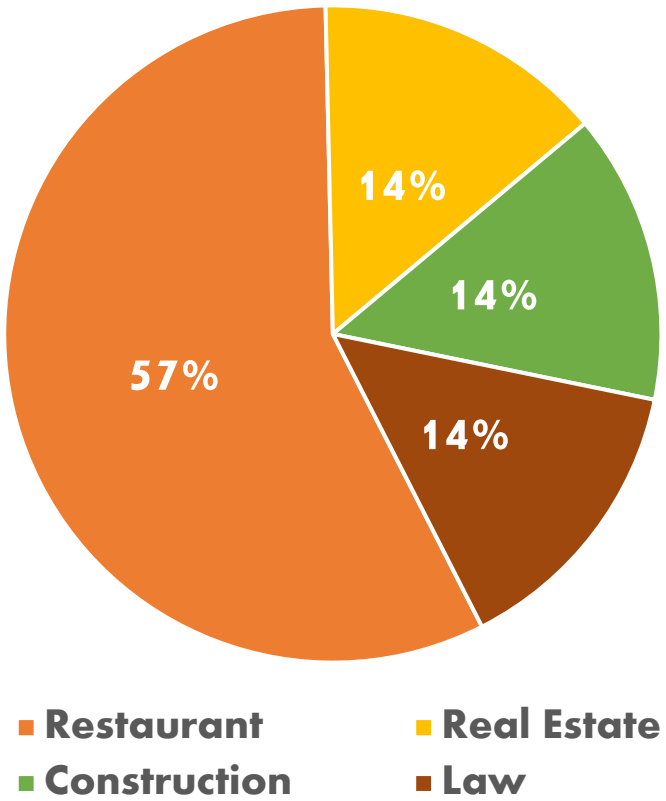




Latinx Businesses

In progress

Industries



Interview Approach

10 General Questions ↔ Understanding current operations

↓

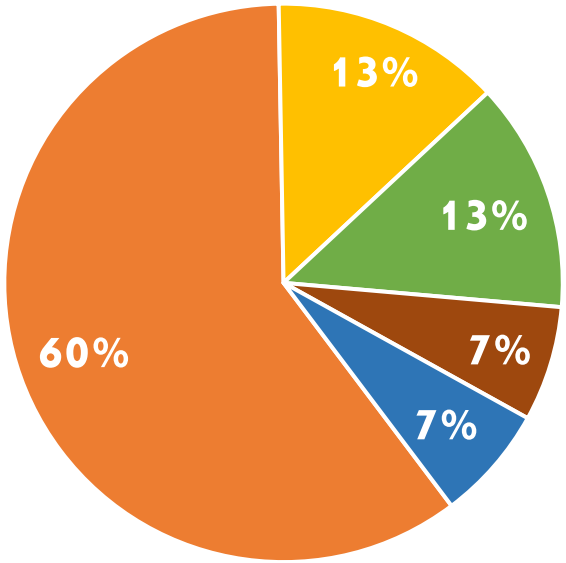
Questions Specific to Industry ↔ How are they confronting industry challenges?

↓

Questions Specific to Individual Business ↔ How does their location benefit them?

Catalytic & Major Businesses
Starting Soon

Industries



- Manufacturing
- Construction
- Health Care
- Wholesale Trade
- Management of Companies

Interview Approach

6 General Questions ↔ Local and non-local factors impacting their business's growth

↓

Questions Specific to Industry ↔ How are industry-wide factors affecting them?

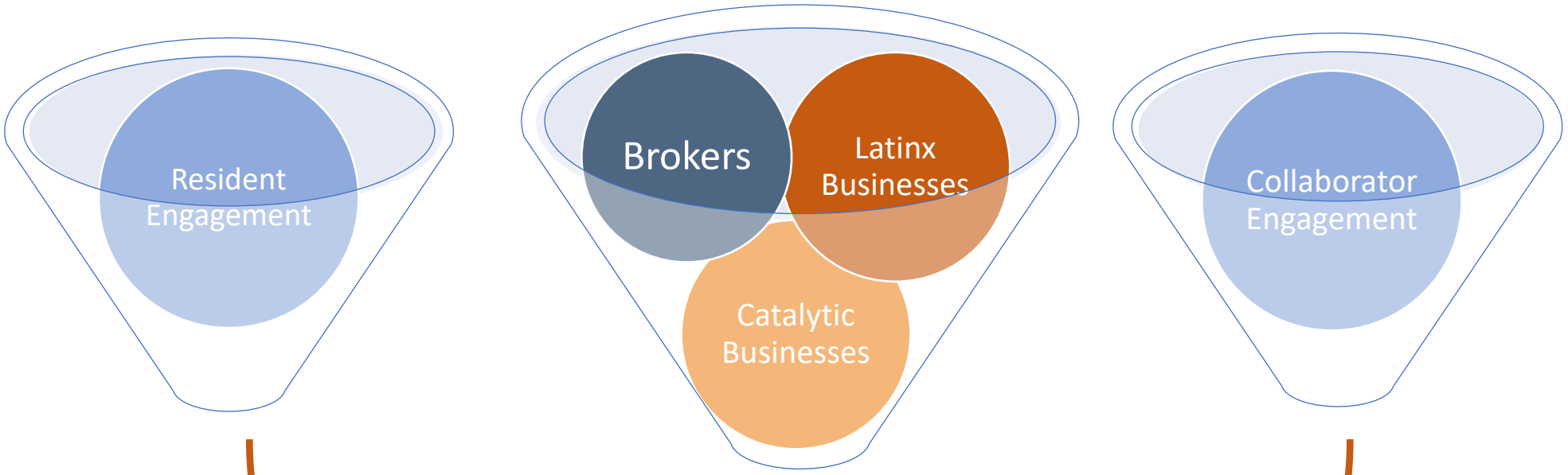
↓

Questions Specific to Individual Business ↔ How has locating in Corona benefited them ?

Business Outreach:
Next Steps

Data and Research

+



S.W.O.T Analysis

Strengths	Weaknesses	Opportunities	Threats
(Internal)	(Internal)	(External)	(External)

Q&A

Data & Research

Economic Development Strategic Plan Roadmap

Data & Research: UCR Study

- Demographics
- Employment
- Industry
- Real Estate
- Key Takeaways

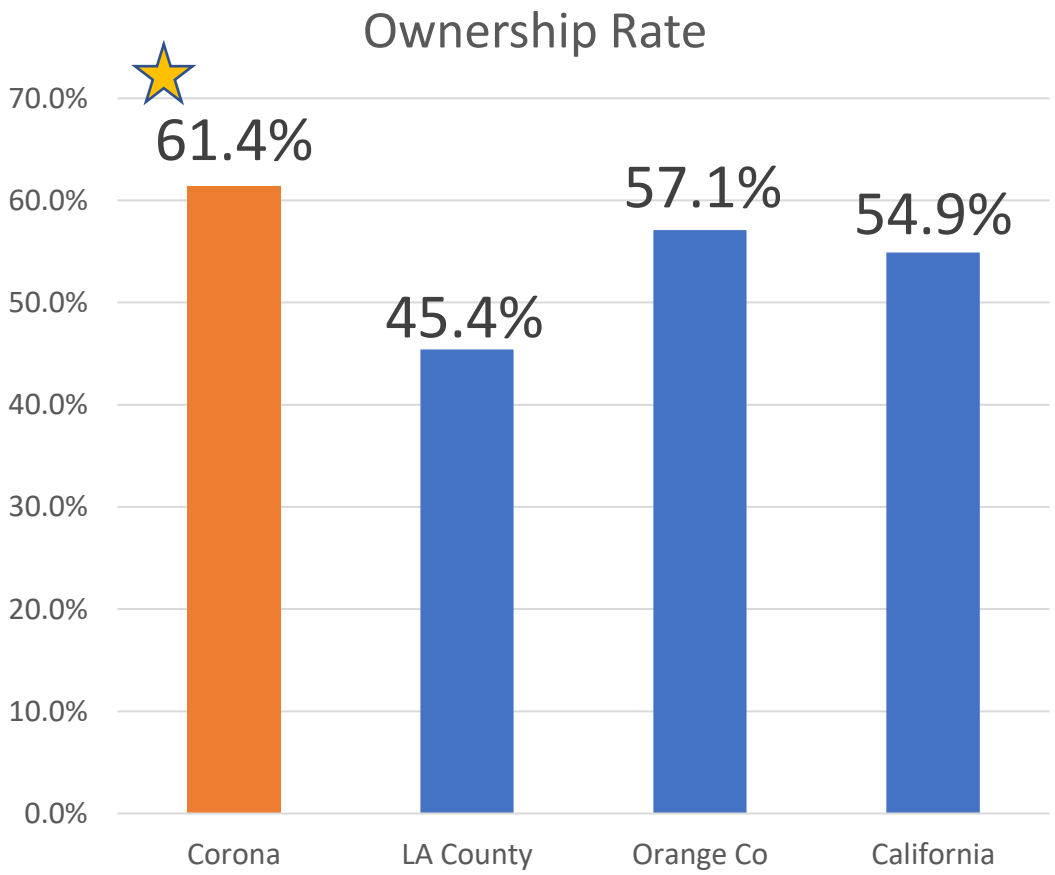
Recent Demographic Trends in Corona

- Existing Residents
- New Residents
- Place of Work Trends

Existing Residents

Recent Demographic Trends in Corona

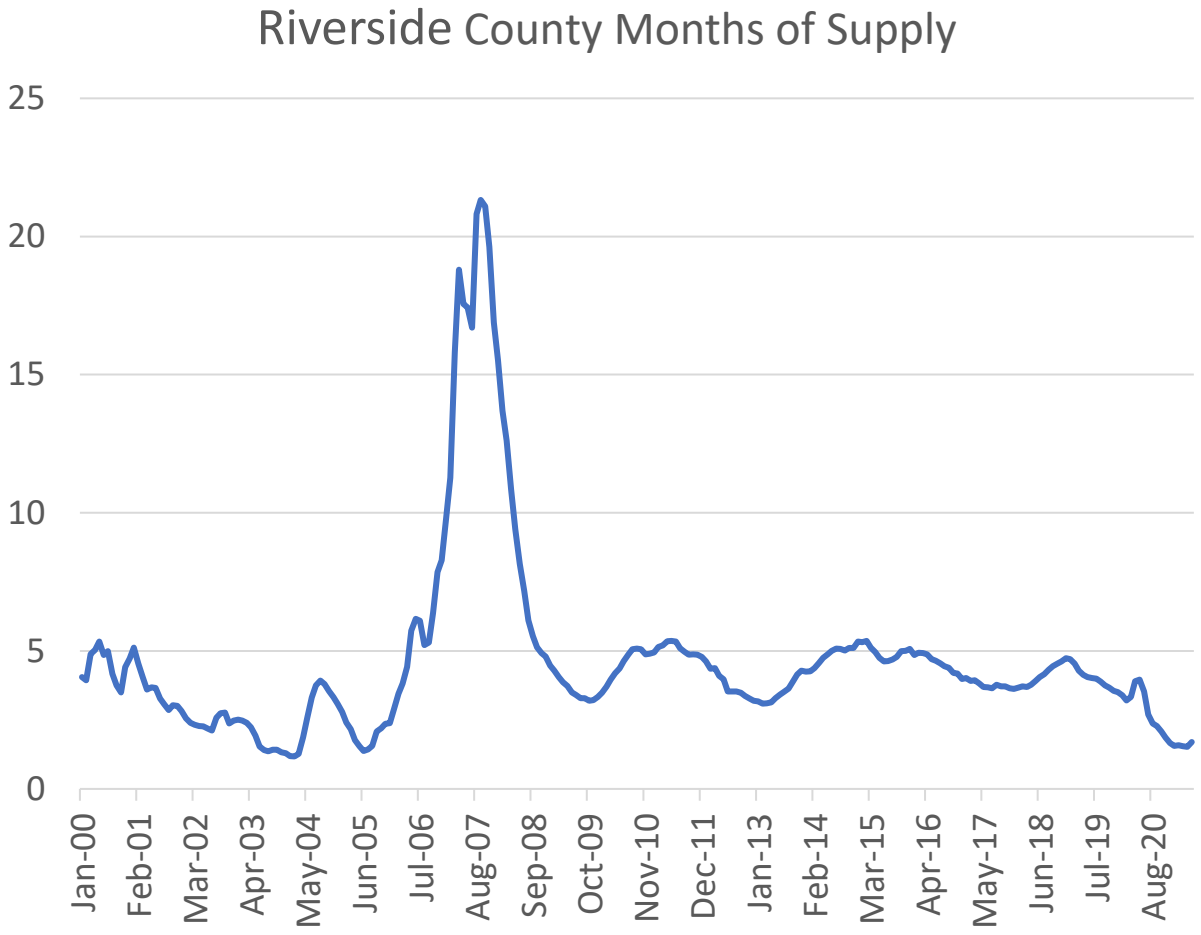
- High level of homeownership (61.4%)
- Appreciation of housing prices good for homeowners, challenge for buyers
- Lower wage earners face housing affordability and slower, job recovery



Existing Residents

Recent Demographic Trends in Corona

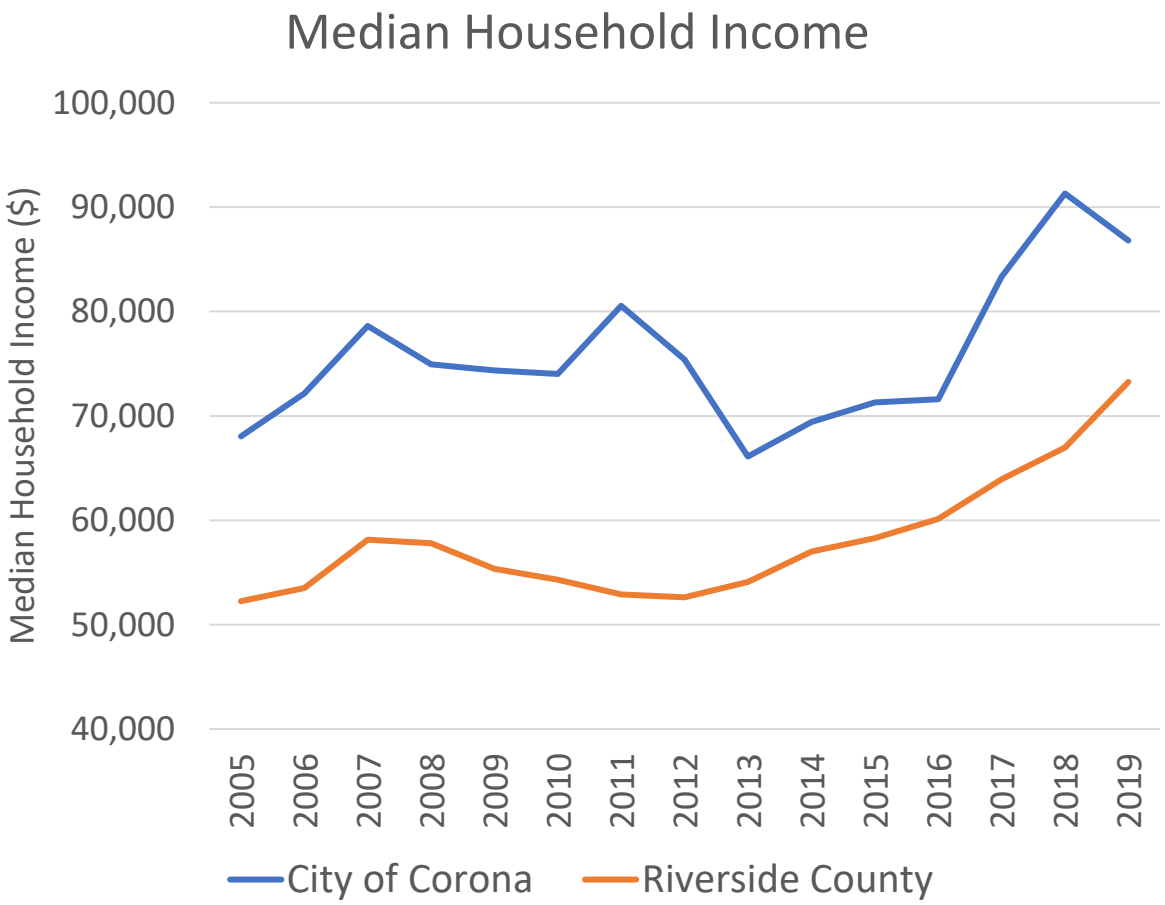
- High level of homeownership (61.4%)
- Appreciation of housing prices good for homeowners, challenge for buyers
- Lower wage earners face housing affordability and slower, job recovery



Existing Residents

Recent Demographic Trends in Corona

- High level of homeownership (61.4%)
- Appreciation of housing prices good for homeowners, challenge for buyers
- Lower wage earners face housing affordability and slower, job recovery



New Residents

Recent Demographic Trends in Corona

- New residents are primarily working age adults including a sizable portion of millennials
- Incomes are slightly higher than existing residents
- Generally higher educated

Corona Inbound Migration by Age	
Age	2019 Share of Inbound Migrants (%)
1 to 4 years	5.4
5 to 17 years	16.2
18 to 24 years	8.3
25 to 34 years	26.3
35 to 44 years	15.3
45 to 54 years	14.3
55 to 64 years	9.0
65 to 74 years	3.6
75 years and over	1.6
Source: U.S. Census Bureau, American Community Survey	

New Residents

Recent Demographic Trends in Corona

- New residents are primarily working age adults including a sizable portion of millennials
- Incomes are slightly higher than existing residents
- Generally higher educated

Corona Inbound Migration by Income	
Income	2019 Share of Inbound Migrants (%)
$1 to $9,999 or less	9.6
$10,000 to $14,999	4.7
$15,000 to $24,999	15.6
$25,000 to $34,999	13.9
$35,000 to $49,999	13.6
$50,000 to $64,999	16.8
$65,000 to $74,999	6.7
$75,000 or more	19.1
Source: U.S. Census Bureau, American Community Survey	

New Residents

Recent Demographic Trends in Corona

- New residents are primarily working age adults including a sizable portion of millennials
- Incomes are slightly higher than existing residents
- Generally higher educated

City of Corona Educational Attainment		
Educational Attainment	Existing	New
Some College or Associate's Degree	33.2	30.6
Bachelor's Degree	18.0	18.0
Graduate/Professional Degree	9.9	★ 11.6
Source: U.S. Census Bureau, American Community Survey		

Place of Work

Recent Demographic Trends in Corona

- In recent years, more Corona residents are working in Riverside & San Bernardino Counties
- Types of jobs as well as number are a major factor
- Lowest wage earners tend to work locally

Corona Residents by County of Work

County	2015 (%)	2016 (%)	2017 (%)	2018 (%)	2019 (%)
Riverside	48.9	49.1	53.0	56.3	55.2
Orange	28.1	28.5	22.2	22.0	22.7
San Bernardino	10.2	11.8	12.2	10.5	11.4
Los Angeles	9.3	8.0	7.7	8.7	6.9
Other	3.5	2.7	4.9	2.5	3.9

Source: U.S. Census Bureau, American Community Survey

Place of Work

Recent Demographic Trends in Corona

- In recent years, more Corona residents are working in Riverside & San Bernardino Counties
- Types of jobs as well as number are a major factor
- Lowest wage earners tend to work locally

Corona County of Work by Industry					
Industry	Riverside County (%)	Orange County (%)	San Bernardino County (%)	LA County (%)	Other (%)
NR/Construction	67.0	14.2	13.0	3.1	2.7
Retail Trade	66.9	12.7	10.1	3.9	6.4
Leisure and Hospitality	62.5	20.3	12.2	4.9	0.0
Transportation, Warehousing, and Utilities	61.6	7.9	13.8	13.2	3.5
Information	61.1	12.9	0.0	26.0	0.0
Manufacturing	56.0	18.4	12.1	6.0	7.6
Education and Health Care	55.2	26.0	10.4	5.2	3.2
Professional & Business Services	53.2	23.8	4.9	12.1	6.0
Other Services	51.8	28.6	12.8	6.8	0.0
Financial Activities	31.5	51.8	12.6	4.1	0.0
Government	30.8	34.7	15.9	14.6	4.0
Wholesale Trade	29.5	31.0	32.5	7.0	0.0
Source: U.S. Census Bureau, American Community Survey					

Place of Work

Recent Demographic Trends in Corona

- In recent years, more Corona residents are working in Riverside & San Bernardino Counties
- Types of jobs as well as number are a major factor
- Lowest wage earners tend to work locally

Corona County of Work by Wages

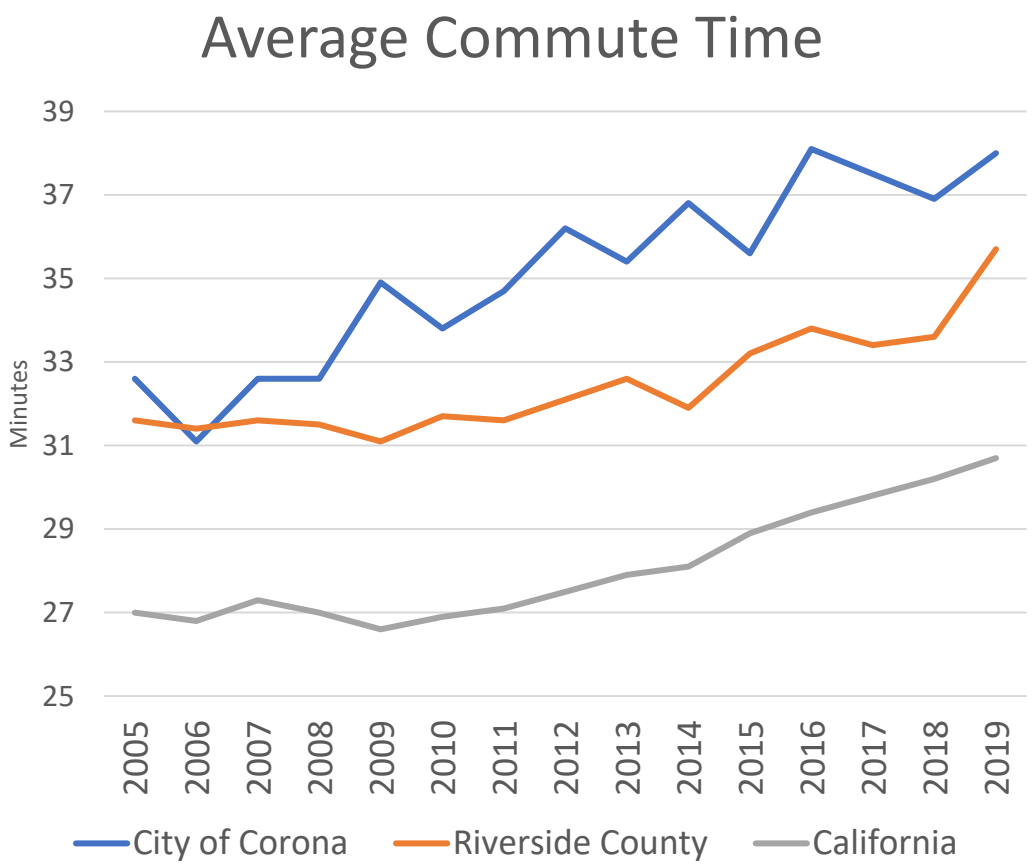
Wages	Riverside County (%)	Orange County (%)	San Bern County (%)	LA County (%)	Other (%)
$24,999 and Under	70.3	13.8	10.9	1.2	3.8
$25,000 to $49,999	57.3	24.0	9.5	5.5	3.7
$50,000 to $74,999	50.1	27.8	8.2	9.1	4.7
$75,000 to $99,999	22.2	38.3	25.9	9.8	3.8
$100,000 to $149,999	47.5	26.2	11.3	13.7	1.3
$150,000 to $199,999	27.0	29.6	13.3	24.4	5.8
$200,000 to $250,000	48.1	0.0	0.0	51.9	0.0

Source: U.S. Census Bureau, American Community Survey

Place of Work

Recent Demographic Trends in Corona

- In recent years, more Corona residents are working in Riverside & San Bernardino Counties
- Types of jobs as well as number are a major factor
- Lowest wage earners tend to work locally
- Despite these trends, commutes have been getting longer

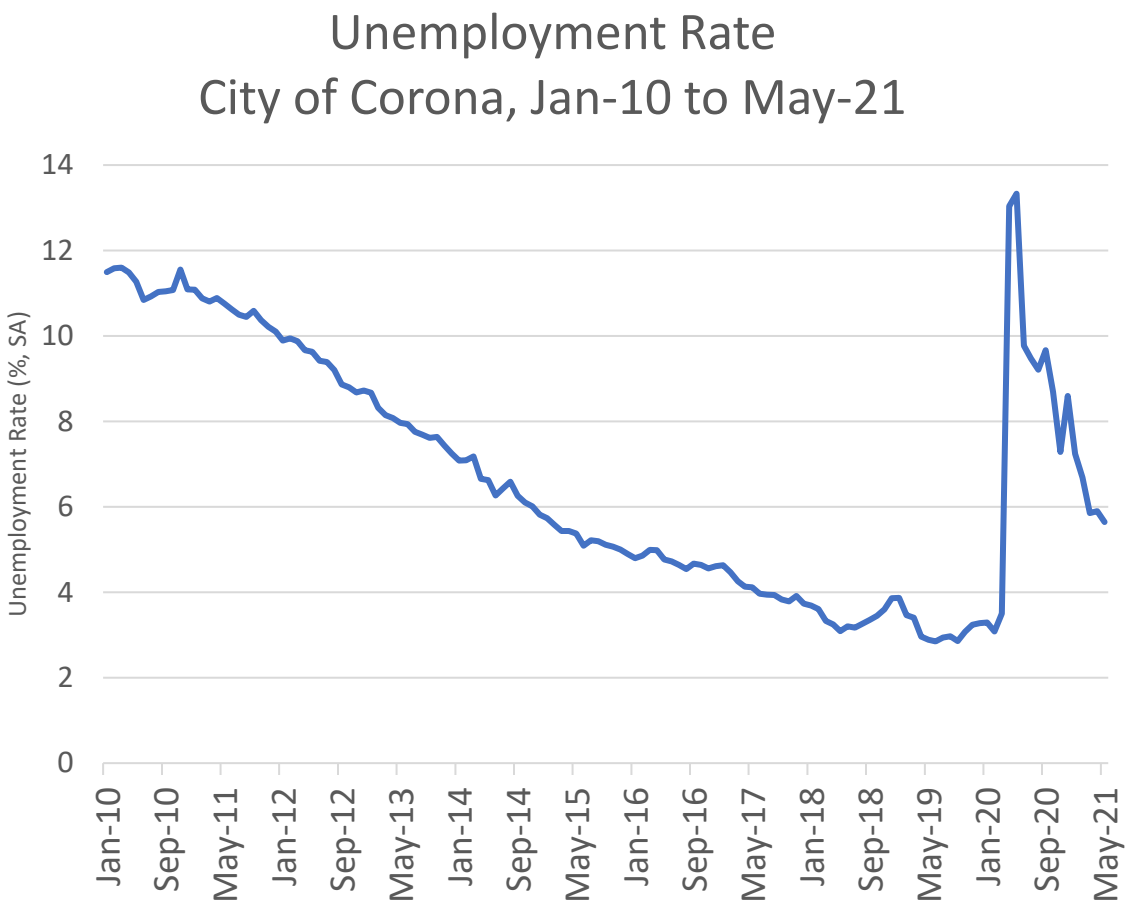


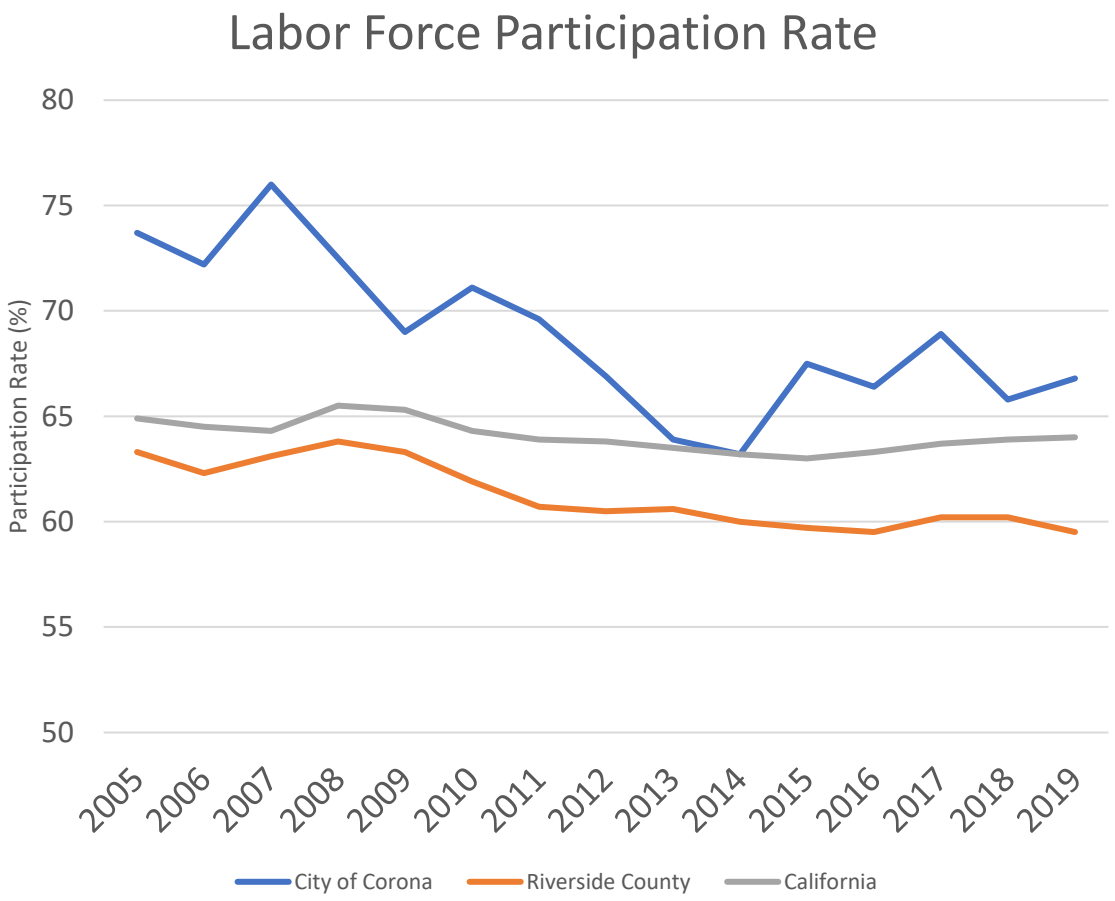
Recent Employment Trends in Corona

- Unemployment & Labor Force Participation Rates
- COVID Impacts
- 2028 Employment Projections

Unemployment & Labor Force Part. Rates

Recent Employment Trends in Corona

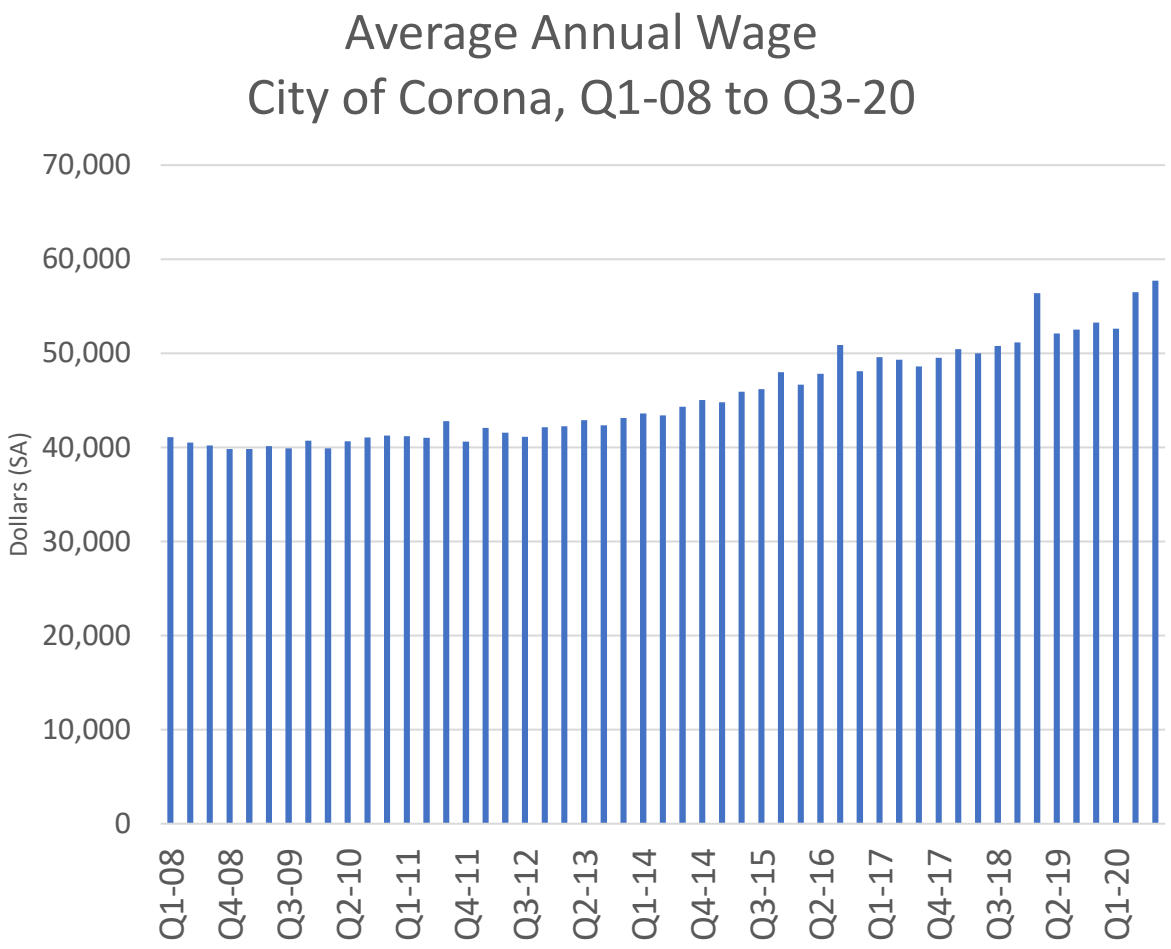




COVID Impacts

Recent Employment Trends in Corona

- Over past year, wages grew by 9.9% in Corona vs 11.1% elsewhere in County
- Performance is dependent on industry makeup
- Resilient and essential industries tended to experience job growth
- Smaller businesses suffered fewer layoffs



COVID Impacts

Recent Employment Trends in Corona

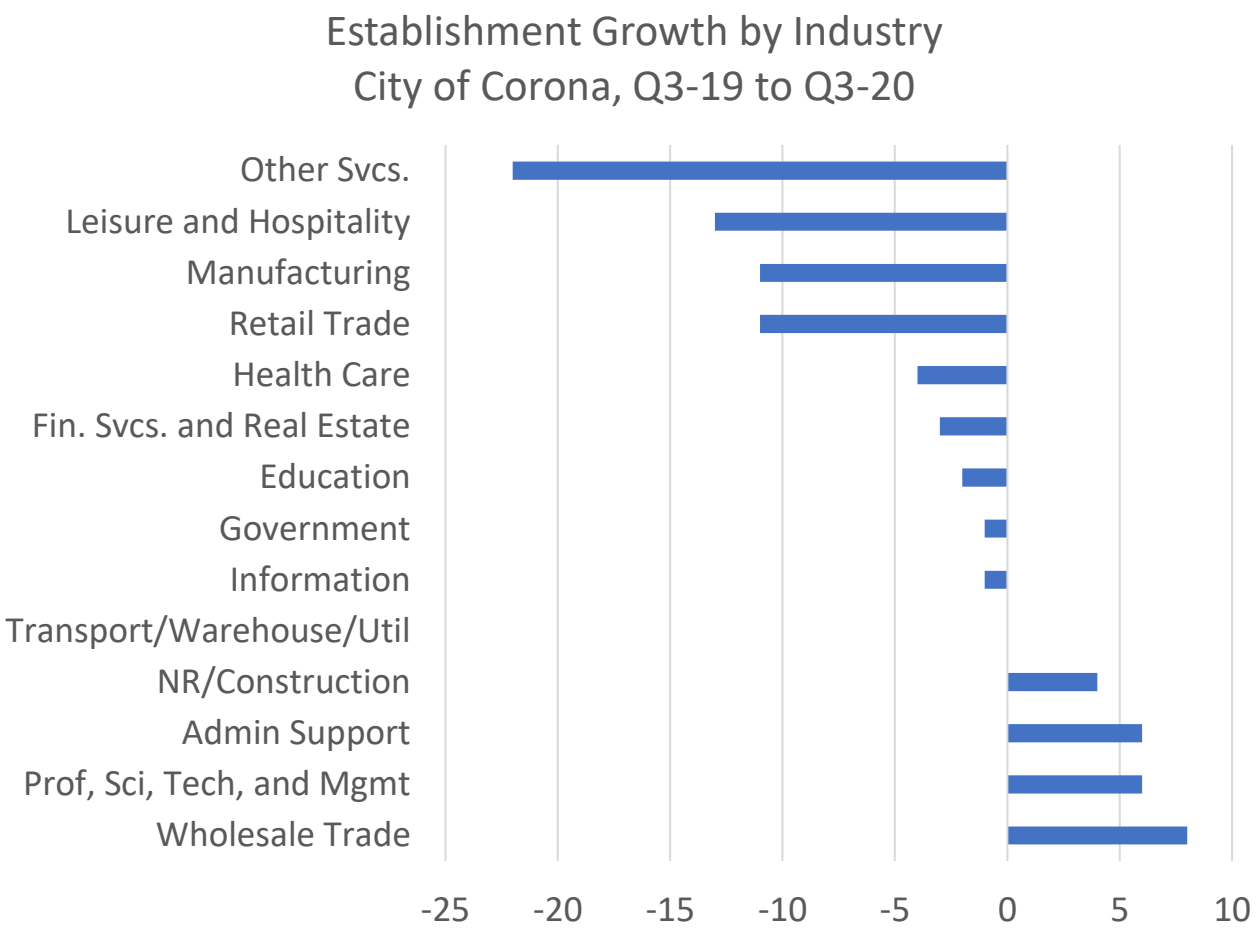
- Over past year, wages grew by 9.9% in Corona vs 11.1% elsewhere in County
- ★ Performance is dependent on industry makeup
- Resilient and essential industries tended to experience job growth
- Smaller businesses suffered fewer layoffs

Annual Average Wages by Industry: City of Corona Q3-20				
Industry	Average Annual Wage ($)	Year-over-Year Growth		City vs. County Balance (%)*
		City (%)	County Balance (%)	
Wholesale Trade	100,880	20.4	4.5	64.4
Transport/Warehouse/Util	55,547	12.5	5.6	13.2
Retail Trade	38,789	12.9	13.3	3.0
Prof, Sci, Tech, and Mgmt	76,495	7.1	11.2	6.5
Other Svcs.	40,201	7.7	9.4	-0.4
NR/Construction	71,648	5.6	7.3	30.2
Manufacturing	57,860	0.8	7.6	-1.3
Leisure and Hospitality	21,502	5.9	6.2	-17.0
Information	97,570	11.3	18.1	52.6
Health Care	36,527	8.6	8.5	-26.3
Government	85,455	20.3	13.9	18.3
Fin. Svcs. and Real Estate	88,569	19.8	12.4	33.0
Education	24,334	18.1	11.2	-48.9
Admin Support	43,097	7.2	8.0	20.6
Total	57,696	9.9	11.1	12.9
Source: California Employment Development Department; Analysis by Beacon Economics				
*Industry wage relative to the average annual wage for the industry in the County Balance				

COVID Impacts

Recent Employment Trends in Corona

- Over past year, wages grew by 9.9% in Corona vs 11.1% elsewhere in County
- Performance is dependent on industry makeup
- Resilient and essential industries tended to experience job growth
- Smaller businesses suffered fewer layoffs



COVID Impacts

Recent Employment Trends in Corona

- Over past year, wages grew by 9.9% in Corona vs 11.1% elsewhere in County
- Performance is dependent on industry makeup
- Resilient and essential industries tended to experience job growth
- Smaller businesses suffered fewer layoffs

Employment Growth in 2020 by Establishment Size: City of Corona		
Establishment Size	Total Employment	Annual Growth (%)
Less than 50 Employees	35,795	-5.1
50 to 99 Employees	14,126	-6.3
100 to 200 Employees	12,650	-8.1
More than 200 Employees	18,013	-10.3
Source: California Employment Development Department		

2028 Employment Projections

Recent Employment Trends in Corona

- In the IE, nonfarm payrolls expected to increase by 142,000 jobs from 2018 to 2028
  - Fastest growing: transportation, warehousing, utilities
  - Construction and health care: relatively strong growth
  - Manufacturing jobs are projected to decline

Employment Projections by Industry: Inland Empire 2018 to 2028

Industry	Emp. 2018	Projected Emp. 2028	Change 2018 to 2028	% Change 2018 to 2028
Total Nonfarm	1,506,700	1,660,700	154,000	10.2
Transport/Warehouse/Util	132,900	182,200	49,300	37.1
Health Care	220,100	256,200	36,100	16.4
Leisure and Hospitality	170,600	191,200	20,600	12.1
Construction	105,200	119,000	13,800	13.1
Government	257,200	266,700	9,500	3.7
Admin Support	101,000	110,400	9,400	9.3
Prof, Sci, and Tech	42,000	47,100	5,100	12.1
Wholesale Trade	65,500	69,200	3,700	5.6
Other Services	45,800	48,300	2,500	5.5
Educational Services	19,400	21,700	2,300	11.9
Retail Trade	181,200	183,400	2,200	1.2
Financial Activities	43,800	45,300	1,500	3.4
Information	11,400	12,100	700	6.1
Management	8,300	8,400	100	1.2
Mining and Logging	1,200	1,100	-100	-8.3
Manufacturing	101,100	98,400	-2,700	-2.7

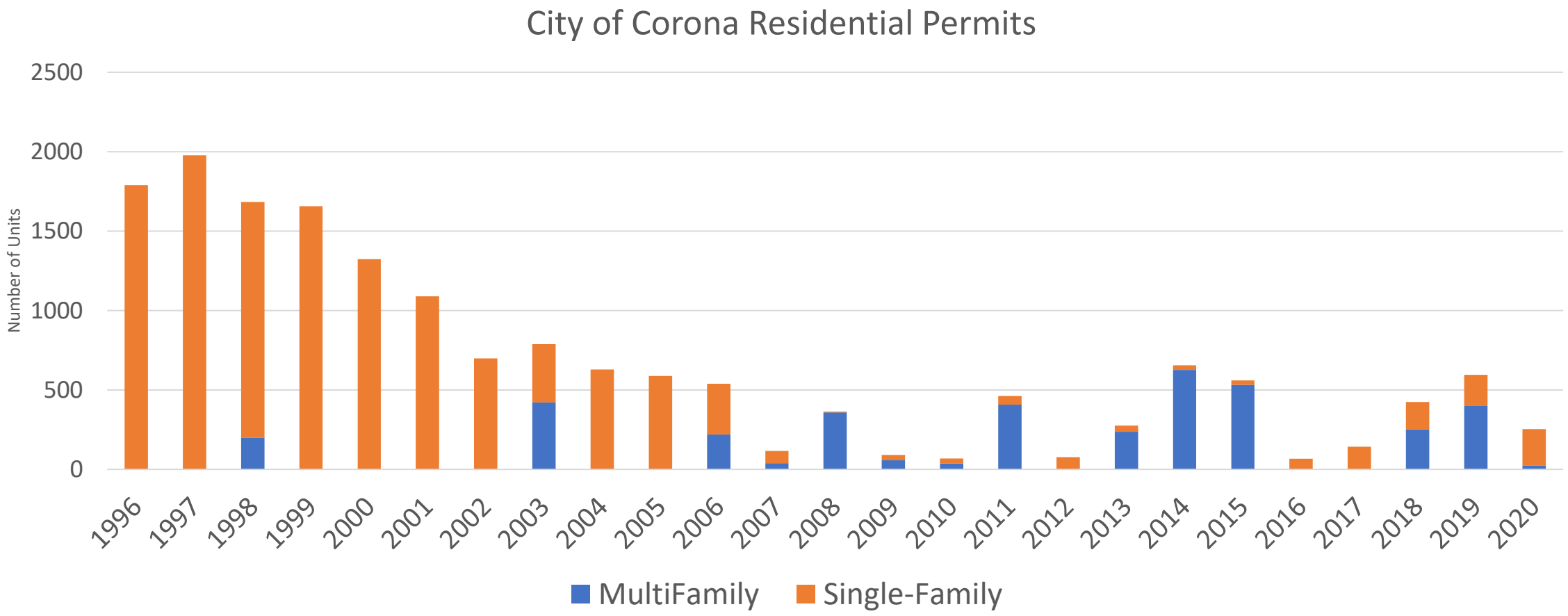
Source: California Employment Development Department; Analysis by Beacon Economics

Residential Real Estate

- Historic Construction Trends
- Single Family
- Multifamily

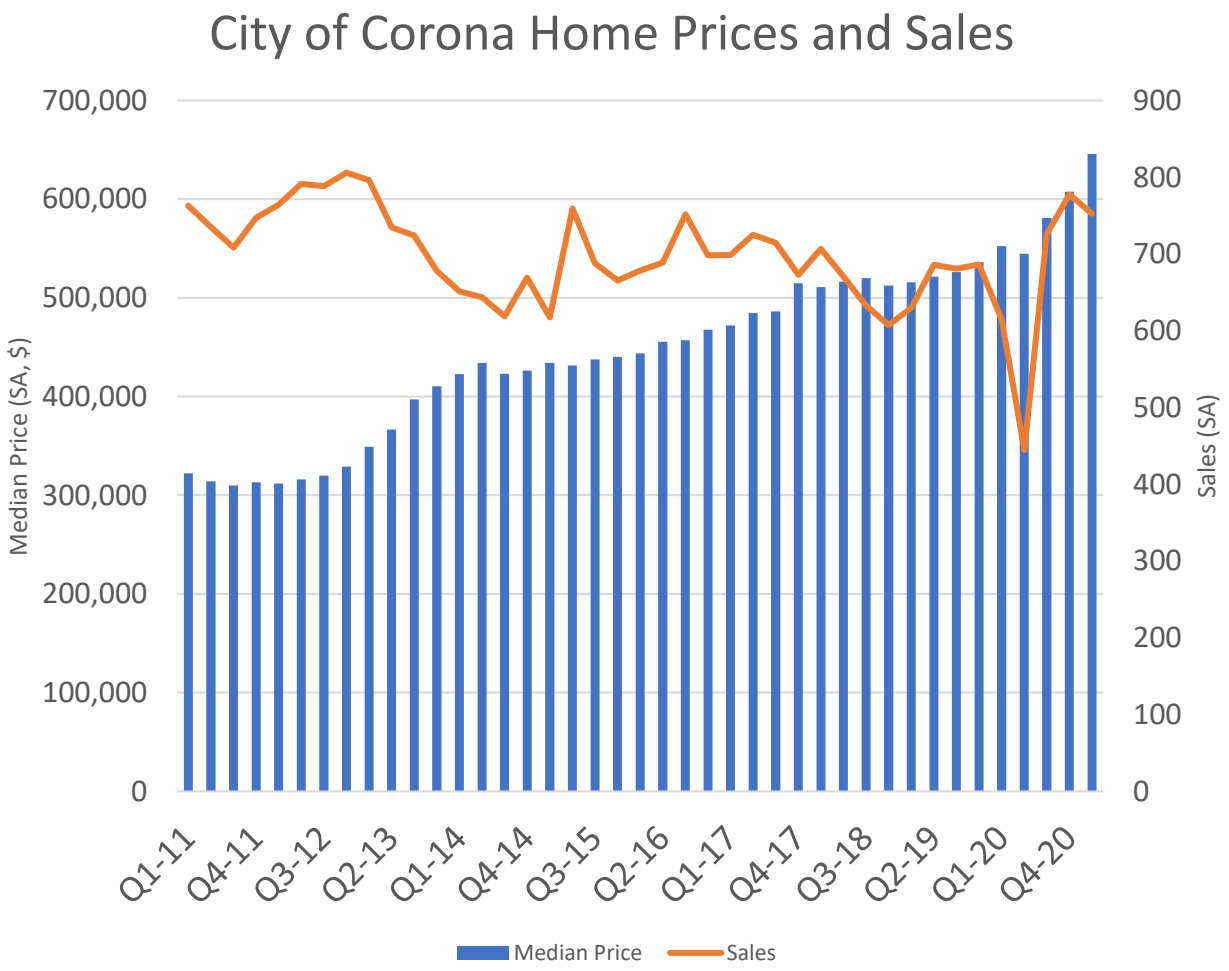
Historic Construction Trends

Residential Real Estate



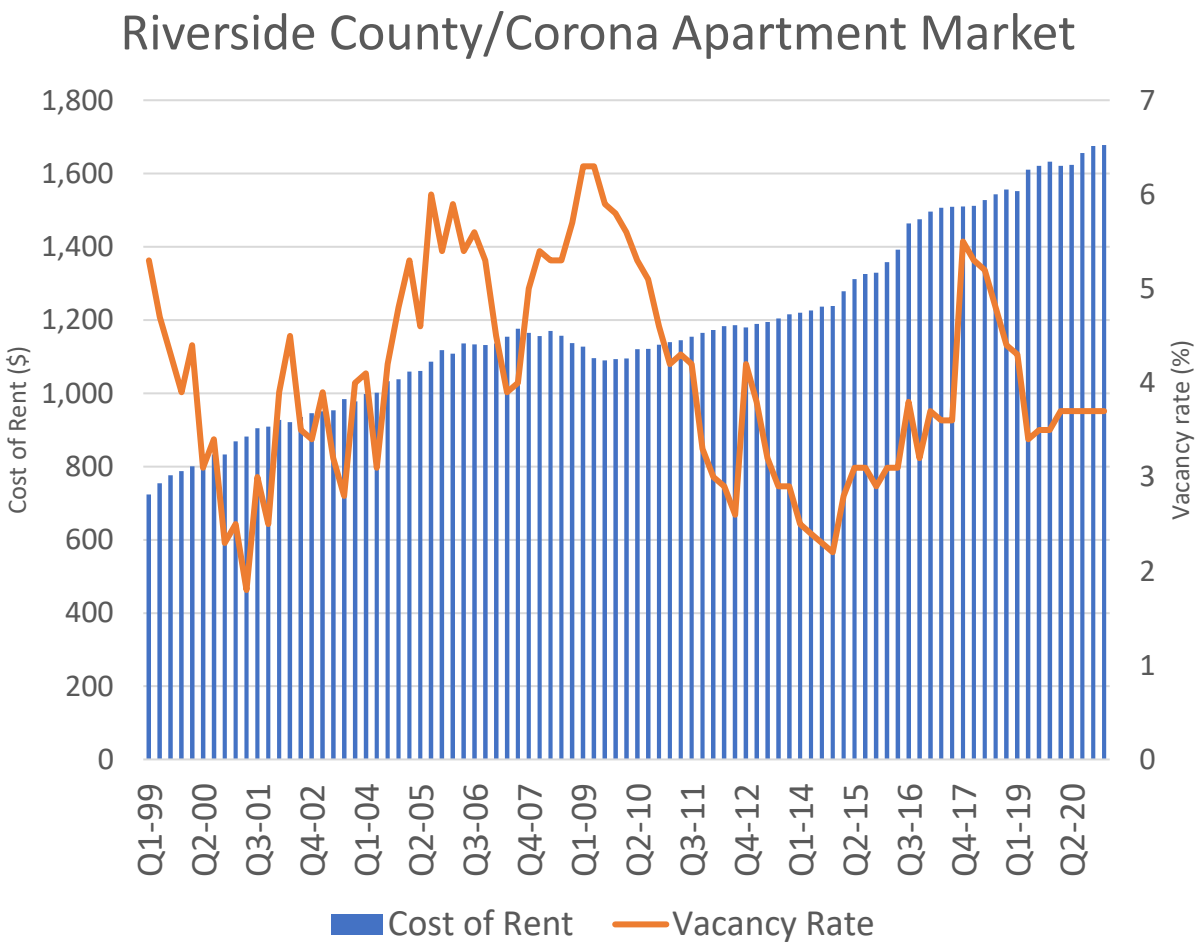
Single Family Housing
Residential Real Estate

- Good & Bad News
  - Significantly more affordable than LA (-$150k) and OC (-$275k)
  - Prices escalated rapidly during the pandemic
    - Outpacing Orange, LA, and San Bernardino Counties
    - Behind Riverside County as a whole
  - Creates strain on many buyers seeking housing



Multifamily Housing
Residential Real Estate

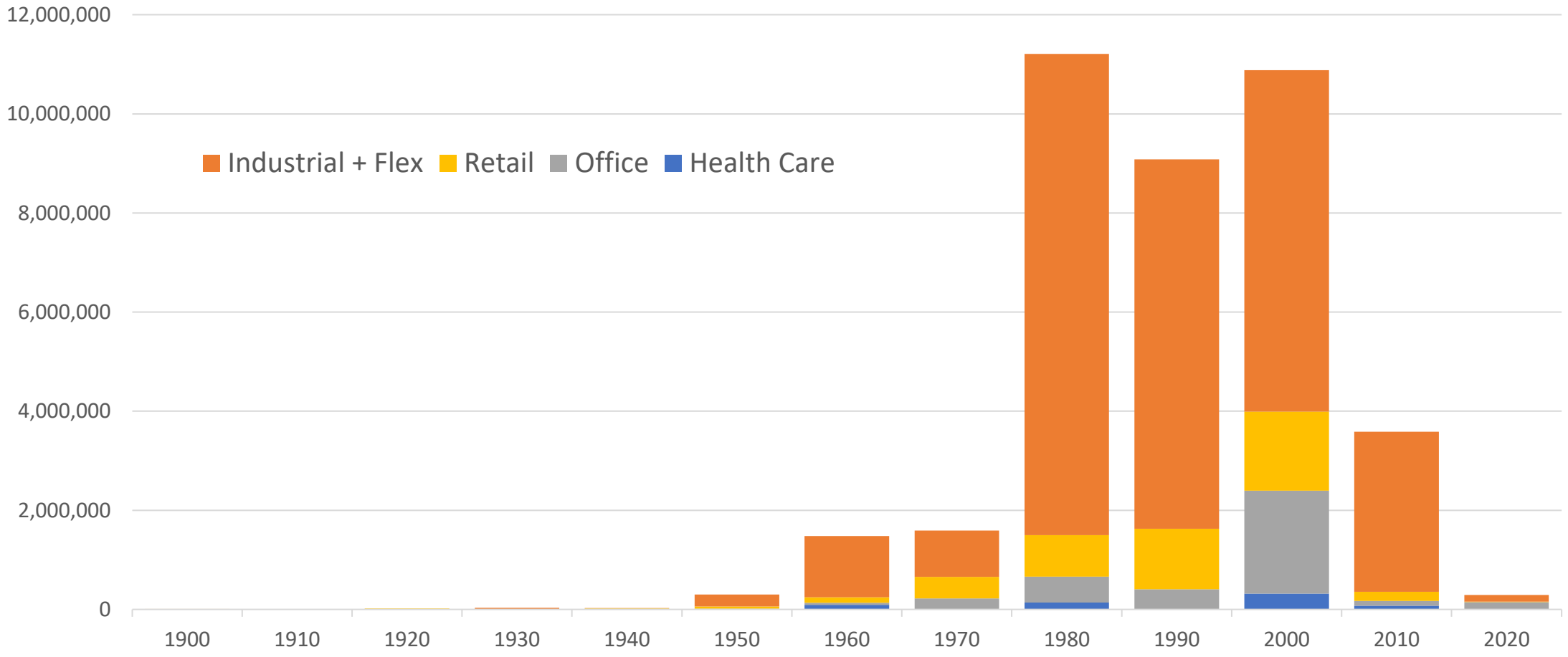
- Apartment vacancy rate held steady at 3.7%, unchanged from a year ago
- Rents grew 3.5% to $1,678 /unit per month
  - About $200 more than IE
  - About $300 less than LA and OC



Commercial Real Estate

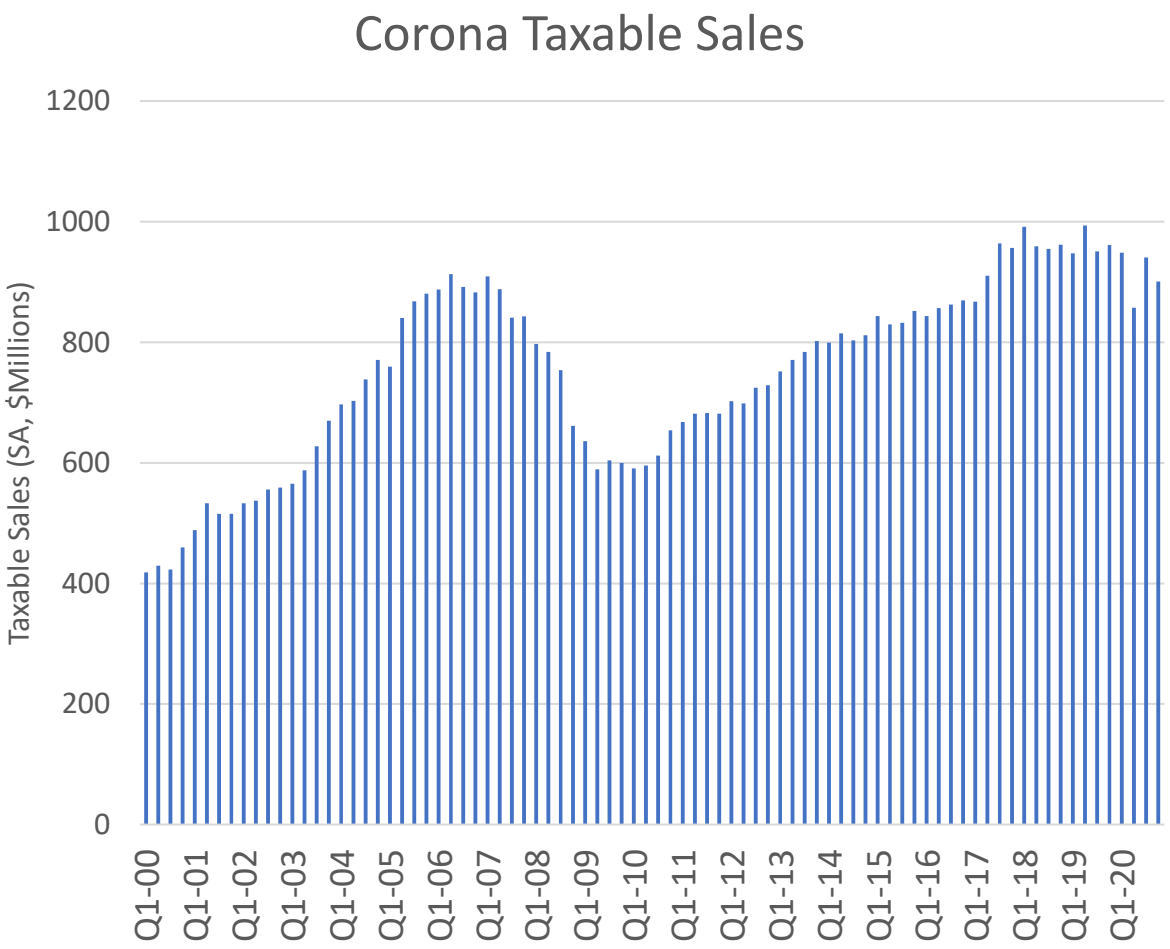
- Overall Construction Trends
- Retail
- Industrial
- Office

Overall Construction Trends
Commercial Real Estate



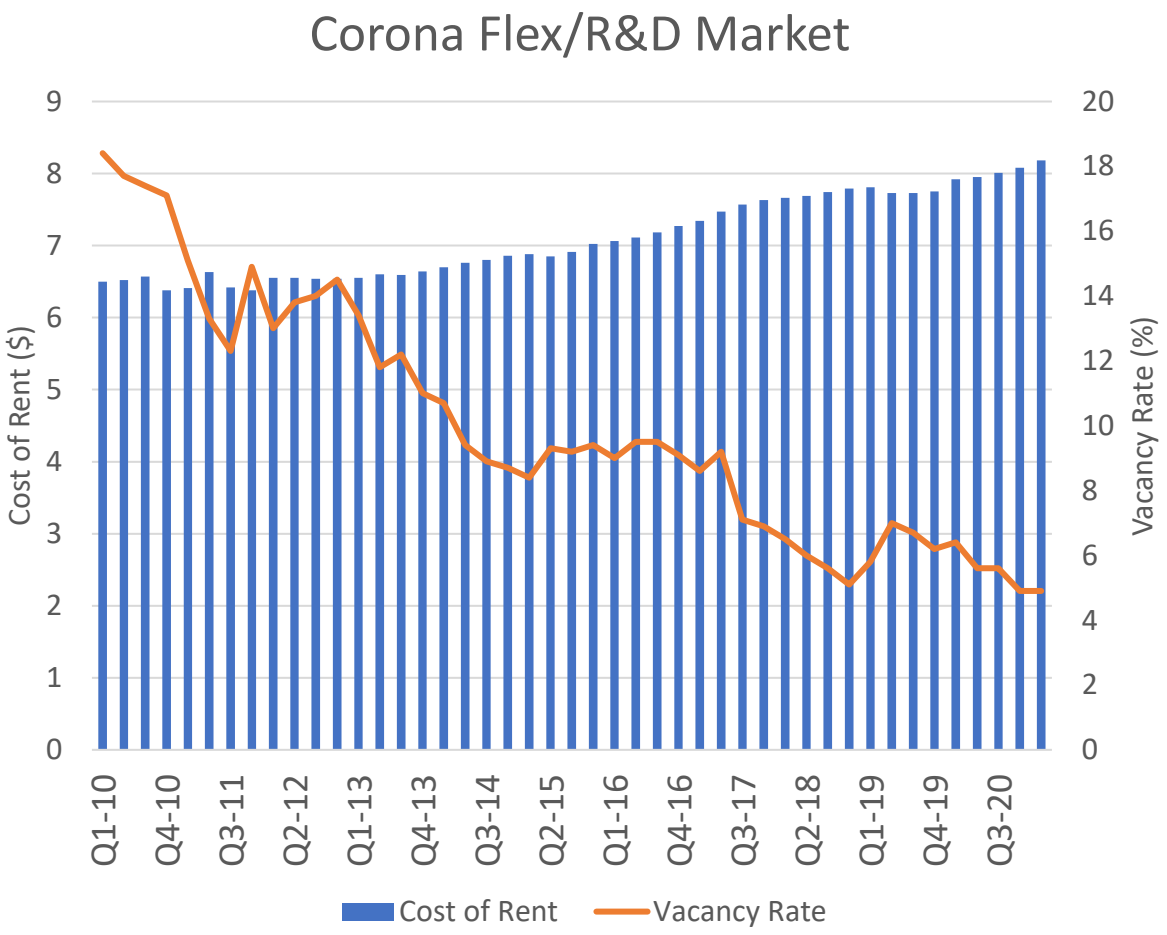
Retail
Commercial Real Estate

- Taxable sales in Corona were down 6.3% in 2020
  - Similar to LA and OC
  - Riverside and San Bernardino Counties experienced growth in 2020
- ★ Corona has disproportionately high level of commercial retail buildings; repositioning should be expected
- E-commerce jumped 43.4% in Riverside County



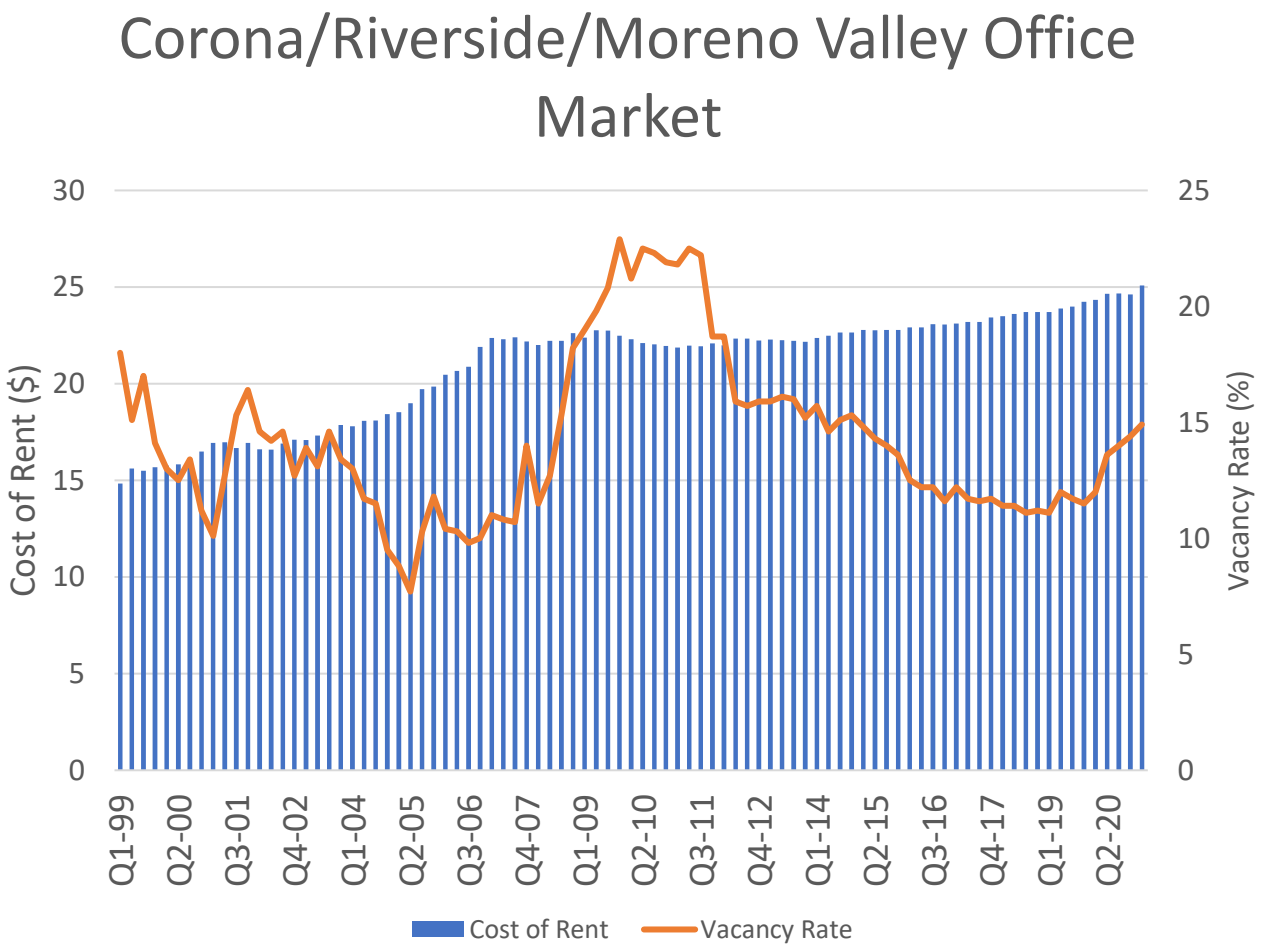
Industrial
Commercial Real Estate

- Warehouse, flex/research & development properties experienced increases in occupancy
  - ★ Corona maintained its competitive cost advantage over LA and OC, even with increases in asking rents
- Future new construction impeded by lack of larger industrial land near freeway



Office
Commercial Real Estate

- Relatively small sector in Corona with limited new demand or growth recently
- Office rents are substantially more affordable, roughly 1/3 less than LA and OC
- Vacancy rates do not account for actual utilization due to hybrid or remote work (~30% of typical)



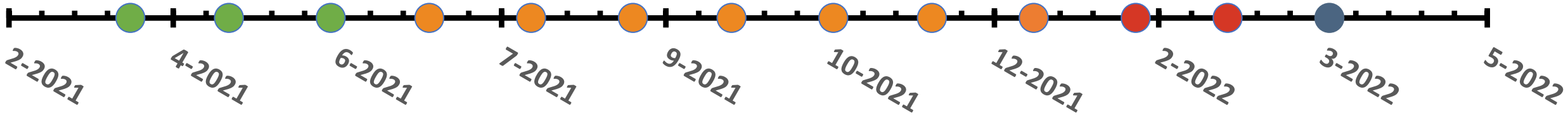
Key Takeaways

1. Residents of lower educational attainment and income backgrounds cannot be tethered to low wage occupations. Build and grow local workforce initiatives in Corona.
2. Prepare for some redevelopment of existing retail
3. Build local apprenticeship programs in partnership with business community to meet the moment.
4. Build more housing, particularly rental and entry level ownership, but build more regardless.

Q&A

Upcoming Collaboration & Next Steps

Economic Development Strategic Plan Roadmap



Assessment & Analysis Phase

Key Takeaways

- Responsive Community
- People Want Diversity, Fun, Options
- Appealing Demographics
- Low Inventory of Industrial Space
- Affordable Office Space
- Build & Grow Local Workforce Initiatives
- Retail is Changing
- Build Apprenticeship Programs
- Build More Housing

Recommendation Phase

Workshops,
Town Hall, &
Leadership

Council Feedback &
Direction

Planning & Presentation Phase

Economic Development Strategic Plan

Priorities, Goals, Tactics, & Metrics

Feedback and City Council Direction