



Economic Development

Subcommittee Meeting of the City Council

December 11, 2024



SAN RAFAEL

THE CITY WITH A MISSION

Agenda

Agenda

1. Public Comment – Items not on the Agenda (5 minutes)
2. Economic Development Partner Updates (15 minutes)
 - a. San Rafael Chamber Updates
 - b. East San Rafael Updates
 - c. Downtown Business Improvement District Updates
3. Cannabis Business Tax Rate – Delivery License Type 9 (10 minutes)
4. Community Benefit District status report (15 minutes)
5. Development Pipeline (30 minutes)
6. Adjournment

Cannabis Business Tax Rate

Delivery businesses

Request from Cannabis operators to reduce the Cannabis Delivery Tax Rate

State License Type	Adopted in 2018 by Resolution 14477	Reduced January 1, 2023 – December 31, 2024	Reduction Extension Proposed January 1, 2025 – December 31, 2026
Delivery, non-storefront retail	4%	<u>2%</u>	<u>2%</u>
Infused Products Manufacturing	3%	3%	3%
Cannabis Testing Labs	1%	1%	1%
Distribution	1%	1%	1%

On November 7, 2022, the council adopted [Resolution 15157](#), which lowered the tax rate for the period of January 1, 2022 through December 31, 2024. For State Cannabis License Type 9 (Delivery, non-storefront retail) businesses in San Rafael from four percent to two percent of annual gross receipts. Existing San Rafael delivery businesses have requested that the City of San Rafael extend the current tax rate for cannabis non-storefront delivery license types in light of ongoing challenges of operating in the regulated cannabis marketplace.

Staff recommendation: Council consider an extension of the current two percent tax rate for licensed cannabis delivery businesses for the time period of January 1, 2025 through December 31, 2026

Request: Provide direction to staff.



Major Projects Development Pipeline

Summary, Maps, Descriptions

December 2024



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San Rafael – Major Projects Pipeline

as of December 5, 2024

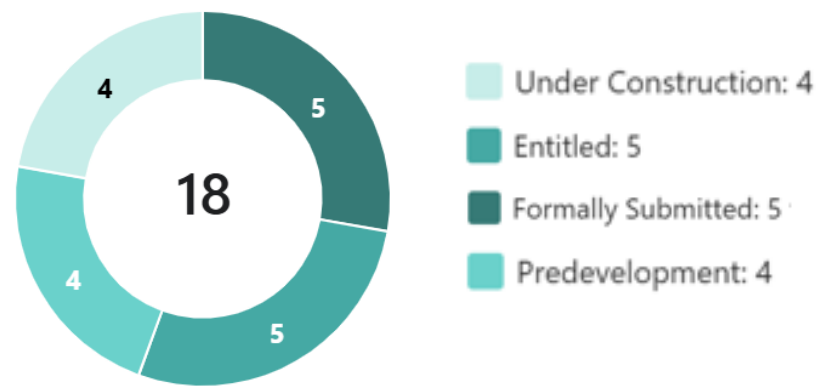
Projects Included:

- Predevelopment
- Formally Submitted
- Entitled
- Under Construction

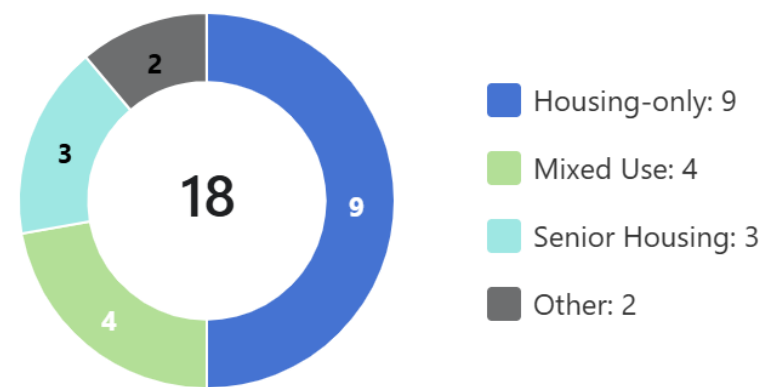


Major Projects Dashboard

Project Stage



Project Type



Under Construction

1) 800 Mission Avenue

- 103 residential units. Aegis Senior Living (assisted living)

2) 110 Loch Lomond Drive

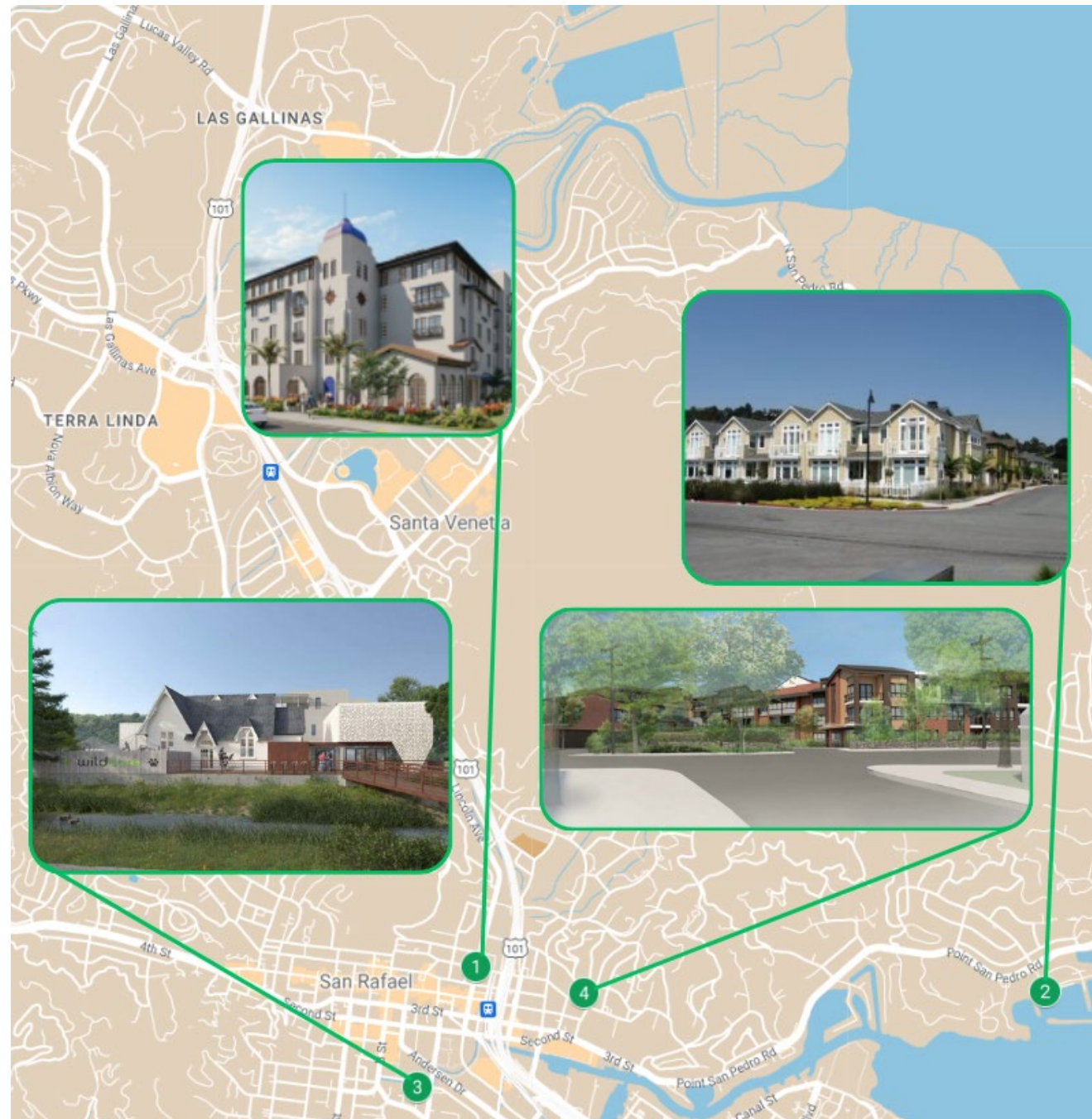
- 81 residential units in four housing types: detached, single-family residences, detached residential cottages, townhomes, and residential condominiums

3) Wildcare Facility

- Facilities with new animal hospital, educational, and animal housing facilities.

4) 326 Mission Avenue

- Renovation & demolition of 7 existing buildings, construction of 3 new buildings, and additions/renovations would result in 14 additional independent living units, an increase from 55 units to 69 units. Aldersly Senior Living.



Entitled

1) 350 Merrydale Road

- 45 residential units, including for-sale town homes and stacked flats, and a multi-purpose community room

2) 5800 Northgate Drive (pending)

- 1,422 residential units and 225,100 sq. ft. of commercial, retail space. Redevelopment of mall into Town Square.

3) 1515 Fourth Street

- 155 Senior independent and assisted living units, 28 memory care units

4) 703 Third Street

- 120 Units of apartments

5) 50 Merrydale Road

- 120 Units of apartments



Formally Submitted

1) 930 Irwin Street

- 213 residential units, 8-story housing development with ground-level lobbies, amenity spaces, and parking

2) 4th Street @ Grand Ave.

- 35 residential units, 5-story building

3) 555 Northgate Drive

- 250 residential units, 7-story building with five floors of residential

4) Dominican Valley

- 50 residential unit/lot subdivision (+14 Attached Junior ADUs)

5) 1230 Fifth Avenue

- 189 residential units, 12-stories with ground-level lobbies, amenity spaces, and parking



Predevelopment

1) 4040 Civic Center Drive

- Phase One - 111-unit rental apartment building with podium garage.
- Phase Two - convert existing office building into 98 residential units and amenities.

2) 25 Loch Lomond Drive

- 14 new residential units, with 1 below-market-rate unit. Harbor Flats Project

3) 700 Irwin Street

- 180 dwelling units, 16 stories, 185 parking spaces, 5000 sq ft Commercial uses

4) 300 Smith Ranch Road

- New multi-purpose building at the Las Gallinas Valley Sanitary District

*) 519 Fourth Street

- (not pictured, not included in dashboard)
- City-owned property in negotiation with non-profit developer



Auto Row Investments

Active Dealership Reinvestments

- \$12.4 million in total project valuation
- Building Permits issued 2023, 2024:
 - Lexus Dealership (x2)
 - BMW Dealership
 - Price Family Dealership (x2)
 - Audi Dealership
 - San Rafael Collision Center / Tesla Repair



Lexus Dealership New Exterior Design

Entertainment & Visitor Services – Examples of New Business Activity

- Four Points (Sheraton)
- \$2 million renovation
(bldg. permit stage)
- The Cave Fitness Facility
- The Burren Irish Pub



Four Points New Pool Courtyard



Four Points New Covered Walk



The Cave – Fitness Facility

Addressing the challenge

Key Department Initiatives

- Impact Fee update
- Objective Design Standards
- East San Rafael Specific Plan
- North San Rafael Specific Plan
- Inclusionary Policy evaluation
- Staffing & Consultant resources

Thank you.