



CHOOSE **MORGAN HILL**

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# South County Business Alliance

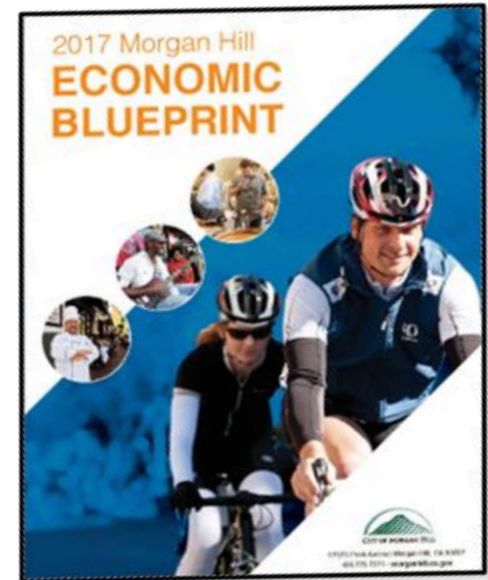
# City of Morgan Hill Economic Development Strategy

March 7, 2024

# | 2017 Economic Blueprint

The City's Economic Development efforts focus on implementing the 2017 Economic Blueprint strategies and actions to help build long-term fiscal sustainability and improve quality of life for residents. This will be achieved by attracting jobs and commercial investment which generate revenues to support essential City services and improve critical City infrastructure.

The Blueprint is founded on guiding principles from the General Plan, Morgan Hill 2035, and incorporates feedback from over 400 residents, businesses, and community leaders over a 2-year long collaborative process.



# A CLEAR VISION

## Four Industry Areas



**Innovation and Advanced Manufacturing**  
Grow existing companies, attract new industry and grow professional jobs.



**Retail**  
Grow retail offerings and strengthen commercial nodes.



**Tourism**  
Grow leisure, agriculture, wine country and recreational tourism.



**Healthcare**  
Grow and foster the medical service and diagnostics industry by attracting services and facilities.

# TANGIBLE PERFORMANCE METRICS

	Success Metric Indicator	2017 Baseline	Jan-24
Maintain Quality Of Life	Unemployment Rate for Residents of Morgan Hill	4.1%	4.00%
	Jobs/Housing Ratio	1.42	1.54
	Number of Retail Businesses in Morgan Hill	112	103
Fiscal Sustainability And Resilancy	Amount of Annual Sales Tax Revenue (Millions)	\$9.49	\$12.60
	Amount of Annual Property Tax Revenue (Millions)	\$10.68	\$19.00
	Amount of Annual TOT (Millions)	\$2.74	\$2.60
	Commercial Vacancy Rate	5.2%	5.3%
Job Growth	Amount of Total Jobs in Morgan Hill	15,700	18,985
	Business to Business Revenue (Millions)	\$1.18	\$1.17
	Number of Medium Sized Companies	115	125
Tourism	Percentage of Residents That Work in Morgan Hill	28.0%	35.0%
	Number of Hotel Rooms Available for Occupancy	898	898
	Hotel Occupancy as Reported by Hoteliers	70.0%	65.3%

- Sales Tax increased by 32.8%
- Property Tax increased by 77.9%
- Local jobs grew by 20.9%



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# BLUEPRINT HIGHLIGHTS

# INNOVATION & ADVANCED MANUFACTURING

- 1M SF of new built Industrial space
- 500K SF under Construction
- 500K SF in Entitlement Process
- Local companies expanding: Shoe Palace/JD Sports, GSA, Lin Engineering, Marki Microwave, Paramit, Pinnacle, Techcon Construction, Silicon Valley Glass, Sunbasket, Toray Advanced Composite
- New companies: Applied Motion, Duke Empirical, HCT, Level10 Construction, Medius, Micro-Mechanics

# INNOVATION & ADVANCED MANUFACTURING



# INNOVATION & ADVANCED MANUFACTURING FOCUS

- Attract innovation & advanced manufacturing companies
- Support entitlement and permitting process of expanding businesses
- Support entitlement of pipeline development
- Protect remaining industrial land





# RETAIL

- Completed Monterey Corridor Study Including Retail Capacity—informs Retail Concentration
- COVID-19 Business Recovery
- Outdoor Dining Program
- Consideration of Downtown Lane Reduction & Beautification
- Outdoor Retail Market—Sidewalk Saturdays
- Created Downtown Property Based Improvement District (PBID)
- Downtown Activations
- Supported a number of new retail tenant attractions



## **MORGAN HILL al FRESCO**

Guide for Temporary Outdoor Dining & Retail Activation



# | RETAIL



Coming soon....Ancora Vino & The Silos



# RETAIL FOCUS

- Identify and recruit new retail
- Focus on auto dealers and hotel development
- Downtown improvements with PBID
- Continue retail incubation activities
- Support policies & programs that encourage more commercial development



# HEALTHCARE

- Renovation of DePaul Medical Center
- Updated Zoning Code
- Expanded medical uses in Light Industrial
- Approved 150K SF for new medical

## Focus:

- Support the Rosewood Medical Center
- Continue marketing and attraction of medical users



DePaul Medical Center



Rosewood Medical Center

# | TOURISM

- Created & renewed Tourism Business Improvement District (TBID)
- Co-produced award-winning Tourism video
- Supported VMH strategic planning and marketing
- Created Hotel Incentive Program (HIP)
- Approved additional room inventory for Downtown boutique hotel
- New Holiday Inn Express on Cochrane Rd. under entitlement



# | TOURISM FOCUS

- Grow and diversify hotel/lodging room inventory
- Explore opportunity for Bed and Breakfast
- Encourage & incentivize hotel development
- Promote music & entertainment
- Support the investment of sport and recreation facilities
- Support completion of Downtown boutique hotel and fine-art gallery



# SWOT ANALYSIS

## Strengths

- Destination for Industry with Available Industrial Inventory
- Economic Engines: TBID and PBID
- Thriving and Active Downtown
- Available Commercial Properties
- Economic Development Vision/Strategy

## Weaknesses

- High Cost of Impact Fees on Greenfield Development
- Lack of Available Space in Downtown
- Population under 50,000
- Current Market and Economic Conditions
- Expensive to Build (Cost of Construction, High Interest Rates)

## Threats

- Loss of Job and Revenue-Generating Lands
- Impacted City Review Process
- Business Unfriendly Image

## Opportunities

- Downtown Hotel & Gallery
- Newest Industrial Buildings in Region
- DePaul Renovation & Rosewood Medical
- Hotel Incentive Program
- Auto Overlay Zone & Incentives
- Place-Branding Activities to support Tourism (music, entertainment, maker's retail, outdoor living, art, sports-recreation, etc.)
- ELEVATE Morgan Hill - Economic Mobility



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**QUESTIONS?**