BUSINESS RETENTION & EXPANSION

MURRIETA
SOUTHERN CALIFORNIA
CONNECTED BY BUSINESS
Since its incorporation 30 years ago, the City of Murrieta has been filled with opportunities and advantages that many other places cannot claim, such as having a top performing school district, nationally ranked public safety, a central location in Southern California, access to wine country and major regional recreational activities, and having two major freeways converging at its center. As a City that grew rapidly in the last decade, there were many challenges to overcome, such as the pains of an accelerated population expansion, a national recession that led to high unemployment rates, a second recession due to a worldwide pandemic and the general struggles associated with being a relatively new city that is trying to find its identity. The ability of the City of Murrieta to respond to such challenges has come from the strength of the relationships that it has with our business community and the knowledge that their growth and success is truly shared by all of us. Small businesses account for 61.8% of net new jobs according to the U.S. Small Business Administration and account for 99.7% of total business. For this reason, any local economy that seeks to flourish must make retaining and expanding their businesses a top priority.

One of the crucial assets of Murrieta has been its ability to maintain a small-town feel, even when our population surged to over 116,000 residents. This familiarity that we have with not only one another, but also from business to business, has led us to our new city tag line, “Connected by Community.” Whether dining in our downtown, playing at one of our parks or shopping in any of our retail centers, Murrieta’s personality has always been warm and welcoming. This communal feel and the friendliness that exists here is the foundation of our City and creates an atmosphere that makes this a great place to live, work and play.

If COVID–19 has had any effect, it has reminded us how connected we truly are, even when physically separated. Our businesses adapted to changes that they never could have anticipated or planned for and did so with creativity and alacrity. The City became a hub for resources, creating a “Murrieta Business Newsletter” each day to keep our companies informed about changes and resources available. We delivered PPE to businesses and medical institutions, created reopening kits for small business, we funded “Back to Business” grants to help owners keep their staff employed during the pandemic, told the stories of how businesses adapted to the changing landscape in the “Murrieta Pivots” series, maintained a video series called the “Murrieta Microscope” to showcase new companies, and when indoor services were closed, we promptly created outdoor programs to allow owners to shift their operations outside without time delays or additional permitting.
Murrieta came out of these difficult times as a stronger and more resilient community. Regional sales numbers and unemployment numbers are already beginning to rebound and hope is in sight that we can maintain both a safe and successful local economy. Our concentration on becoming the healthcare hub of the region has led us to many valuable resources during this time and the value of our health service providers has never been more evident. In spite of the challenges associated with COVID–19 and its effect on business, new developments are continuing to come to Murrieta, with retail, office, industrial, and hospitality projects still filling our pipeline. While there is still much work to do to raise our economy and provide competitive jobs for our highly skilled workforce, the foundation in Murrieta is very strong and continuing to grow.

While we responded to the pandemic and offered much needed services to our business community, the City of Murrieta’s Economic Development Strategic Plan never contemplated this type of challenge. It has become clear that there is a need for a codified plan for Business Retention and Expansion that focuses on needs for small business sustainability, disaster preparedness, access to capital and business resources. The Economic Development Department is focused on the expansion of employment, entrepreneurship, fiscal resources, community amenities, and overall quality of life for all of the residents and businesses of Murrieta. The efforts put forth by the department should extend to home-based businesses, startups and small business, as well as to our largest employers. It is the goal of this department to facilitate connections with business, investors, developers, and community partners that share the goal of positively impacting the growth of Murrieta.
AMBITION & MISSION STATEMENT

Ambition Statement
To enhance the quality of life and well-being of all Murrieta residents through the growth of our local economy.

Mission Statement
To cultivate new and existing industries in order to provide opportunities for entrepreneurship and employment.
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Demographics
Murrieta is the largest city in Southwest Riverside County with a population of 116,781 and is estimated to grow by 11.8% over the next 5 years. Average household income in the City of Murrieta has grown to $113,084 and continues to be much higher than the county average. In addition, there are 496,701 people within a 20-minute drive of the city. These factors result in a larger than average consumer base, with considerable expendable income to support the local economy. When looking for employees, businesses do not have to look far as the labor force is 52,394 strong within the city and 67.1% of our residents have some college or more.

Given the cities strong focus on public safety and access to top quality primary education, it is no surprise that Murrieta is a family community with high-skill workers. The top consumer behavior represented in the City is “Kids & Cul-de-Sacs,” followed by “Winner’s Circle” and “Middleburg Managers.” These lifestyle segments are indicative of families with heads of households that have degrees and white-collar jobs. In fact, 65% of Murrieta works in white-collar jobs, which is higher than both the County and State averages and the median age in Murrieta is 34.2, which coincides with the younger, family demographic.

City Highlights
The residents of Murrieta prioritize safety, education, and quality of life, and the results have been magnificent. The City of Murrieta consistently ranks in the top ten as one of the safest cities with a population over 100,000 in the country in terms of lowest violent crime rates. Murrieta is the first city in Southwest Riverside County to have its own Police and Fire Department, not relying on services provided by the county. The strength of our Police and Fire Departments come from a high percentage of our team living in the community, making the protection and welfare of our residents personal to them. Murrieta Fire and Rescue recently became one of only twenty-two fire departments in the entire State of California to receive accreditation from the Commission on Fire Accreditation International. Murrieta Valley Unified School District is one of the best in the state, proven by being named a 2018 Exemplary School District over all other 23 school districts in Riverside County along with only 22 others in the State of California. The City is centrally located between two major universities that help provide a well-educated workforce, The University of California Riverside and California State University San Marcos, each within an approximately 45-minute drive of Murrieta.
Outdoor recreation is a main focus for our residents, with 52 parks in the City and quick access to the 7,500-acre Santa Rosa Plateau ecological reserve providing valuable amenities to those that enjoy the outdoors. The City has been named the #1 Place to Live in Southwest Riverside County by the Press-Enterprise for three years in a row. Murrieta continues to be a great place to live, work and play.

The City of Murrieta strives to create a business friendly environment through programs and services intended to assist business, facilitate connections, offer educational programming and provide access to capital services. The City has a heavy concentration of small businesses and sees their retention and growth as a key to the success of the City as a whole. The graph of Murrieta business size below shows that nearly 1/3 of our companies fall into the lowest staff count of 1 to 4 employees and over 60% have 1-9 employees. This exemplifies how important small business and its growth is to our community. Many of the larger size businesses in the city were not recruited here, but grew from within. This is why it is vital that we continue to execute startup programs that assist innovators and entrepreneurs in commercializing their businesses and we focus on biotech startups through our small business incubator, the Murrieta Innovation Center.
Challenges

The City of Murrieta has some exceptional qualities, which help make it a favorable destination for business, but that does not come without some challenges. For instance, Murrieta is 45 minutes to the north or south of a major higher educational institution. This means that innovation has to be recruited into the City from outside regions and proper resources have to be procured. This can further be illustrated by the difficulty that Southwest Riverside County has had in our work to build an entrepreneurial ecosystem. The creation of a startup ecosystem is a long and difficult process that the City and our partners have been working on for years and there are still needs for greater intellectual property investment in our region along with more mentorship and educational opportunities. It is not enough that we work together to build partnerships, we have to have available resources that are attainable and valuable for our new companies. Further challenges fall on the development side, as high scale development is more likely to gravitate towards the well-known and vetted coastal communities and far less likely to come inland. We are just beginning to see some interest in larger developments that are unique and show greater risk for the builder, but also potentially greater reward.
Economic Impact on Murrieta

The Covid-19 pandemic has had a major economic impact on all regions throughout the U.S. and Murrieta is no different. When the last major economic downturn occurred, Murrieta was deleteriously impacted with major business closures and unemployment rates that rivaled some of the highest in the country. With the growth and diversification of our economic base in the decade since then, Murrieta has shown itself to be more resilient to recession than it was in the past. While the effect of the pandemic has been harmful to many businesses, the breadth of the challenge in an economic sense has not been as severe.

While shopping trends initially dropped by 22% during the first month of closures, they were less intense than in other markets, which saw 40 – 50% decreases. Dining experienced a 41% decrease, which was offset by an increase in grocery, which was up 30%. Since that time, many industries have regained their original positions. Unemployment was at 2.9% before the pandemic in the City of Murrieta, which was historically low. Once the first round of layoffs occurred, it shot to 14.9% within two reporting periods. In the 3 months since then, it has dropped back down below 7% and looks to continue its decline as businesses reopen and re-staff.

City revenues were impacted across the board, with General Fund revenues decreasing by $2.2M in FY 2020 and projected to decrease by $2.5M in FY 2021. While the loss of revenue is challenging, the City was fortunate to have appropriate reserves in place for such exigent financial situations. Businesses have not shown a significant volume of closures since the pandemic began. Since March 2020, there have only been seven reported business closeouts to business licensing in the City of Murrieta and a total of 45 net fewer business licenses for businesses based in Murrieta overall. Even with very difficult challenges presented to the City, to our residents, and particularly to local businesses, the region has responded with determination and perseverance. In mitigating the challenges of a widespread pandemic and its financial effects, the region has shown itself to be economically strong and resistant to recession.
What We’ve Done So Far

The federal, state, and local government have all taken steps to mitigate damages experienced by businesses due to Covid-19. The federal government’s main form of assistance has been through the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act stimulus package, which was signed into law on March 27, 2020. This authorized the Paycheck Protection Program (PPP) loan program which will provide 2.5 times a business’s average monthly payroll costs up to $10 million to cover payroll, mortgage, and utilities for 8 weeks. This loan program included sole proprietors and independent contractors, and 100% of the loan can be forgiven if 75% is used for payroll. The Economic Injury Disaster Loan (EIDL) was introduced to provide economic relief to businesses that experienced a loss of revenue and issued up to $2 million to cover health care costs, rent, utilities, and fixed debt payments. The Small Business Association also provided debt relief to pay 6 months of principal, interest, and other fees for businesses’ 7(a), 504, and Microloans. The IRS also extended the tax filing date in 2020 to July 15.

The California State Department also took its own measures to help businesses. It provided $50 million to the California Infrastructure and Economic Development Bank to secure loans for small businesses that don’t qualify for federal funds, including low wealth communities. The California Capital Access Program (CALCap), which is a loan loss reserve program, was designed to cover 100% on losses as a result of certain loan defaults limited to a maximum of $2.5 million over a 3-year period. Multiple other grants were implemented such as Workforce Innovation and Opportunity Act funds, grants available through the Small Business Administration and Governor’s Office of Business Services (GOBiz), the CA Jump Start Loan Program, and the State Compensation Insurance Fund. Along with grants, the state has also assisted through the Office of the Small Business Advocate (CalOSBA) to help businesses figure out which loans are best, develop resiliency strategies, and find other resources to utilize. There was also a 60-day extension to file and deposit state payroll taxes without penalties or interest. A Work Sharing program was implemented to minimize/eliminate the need for layoffs, keep trained employees, avoid the cost of recruiting, hiring, and training employees while allowing employees to keep their job while receiving unemployment benefits. The 60-day requirement under the WARN act was also suspended for certain conditions to help businesses keep their employees and businesses safe.
Riverside County has also acted at the local level to mitigate financial damages for businesses. The county has provided $46.5 million in small business grants, $5 million in non-profit grants, 2 million masks to businesses, and 12 business ambassadors to help identify ways for business to operate safely at no cost to the business. The Local Small Business Development Center (SBDC) provides free assistance with business planning, marketing, funding, and management. The UC Riverside Epic Small Business Development Center provides individualized support, specialized consulting, training programs, workshops, access to capital, and SBIR/SBTR assistance to early stage tech entrepreneurs and companies in the Inland Empire for free. The Riverside County Business Services provides resources, programs, and services to help expand, relocate, and grow businesses in Riverside County. The Riverside County Workforce Development Center specializes in helping businesses fill their workforce need to run more effectively and efficiently. Businesses are encouraged to utilize these sources to gain an advantage during and after these difficult times.

The City of Murrieta was particularly responsive to COVID-19 and our business's needs. We deferred the collection of all business-licensing fees as well as deferring our Transient Occupancy Tax payment for hotels for the initial three months of business closures, and then created a Back to Business Grant Program that offers $10,000 grants to small businesses in peril due to the pandemic. In addition, the City began offering daily Economic Development Newsletters that featured available resources for small business and participated in regional podcasts and business briefings to keep the community informed about programs that can assist them. We even created Covid-19 specific web pages to highlight programs and resources for our local businesses.

The City collaborated with the Murrieta/Wildomar Chamber of Commerce in dispersing Back to Business Supply Kits when closures were first lifted. These featured free products that were designed to get businesses opened safely and quickly, such as face shields, face masks, hand sanitizer, floor markers for spacing, window decals and much more. Later, the City and Chamber provided Safety Kits for businesses that were also free of charge. Another partnership for distribution included the City, Chamber of Commerce and the County Medical Association where we provided State of California PPE to all of our regional hospitals and medical centers.

When indoor closures began, the City created programs to assist business in reopening outdoors. We began with a Temporary Outdoor Dining Program that allowed our restaurants the ability to move their indoor seating that was lost due to closure to an outside space.
We then followed up with programs for Hair and Barbershops, Nail Salons and an Outdoor Gym and Fitness Center Program. All of these allowed our businesses to move their operations outside immediately, with no additional city permitting required as long as they followed a specific set of guidelines.

The City acted quickly and decisively during these times, but the lack of a codified plan was a hindrance to organization and execution. The next step in our course is to be better prepared to deal with future crisis by creating this document, a Business Retention and Expansion Plan.
Planning for Future Crises
Throughout the COVID-19 pandemic we have learned many things, and we should use this knowledge in preparation of future challenges. Information in these types of situations is crucial to understand what is happening in order to make proper decisions in a timely manner for both government officials and businesses. We will work to reduce the number of intermediaries between the primary source of information and businesses to decrease the chance of confusion. This will be assisted by the City's Public Information Officer, a position that has been critical in sharing information and resources during the current pandemic. We will include business owners when making decisions, clarify inbound information, and explain rationale for any decision made to ensure a clear understanding between all parties involved. The City will continue to offer a newsletter, website, social media, and site selector website to disperse information in as many channels as possible.

We typically work with the assumption that business will always proceed as usual, but we cannot do this anymore. We need to assist businesses with creating business plans that reflect the post-COVID-19 economy and include strategies for irregular operating procedures. These will include a better use of technology with industry specific details that will take advantage of the resources in and around Murrieta. Partners available to our business community include the Murrieta/Wildomar Chamber of Commerce, the UC Riverside EPIC Small Business Development Center, Riverside County Business Services, Workforce Development Board, SCORE and The Small Business Administration.

The demand of business resources was unnerving for many people during this pandemic, and we will do our best to mitigate this in the future. We will create action plans and post resource lists to the City website that include things like sources of funding and equipment for businesses. During these past 6 months it has been inspiring to see the private and public sector work together to keep our local economy healthy, and we will do all that we can to maintain these positive relationships.
Business Retention

Business Retention will be built on nine core actions:

- Site visits
- Surveys
- Data Analysis
- Bi-Annual SWOT Analysis
- 1 on 1 counseling sessions
- Education, mentoring & workshops
- Facilitation of connections
- Small business promotion
- Access to workforce

The City of Murrieta is committed to helping maintain and expanding the local businesses that provide the backbone of our economy. One of the first steps in doing this is the collection of information about the companies that are already located here, the industries they serve, their success in our market and their challenges. This will be done by using site visits and surveys to gather data that helps to understand our firms. When available, site visits will be an important tool to connect with business, learn basic information about their needs, and to offer city services and facilitate connections with economic development partners. When unavailable, digital surveys may instead be utilized as a means of data collection. By using financial reports and asking questions such as if they have kept pace with initial sales projections, if there have been changes in full-time employment, if they have had any problems overall, etc., the city can determine the firm’s satisfaction with us and learn to predict future actions (expansion, closure, relocation). Data can then be kept on record as a benchmark to determine long-term trends. The city will use this information to highlight early warning signs that a firm will potentially close or relocate such as declining sales or employment, ownership changes, mergers/buyouts, a struggle with recruitment, plans to expand in other communities, concerns regarding regulation, etc. We will also keep track of how the most prevalent industries are doing when compared to the national average to predict any challenges or opportunities that our local firms might face in the future. This influx of information will require us to create databases and other internal systems for data management and analysis. With this additional information, we will also be able to determine root causes of any company issues that they might not be aware of if they do not have a similar data management system. Bringing value like this is one of the ways that the City of Murrieta will help to ensure that businesses stay here and expand here.
A key component is to determine strengths, weaknesses, opportunities and threats (SWOT). A Strategic Planning session is scheduled for every two years with stakeholders from business, non-profits, investment, development, and startups to stay connected to the community and its understanding of the value of our resources and tools. In a response to the immediate need for business retention, this document is being created in lieu of this year’s strategic planning session in order to focus solely on Business Retention and Expansion. The program should resume next year as data is anticipated to return to levels that are more predictable. The City has long been a proponent of business mentorship, education and training, through the Small Business Administration and programs like SCORE and the Small Business Development Center and through small business workshops. The City has recently brought in an experienced former SCORE mentor as an in house business counselor and offers free service to Murrieta small businesses. The City will utilize free business education, mentoring opportunities and a series of workshops in order to provide valuable business information to our local companies. This service assists the businesses in learning core competencies and new resources that they may be unaware of. By providing these opportunities free of charge, it helps the City to connect with our businesses, learn their needs, and develop valuable relationships that help the business to thrive and the City to become more valuable a partner to the business.

Economic Development is primarily focused on the facilitation of key connections and the linking of resources to businesses in need. This will always be a component of business retention as providing access to resources and partners to help our small businesses in their planning, execution, funding and operations. Another principal duty will be the marketing, promotion and announcements of small businesses to the community. Utilizing tools like the Murrieta Business Newsletter, More Murrieta, City social media sites, the Murrieta Microscope video series, articles like Murrieta Pivots, and press releases, Murrieta will continue to promote and assist our small businesses to help introduce them to the community and establish a presence in our City. Utilizing the strong partnership that the City of Murrieta has with the Murrieta/Wildomar Chamber of Commerce, the City will continue the successful Work Local/Hire Local Job Fair series. These events have brought in thousands of local workers and connected them to hundreds of local businesses. This allows our companies to fill the vacancies they have with local workers in a fast and simple format. The City will also partner with organizations like the Riverside County Workforce Development Board for access to Employee Training Programs and hiring opportunities to help new businesses ramp up and to help existing businesses to maintain necessary staffing levels.
**Business Expansion**

Business Expansion will be built on seven core actions:

- Communication
- Engagement
- Industry Groups
- Site Visits
- Site Selection
- Workforce Development
- Educational Pipelines

The growth of existing business is the key to expanding our economy and our job base. In spite of national and regional economic challenges, Murrieta is witnessing the expansion of multiple companies in a variety of verticals right now. In healthcare, Kaiser Permanente, Rancho Springs Medical Center, Loma Linda University Healthcare, the Heart and Vascular Wellness Center, and New Smile Prosthodontics are all working on expansion projects right now. Restaurants are expanding with 8Bit Brewing enlarging their manufacturing and bottling process, The Chef’s Grille is doubling their existing space by adding a new suite; new outdoor patios are in discussion for Sidelines, Denny’s, 8Bit, Garage Brewing and more. West Coast Exotic Cars is undergoing a major development by purchasing an eighty thousand square foot building in our auto mall and redeveloping it to house two new car dealerships and an exotic car line. This type of progress is the foundational element of building a balanced economy.

Economic Development should focus on Educational Resources, along with Communication and Engagement as principal activities of business expansion. Partnering with local educational institutions, connecting them to the business community and making sure that timely information is shared to assist in creating pipeline programs that meet existing local needs, are necessary elements to a foundation of meaningful workforce assistance. It is economic development through educational promotion and is a key to creating a workforce that fills local voids and is self-sustaining. In order to accomplish this, it is indispensable to understand our existing businesses, their needs of scaling operations, along with hiring and site expansion requirements, and this cannot be without staying in constant communication. This can be executed in a variety of ways:

- Direct site visits, that engage the business leadership and appreciate the challenges that they have in growth.
• Follow up and dialogue with business owners to ensure that we are offering all services available to assist them.

• Networking through all local channels such as the Murrieta/Wildomar Chamber of Commerce, the Murrieta Rotary, the Economic Development Coalition and other local groups and non-profits that allow Economic Development the means to connect with our business community and learn about their needs.

• Maintaining Valuable Business Resources through the City Website and the Murrieta Business Newsletter.

• For certain core industries, group meetings that bring major business leaders together can be hosted by the City. This has been done successfully with the Medical Leaders Luncheon series, the annual Physician’s Social and the Manufacturers Group Meetings along with the annual Manufacturers Day.

Site selection is an important aspect of business expansion as many businesses either begin planning for more space too late or are not sure of their upcoming needs. Providing site selection services on a one-on-one basis is made available through the Economic Development Division at no cost. In addition, the City will maintain a data driven Site Selector Website to encourage both outside attraction efforts and interior expansion efforts that is available at any time for the convenience of our business partners.

Without a properly skilled workforce, business growth becomes stunted. Regional partners in workforce training are the Riverside County Workforce Development Board, Murrieta Valley Unified School District, Mt. San Jacinto College, California State University San Marcos, University of California Riverside, along with a network of trade and skills certification groups. Connections and communications with these partners ensure that we are representing our local business staffing needs to the education community. In addition, the City can assist with individual business hiring events, promotions, staffing announcements and by hosting larger scale job fairs to encourage local hiring by multiple businesses at once.
City Partnerships

- California Business Portal
- SCORE
- InSoCal Connect
- California Manufacturing Technology Council
- U.S. Department of Commerce Southern California District Export Council
- Export Import Bank
- Riverside County Economic Development Agency
- Murrieta/Wildomar Chamber of Commerce
- Riverside County Workforce Development
- Economic Development Coalition
- Entrepreneurial Proof of Concept and Innovation Center
- Murrieta Valley Unified School District
- Mt. San Jacinto College
- University of California Riverside
Teamwork
Knowing that we cannot do all of this alone, we are looking forward to working with both internal and external partners to help support Murrieta businesses in achieving their goals. We are proud to have a strong relationship with the Murrieta/Wildomar Chamber of Commerce and will work even closer with them to connect our businesses with the necessary resources to succeed. The City of Murrieta wants businesses to know that they are an important part of the city and that they are appreciated. With Murrieta Valley Unified School District recognized as a top district in Riverside County and many expanding employers, we will continue to facilitate a relationship between the education and employment in order to establish a strong local workforce base that no longer needs to rely on commuting to employment outside of Murrieta. We will also be working on creating symbiotic partnerships with organizations outside of the city. For example the Small Business Development Center, a product of the combined efforts of UC Riverside and Riverside County, is producing a strong small business environment with access to top notch consulting, resources, and networking that we can use to help our companies here in Murrieta.

Concluding Statement
In recognition of the fact that new challenges will present themselves in the future and the prediction of what they will look like and when they will occur is not likely, the City of Murrieta must keep its focus on Economic Development, the need to support local small business, the necessity of retaining local companies and assisting them when they are ready to expand. Keeping in contact with our entrepreneurs, analyzing and understanding regional data points, maintaining a steady supply of resource partners that can help businesses through challenging times, communicating business resources and opportunities in a timely fashion, and being ready to assist companies on a one-on-one basis when needed are all components of keeping a connected business community. This initial platform of ideas is intended to serve as a guide for retaining businesses in our community and for assisting those that need to expand.

"Connected by Community,"
Scott Agajanian
Economic Development Department of Murrieta