



SAN RAFAEL
THE CITY WITH A MISSION

Agenda Item No: 3.a

Meeting Date: April 6, 2026

SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Community and Economic Development

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City Manager Approval: 

TOPIC: ECONOMIC DEVELOPMENT STRATEGIC PLAN UPDATE

SUBJECT: ACCEPTANCE OF THE ECONOMIC DEVELOPMENT STRATEGIC PLAN UPDATE

RECOMMENDATION:

Staff recommends that the City Council 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 to evaluate 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 revitalization, and the City Council identified strategic efforts to strengthen the San Rafael economy and create greater resiliency for future economic downturns. The EDSP covers several key areas of opportunity, including the potential for increased tourism, improvements to the downtown area, growth in the industrial sector, and financing models to meet the costs of needed infrastructure and programs.

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. Economic development is also identified and emphasized in Priority Area A: Economic Development and Neighborhood Vitality of San Rafael [Three-Year Strategic Plan for fiscal years 2025–2028](#).

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

1. Support Business / Development
2. Downtown Reimagination
3. Analyze Implementation of an Enhanced Infrastructure Financing District (EIFD)
4. Strengthen Local Partnerships
5. Attract High-Tech Industrial Uses

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6. Outreach for Private and Business Development Opportunities
7. Workforce Development Programs

City staff presented a summary of EDSP progress to the [San Rafael City Council Economic Development and Housing Subcommittee on February 17, 2026](#).

ANALYSIS:

The EDSP identifies thirty-one action items over a five-year planning horizon. The Economic Development Division's work in 2025 was marked by notable progress in business support, cultural programming, and catalytic real estate development planning. The discussion below highlights significant achievements in 2025 and areas that warrant continued close attention to achieve San Rafael's economic vitality goals. The status of all items is listed in Attachment 1. Task progress is characterized in three categories. 'Implementing' notes that an action item is currently in full operation, 'developing' references action items that are moving toward full operation, and 'not started' means that work has not begun on that action item.

Business Support and Retention

The [San Rafael GO Program](#) continued to serve as a critical resource for businesses seeking to locate or expand in San Rafael. In 2025, the program assisted approximately 25 businesses, including both new entrants and existing firms seeking expansion. This hands-on approach has been effective in supporting predevelopment activities for new development and responding to general market interest in San Rafael. Rather than actively recruiting businesses, the City has focused on efficiently handling unsolicited inquiries and supporting investment already underway.

Cultural Initiatives

The City launched the Public Art Program 2025/2026 and continued support for the Downtown San Rafael Arts District, reinforcing downtown and Southeast San Rafael as vibrant destinations for residents and visitors.

Policy and Program Enhancements

Several programmatic improvements were implemented in 2025. The City Council adopted an ordinance establishing a mobile vending permit program that strengthens the City's enforcement tools, provides mobile vendors with paths to legalization, and supports local entrepreneurship. Additionally, the City Council adopted temporary fee reductions for the Streetary Program and the Cannabis Program to support industry sustainability. Looking ahead, contracts are in place to initiate major planning initiatives in 2026, including the Southeast San Rafael Specific Plan and the Northgate Specific Plan. On February 23, 2026, the City transitioned to OpenGov. This modern online permitting system replaces the eTRAKiT platform for new permit applications, providing a more accessible, transparent, and user-friendly experience for residents, businesses, contractors, and developers. These activities reflect the City's commitment to responsive policy-making and continuous improvement.

Catalytic Development Activity

The year saw unprecedented residential development activity, with 18 major projects in various stages of predevelopment. Notable examples include 703 Third Street (The Linc) and 930 Irwin Street (Modera), which together represent hundreds of new housing units and significant construction valuations. These projects are examples of the consistent renewed interest in San Rafael shown by multi-family housing developers, as seen on the City's interactive [Major Planning Projects](#) web page. Residential growth will result in increased property tax revenues, as well as increased need for City services.

Revenue and Market Indicators

A sales tax analysis presented to the [Economic Development Subcommittee in December 2025](#) identified automotive and building materials as San Rafael's ongoing critical revenue-generating sectors. Retention and support for these sectors is critical, offsetting the smaller impact of retail activity on the City's revenue. Although Downtown San Rafael is the heartbeat of the City, it generates only five percent of sales tax revenue. Hotel tax revenues held steady from FY 2023/24 to FY 2024/25 at \$3.58 million , reflecting consistency in room rates but slow growth in hotel stays following the COVID-19 pandemic. Growth opportunities for Tourism Occupancy Tax revenue (TOT) hinge in the short term on reinvestment in existing hotels and expanded marketing. Overall, these trends reflect relatively stable tax revenue and San Rafael's reliance on consumer-driven revenue-generating sectors.

Areas to Watch

Efforts to reimagine downtown will continue in Fall 2026 with a planned outreach and evaluation program to establish a clearer vision for downtown. These initiatives aim to strengthen the cultural core of the City and will help align the expectations of the business and residential communities in shaping downtown's future.

Approximately 1,000 new housing units downtown and 1,400 units at Northgate are in the development pipeline. New housing will bring new commercial activity and an inevitable change in activities and services for residents. Future work plans should prioritize strategic business, infrastructure, and event attraction to amplify the private investments in San Rafael.

Progress on industrial attraction and substantial job creation in the City's industrial areas has been slow due to resource limitations, as well as limited market activity. The forthcoming Southeast San Rafael Specific Plan will be critical to advancing this goal and establishing clear opportunities for business, workforce development, and residential improvements.

COMMUNITY OUTREACH:

An annual progress update was presented to the City Council Economic Development and Housing Subcommittee on February 17, 2026, and comments were received from members of the public.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

OPTIONS:

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

RECOMMENDED ACTION:

Staff recommends that the City Council accept the report.

ATTACHMENTS:

1. Economic Development Strategic Plan Action Item Status List March 2026

Attachment 1: Economic Development Strategic Plan Action Item Status List, March 2026

Action Item	Timeframe	Task Progress	Collaborators / Resources	Status/Activity Updates
1: Support Businesses / Development				
1.1 'San Rafael GO' (BEAR) Program Create Business Expansion, Attraction, and Retention program. Modify existing econ dev program to provide enhanced customer service to support business development	Year 1	Implementing		2024 Brochure printed in English & Spanish. Website updated; integrated GO brand, improved navigation. Staff facilitating inquiries, supporting business inquiries. 'Contact Us' resource shows over 50 new inquiries. GO webpage saw 716 unique users, and the new "Site Selection Tool" webpage (launched in May 2024) saw 88 unique users 2025 Continued to provide one-on-one guidance and/or troubleshooting for businesses who request support 2026 Website visibility and promotion of data and tools available to businesses (Site Selection Tool, etc.)
1.2 Technical Assistance Programs Develop or sponsor technical assistance programs to support emerging businesses/entrepreneurs living or doing business in SR's Opportunity Zone	Year 1-2	Implementing	Marin SBDC, Canal Alliance, San Rafael Chamber, County of Marin	2024 Fiscal Sponsor of Marin Small Business Development Center (SBDC) which provides English and Spanish-language advising and seminars on marketing, web development, AI, and business development Partnership with Canal Alliance which provides advising, seminars Partnership with San Rafael Chamber of Commerce which provides information resources, financing information, seminars 2025 Continued as a fiscal sponsor of Marin SBDC Continued partnerships with Canal Alliance, San Rafael Chamber of Commerce
1.3 Business Development Data Maintain enhanced business and development data analytics to track economic and market trends	Ongoing	Implementing	Tools: GIS Planning, CoStar, ReSimplifi/ZoomProspector, HdL, Placer.Ai	2025 ZoomProspector and ReSimplifi - curation of all commercial property available for sale or lease in San Rafael CoStar real estate data - robust analytics to track dozens of real estate related trends (vacancy, market rent, hotel occupancy, etc.) GIS Development Map - collaboration with Digital Services to develop public, interactive map showing all upcoming major development projects in San Rafael HdL - Finance consultant provided thorough review of City's current sales tax revenue posture, economic context, strengths, opportunities, weaknesses to the Economic Development Subcommittee in December 2025.

Economic Development Strategic Plan 2023-2028, Projected Implementation Timeframe Legend:

Year 1: FY 2023/24
 Year 2: FY 2024/25
 Year 3: FY 2025/26

Year 4: FY 2026/27
 Year 5: FY 2027/28

Action Item	Timeframe	Task Progress	Collaborators / Resources	Status/Activity Updates
1.4 Bilingual Staff Increase bi-lingual staffing with cultural and language capacity to support and enhance access to business dev programs	Ongoing	Implementing	Marin SBDC, Canal Alliance	2024 Bilingual front desk (permit technicians) City staff hired. 2025 Continued sponsorship of Marin Small Business Development Center (SBDC) to facilitate availability of bilingual resources.
1.5 Entrepreneurial Events Sponsor competition style events and other networking events to promote entrepreneurs	Year 1	Implementing	San Rafael Chamber of Commerce	2024, 2025 City partnership with Chamber of Commerce, which hosts annual business showcase events, Economic Forecast and member networking events.
2: Downtown Reimagination				
2.1 Business Programs Consider programs like facade improvement and outdoor dining, help existing properties utilize their space. Prioritize program implementation to Opportunity Zones and under-invested areas	Year 3-5	Implementing	Dept. Public Works	2025 Initiated research and drafting of Storefront / Facade Improvement program. Clarified and updated application process, forms, and fees for Sidewalk and Streetary dining programs. Council approved 2-year encroachment lease fee discount for Sidewalk and Streetary permits as an economic development business incentive for current or future participants.
2.2 Explore conversion of the BID to a PBID Explore conversion or expansion of the BID to PBID for enhanced cleaning, security, marketing, and physical improvements in Downtown	Year 1	Implementing	San Rafael Chamber / BID	2024 Engaged the services of New City America, Inc. (NCA) to evaluate interest in and investigate the possible formation of a property-based Community Benefit Improvement District (CBID) in the Downtown area. Property owners from the proposed district area were invited to informational meetings in September 2024, followed by a listening session with downtown businesses in December 2024. The feedback provided by property and business owners who attended these meetings included a desire for more information. NCA has provided answers to some of the most commonly asked questions as well as hypothetical CBID assessment formulas. 2025 General information and answers to Frequently Asked Questions (FAQ) is available on the City's website for the convenience of downtown property and business owners
2.3 Evaluate publicly owned sites for reuse Evaluate publicly-owned opportunity sites in downtown area, surface parking lots and parking garages - explore reuse strategies that add gathering places, activities, etc.	Year 2-3	Developing	Abode (Developer)	2024 RFP for affordable housing developers - City owned property at 519 4th Street. 2025 Developer "Abode" selected for project Property cleared for reuse.

Action Item	Timeframe	Task Progress	Collaborators / Resources	Status/Activity Updates
2.4 Placemaking physical improvements Invest in physical placemaking improvements to activate downtown, pedestrian oriented ideas like plazas, water features, walking paths, street improvements	Year 3-5	Implementing	Downtown San Rafael Arts District, Chamber, Public Works	2024 Launched Downtown Sidewalk Activation Pilot Program. Working with Downtown San Rafael Arts District and property owners to fill vacant window fronts with visually stimulating content. 2025 Downtown Library temporary relocation window art installed, 1001 4th St art display Boyd Park remodel
2.5 Other physical enhancements Invest in other enhancements such as gateway signage and wayfinding, public art, thematic sidewalk and street enhancements, public open space	Year 3-5	Implementing	DSRAD, Caltrans, Public Works, City Manager's Office	2025 Meetings facilitated with Caltrans Transportation Art Division and other community arts stakeholders to discuss policies/procedures for painting HWY101 overpass 2026 Public Art Program approved by Council Collaboration with City Manager's Office and Public Works to develop landscape and gateway sign improvement plan to be completed this year for Second Street/Irwin Street
2.6 Marketing / social media Grow social media engagement channels, social media influencer/engagement channels, as well as marketing and trade publications to promote downtown businesses and events	Ongoing	Implementing	San Rafael GO, BID, City Manager's Office	2025 Downtown BID/Chamber social media and marketing of Downtown events (Elf Hunt, Farmer's Market, Trick or Treat, etc.) 2026 Communications team curating social media posts (Instagram) and Snapshot articles (newsletter) regarding relevant business news, initiatives, and services offered by the City and partners
3: Analyze Implementation of EIFD				
3.1 Feasibility analysis / plan Conduct feasibility analysis, develop plan for district formation	Year 1	Implementing	Kosmont Companies	2024 Kosmont and City produced feasibility analysis for implementing an Enhanced Infrastructure Funding District
3.2 Explore County Partnership Work with Marin county to identify mutually beneficial investments to encourage sharing of a portion of county tax increment	Year 1-2	Developing	County Administrator	
3.3 Pursue Grants Pursue grants that align with goals of the district, esp. those that give preference to EIFDs - infill infrastructure, affordable housing, transformative climate	Ongoing	Not Started		

Action Item	Timeframe	Task Progress	Collaborators / Resources	Status/Activity Updates
4: Strengthen Local Partnerships				
4.1 Explore tourism funding models Explore the formation of a Countywide TID or increasing the TOT or other tourism funding model to support tourism marketing and revenue	Year 1-2	Implementing	Marin CVB	2024 Marin Convention and Visitor's Bureau (Marin CVB) presentation to Subcommittee regarding recent initiatives, review of activities 2025 Tracking TOT (Hotel Tax) revenue, hotel occupancy percent, hotel average daily room rate, and hotel average revenue per actual room for lodging establishments within San Rafael 2026 Reviewed structure, funding mechanism, and County ordinance establishing the Marin Tourism Business Improvement District (funding of Marin CVB)
4.2 Explore / expand event and programming Evaluate current list of events. expand special events in Canal, Terra Linda, and Downtown. Block parties, public markets, outdoor dining, outdoor music, movies	Year 2-3	Implementing	BID, SRPD, Agricultural Institute of Marin (AIM)	2025 Special Events Permitting administration transferring to CED from Public Safety/Police Supported Agricultural Institute of Marin (AIM) in new, Friday-based Farmer's Market and collaboration with art walk Sponsored Winter Wonderland event Supported Dia de los Muertos event 2026 Downtown BID expanded programming (longer events such as Lunar New Year scavenger hunt), pursuit of collaboration opportunities and representation of City businesses (SMART Feb-BREW-ary event)
4.3 Marketing partnerships Establish partnerships and leverage cross promotion between City, county, business owners, etc. regional marketing cost-efficient way to attract new industry and increase tourism	Year 1	Implementing	Arts organizations; CVB	2026 Downtown BID connection with SMART regional events
4.4 Tourism partnerships Pursue tourism marketing, San Rafael as gateway to Mendocino, Napa, Sonoma.	Year 1	Developing		2024 Completed periodic marketing strategy review with Marin CVB.

Action Item	Timeframe	Task Progress	Collaborators / Resources	Status/Activity Updates
4.5 Arts programming Coordinate with arts organizations to integrate arts programming with events and economic development initiatives and build upon CAC designation	Year 1	Implementing	DSRAD, Local Edition	2024 Drafting Downtown San Rafael Arts District (DSRAD) 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. 2025 DSRAD art grant RFPs collected, prepared for review and selection Public Art Program third-party manager organization (Local Edition) confirmed Art proposals requested, reviewed and selected by art selection jury, approved by Council 2026 Public Art Program artworks approved. Installation of selected art projects in summer 2026
4.6 Collaborate with service organizations Collaborate with service organizations such as Canal Alliance, to support programs that address workforce dev, entrepreneurship, econ resiliency	Year 2-3	Developing	Canal Alliance	2025 City assisted Canal Alliance acquisition of 1400 Lincoln
5: Attract High-Tech Industrial Uses				
5.1 Revise zoning / processes for industrial use Revise industrial zoning restrictions and entitlement policies/processes to ensure that they facilitate new industrial uses	Year 3-5	Not Started		2026 Exploration of this topic with upcoming South East San Rafael Specific Plan
5.2 Pursue new industrial sectors Pursue new sectors that can expand the breadth and variety of its industrial core and jobs base. Potential growth opportunities include biotechnology, research and development, and e commerce fulfillment	Year 1-2	Developing		2025 Focus directed to expanding, retaining strongest taxable sale sectors: Automotive dealership, Building and Construction Supplies
5.3 Evaluate tech industrial overlay zoning Identify target areas for tech industrial development e.g Smith Ranch, Canal) and consider overlay zoning to facilitate development	Year 2-3	Not Started		2026 Exploration of this topic with upcoming South East San Rafael Specific Plan

Action Item	Timeframe	Task Progress	Collaborators / Resources	Status/Activity Updates
5.4 Conduct outreach businesses, industry groups Conduct outreach to existing businesses, develop relationships with industry groups to foster collaboration, and identify / address business feasibility issues (infrastructure, procedural, etc.).	Year 1-2	Implementing		2024 Supporting BioMarin expansion project. Participating on East San Rafael Working Group of the Chamber to spur outreach and industrial lands investment. 2026 Outreach with commercial real estate brokers
6: Outreach for Private / Business Development				
6.1 Identify / analyze sites for reuse Identify and analyze key privately owned sites that are well positioned for reuse or redevelopment	Year 1-2	Implementing		2025 519 4th St City property slated for residential development. "Abode" selected as developer by City Canal pedestrian bridge land acquisition.
6.2 Outreach / collaborate with property owners Conduct outreach and collaborate with property owners to explore development opportunities and address challenges that can bring new uses to privately owned sites.	Year 1-2	Implementing		2024, 2025, 2026 Supported business inquiries through concierge-style customer service San Rafael GO Program. Plan for future industry convenings, including commercial real estate, medical tech, and creative economy.
6.3 Pursue businesses / developers Pursue businesses and developers, in coordination with property	Year 2-3	Implementing		2026 Actively engaging commercial broker community to understand market challenges.
6.4 Cannabis businesses opportunities Increase Cannabis business opportunities through release of new cannabis licenses and creation of cannabis specific business programs targeting growth and capacity building of existing permittees. Business opportunities should include exploration of retail storefront cannabis licenses and other State allowed business types in appropriate commercial locations. (revenue generation /funding capacity)	Year 2-3	Developing		2024 Hosted Cannabis Business Summit in March 2024; reviewed market trends 2025 Drafted and Council approved resolution reducing tax rate for non-storefront delivery licensees for 2 years to provide relief to businesses during market contraction and increased state taxes

Action Item	Timeframe	Task Progress	Collaborators / Resources	Status/Activity Updates
6.5 Update Mobile Vendor Ordinance Mobile Vendor Ordinance Update: Update the City's Mobile Vender Ordinance to create a legal pathway for mobile vending in appropriate commercial locations. Utilize community partners with language and cultural capacity for vendor outreach and permitting technical support.	Year 2-3	Implementing		2025 Cohort formed in a "Together San Rafael Academy" that worked on a "human centered design" effort to encourage mobile vendors to come into compliance with mobile vending regulations. Mobile Food Vending ordinance passed
7: Workforce Development Programs				
7.1 Coordinate with orgs. for workforce development Coordinate with Workforce Alliance of the Northbay Dominican University, local school community college districts, the Chamber of Commerce, Canal Alliance, and other area nonprofit organizations to encourage collaboration with local/regional educational and workforce development organizations for training, mentorship, and job placement programs	Year 3-5	Implementing	County of Marin	2025 Catalyst Grant: High Road Clean Transportation Pathways (Sustainability Department) collaborative training program supporting skill development with electric vehicle maintenance led by the West Oakland Job Resource Center with partners including the City of San Rafael, the Teamsters Union/NCTAT, Good Green Work, the Machinist Institute, the Lime Foundation, and the Canal Alliance
7.2 Conduct outreach to local businesses/ orgs. Conduct outreach to local businesses to assess skills gaps and other issues with finding workers, and conduct outreach to local aid organizations to better understand barriers that impact workforce readiness (such as language, childcare, transit, and internet accessibility)	Year 3-5	Not Started		