

# **CITRUS HEIGHTS**

## **ECONOMIC DEVELOPMENT WORK PLAN**

### **2025-2027**

The City of Citrus Heights is committed to fostering a thriving, diverse local economy through strategic economic development initiatives that align with the City Council's goals of encouraging private investment, supporting local businesses, and enhancing community vibrancy. This Economic Development Work Plan (EDWP) builds on these priorities, serving as a roadmap for advancing economic opportunities and addressing key challenges over the next three years.

The EDWP framework is guided by five strategic focus areas: Business Attraction & Development Services, Business Retention and Expansion, Small Business Support, Marketing and Placemaking, and Organizational Culture. These focus areas provide a comprehensive structure for the City's efforts, ensuring resources and activities are aligned with the community's long-term economic development goals.

The City's approach reflects its built-out established nature, emphasizing "quality over quantity" in economic development. Strategies focus on revitalizing and reusing existing commercial properties and attracting quality tenants to vacant spaces. Additionally, the plan prioritizes supporting small businesses, marketing the city's assets, and enhancing Citrus Heights' sense of place to drive private investment and create a vibrant, welcoming community.

The EDWP is designed to be dynamic, adapting to changes in market conditions and other external factors. A progress dashboard with specific indicators for each priority area will be used to track activity and outcomes, allowing for regular evaluation and recalibration of initiatives as needed.

By embracing its role as a leader in the region of catalytic economic development and cultivating strong partnerships with public and private entities, Citrus Heights aims to maximize the economic impact of its resources, fill vacant spaces, promote redevelopment and infill opportunities, and grow its status as a dynamic and prosperous community.

The EDWP is informed by the expertise and experience of the City of Citrus Heights staff, data analysis, business stakeholder outreach, and community outreach.

## **BACKGROUND & DATA**

An effective economic development strategy relies on a thoughtful combination of pragmatic commercial real estate assessments, comprehensive demographic data analysis, and a clear community vision. By aligning these elements, the strategy ensures that the right types of businesses are attracted to the area, that growth opportunities are maximized, and that development efforts are in harmony with the needs and aspirations of the community. This approach allows for informed decision-making, a more targeted recruitment strategy, and the creation of a sustainable, thriving local economy that benefits residents, businesses, and the broader region. This section provides an in-depth analysis of Citrus Heights, focusing on its 1.

demographic and economic forecasts, 2. commercial real estate assets, and 3. the community's priorities and aspirations.

## **1. CITRUS HEIGHTS DEMOGRAPHIC & INDUSTRY DATA OVERVIEW**

Demographic and economic data are essential for shaping economic development strategies, especially in retail attraction, where population size, income levels, and spending power drive business decisions. In Citrus Heights, workforce trends, education levels, and cost of living factors also influence job growth, workforce retention, and the city's ability to attract new businesses that align with community needs.

Citrus Heights has a population of 87,127 residents, with a labor force of 45,965 and a labor force participation rate of 64.6%. The city's median household income is \$75,022, and the median home value is \$407,500, making it relatively affordable compared to surrounding communities in the Sacramento region. Educational attainment levels show that 22.1% of residents aged 25-64 hold a bachelor's degree or higher, which is below the national average of 35.8% and the Sacramento metro area's rate of 33.3%. This education gap presents an opportunity for workforce training programs and partnerships with local institutions to increase access to higher-wage employment opportunities.

While total employment in Citrus Heights has grown by 2.5% year-over-year, reaching 19,926 jobs, the cost of living is 24.7% higher than the national average. This dynamic impacts resident's purchasing power and workforce retention efforts, underscoring the need for workforce development initiatives and an increase in local jobs that provide sustainable wages.

Data Source: JobsEQ

### **1a. TOP INDUSTRY CLUSTERS BY EMPLOYMENT**

The following five industry clusters represent the city's most established economic drivers by job count. These industries form the foundation of the local economy and will continue to play a significant role in employment, business growth, and economic stability. Top industry clusters are measured by employment volume as well as location quotient (LQ). A location quotient greater than 1.0 indicates that the City has a higher concentration of employment in a particular industry or occupation than the nation;

Source: JobsEQ

#### **1. Healthcare and Social Assistance**

Healthcare is the largest employment sector in Citrus Heights, accounting for 4,901 jobs, or 24.6% of the total workforce. With a location quotient of 1.65, this industry has a higher concentration locally than the national average. The city's aging population (20.6% over 60) is driving demand for expanded medical services, specialized senior care, and home health solutions. The sector has grown by 5.2% over the past five years, with continued expansion expected, making healthcare a priority for workforce development and business recruitment.

*Example business use types include hospitals, medical and diagnostic laboratories, nursing care facilities, home health care services, and outpatient care centers.*

## **2. Retail Trade**

Retail remains a dominant industry, employing 4,240 workers and accounting for 21.3% of total employment. Citrus Heights is a strong regional shopping hub, anchored by Sunrise Marketplace. However, shifting consumer preferences and e-commerce trends have led to a 0.34% projected decline in employment, emphasizing the need for retail revitalization and adaptation to new consumer behaviors.

*Example business use types include department stores, specialty food stores, clothing stores, electronics and appliance stores, and building material and garden equipment dealers.*

## **3. Accommodation and Food Services**

Citrus Heights' hospitality and food services sector plays a key role in both local economic activity and regional tourism. This sector provides 2,814 jobs, supporting both local demand and tourism-related activity. While the restaurant industry remains strong, Citrus Heights has limited hospitality infrastructure (no hotels and one motel). The sector has seen a 4.1% employment increase over the past five years, indicating opportunities for hospitality expansion, entertainment venues, and event spaces to increase economic activity.

*Example business use types include full-service restaurants, limited-service restaurants, caterers, hotels (except casino hotels), motels, and drinking places serving alcoholic beverages.*

## **4. Professional, Scientific, and Technical Services**

The professional services sector provides a wide range of high-skill, high-wage jobs in industries such as legal, accounting, consulting, and engineering services. This sector plays a critical role in the local economy, employing 10.3% of the workforce. The industry has grown 7.5% since 2018, fueled by increasing demand for remote work support, business-to-business services, and IT consulting.

*Example business use types include legal services, accounting and tax preparation, payroll services, management consulting services, advertising and public relations firms, and architectural and engineering services.*

## **5. Administrative and Support Services**

Administrative and support services are key business-to-business industries, providing back-office operations, employment services, and customer service functions. This industry cluster employs nearly 8% of the city's workforce. Over the past five years, the sector has added more than 300 jobs, supported by affordable office space and the city's proximity to Sacramento's economic hub.

*Example business use types include employment placement agencies, telemarketing bureaus, document preparation services, and call centers.*

## **1B. TOP TARGET GROWTH SECTORS IN CITRUS HEIGHTS**

As Citrus Heights looks to expand its economic base, targeting industries with high growth potential will be critical for job creation and business attraction. Citrus Heights has several strong and emerging industry sectors that serve as key drivers of economic activity. These sectors offer high

employment concentrations, regional competitiveness, and opportunities for future growth. The following sectors have been identified based on location quotient (or LQ), employment levels, occupational strengths, and alignment with regional economic priorities.

### **Health Care and Social Assistance**

The health care and social assistance sector is one of the most prominent industries in Citrus Heights, with a high employment concentration of 4,901 jobs and an LQ of 1.65, indicating that this sector is significantly more concentrated in Citrus Heights compared to the national average. Occupational strengths in human services and health sciences provide a strong talent pipeline for continued growth in this sector, with average wages ranging from \$44,700 to \$84,900.

This sector aligns with the Greater Sacramento Economic Council's (GSEC) regional clusters, positioning Citrus Heights as a strong player in the expansion of medical services, senior care, and specialized health care innovation. Given the city's aging population and demand for accessible medical services, further investment in healthcare facilities, medical technology, and workforce development programs could drive continued economic growth.

### **Consumer Services: Arts, Entertainment, and Recreation**

Citrus Heights is a regional hub for consumer services, arts, entertainment, and recreation, with a high industry concentration (LQ 2.50) and a consumer services cluster LQ of 1.52. This sector employs 4,622 workers, demonstrating a strong local market for hospitality, tourism, and entertainment-related businesses.

The city's existing event spaces and recreational facilities contribute to its reputation as a destination for consumer services. With increasing demand for experiential retail, leisure activities, and arts-driven commerce, there is potential to expand entertainment venues, cultural attractions, and nightlife options to further capitalize on the city's strengths. Targeted incentives and placemaking strategies could help attract new entertainment and recreation-based businesses, enhancing Citrus Heights' position as a vibrant regional center for consumer experiences.

### **Retail**

Retail remains a core economic driver for Citrus Heights, with an LQ of 2.17 and an employment base of 4,340 workers. The city serves as a regional shopping destination with major retail corridors and centers like Sunrise Marketplace.

Despite slower growth in the retail sector overall, opportunities exist in specialty retail, experience-driven shopping, and hybrid business models that blend retail, dining, and entertainment. Additionally, retail expertise and sales skills can translate into workforce mobility across other industries, such as hospitality and business services. The city's focus on revitalizing commercial corridors, improving shopping center aesthetics, and attracting high-quality tenants will be critical in sustaining retail's role as an economic pillar for Citrus Heights.

### **Financial and Professional Services**

The financial and professional services sector is an area of high-value growth potential for Citrus Heights. With an average wage exceeding \$114,000, this sector provides some of the highest-

paying jobs in the region. While total employment in this sector is smaller compared to retail and health care, the combined financial and professional services clusters account for over 2,000 jobs and are positioned for continued expansion.

This sector aligns with Greater Sacramento Economic Council's regional focus on tech, mobility, and advanced business services, creating opportunities for Citrus Heights to attract finance, legal, and professional consulting firms. The forecasted growth rate for this cluster is among the highest in the city, second only to health care. Expanding Class A and modern office spaces, as well as supporting flexible co-working environments, could further facilitate business retention and attraction in this high-wage sector.

### **Entrepreneurship and Start-Ups**

Citrus Heights has an opportunity to foster entrepreneurship and start-ups by leveraging its existing industry strengths while addressing challenges related to limited commercial real estate inventory. Supporting emerging businesses in consumer services, health care, and professional services will help reinforce the city's economic base while creating pathways for job creation and innovation.

Expanding business incubation programs, access to capital, and networking opportunities for entrepreneurs can help drive local business development. With rising demand for flexible workspaces and e-commerce opportunities, the city can play a key role in supporting small business growth through targeted incentives, co-working hubs, and digital infrastructure enhancements.

Source: JobsEQ & analysis by Greater Sacramento Economic Council research team

These five key sectors represent Citrus Heights's strongest areas of economic opportunity. The city can foster a diverse, resilient, and forward-thinking economy by aligning business attraction strategies, workforce development initiatives, and targeted incentives with these high-growth industries.

### **Workforce Development and Economic Resilience**

A skilled and adaptable workforce is essential for sustaining economic vitality, and Citrus Heights can play a role in aligning training programs with high-growth industries to support local employment opportunities. Strengthening partnerships with institutions like the Los Rios Community College District, Sacramento State University, and UC Davis can help bridge skill gaps in key sectors such as healthcare, professional services, and construction. Expanding career pathways in healthcare and human services aligns with the sector's strong job growth, while investing in workforce training for skilled trades and infrastructure projects can drive expansion in the construction industry. Additionally, workforce attraction and retention efforts are increasingly important, given the city's cost of living is 24.7% higher than the national average. By supporting these initiatives, Citrus Heights can enhance economic resilience, attract new businesses, and ensure that residents have access to sustainable, high-quality job opportunities.

The comprehensive demographic and economic analysis above provides a data-driven foundation for a targeted business recruitment strategy. By leveraging industry trends, workforce insights, and commercial opportunities, the Economic Development Work Plan will outline pragmatic actions to

attract businesses, and advance economic development goals. This approach ensures sustainable job growth, business retention, and long-term economic resilience for Citrus Heights.

## **2. CITRUS HEIGHTS COMMERCIAL REAL ESTATE OVERVIEW**

Economic development is dependent on businesses having access to real estate that meets their needs. In Citrus Heights, commercial property availability and condition shape business attraction, retention, and overall economic vitality. The city must balance a strong retail legacy with shifting consumer trends, adapt to evolving office demand, and navigate a highly constrained industrial market. Understanding these dynamics is key to positioning Citrus Heights for long-term growth. The following sections examine the retail, office, and industrial markets, highlighting key trends and opportunities for strategic investment.

### **2.a RETAIL REAL ESTATE**

Citrus Heights' retail market is at a pivotal moment, balancing the challenges of an aging commercial inventory with opportunities to attract new tenants and adapt to shifting consumer trends. As of January 2025, the city's retail vacancy rate stands at 12.1%, reflecting a slight increase over previous periods and continuing an upward trend from pre-pandemic levels when vacancy rates hovered around 9-10%. Currently, 725,069 square feet of vacant retail space (across a total market of about 6 million square feet) highlight ongoing shifts in retail demand, with larger vacancies persisting in legacy shopping centers that require repositioning to attract new tenants.

Comparatively, the Sacramento region retail market maintains a lower 6.4% vacancy rate as of January 2025, a figure that has remained relatively stable over the past few years. The region's limited new retail construction and resilient leasing market have contributed to this lower vacancy rate. Discount retailers, grocery stores, and quick-service restaurants have been among the most active tenants, while larger anchor spaces continue to pose leasing challenges. Rent growth in the region has been modest at 1.1% year-over-year, lagging behind the national average of 1.8%, signaling a softening in retail demand despite stable occupancy rates.

Looking at historical trends, Citrus Heights' retail sector has struggled with higher-than-average vacancy rates compared to the broader Sacramento region, reflecting the aging commercial inventory and the challenges of repositioning older retail centers. Adaptive reuse strategies and targeted business attraction efforts are increasingly necessary to fill larger spaces and revitalize underperforming retail corridors. Given the Sacramento market's tight retail space availability, Citrus Heights has an opportunity to attract businesses seeking expansion outside of the metro core.

A retail property's location and physical condition remain critical factors influencing occupancy and long-term success. Prominent destination centers like Citrus Town Center, Sunrise Village, and Marketplace at Birdcage benefit from prime locations, strong tenant mixes, and consistent property maintenance, allowing them to remain competitive. However, retail trends continue to evolve, emphasizing mixed-use integration, experiential shopping, and digital adaptation.

In contrast, neighborhood retail centers present a wider range of conditions, with some maintaining high occupancy while others struggle with vacancies and visible signs of neglect. For these underperforming properties, targeted reinvestment—such as façade updates, landscaping improvements, and enhanced pedestrian access—can play a crucial role in attracting tenants and revitalizing commercial activity.

Exploring opportunities to encourage higher property maintenance standards, including potential refinements to municipal code enforcement approaches, could further support efforts to improve underutilized centers. By recognizing the critical relationship between location, property upkeep, and occupancy, the city can better support strategies that sustain a thriving retail environment and ensure long-term economic vitality.

### **Quick Guide to Retail Recruitment**

Retail recruitment is a strategic process that involves attracting businesses to a market while ensuring long-term viability. Successful recruitment requires understanding key factors that influence site selection, market demand, and business sustainability.

#### **Key Retail Recruitment Factors:**

- **Trade Area Requirements:** Retailers analyze trade areas—geographic regions from which they draw customers—based on population density, demographics, traffic patterns, and spending power. The size of the trade area depends on the business type; for example, convenience stores need smaller trade areas than regional shopping centers.
- **Cannibalization:** When a retailer considers opening a new location, they assess whether it will take away sales from an existing store. Companies aim to expand their footprint without oversaturating a market, which can reduce profitability for all locations.
- **Co-Tenancy & Complementary Retail Mix:** Retailers prefer locations with strong anchor tenants or complementary businesses that drive customer traffic. For example, a fitness center near a health food store creates synergy that benefits both businesses.
- **Market Gap Analysis:** Cities and developers use gap analyses to identify underserved retail categories, helping recruit businesses that fill consumer demand without excessive competition.
- **Site Selection Criteria:** Retailers evaluate visibility, accessibility, parking, zoning regulations, and infrastructure when choosing a location. Factors like major roadway access, traffic counts, and adjacent land uses impact site desirability.
- **Retailer Expansion Strategies:** National brands and franchises follow structured expansion plans based on growth potential, existing market performance, and corporate objectives. Cities that align incentives and regulatory processes with these strategies improve recruitment success.
- **Local Incentives & Support:** Competitive cities offer economic development tools such as grants, tax incentives, and infrastructure improvements to attract and retain retailers. Business-friendly permitting and zoning policies also enhance recruitment efforts.

Understanding these factors helps local governments and economic developers create effective strategies to attract and sustain retail businesses, ensuring a vibrant commercial environment that meets community needs.

## **2.b OFFICE REAL ESTATE**

Over the past decade, the Citrus Heights office market has evolved in response to economic cycles, business trends, and broader shifts in workplace behavior. Historically, the market maintained moderate but steady demand, with vacancy rates averaging between 8% and 10% from 2013 to 2019. During this period, leasing activity was driven largely by local professional services, medical offices, and small businesses seeking cost-effective alternatives to downtown Sacramento. Rental rates followed a gradual upward trend, with average asking rents increasing from approximately \$1.50 per square foot in 2015 to \$1.75 by late 2019, reflecting steady market confidence.

However, the onset of the COVID-19 pandemic in 2020 fundamentally altered the office landscape, leading to an abrupt decline in occupancy across the region. Citrus Heights, like many suburban markets, experienced a surge in office vacancies, rising to nearly 15% by early 2021, as businesses restructured their work environments, embraced hybrid work models, or downsized their office footprints. Despite these challenges, the impact in Citrus Heights was comparatively less severe than in downtown Sacramento, where vacancy rates surpassed 20% amid widespread corporate downsizing and a shift away from large-scale office leases.

Post-pandemic, the Citrus Heights office market has remained in a period of adjustment. While some businesses have returned to physical offices, demand patterns have changed, favoring smaller, flexible spaces over traditional large office footprints. Over the past year, vacancy rates have increased modestly from 12.8% in early 2024 to 14.2% in early 2025, a reflection of ongoing hybrid work adoption and a measured pace of office space absorption. The Citrus Heights-Orangevale submarket has seen a slightly higher vacancy rate of 15.1%, signaling some softening in demand, though still more favorable compared to the Sacramento metro area's 18.7% vacancy rate.

Leasing activity remains selective but steady, with demand concentrated in professional services, healthcare, and small-to-mid-sized businesses seeking cost-effective suburban office locations. Larger office spaces, particularly those exceeding 10,000 square feet, remain more difficult to lease, aligning with national trends as companies reassess their long-term office needs. To maintain competitiveness, landlords are offering flexible lease terms, tenant improvement packages, and attractive rental incentives, ensuring that Citrus Heights continues to present an affordable and accessible alternative within the region.

The comparison between pre- and post-pandemic conditions highlights a key structural shift: while Citrus Heights historically benefited from steady occupancy and rising rental rates pre-2020, the market today is shaped by tenant preferences for flexibility, increased remote work adoption, and a slower overall recovery in office demand. The pre-pandemic vacancy rate of 8-10% may not return in the near term, but the market's adaptability and affordability provide stability in contrast to the downtown Sacramento office sector, which continues to experience deeper challenges.



Looking ahead, the Citrus Heights office market is expected to remain resilient but evolving. Medical office space has been a strong performer, with sustained demand from healthcare providers. There is growing interest in adaptive reuse strategies, such as repurposing traditional office spaces into mixed-use, medical, or flex-office configurations. While leasing activity is not accelerating at a rapid pace, Citrus Heights remains well-positioned within the regional office landscape, offering cost-effective options for tenants prioritizing affordability and convenience.

As the broader office market continues to adjust to long-term workplace trends, Citrus Heights' suburban appeal, competitive pricing, and adaptable office spaces will remain key strengths. With a tenant base focused on flexibility and affordability, the market is likely to see stabilization in vacancy rates over the next two years, with potential declines to the 10-12% range if economic conditions strengthen. While the long-term trajectory of office demand remains uncertain, the city's suburban character and cost advantages will continue to support steady levels of interest from tenants navigating the evolving workplace landscape.

### **Quick Guide to Office User Recruitment**

Recruiting office tenants requires a strategic approach that aligns market demand with site selection criteria, workforce availability, and real estate conditions. The quality and readiness of available office space significantly impact tenant attraction, influencing which businesses choose to locate in a given area.

#### **Key Office Recruitment Factors:**

- **Workforce Availability & Labor Market Fit:** Employers prioritize locations with access to a skilled workforce aligned with their industry needs. Cities with strong talent pools in key sectors—such as healthcare, finance, or professional services—are more attractive to office users.
- **Trade Area & Market Demand:** Office users analyze trade areas based on employee commute patterns, client access, and business clustering. Proximity to transit, major highways, and workforce hubs significantly impacts location decisions.
- **Office Space Condition & Classifications:** Office spaces are categorized based on quality, amenities, and infrastructure, which directly influence the types of tenants they attract:
  - **Class A:** High-end, modern buildings in prime locations with premium amenities, advanced infrastructure, and strong property management. These spaces appeal to corporate headquarters, financial firms, and professional service providers.
  - **Class B:** Well-maintained buildings with functional layouts, though they may lack high-end finishes or prime locations. These spaces attract mid-sized businesses, growing firms, and back-office operations.
  - **Class C:** Older buildings with minimal updates, lower lease rates, and limited amenities. These often require renovations and typically attract startups, nonprofits, and cost-sensitive tenants.

- **Hybrid Work & Office Space Demand:** The rise of remote and hybrid work models has shifted office leasing trends. Many businesses now seek smaller, high-quality spaces with flexible layouts, collaboration areas, and enhanced amenities rather than large, traditional office footprints.
- **Co-Tenancy & Industry Clustering:** Office tenants prefer locations near complementary businesses or industry hubs that provide networking, collaboration, and talent-sharing opportunities. For instance, medical offices benefit from proximity to hospitals and clinics.
- **Local Incentives & Business Support:** Competitive cities offer economic development tools such as tax incentives, relocation grants, and workforce training programs to attract office tenants. A business-friendly permitting and entitlement process can further enhance recruitment success.

By understanding these factors and ensuring a strong mix of high-quality office spaces, local governments, and property owners can create targeted strategies to attract office users, fill vacancies, and drive commercial growth.

## **2.c INDUSTRIAL REAL ESTATE**

The industrial real estate market in Citrus Heights is exceptionally small, with only 11 industrial properties in the entire city. Unlike larger industrial hubs in the Sacramento region, Citrus Heights has historically been a suburban retail and residential community with minimal industrial activity. Over time, the industrial sector has remained stable but highly constrained, as the city has little available land for expansion.

As of early 2025, the Citrus Heights industrial market continues to be one of the smallest in the region. The limited supply has led to extremely low vacancy rates and steady rental growth as businesses compete for the few available spaces. The market primarily serves local and regional businesses needing small-scale industrial or flex space rather than large warehouse or logistics operations. Rent growth has been consistent due to persistent demand, but the lack of new development options means businesses requiring more space often have to relocate elsewhere. The constrained inventory also limits Citrus Heights' ability to participate in regional business attraction efforts for key industry clusters such as mobility, advanced manufacturing, agriculture, and ag tech, which require larger-scale industrial facilities and specialized infrastructure.

Looking ahead, the lack of industrial space will continue to constrain economic opportunities in the sector. While adaptive reuse of commercial or retail properties could help address some demand, traditional industrial expansion remains highly unlikely. Nearby submarkets such as McClellan, West Sacramento, and Rancho Cordova—which offer significantly more industrial space—will continue to absorb businesses looking for larger facilities, leaving Citrus Heights with a niche role in the broader regional industrial market.

Source for all commercial real estate information and data: CoStar

### **Quick Guide to Industrial User Recruitment**

Recruiting industrial tenants requires a strategic approach that aligns market demand with site selection criteria, logistics needs, and infrastructure capabilities. Industrial users—manufacturers,

logistics firms, and warehouse operators—prioritize locations supporting efficient operations, workforce availability, and long-term growth potential.

#### **Key Industrial Recruitment Factors:**

- **Site Selection & Infrastructure Readiness:** Industrial users evaluate access to major highways, rail lines, ports, and airports for efficient distribution. Sites must also accommodate large truck traffic, offer ample loading dock space, and have the necessary utilities (power, water, gas, broadband) to support operations.
- **Zoning & Land Use Compatibility:** Industrial businesses require properly zoned land that permits manufacturing, distribution, and warehousing activities. Cities that streamline industrial zoning approvals and offer flexibility in land use attract more investment.
- **Building Classifications & Suitability:**
  - **Class A:** Newer, state-of-the-art facilities with modern amenities, high ceilings (32+ feet), energy-efficient features, and strong connectivity. These spaces appeal to large-scale logistics, e-commerce, and advanced manufacturing users.
  - **Class B:** Functional but older industrial spaces with lower ceiling heights, fewer modern features, and some deferred maintenance. Often suitable for smaller manufacturers, suppliers, and local distributors.
  - **Class C:** Outdated facilities with limited infrastructure that require significant upgrades. These attract cost-sensitive users or businesses with less intensive operational needs.
- **Workforce Availability & Labor Market Fit:** Industrial users prioritize locations with a strong blue-collar workforce skilled in manufacturing, logistics, and supply chain management. Workforce training programs and partnerships with trade schools enhance recruitment appeal.
- **Supply Chain & Logistics Access:** Proximity to suppliers, customers, and transportation hubs is a key factor in industrial site selection. Cities with robust logistics infrastructure can attract large-scale distribution centers and manufacturers.
- **Industrial Market Demand & Competition:** Cities must assess vacancy rates, absorption trends, and rental pricing to position themselves competitively. A lack of available industrial space may require investment in new developments or repurposing underutilized properties.
- **Sustainability & Energy Efficiency:** Green industrial development, including solar energy integration, LED lighting, and water conservation measures, is increasingly attractive to tenants with corporate sustainability goals. LEED-certified industrial facilities have a competitive edge.
- **Building Size & Customization Options:** Industrial users require flexibility in space configurations, including the ability to expand operations. High-clearance ceilings, large bay spacing, and adaptable floor plans make properties more attractive.

- **Incentives & Business-Friendly Policies:** Competitive cities offer tax incentives, infrastructure support, and workforce development assistance to attract industrial tenants. Fast-tracking permitting processes and reducing regulatory burdens also enhance recruitment efforts.

By addressing these key factors, local governments and economic developers can position their communities as prime destinations for industrial investment, job creation, and economic growth.

### **3. STAKEHOLDER INPUT**

The economic development work plan is informed by input from the City Council, business community, and residents to reflect shared priorities. Ongoing outreach helps ensure the plan supports local businesses, economic growth, and community objectives.

#### **3.a DEVELOPMENT & BUSINESS COMMUNITY FEEDBACK**

In late 2024, the Community Development and Economic Development and Community Engagement Departments conducted extensive stakeholder outreach to property owners, managers, brokers, and prospective business representatives to identify challenges and opportunities within Citrus Heights' regulatory and development processes. Engagement included surveys, interviews, and tracking inquiries from prospective businesses to better understand barriers to filling vacancies and streamlining development.

#### **Key Insights from Stakeholders:**

- **Evolving Retail Landscape:** Stakeholders emphasized the challenges posed by aging retail spaces, which require significant investment to adapt to modern retail demands or alternative uses. Building and fire code compliance, especially the cost of retrofitting fire sprinklers for non-retail uses, was noted as the most significant obstacle to repurposing retail spaces.
- **Responsive City Staff:** Stakeholders praised City staff for being problem-solvers and responsive to development concerns, often working creatively within regulations to facilitate projects while maintaining community standards.
- **Emerging Uses:** Innovative uses, such as immersive entertainment and axe-throwing venues, present opportunities but often face zoning and regulatory hurdles due to their unconventional nature.
- **Increased Demand for Drive-Thrus:** Stakeholders highlighted a need for greater flexibility in approving drive-through uses, reflecting changing consumer behaviors since the pandemic.

#### **Challenges Identified:**

- **Permitting Complexity:** Many new business owners struggle with navigating building and fire codes, often due to low budgets or unfamiliarity with permitting processes, which can delay or deter projects.
- **Zoning Thresholds:** Rigid thresholds in the Zoning Code, such as square footage limits requiring Use Permits, were cited as unnecessarily burdensome for minor overages.

- **Flat-Rate Fees:** Current flat-rate planning entitlement fees were seen as disproportionately high for simpler projects, creating cost barriers for smaller businesses.
- **Limited Light Industrial Opportunities:** While growth potential exists for light industrial and manufacturing sectors, the city's built out, suburban character limits compatible locations for such uses.

This outreach underscores the need for nimble, proactive approaches to address evolving market demands, streamline regulatory processes, and enhance Citrus Heights' ability to attract and retain diverse business uses.

### **3.b RESIDENT FEEDBACK**

Resident sentiment data gathered through a recent FlashVote survey (January 2025) provides valuable feedback and insights into residents' perspectives on economic development in Citrus Heights. The survey revealed a generally neutral sentiment toward current shopping and dining options, with an average satisfaction rating of 3.04 out of 5. Younger residents, particularly those aged 35 and under, expressed a slightly higher satisfaction level than other age groups.

When asked about barriers to shopping and dining more frequently within the city, respondents highlighted two primary concerns: the lack of higher-end stores and restaurants and the need for renovations to shopping centers and storefronts. These findings indicate that addressing aesthetic and quality issues in commercial areas could significantly improve local engagement with businesses.

Residents also voiced a strong desire for additional restaurants, cafes, entertainment, and recreational options. This preference underscores the community's interest in diversifying and enhancing the local retail and dining landscape. To attract these desired businesses, respondents identified three key priorities: improving the appearance and cleanliness of commercial areas, upgrading infrastructure, and enhancing safety in these spaces.

This feedback provides a clear mandate for targeted economic development efforts that focus on revitalizing commercial areas, addressing community needs for modern amenities, and creating an inviting and safe environment to attract both businesses and customers.

### **3.c CITY COUNCIL FEEDBACK**

The City Council's feedback on economic development priorities for Citrus Heights aligns with a strategic approach centered on business attraction and retention, infrastructure and zoning improvements, community engagement, and overall economic vitality. Their collective input highlights several key focus areas that will shape the City's Economic Development Work Plan, ensuring a strong and resilient local economy.

A primary focus is fostering a thriving business environment that attracts and retains businesses aligned with the City's long-term vision. Councilmembers expressed a strong interest in proactively recruiting businesses that enhance the City's economic landscape, rather than waiting for opportunities to emerge. There is a desire to support a diverse range of businesses, from small, neighborhood-serving enterprises to larger commercial investments that contribute to a vibrant and sustainable economy. Expanding business incentive programs, streamlining permitting

processes, and enhancing marketing efforts to showcase Citrus Heights as a prime business destination were identified as key strategies to improve the overall business climate.

Another critical priority is commercial corridor revitalization and infrastructure investment to enhance the aesthetic appeal, functionality, and long-term viability of the City's business districts. Councilmembers highlighted the need for targeted improvements to key corridors, including upgrading streetscapes, enhancing public spaces, and ensuring commercial areas remain competitive and attractive for both businesses and consumers. There is strong support for policies that encourage mixed-use development, allowing for more dynamic and pedestrian-friendly environments that blend retail, office, and residential uses. Additionally, modernizing zoning regulations to support business growth and increasing investment in transportation and mobility solutions, such as public transit and walkability enhancements, were identified as long-term strategies for economic sustainability.

Enhancing community engagement and business collaboration emerged as a key theme, with an emphasis on strengthening relationships between the City, business owners, and residents. Councilmembers underscored the importance of regular dialogue with local businesses through structured engagement opportunities, such as business roundtables and partnerships with economic development organizations. Increasing outreach efforts to better understand why businesses choose Citrus Heights or opt for other locations will help refine attraction strategies and ensure business retention. Additionally, fostering a strong local business network, supporting entrepreneurs, and encouraging collaboration between the public and private sectors will contribute to a more resilient and interconnected economy.

A focus on industry diversification and workforce development was also emphasized as a pathway to long-term economic stability. Councilmembers highlighted the importance of attracting a mix of industries that align with regional trends, such as technology, education, healthcare, and creative industries. Investing in workforce development programs, including trade schools, job training initiatives, and partnerships with educational institutions, will help prepare residents for emerging job opportunities while strengthening the local talent pipeline. Supporting entrepreneurs and home-based businesses through mentorship programs and business resource networks was also identified as a strategy to cultivate economic growth and innovation.

Finally, quality of life and economic resilience remain central to the City's economic development approach. Ensuring that economic initiatives benefit the broader community by enhancing safety, accessibility, and public spaces is a priority. This includes maintaining clean and well-lit commercial areas, activating vacant properties for temporary community-oriented uses, and integrating sustainable development practices into the City's economic strategy. Encouraging businesses to engage in community-oriented initiatives and supporting economic equity through targeted development efforts will help ensure that all residents benefit from economic growth.

The City Council's input underscores a comprehensive approach to economic development, balancing business attraction, infrastructure investment, community engagement, industry diversification, and quality of life improvements. These priorities will serve as guiding principles in the development of the Economic Development Work Plan, ensuring that Citrus Heights remains a competitive, vibrant, and economically resilient city.

Community feedback played a critical role in shaping the priorities and recommendations outlined in the Economic Development Workplan. Input from residents, businesses, and stakeholders helped identify key challenges, opportunities, and areas for investment, ensuring that the plan reflected the community's needs and aspirations.

A note on the Sunrise Tomorrow Specific Plan: The Sunrise Tomorrow Specific Plan represents a transformative economic development opportunity for Citrus Heights, positioning the former mall site as a catalyst for revitalization and long-term growth. Given the scale and significance of this project, specific actions and direction for its advancement will take place through the City Council's annual strategic planning process and other public meetings. This ensures a nimble and rapid response to emerging opportunities, allowing for timely decision-making, resource allocation, and policy adjustments that drive efficient project implementation, rather than confining progress within the broader three-year Economic Development Work Plan framework. It is also important to note that much of the analysis and initiatives outlined in this work plan are aligned with and will naturally benefit the Sunrise Tomorrow project, supporting business attraction efforts, infrastructure investments, and workforce development that align with the vision for the site. For more information and updates on the Sunrise Tomorrow Specific Plan, visit [www.sunrisetomorrow.net](http://www.sunrisetomorrow.net)

# ECONOMIC DEVELOPMENT WORK PLAN: IMPLEMENTATION FRAMEWORK

The Citrus Heights Economic Development Work Plan (EDWP) implementation framework provides a strategic approach to strengthening the local economy through business growth, investment, and community vitality. Informed by demographic and economic data, real estate assessments, and community feedback, the plan aligns economic initiatives with the city's unique market conditions and opportunities.

With input from stakeholders and industry best practices, the EDWP builds on ongoing efforts to attract and retain businesses, foster entrepreneurship, and streamline development processes. It prioritizes practical, data-driven strategies to support economic growth, enhance business opportunities, and create a welcoming environment for investment.

The plan is organized around five key focus areas: Business Attraction and Development Services, Business Retention and Expansion, Small Business Support and Innovation, Marketing and Placemaking, and Organizational Culture. Each area includes clear implementation steps and measurable outcomes to ensure accountability, track progress, and drive long-term economic success in Citrus Heights.

## 1. BUSINESS ATTRACTION & DEVELOPMENT SERVICES

Citrus Heights hosts various commercial real estate opportunities, ranging from prime retail corridors and neighborhood service centers to adaptable office spaces. By aligning available properties with high-demand industry segments—such as dining, breweries and nightlife, entertainment, healthcare, and professional services—the city can enhance its economic base and meet the community's evolving needs.

The following are recommended actions to advance business attraction in Citrus Heights:

### I. **Improve Regulatory Processes to Support Business Development**

Efficient regulations are key to attracting and retaining businesses. Burdensome processes can delay projects, drive up costs, and discourage investment. By reducing red tape, clarifying requirements, and streamlining approvals, Citrus Heights can create an even more business-friendly environment that supports growth and development.

#### a. **Streamline City Zoning and Permit Processes to Support Business Recruitment and Retail-Compatible Uses**

The City of Citrus Heights offers simple and low-barrier zoning and permit processes but always seeks improvement. The Community Development and Economic Development departments have gathered feedback from the development community and conducted analysis, leading to new recommendations for improvement. By streamlining approvals, increasing flexibility, and clarifying guidelines, the city can further attract diverse businesses, repurpose existing spaces, and enhance economic growth while reducing barriers for developers and property owners.



**Implementation steps (as detailed in Attachment 1):**

- **Allow Minor Use Permits (staff level) for uses that currently need Use Permits** (Planning Commission level), especially for uses that fit well in retail areas, particularly within existing buildings.
- **Update the Zoning Code to allow the Community Development Director to approve uses that exceed current use Permit thresholds**, as long as the use is compatible with its surroundings and won't negatively impact the community (up to a 75% increase from the threshold).
- **Update the Land Use Table in the Zoning Code** to include non-retail uses suitable for retail areas but not currently listed.

*Recommendation: To streamline the approval process and better align the Zoning Code with current retail trends, it is recommended that Community Development staff bring forward the above implementation steps for City Council consideration and approval.*

**b. Partner and Advocate to Streamline Third Party Agency Regulations and Processes**

Collaboration with partner agencies is essential to creating a business-friendly environment and fostering economic growth in Citrus Heights. By identifying and addressing burdensome or unnecessary regulations and processes, the city can remove barriers to investment, encourage development, and support the success of local businesses. Reform efforts improve efficiency and demonstrate the city's commitment to being a proactive and supportive partner. Citrus Heights can ensure its regulatory environment aligns with modern business needs and community priorities through partnerships with regional agencies and stakeholders.

**Implementation Steps**

- **Perform an inventory of third-party agency regulations** that currently guide development processes and collaborate to review and reform regulations that impact businesses and development projects, focusing on eliminating unnecessary steps or duplicative requirements.
  - **Work with Sacramento Metro Fire District** to simplify and clarify fire code compliance for infill and redevelopment projects (background information for this item is included in Attachment 1)
  - **Collaborate with the Sacramento County Health Department** to identify opportunities to streamline health permitting and inspection processes, reducing delays and minimizing barriers for food-related businesses and other health-regulated developments.
- **Advocate for state or regional policy changes** that promote economic development while maintaining safety and environmental standards.

**II. Implement Refreshed Business Recruitment Strategy**

A comprehensive business recruitment strategy focuses on preparing target sites for development, fostering strong partnerships with property owners, and increasing outreach efforts to attract businesses in target industries. By enhancing marketing efforts, participating in trade shows, and conducting direct outreach, the city can connect with prospective businesses and showcase Citrus Heights as a desirable location. Cultivating a referral network of brokers, industry professionals, and regional partners further amplifies recruitment efforts, ensuring vacancies are filled strategically to align with economic development goals and community needs.

**Implementation steps:**

- **Identify high-priority target sites** for reuse and **perform an assessment** of property needs to attract target industry businesses
- **Coordinate with property owners** to maximize the use of available City incentives and resources (including façade improvement grants and other financial support of retail building reinvestment) and along with other potential regional, state, and federal tools
- **Source and implement market intelligence software** to enhance data-driven prospecting and gain access to insights on market demand to strengthen recruitment efforts and improve engagement with prospective businesses.
- Conduct targeted, **proactive outreach** to attract tenants and fill vacancies efficiently
- **Cultivate third-party referral network** through marketing, communications, and relationship management
- Continually **promote Citrus Heights** and its business opportunities at events and trade shows that allow connections and relationships to be built in the targeted industries

**III. Adopt additional tools to incentivize near-term investment in Citrus Heights**

Local governments can differentiate themselves in competitive markets by leveraging strategic tools and incentives that attract and retain businesses. Financial incentives, tailored support programs, and targeted resources create a business-friendly environment, making investment more appealing and driving long-term economic growth.

**a. Reestablish the Business Attraction Incentive Program**

Building on the proven success of the Business Attraction Incentive Program, Citrus Heights will continue leveraging financial tools to attract targeted industries and activate key commercial spaces. The program has already helped bring new business to the city, boosting economic growth and revitalizing underutilized properties. The city will further position itself as a competitive destination for business investment by reestablishing this initiative.

**Implementation Steps:**

- **Actively recruit businesses** in high-priority sectors, such as restaurants, breweries, and entertainment, by offering grants and other financial incentives
- **Identify and promote vacant or underutilized commercial properties**, using economic development marketing and direct outreach to maximize visibility and engagement
- **Strengthen partnerships with property owners and brokers** to align incentives with market demand and accelerate business attraction efforts

*Recommendation: Staff recommends reinstatement of the Citrus Heights Business Attraction Incentive Program Guidelines (Attachment 2)*

**b. Launch a Small Business Design Support Program**

Provide technical assistance to small businesses to navigate design and permitting challenges, particularly for projects requiring minimal or no structural modifications.

**Implementation Steps:**

- **Offer subsidized consultations with identified design professionals** to help businesses comply with zoning and safety requirements.
- **Develop clear guidelines** for the “no-work” certificate of occupancy process, reducing delays for businesses making no structural changes.
- Assign a liaison from Development Services to **guide small business applicants through requirements and approvals.**

*Recommendation: Staff recommends City Council approve the Small Business Design Support Program Guidelines (Attachment 3)*

**c. Incorporate Economic Development Tools in Banking RFP**

To strengthen business attraction efforts, it is recommended that the upcoming banking RFP include a section focused on economic development tools and services. This section should seek innovative banking solutions such as tailored small business loan programs, public-private partnership financing options, and resources to support entrepreneurs. By integrating these tools into the city’s financial services, Citrus Heights can better attract and support new businesses, fostering economic growth and reinforcing its commitment to creating a business-friendly environment.

**Implementation Steps:**

- Work with the Administrative Services Department to add an Economic Development tools section to the RFP.

**IV. Enhance Development Services Support**

Improve the experience of businesses navigating the City’s development processes by offering tailored assistance, streamlined guidance, and technical support to encourage

timely openings and successful operations. The following are recommendations to enhance development services support:

**a. Establish Development Process Liaison Services**

The City will assign a dedicated representative to assist businesses through the development and permitting process. Serving as a single point of contact, the Development Services ombudsman will guide businesses through zoning, permitting, and regulatory steps while coordinating interdepartmental reviews to streamline approvals.

An existing full-time employee in the Economic Development and Community Engagement Department will cover this role. A management analyst position will shift from primarily community engagement to a stronger focus on economic development. The ombudsman will also proactively reach out to new business applicants to identify and address potential roadblocks early.

**Implementation Steps:**

- Designate staff for ombudsman responsibilities and **provide necessary training**
- **Launch an awareness campaign** for support services targeting brokers, property owners, and prospective business owners.

**b. Develop Comprehensive Support Materials**

Provide clear and accessible resources to help businesses understand and complete City requirements.

**Implementation Steps:**

- Conduct a **review of existing materials** to identify gaps and areas for improvement.
- **Create user-friendly checklists** for common application processes, such as certificates of occupancy, tenant improvements, and business licenses.
- **Collaborate with stakeholders**, including brokers and small business owners, to ensure materials are practical and comprehensive.
- **Enhance the City's website** with interactive tools and updated content for development services.
- **Regularly update materials** based on policy changes and user feedback.

**Goals & Metrics – Business Attraction & Development Services:**

- Increase business occupancy by reducing retail vacancy from 12.1% to 9% and office vacancy from 14.2% to 10% by 2027.
- Enhance recruitment efforts and secure 5 new business commitments in priority industry sectors annually
- Improve coordination with third-party agencies to simplify development processes and reduce barriers to investment.

# BUSINESS RETENTION AND EXPANSION

Business retention is critical in fostering economic stability and growth by identifying businesses at risk of closure or relocation and those primed for expansion. Retaining and supporting existing businesses preserves local jobs and sales tax revenues and strengthens Citrus Heights' reputation as a city committed to its business community. A proactive approach ensures that growing businesses remain within the city and continue to thrive.

Following are recommended actions to advance Business Retention and Expansion:

## I. **Keep and Grow Critical Business Anchors**

A business retention program will codify and facilitate proactive engagement with local businesses to identify challenges, provide support, and strengthen their connection to Citrus Heights.

### **Implementation Steps:**

- Reintroduce **welcome kits** to help new businesses navigate local resources and processes, ensuring they feel supported and connected from day one.
- **Conduct annual business surveys** to identify trends, challenges, and opportunities for support.
- **Implement formal direct outreach program**, including site visits to small and mid-sized businesses, will also be implemented. Staff will schedule annual meetings with the City's top 25 sales tax producers and top 25 employers to understand their needs and ensure satisfaction with City services.
- Develop a **database of businesses** to track outreach, support requests, and follow-ups.
- **Train staff** to conduct effective site visits and collect actionable feedback.
- **Use survey results** and meeting insights to solve programs, assist growth, and inform City programs and policies.

## II. **Strengthen Partnerships and Resource Sharing**

Strengthening partnerships and resource sharing is essential for fostering a collaborative and thriving business environment in Citrus Heights. By building stronger connections with local business organizations, chambers of commerce, and economic development stakeholders, the city can leverage shared resources and knowledge to support businesses better. These partnerships will provide valuable opportunities for businesses to access networking, training, and funding resources while also helping the city stay informed about emerging trends and needs in the local economy. Collaborative efforts will enable more effective problem-solving, create synergies between public and private sectors, and ensure businesses have the support they need to succeed and grow. Ultimately, this approach will help attract new businesses, retain existing ones, and position Citrus Heights as a dynamic and business-friendly community.

### **Implementation Steps:**

- Develop a **business resource hub** on the City's economic development website to centralize information on local/state/federal/private funding opportunities, training programs, and other resources.
- Partner with neighboring jurisdictions on **regional initiatives** such as workforce mobility and infrastructure improvements.

### III. **Create a Business Safety Hub & CHPD Business Liaison Program**

The **Business Safety Hub & Liaison Program** will strengthen partnerships between the City, Police Department, and business community to enhance public safety. Building on the strong support already provided by the Citrus Heights Police Department, this initiative will provide businesses with crime prevention resources, security guidance, and direct assistance with public safety concerns. The **Business Safety Hub** will serve as an online resource center with crime prevention strategies, CPTED best practices, trespassing enforcement, illegal dumping mitigation, and retail theft prevention. The **Business Safety Liaison** will act as a dedicated contact, helping businesses address safety concerns such as graffiti, loitering, and security enhancements while facilitating direct coordination with public safety personnel.

#### **Implementation Steps:**

- Launch the **Business Safety Hub** as a centralized online resource for business safety tools and reporting
- Designate a CHPD **Business Safety Liaison** as a direct point of contact for business safety concerns
- Promote the program through **outreach** to business owners and property managers and all economic development **communications**
- **Streamline reporting and response processes** for business-related safety issues
- Maintain an updated business contact list for emergency communication
- Provide CPTED consultations and access to security tools through the **Crime Prevention Library of Things**
- Regularly **share safety updates** and gather feedback

### IV. **Increase Visibility Through Marketing and Recognition**

The recommendation to increase marketing and recognition efforts will provide significant value to businesses in Citrus Heights by enhancing their visibility and showcasing their contributions to the local economy. By establishing a business recognition program and promoting success stories through targeted communications, businesses will gain increased exposure to potential customers, investors, and the broader community. These initiatives will not only build pride and loyalty among local residents but also create opportunities for business growth and expansion by drawing attention to Citrus Heights as a thriving place to do business. Additionally, campaigns like "Love Local" will drive more foot traffic and support the long-term success of businesses throughout the city.

**Implementation Steps:**

- Launch a **quarterly business recognition program** to highlight local success stories and contributions to the community.
- Share **business success stories** through economic development communications to inspire confidence and attract investment.
- Organize a **shop local campaigns** to encourage community support for Citrus Heights businesses.

**V. Support Workforce Development and Job Retention**

Workforce development is a key driver of economic success, ensuring that residents have access to training and career opportunities aligned with the evolving needs of local businesses. By equipping the community with the skills needed for high-demand industries, Citrus Heights can attract and retain businesses while enhancing the quality of life for residents. Effective workforce development helps businesses meet staffing needs, fosters career growth, and supports economic sustainability across all sectors.

**Implementation Steps:**

- **Collaborate with educational institutions** to offer training in earlier identified top and target industry clusters
- Use city communications channels **to promote available skills-based programs** to meet the needs of local employers
- **Enhance career pathways and apprenticeship opportunities** in growing fields

**Goals & Metrics – Business Retention & Expansion:**

- Maintain a strong local business base, achieving a 95% retention rate for the top 50 employers.
- Measure, benchmark, and increase business satisfaction, targeting a 4.5/5 rating in annual surveys.
- Conduct proactive outreach, including 50 business retention visits annually, to identify growth opportunities and challenges.
- Enhance business safety and engagement by launching Business Safety Hub

## **SMALL BUSINESS SUPPORT & INNOVATION**

Small businesses are the backbone of the Citrus Heights economy, providing jobs, fostering innovation, and contributing to the community's unique character. Supporting small businesses ensures they have the resources, tools, and environment necessary to thrive in an increasingly competitive landscape. By investing in small business success, the city enhances its economic resilience, creates a stronger sense of community, and drives local spending. Small businesses also serve as incubators for entrepreneurship and innovation, attracting talent and fostering pride in the community. To ensure Citrus Heights remains a hub for small business growth, the city must focus on addressing its unique needs and challenges.

Citrus Heights will support entrepreneurs and small businesses with the right tools to start, stay, grow, adapt, and flourish by working with technical assistance partners and trusted messengers to

preserve and increase the number of local establishments. Key external partners include but are not limited to the Small Business Development Center (SBDC), California Capital, Citrus Heights Chamber of Commerce, Sunrise MarketPlace, Greater Sacramento Economic Council (GSEC), and Sacramento Metro Chamber of Commerce.

**Implementation Steps:**

- **Explore partnerships** with Small Business Development Center and other business support organizations to host technical assistance workshops, office hours, and other business resource programming in Citrus Heights
- **Explore potential business incubation/acceleration programs** focused on packaging startup assistance resources offered by other entities within region
- **Support Small Business Participation in Community Events**  
Ensure that small businesses have access to vendor opportunities, sponsorship roles, and promotional partnerships at community events. This provides visibility, connects them with customers, and reinforces their role as part of the community fabric.

**Goals & Metrics – Small Business Support & Innovation:**

- Expand technical assistance, supporting 100+ businesses annually through workshops and consultations.
- Encourage entrepreneurship, launching at least one new business incubation partnerships with regional organizations.
- Increase small business participation in local events, ensuring at least 50% representation at major city events.

## **MARKETING AND PLACEMAKING**

Effective marketing and placemaking are vital tools for fostering economic growth and community engagement in Citrus Heights. By investing in tailored economic development communications and creating vibrant, inviting spaces, the City can strengthen its identity as a business-friendly and community-centered destination. These efforts create significant value by attracting new businesses, retaining existing ones, and driving consumer activity. Through strategic messaging and dynamic public spaces, the City can cultivate a thriving local economy, enhance the quality of life for residents, and solidify Citrus Heights as a regional hub for commerce and connection.

**I. Expanded Focus on Economic Development Communications**

Effective marketing and communication are essential to economic development, helping to attract investment, support local businesses, and strengthen Citrus Heights' brand. This expanded focus ensures outreach is tailored to key audiences, including residents, visitors, business owners, and investors. By maintaining consistent, targeted messaging, the City can enhance engagement, promote economic opportunities, and showcase the advantages of doing business in Citrus Heights.

**a. Consumer-Facing Communications**

Engaging directly with residents, visitors, and potential customers is vital for supporting local businesses and enhancing Citrus Heights' brand.



### **Implementation Steps**

- Launch social media campaigns highlighting business success stories and unique local experiences.
- Develop seasonal campaigns to promote Citrus Heights shopping, dining, and events.
- Partner with influencers and local media outlets to amplify reach.
- Refresh and expand the “Love Local” initiative, including digital and print marketing materials.
- Regularly feature business spotlights in City newsletters and on social platforms.

#### **b. Stakeholder-Facing Communications**

Targeted outreach to property owners, brokers, developers, and investors is critical for attracting and retaining businesses.

### **Implementation Steps**

- Create tailored marketing materials such as investment prospectuses and market analysis reports
- Enhance the City’s economic development webpage with up-to-date data, property listings, and success stories
- Launch a quarterly e-newsletter for economic development stakeholders (property owners, property manager, brokers, etc.), including updates on projects, incentives, and market trends.
- Develop a toolkit for brokers and property owners to help market Citrus Heights to prospective tenants and investors.

## **II. Initiate Transformation through Placemaking**

Placemaking initiatives aim to transform public spaces and commercial areas into dynamic, engaging environments that enhance community identity and economic vitality. By prioritizing these efforts, the City can boost consumer engagement, increase property values, and attract businesses.

#### **a. Enliven and Add Vibrancy to Commercial Corridors**

Collaborate with the Planning and Code Enforcement Divisions to align code enforcement efforts focused on commercial center improvement. Efforts should address issues including but not limited to property maintenance (landscaping, debris, building maintenance, etc.), illegal outdoor storage, trash and refuse containment, overnight parking and other performance metrics identified within the municipal code.

### **Implementation Steps**

- Collaborate with Planning and Code Enforcement **to identify and prioritize recurring issues in commercial centers**, such as property maintenance and illegal outdoor storage.

- **Increase the effectiveness of code enforcement efforts** aligned with municipal code to improve compliance and blighted commercial property conditions.
- **Educate property owners and tenants** on code requirements through materials and informational sessions.
- **Partner with business organizations** to promote compliance and encourage self-reporting of issues.
- **Enhance community reporting tools** and ensure timely response and follow-up on violations.

**b. Establish Micro geography-specific Placemaking and Marketing Partnerships**

Partner with local business owners in micro geographies (such as Sylvan Corners) to co-develop and implement targeted placemaking and marketing campaigns. This will involve engaging business owners within specific neighborhoods to collaboratively enhance the area's visual appeal, promote local businesses, and create a unique, cohesive brand identity for micro geographies. The partnership will focus on co-financing marketing initiatives tailored to the character of each district, such as local events, signage, and digital campaigns while leveraging business networks to increase visibility and attract new customers. These campaigns will be designed to celebrate the unique attributes of each micro geography, strengthen community connections, and drive economic activity in those areas

**Implementation Steps**

- **Identify high priority site and business owner** for potential partnership
- **Empower and cocreate marketing and placemaking campaign** to drive awareness and visitor traffic

**c. Reimagining Spaces for Community and Commerce**

Strategic placemaking efforts have the potential to reshape how residents and visitors experience Citrus Heights. By enhancing navigation, activating underutilized spaces, and creating vibrant public areas, the city can encourage local spending, strengthen community ties, and support economic development.

**Implementation Steps**

- **Install cohesive, branded wayfinding signage** to improve navigation, highlight local attractions, and reinforce Citrus Heights' identity, supporting businesses and community pride.
- **Partner with property owners and business districts** to activate underutilized spaces, supporting pop-up shops, outdoor dining, public art, and cultural events.

*Recommendation: Scope wayfinding signage needs and collect at least three proposals and present to Council*

**Goals & Metrics – Marketing & Placemaking:**

- Strengthen Citrus Heights' brand, launching a quarterly business recognition program and promoting 12+ businesses per year.
- Expand digital engagement, increasing business-focused social media and online interactions by 30% within two years.
- Enhance commercial corridor aesthetics, completing 3+ placemaking projects annually and implementing wayfinding signage.
- Drive local shopping activity, rolling out 5+ targeted marketing campaigns like “Love Local.”

## ORGANIZATIONAL CULTURE

An organizational culture that prioritizes economic development is essential for achieving the city's economic goals. By creating a responsive, knowledgeable, and customer-centric environment, we can effectively facilitate growth, streamline development processes, and ensure the city remains a welcoming destination for new businesses. Building a culture of collaboration, innovation, and customer service will allow the City of Citrus Heights to support local businesses, attract new ones, and foster community pride.

### Implementation Steps

- **Launch an internal training program** to train staff on their roles in Economic Development, including a City tour for all new staff to understand how they influence resident and business satisfaction.

### Goals & Metrics – Organizational Culture:

- Foster an economic development mindset, training 100% of new city staff on economic development within their first year.
- Enhance internal capacity, conducting quarterly workshops on business-friendly processes.
- Improve business service responsiveness, resolving 75% of business inquiries within 30 days through the development ombudsman program.
- Keep resources up-to-date, ensuring all business-facing materials are reviewed and refreshed annually.

## CONCLUSION

Citrus Heights is at an exciting turning point, where thoughtful investment, business-friendly policies, and strong community partnerships can drive long-term economic success. This plan lays out a clear path to revitalize commercial corridors, support local businesses, and attract new industries, all while maintaining the city's unique character. By focusing on smart growth, streamlined processes, and placemaking, we can fill vacant spaces, enhance our business climate, and create opportunities that benefit both residents and entrepreneurs.

Economic development is not just a function of government—it's a collective effort where every business owner, property manager, community leader, and resident plays a role in shaping the future of Citrus Heights. Every new storefront opening, every business expansion, and every public space improvement moves us closer to a more vibrant, welcoming, and prosperous city. With a

commitment to adaptability and responsiveness, we will track progress, adjust strategies as needed, and ensure our actions align with long-term goals. Regular reporting will demonstrate our shared commitment to economic growth and community engagement, reinforcing that everyone has a hand in building a stronger local economy.

With the framework in place, it's time to turn plans into progress. By working together, investing in our community, and championing a thriving local economy, we can make Citrus Heights a premier destination for businesses and a place where opportunity flourishes for all.

**ATTACHMENTS:**

1. City of Citrus Heights Development Process Analysis
2. Business Attraction Incentive Program
3. Small Business Design Support Program