



**SAN RAFAEL CITY COUNCIL AGENDA REPORT**

Department: Economic Development

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City Manager Approval:  \_\_\_\_\_

**TOPIC: ECONOMIC DEVELOPMENT STRATEGIC PLAN**

**SUBJECT: ECONOMIC DEVELOPMENT STRATEGIC PLAN ANNUAL REPORT**

**RECOMMENDATION:**

Accept the report.

**BACKGROUND:**

On May 15, 2023, the [City Council adopted the San Rafael Economic Development Strategic Plan](#) (EDSP), the first economic development strategic plan since the dissolution of the redevelopment agency in 2012 and the first EDSP evaluating the entire City. The EDSP was the result of a yearlong process of outreach, information gathering, and analysis.

The EDSP provides a playbook for the City’s economic development efforts over three to five years. As this plan was developed on the heels of the COVID-19 pandemic, a heightened focus was placed on economic vitality, and the City Council identified strategic efforts to strengthen the San Rafael economy and create greater resiliency for future economic downturns. The plan covers several key areas of opportunity, including the potential for increased tourism, improvements in the downtown area, growth of the industrial sector, and financing models to meet needed infrastructure and program costs.

The EDSP builds upon the San Rafael General Plan 2040 Economic Vitality Policies: [EV1.1](#) - Quality of Life; [EV1.2](#) - Strategic Planning; [EV1.3](#) - Relationship Building; [EV1.4](#) - Business Retention and Support; [EV1.5](#) - Business Attraction; [EV1.6](#) - Monitoring; and [EV1.7](#) - Marketing and Branding.

There are seven target areas of the EDSP, which outline focus areas for the City to achieve its economic goals:

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**FOR CITY CLERK ONLY**

**Council Meeting:**

**Disposition:**

1. Support Business / Development
2. Downtown Reimagination
3. Analyze Implementation of EIFD
4. Strengthen Local Partnerships
5. Attract High-Tech Industrial Uses
6. Outreach for Private and Business Development Opportunities
7. Workforce Development Programs

This report is an annual update to the City Council. City staff also presented a summary of EDSP progress to the San Rafael City Council Economic Development Subcommittee on March 8, 2024.

**ANALYSIS:**

The EDSP identified thirty-one action items over a five-year planning horizon. A dashboard of items (Attachment 1) estimated the workload, cost, and timeline for each item, contingent on resources for implementation. Given staffing resources and the Economic Development Departmental budget, nine items are in the process of being implemented, and seven items are in development. The status of all items is listed in Attachment 2.

The discussion below highlights six key action items that were implemented in the first year of this plan.

**Action Item 1.1- Business Expansion, Attraction, Retention – San Rafael GO Program.**

The [San Rafael GO program](#) was launched in April 2024, with a stated objective to *Simplify City Process, Amplify Business Potential*. This business retention and attraction program is focused on helping businesses and developers navigate regulatory processes and connecting businesses with the resources available in Marin County's economic development ecosystem. Economic Development staff provide process navigation support by being a primary point of contact for business and/or development questions. To provide financial and technical assistance, staff also refer business inquiries to other strategic partners, for example, the San Rafael Chamber of Commerce, Marin Small Business Development Center, and the County of Marin for food safety issues.

San Rafael GO program marketing material has been launched with the identifiable brand "San Rafael GO" (Attachment 3), with web and print material provided in English and Spanish. Materials could be further translated into other languages as demand requires.

**Action Item 1.2 - Technical assistance programs.**

To bring no-cost business development tools to the community, San Rafael has implemented a web-based site selection and data analysis tool. [Zoom Prospector is available on the City's website](#) and allows property searches for lease and sale, with the ability to filter for multiple criteria. In Q3 and Q4 of this year, staff will engage community partners to utilize this tool and promote its use within the community, particularly in the Canal and Northern San Rafael, where there is an opportunity to expand industrial business uses.

**Action Item 2.2 - Explore conversion of the BID to a PBID.**

To facilitate focus area #2, Downtown Reimagination, staff will engage a consultant to explore the conversion of the Downtown BID to a Property Based Improvement District (PBID). A [request for proposals from PBID formation consultants](#) was published on May 28, 2024, and staff expects to have a consultant under contract in Q3 2024. The PBID formation process, including research, community engagement, program design, and District approval, is anticipated to occur over approximately 18 months.

**Action Item 3.1 - Conduct an Enhanced Infrastructure Finance District (EIFD) feasibility analysis and develop a plan for formation.**

An EIFD is an economic development tool that utilizes tax increment financing to pay for needed infrastructure within certain established boundaries. This financing tool could provide for accelerated infrastructure improvements or enhancements for the community, including affordable housing and climate resiliency projects. San Rafael engaged Kosmont Companies to produce an EIFD feasibility analysis. The report was completed in March, and staff will present the findings of the draft report to the Economic Development Subcommittee of the City Council in the Summer of 2024.

**Action Item 4.5 - Arts programming.**

The City is coordinating with arts organizations to administer a \$709,890 grant from the California Arts Commission (CAC) for the Downtown San Rafael Arts District ([DSRAD](#)). Grant funds are augmenting existing downtown arts programs and funding new public art and events with the intent of increasing public access to art and increasing economic vitality in downtown San Rafael. Examples of DSRAD funded activities include support for The Canal Arts mural projects, mural collaborations in public schools and on private buildings downtown, and celebratory commercial window displays. In collaboration, City staff are also working toward a long-term arts and economic vitality strategy for the City. In May 2024, the CAC awarded the DSRAD an additional \$38,461 (included in the total grant amount above) to conduct a cultural asset mapping exercise, which will be completed by December 2024. All CAC grant funds must be expended by June 2025.

**Action Item 6.4 - Cannabis businesses opportunities.**

The City hosted a cannabis industry convening on February 27, 2024. Discussions focused on the difficult State regulations on cannabis operators and the financial challenges faced by operators caused primarily by constraints in banking and taxation burdens. The impact of these issues is seen in the nearly 50% decline of annual cannabis tax revenue from 2021 to 2024, from over \$600,000 to just over \$300,000. There are available licenses in all cannabis license types currently allowed in San Rafael. The City has received minimal inquiries requesting new licenses.

**Table 1 - Cannabis Licenses by Type**

	<b>Allowed</b>	<b>Awarded</b>	<b>Active 2020</b>	<b>Active 2024</b>
Distribution (State License Type 11) – 1% Tax	4	4	3	3
Infused Product Manufacturing (State License Type N) - 3% tax	10	6	4	3
Delivery (State License Type 9) - 4% tax	8	5	5	5
Testing Lab (State License Type 8) – 1% Tax	4	1	0	0
<b>Total:</b>	<b>26</b>	<b>16</b>	<b>12</b>	<b>11</b>

Two license types not currently allowed in San Rafael are retail cannabis storefront and micro-licenses (allows small manufactures to produce and sell direct to consumers). With the state of the cannabis industry in California, staff will continue to monitor the market and potential growth opportunities for modifying the local regulations. In addition, enforcement of illegal hemp derived products and sales of non-permitted cannabis products have been accelerated with partnerships with the State of California Department of Cannabis Control and the California Department of Tax and Finance Administration.

**Performance Metrics**

The EDSP recommended eleven performance metrics to track progress and determine what barriers to economic development continue to exist. These targets roll up to the City's Goals and Objectives. In year one of the EDSP (2024), staff focused on establishing the programs and systems to support the plan. Staff are working with the Digital Services team and other collaborators to refine EDSP metrics. Progress will be articulated and reported to the City Council following year two of the plan (2025).

1. BEAR Program Participation - Track number of BEAR program participants, investment captured, and jobs created.
2. Annual Reports on EIFD Funding - Identify the revenues received and specify the planned investments.
3. Commercial Building Permits in Key Areas - measure commercial developer interest.
4. Assessed Value of Commercial and Industrial Property - show increased private sector investment.
5. Number and Type of Business Licenses - measure new business formations.
6. Employment by Industry - show success in commercial and industrial business attraction and employment growth.
7. Sales Tax Revenues by Geographic District - measure success in attracting businesses and economic activity.
8. Hotel Tax Revenues - measure success in attracting more visitors.
9. Hotel Visitor Survey - identify types of visitors, short term vs longer term stays.
10. Annual Survey of Business Owners - identify issues regarding the City's permitting and zoning process and other programs to inform City staff of progress and shortcomings.
11. Special Event Data: number of events, attendance, estimates- show success of community outreach efforts, revitalization efforts, and general marketing

**COMMUNITY OUTREACH:**

The Economic Development Strategic Plan was vetted through multiple City Council Economic Development Subcommittee meetings and approved by the City Council on May 15, 2023. The annual progress report update was reviewed by the City Council Economic Development Subcommittee on March 8, 2024, and comments were received from the San Rafael Chamber of Commerce and Downtown Business Improvement District.

**FISCAL IMPACT:**

There is no fiscal impact associated with this report.

**RECOMMENDED ACTION:**

1. Accept the report
2. Reject the report
3. Request Staff return with additional information

**ATTACHMENTS:**

1. Economic Development Strategic Plan Dashboard of Implementation Items
2. Economic Development Strategic Plan Status Matrix
3. San Rafael GO program brochure (English & Spanish)

# ECONOMIC DEVELOPMENT STRATEGIC PLAN

## ACTION ITEM RESOURCES

1: Support Business / Development					2: Downtown Reimagination					3: Analyze Implementation of EIFD				
#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe
1.1	BEAR Program	\$	👤👤	Year 1	2.1	Business Programs	\$\$\$	👤👤	Year 3 - 4	3.1	Feasibility analysis / plan	\$	👤👤	Q1-Q3
1.2	Technical Assistance Programs	\$	👤	Year 2	2.2*	Explore conversion of the BBID to a PBID	\$	👤👤	Year 1	3.2*	Explore County Partnership	\$	👤	Year 1-2
1.3	Business / Development Data	\$	👤	Ongoing	2.3	Evaluate publicly-owned sites for reuse	\$	👤	Year 2-3	3.3*	Pursue Grants	\$	👤	Ongoing
1.4	Bi-lingual Staff	\$\$\$\$	👤👤👤👤	Ongoing	2.4	Placemaking physical improvements	\$\$\$\$	👤👤	Year 3-5					
1.5	Entrepreneurial Events	\$\$	👤👤	Year 1	2.5	Other physical enhancements	\$\$\$	👤👤	Year 3-5					
					2.6	Marketing / social media	\$	👤	Ongoing					

Star (\*) - items that generate revenue / funding capacity

### Estimated Cost thru Year 5

\$	<\$50,000
\$\$	\$50,000 to \$150,000
\$\$\$	\$150,000 to \$300,000
\$\$\$\$	>\$300,000

Cost does not include allocation of current Econ Dev staff salaries

### Estimated Workload During Timeframe

👤	10-20% of employee workload
👤👤	20-40% of employee workload
👤👤👤	40-60% of employee workload
👤👤👤👤	60-100% of employee workload

# ECONOMIC DEVELOPMENT STRATEGIC PLAN

## ACTION ITEM RESOURCES

4: Strengthen Local Partnerships					5: Attract High-tech Industrial Uses					6: Outreach for Private / Business Development Opportunities				
#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe
4.1*	Explore tourism funding models	\$	1	Year 1-2	5.1	Revise zoning / processes for industrial uses	\$\$	3	Year 3-5	6.1	Identify / analyze sites for reuse	\$	1	Year 1-2
4.2	Explore / expand events and programming	\$\$\$	2	Year 1-3	5.2	Pursue new industrial sectors	\$	1	Year 1-2	6.2	Outreach / collaborate with property owners	\$	1	Year 1-2
4.3	Marketing partnerships	\$	2	Year 1	5.3	Evaluate tech industrial overlay zoning	\$\$	2	Year 2	6.3	Pursue businesses / developers	\$	2	Year 2
4.4	Tourism marketing	\$	2	Year 1	5.4	Conduct outreach businesses, industry grps	\$	2	Year 1-2	6.4*	Cannabis business opportunities	\$\$	2	Year 2-3
4.5	Arts programming	\$	2	Year 1						6.5	Update Mobile Vender Ordinance	\$\$	2	Year 2-3
4.6	Collaborate with service organizations	\$	2	Year 2	<b>7: Workforce Development Programs</b>									
					#	Action Item	Cost	Workload	Timeframe					
					7.1	Coordinate with orgs. for workforce development	\$	2	Year 3-5	<b>Estimated Workload During Timeframe</b>				
					7.2	Conduct outreach to local businesses / orgs.	\$	2	Year 3-5	1	10-20% of employee workload			
										2	20-40% of employee workload			
										3	40-60% of employee workload			
										4	60-100% of employee workload			

Star (\*) - items that generate revenue / funding capacity

Estimated Cost thru Year 5	
\$	<\$50,000
\$\$	\$50,000 to \$150,000
\$\$\$	\$150,000 to \$300,000
\$\$\$\$	>\$300,000

Cost does not include allocation of current Econ Dev staff salaries

**Attachment 2**  
**ECONOMIC DEVELOPMENT STRATEGIC PLAN ANNUAL REPORT**  
**Status Matrix**

Action Item	Timeframe	Status	Collaborators/ Resource	Status/Activity as of April 2024
<b>1: Support Businesses / Development</b>				
1.1 'San Rafael GO' (BEAR) Program	Year 1	Implementing		Brochure printed in English & Spanish. Website updated; integrated GO brand, improve navigation. Staff facilitating inquiries, supporting business inquiries.
1.2 Technical Assistance Programs	Year 1-2	Developing	Marin SBDC, Canal Alliance	Marin SBDC providing Spanish business marketing series May 2024, city sponsored programming.
1.3 Business Development Data	Ongoing	Implementing	Tools: GIS Planning, CoStar	Staff resources limited to analyze data that is available through Zoom Prospector, Costar and other tools.
1.4 Bilingual Staff	Ongoing	Developing	Marin SBDC	Marin SBDC has bilingual resource staff. City sponsored program. Need to develop additional bilingual resources.
1.5 Entrepreneurial Events	Year 1	Not Started	San Rafael Chamber of Commerce, Marin SBDC	City sponsors Chamber of Commerce., Marin SBDC programs. Additional staff capacity needed to implement a 'Shark Tank' type entrepreneurial program. Push to Year 2-3.
<b>2: Downtown Reimagination</b>				
2.1 Business Programs	Year 3-5	Not Started		not started
2.2 Explore conversion of the BID to a PBID	Year 1	Implementing	San Rafael Chamber / BID	Staff reorganization has delayed the start of this work. RFP for consultant issued May 28, 2024.
2.3 Evaluate publicly owned sites for reuse	Year 2-3	Developing	519 4th Developer selection	Successful RFP and selection of affordable housing developer on city owned property at 519 4th Street.
2.4 Placemaking physical improvements	Year 3-5	Developing	Downtown San Rafael Arts District	Launched Downtown Sidewalk Activation Pilot Program. Working with DSRAD and property owners to fill vacant window fronts with visually stimulating content. Future activities needed to implement Downtown Strategic Plan.
2.5 Other physical enhancements	Year 3-5	Not Started		
2.6 Marketing / social media	Ongoing	Developing	San Rafael GO program materials	Additional staff capacity needed for active marketing & social media. Possibly work with Chamber or other partners.
<b>3: Analyze Implementation of EIFD</b>				
3.1 Feasibility analysis / plan	Year 1	Implementing	Kosmont performing feasibility analysis	Feasibility draft analysis completed. City Management review phase May 2024.
3.2 Explore County Partnership	Year 1-2	Developing	County Administrator	
3.3 Pursue Grants	Ongoing	Not Started		Additional staff capacity needed.
<b>4. Strengthen Local Partnerships</b>				
4.1 Explore tourism funding models	Year 1-2	Developing	Marin CVB	Q3 2024 convene conversation with County of Marin Economic Development, Marin CVB and Chamber of Commerce.
4.2 Explore / expand event and programming	Year 2-3	Developing		Tracking and facilitating downtown events, in collaboration with promoters, and the Downtown BID.
4.3 Marketing partnerships	Year 1	Implementing	Arts organizations; CVB	
4.4 Tourism partnerships	Year 1	Developing		Completed periodic marketing strategy review with Marin CVB.
4.5 Arts programming	Year 1	Implementing	DSRAD implementation	Drafting Downtown San Rafael Arts District activation plan with arts collaborators. Distributing grant funds to implement arts programming 2023-2025. Collaborating with Marin County Cultural Division on county emerging strategies to expand arts.
4.6 Collaborate with service organizations	Year 2-3	Not Started		

**Attachment 2**  
**ECONOMIC DEVELOPMENT STRATEGIC PLAN ANNUAL REPORT**  
**Status Matrix**

Action Item	Timeframe	Status	Collaborators/ Resource	Status/Activity as of April 2024
<b>5: Attract High-tech Industrial Uses</b>				
5.1 Revise zoning / processes for industrial use	Year 3-5	Not Started		
5.2 Pursue new industrial sectors	<b>Year 1-2</b>	Developing	Commercial Broker community	Actively pursuing leads on for underutilized industrial lands.
5.3 Evaluate tech industrial overlay zoning	Year 2-3	Not Started		
5.4 Conduct outreach to businesses, industry groups	<b>Year 1-2</b>	Implementing		Supporting BioMarin expansion project. Participating on East San Rafael Working Group of the Chamber to spur outreach and industrial lands investment.
<b>6: Outreach for Private / Business Development Opportunities</b>				
6.1 Identify / analyze sites for reuse	<b>Year 1-2</b>	Implementing		Supporting business inquiries through concierge-style customer service. Implemented Zoom Prospector web tool for site selection and market research. Additional staff resources needed for deeper analysis and intervention.
6.2 Outreach / collaborate with property owners	<b>Year 1-2</b>	Implementing		Supporting business inquiries through concierge-style customer service. Plan for future industry convenings, including commercial real estate, medical tech, and creative economy.
6.3 Pursue businesses / developers	Year 2-3	Implementing		Actively engaging commercial broker community to understand market challenges.
6.4 Cannabis businesses opportunities	Year 2-3	Developing	Cannabis Business Summit meeting March 2024	Cannabis Industry convening held March 2024. Licensed businesses declining. No license volume expansion necessary at this time. Researching micro-license.
6.5 Update Mobile Vendor Ordinance	Year 2-3	Not Started		
<b>7: Workforce Development Programs</b>				
7.1 Coordinate with orgs. for workforce development	Year 3-5	Developing	County of Marin	Engaging with new County Economic Development Coordinator on County-wide strategies.
7.2 Conduct outreach to local businesses/ orgs.	Year 3-5	Not Started		





San Rafael is a thriving community with a high-quality employment base, excellent local identity and important regional connectivity. We have strong core industries including small business, community service, biotech, and advanced industrial production.

We are building on our solid economic foundation with new players that can benefit from San Rafael's talent pool and regional position and welcome your investment and interest.

- Mayor Kate Colin



Simplify City Processes,  
Amplify Business Potential.  
Economic Development Assistance



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# San Rafael GO

Navigating city processes so you can be successful.

-  Concept-level project consultation
-  City department coordination
-  Site selection tools & assistance
-  Help reduce barriers
-  Facilitate connections to garner support



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From major development permit entitlement to minor tenant improvements, we offer enhanced customer support so that you can make the best business decision.



## Site Selection Assistance

Find the right location with connections to brokers and property owners, zoning information, and infrastructure requirements. Access our free real estate and business data tools to speed and inform your search.



## Process Coordination

Our economic development specialists will coordinate communication among city staff to increase your project's certainty.



## Small Business Assistance

Through a network of partners, we can connect you to financial, workforce, and technical resources.



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San Rafael offers an environment ripe for entrepreneurship, creativity, and technological advancement.

Our mission is to increase investments in San Rafael that contribute to the growth of the City's economy, foster fiscal sustainability, expand job opportunities for all residents, and enhance the community's quality of life.

Our approach is to help **navigate, facilitate, and support businesses** along their development and expansion pathways.





La ciudad de San Rafael tiene una comunidad próspera con una base de empleo de alta calidad, una excelente identidad local y conectividad regional muy importante. Tenemos una base de industrias centrales muy fuerte, incluyendo pequeños comerciantes, servicios a la comunidad, biotecnología,

y un avanzado sistema de producción industrial. Estamos construyendo sobre nuestra sólida base económica con nuevos actores que se pueden beneficiar de una gran reserva de talento y una posición regional que le da la bienvenida a sus intereses e inversiones.

- Alcaldesa Kate Colin



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**SAN RAFAEL**  
THE CITY WITH A MISSION

# San Rafael GO

Navegar por los procesos municipales para que pueda tener éxito.

-  Consulta de proyecto a nivel de concepto
-  Coordinación con departamentos municipales
-  Herramientas y asistencia para la selección del lugar o sitio
-  Ayuda para reducir barreras
-  Facilitar conexiones para conseguir apoyo



Atribución de fotografía: Jordan Wise



Desde derecho a permisos para grandes obras de desarrollo hasta pequeños arreglos para inquilinos, nosotros ofrecemos atención al cliente mejorada para que usted pueda tomar las mejores decisiones de negocios.



## Asistencia para seleccionar el lugar

Acceso gratuito a nuestras herramientas de datos sobre bienes raíces y negocios para acelerar e informar su búsqueda.



## Coordinación de procesos

Nuestros especialistas de desarrollo económico coordinarán la comunicación entre el personal municipal para mejorar la certeza de su proyecto.



## Asistencia para pequeños comerciantes

A través de nuestra red de asociados podemos conectarlo con una serie de recursos técnicos, financieros y de fuerza laboral.



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San Rafael ofrece un entorno propicio para el emprendimiento, creatividad y avances tecnológicos.

Nuestra misión es incrementar las inversiones en San Rafael que contribuyan al crecimiento de la economía de la Ciudad, fomenten la sustentabilidad fiscal, expandan las oportunidades de empleo para todos sus residentes y mejoren el estilo de vida de la comunidad.

Nuestra estrategia es ayudar a **navegar, facilitar y apoyar** a las empresas en su desarrollo y vías de expansión.