

**DRAFT**

# **CITY OF SAN RAFAEL**

## **ECONOMIC DEVELOPMENT STRATEGIC PLAN (“EDSP”) DEMOGRAPHIC, MARKET AND ECONOMIC OVERVIEW**

**February 2023**



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## OVERVIEW

- Kosmont Companies ("Kosmont") has been retained by the City of San Rafael ("City") to prepare an Economic Development Strategic Plan ("EDSP").
- The EDSP will address existing economic conditions, regional real estate trends and opportunities and provide tactical recommendations on business attraction, expansion, and retention through place-making recommendations and community feedback.
- Kosmont's approach to the EDSP includes an assessment of economic / market conditions, an assessment of key commercial districts and sites, as well as community / stakeholder outreach.
- This Overview represents Kosmont's initial assessment of the demographic, market and economic conditions, business survey and initial review of City planning documents, representing Tasks 1-5 from the scope of work.

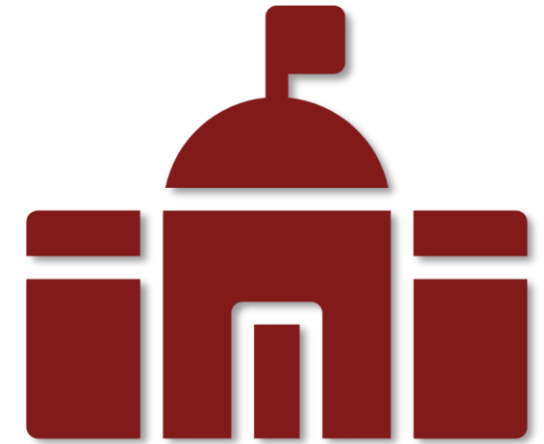
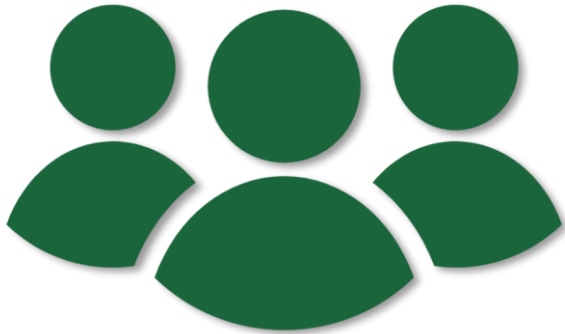
## EDSP SCOPE OF WORK

- **Task 1/2: Kickoff and Group Meetings**  
Kick-off meeting with City staff to establish protocols, review scope of work, tour of the City commercial areas, and review key planning documents. City staff / Council / business group interviews to understand goals, objectives, opportunities and challenges facing residents and business community.
- **Task 3: Demographic and Economic Conditions**  
Assessment of current demographic and economic conditions for the City and its commercial / industrial and employment districts.
- **Task 4: Market Assessment/Opportunity Sites**  
Research retail, office, hotel, Industrial and apartment market data. Include Strength, Weakness, Opportunities and Threat (“SWOT”) analysis  
Work with City to identify 2-3 key districts or key sites and suggest development strategy options based on high level financial analysis.
- **Task 5: Community/Business Survey**  
Community survey to solicit feedback and insights as to the challenges and opportunities facing residents and the business community.
- **Task 6: Zoning / Policy Review**  
High level review of zoning / permit regulations and impact on business attraction / retention / expansion. workforce development strategies and assess marketing efforts / events programming / social media platforms in the context of increasing daytime and overnight visitation.
- **Task 7: Economic Development Tools**  
Overview and feasibility analysis of key economic development / implementation tools for the City to use.
- **Task 8: Strategy**  
Prepare a draft EDSP and recommend actions for near-term and long-term and establish metrics for City to measure success.

## BACKGROUND

- San Rafael is the County Seat and largest city in Marin County, with a population of over 61,000 spread over 16 square miles of land adjacent to the San Francisco bay. It was settled by the Spanish in 1817 with the construction of Mission San Rafael Archangel. It was incorporated as a City in 1874 and grew substantially as it was connected to the national railroad network.
- With the construction of the Golden Gate bridge and the Richmond-San Rafael bridge, the City has excellent vehicle access to both San Francisco Peninsula and the East Bay. The City also provides easy access to the Sonoma / Napa Valley wine country and the Mendocino Coast.
- Given shifting consumer preferences, changes in land use, and uncertain economic realities, it is important that San Rafael identify opportunities within the City to spur development and increase revenues.

# THE GREAT RECONFIGURATION A NEW MINDSET FOR A CHANGING ECONOMY



**Consumers** driven by quality of life, cost of living, amenities, essentials, and experiences

*Want it all in a 15-Minute Community*

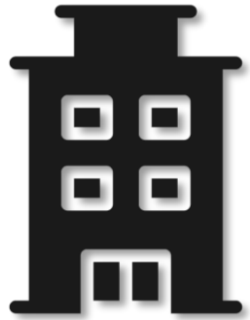
**Investors** driven by new technology, shifting demand, supply chain anomalies, and new live / work patterns

*Seeking value from new demand drivers*

**City Hall** driven by resident and employer needs, new state policy / rules, federal / state funds

*Finding new tools to meet new rules*

**LAND USE REVOLUTION**  
*EVERYTHING'S CHANGING*



**Hotel**  
Resetting

**Retail**  
Reimagining

**Office**  
Reconfiguring

**Residential**  
Renaissance

**Industrial**  
Redistribution

## OVERVIEW GOALS & CHALLENGES

The City has identified several challenges:

- Restore Downtown's economic vibrancy
- Maintain/expand industrial and office job opportunities
- Capitalize on the access to SF, east Bay and Wine Country
- Absentee / nonresponsive landlords

Goals to be addressed as part of long-term planning efforts:

- Economic recovery from Covid impacts
- Sustainability / Climate Change
- Racial Equality
- Housing / Homelessness
- Neighborhood Vitality
- Improve Public Safety
- Provide more Public Assets



## OVERVIEW OPPORTUNITY AREAS

### Downtown

A thriving commercial center in the 1950's with several major department stores, Downtown still has concentration of City's commercial core with 25% of the office inventory and 30% of the retail inventory. New hotel and residential units are under construction, as well as regional transit center. City owns several surface parking lots and two structures that may need reimagining.

### North San Rafael

Suffering from loss of retail anchors due to growth of e-commerce and big box cannibalization, Northgate Mall is undergoing a major redevelopment process, shrinking retail SF and adding of over 1,000 new MF units.

The 8-acre movie theater site at 280 Smith Ranch Road is another opportunity site for higher density development.





## OVERVIEW OPPORTUNITY AREAS

### Canal Area

The Canal Area is an important part of the City's economy:

- Over 80% of the industrial/flex space
- 30% of the retail space and most car dealerships
- 15% of the office space
- 20% of apartments, serving predominantly low-moderate income households who represent a major part of the service industry workforce
- Federal Opportunity Zone, with tax advantages for certain types of real estate and business investment
- Marin Square shopping center is an opportunity site for higher density development



## CITY PLANNING STUDIES

Kosmont has reviewed several key planning studies from the City:

### **Downtown Parking Study – July 2017**

The study found that Downtown has more than enough parking (7,800 spaces) to meet peak demand (5,000 spaces). The only threat to parking sufficiency occurs if most surface parking lots are developed with no new parking spaces.

### **Downtown Precise Plan – August 2021**

The Precise Plan is the result of extensive two-year planning effort for a vision and roadmap to increase housing production, improve walkability and transportation utilization and advance resiliency to climate change. It has a strong emphasis on creating neighborhoods in Downtown by protecting its historic character and local businesses, while inviting new mixed/blended-use development that helps economic vitality.

### **Climate Action Plans (CAP)**

The City has a rich history of environmental protection with first CAP adopted in 2009. The 2020 plan adopted more stringent GHG reduction than the State target with six areas of focus including 100% renewable energy, energy conservation, low carbon transit, increased building energy efficiency, food waste reuse, green building codes.

## MARIN COUNTY ECONOMIC VITALITY STRATEGIC PLAN

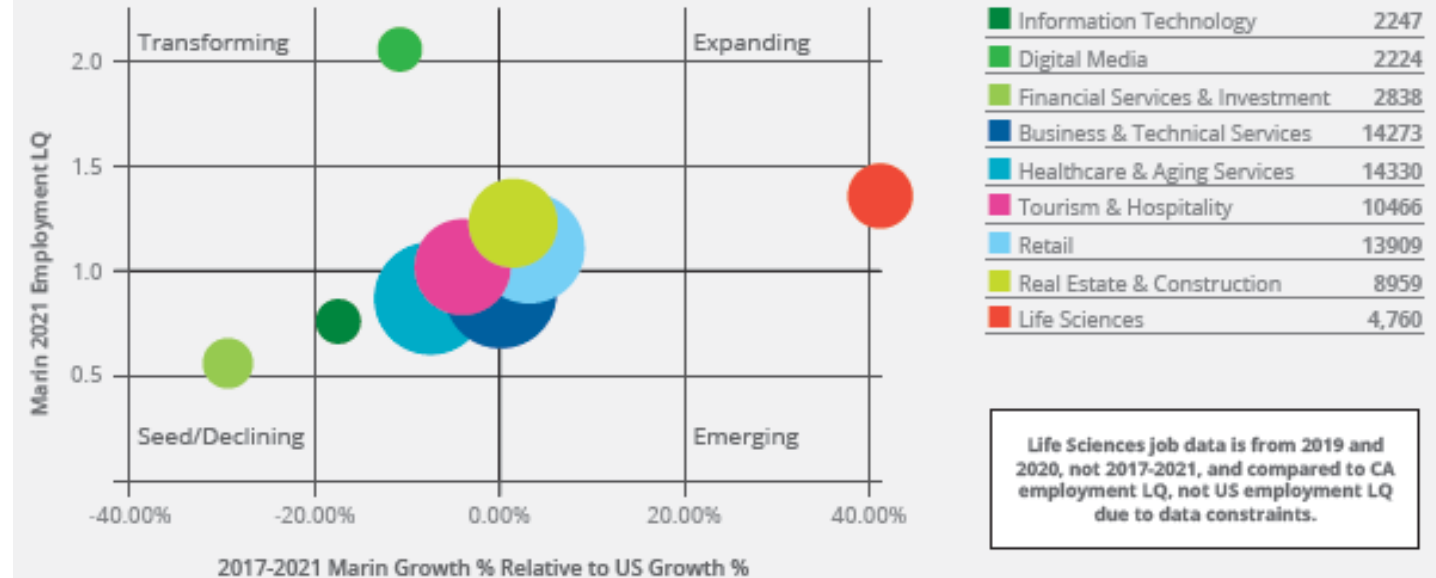
In August 2022, Marin County, with participation by San Rafael officials, adopted an Economic Vitality Strategic Plan with numerous strategies that San Rafael and other communities could try to implement. Key strategies are listed below:

- Increase tourism
- Encourage entrepreneurship
- Support enterprise formation
- Support access to capital
- Cities should work together on common objectives
- Provide warehouse/workspace for new business growth
- Provide low-cost high-speed internet to facilitate work from home and entrepreneurs
- Provide reliable transit
- Attract State and Federal grant funds for Economic Development and climate action plan
- Identify and attract high growth/value industries

## MARIN COUNTY ECONOMIC VITALITY STRATEGIC PLAN

- The EVSP provided an assessment of Marin County's industries based on size, growth, and specialization:
  - Expanding (Strongest): Life Sciences leads, with Retail and Real Estate just barely expanding
  - Transforming (Specialization): Digital Media, Tourism / Hospitality, Healthcare / Aging Services
  - Emerging (Demand Driven): Business & Technical Services
  - Declining (Weak): Financial Services / Investment, Information Technology
- Compared to other Bay Area counties, Marin's Life Sciences / Biotech industry is small / specialized / growing quickly, and the Tourism / Hospitality industry is also expanding – suggesting that these areas offer key opportunities for future growth.

Marin Employment Size, Growth Rate & Concentration by Industry



Sources: Bureau of Labor Statistics

## STAKEHOLDER OUTREACH

City Staff / Council	Business Owners / Groups	Community Groups
<p>Kate Colin – Mayor                      Maika Llorens Gulati – Councilmember Dist 1                      Eli Hill – Councilmember Dist 2                      Rachel Kertz – Councilmember Dist 4</p> <p>Jim Schutz, City Manager                      Bernadette Sullivan, Sr. Mgmt Analyst                      Victoria Lim, Economic Development                      Christine Alilovic, Assist. City Manager                      April Miller, Public Works Director                      Cory Bytof, Sustainability Manager                      Vedika Ahuja, Product Manager                      Ali Giudice, Community Development Director                      Kati Miller, Econ Dev Advisory Board                      Jon Haveman, Planning Commissioner</p> <p>Shingai Samudzi – Planning Commission Chairman</p>	<p>Chamber of Commerce                      Downtown San Rafael Business Improvement District</p> <p>HL Commercial Real Estate                      Merlone Geier Partners                      Monahan Pacific Developers                      Newmark Group                      Seagull Prime Real Estate                      Volvo Dealership (Diana Kennedy)</p>	<p>Age Friendly Initiative                      Arts Work Downtown                      Canal Alliance                      Dominican University                      Federation of San Rafael Neighborhoods                      Lorenzo Jones                      Point San Pedro Road Coalition                      Resilient Shore                      San Rafael Tree People                      Youth in Arts</p>

## STAKEHOLDER IDENTIFIED STRENGTHS

<b>East San Rafael</b>	East San Rafael / the Canal area is a major economic engine for the City and Marin County – auto sales, contractors / construction; need to ensure companies have resources they need (parking / space issues)
<b>Precise Plan</b>	Downtown Precise Plan provides better certainty for development approvals Downtown, focuses on sense of place
<b>Arts Community</b>	Cultural Arts District designation, arts orgs (Youth in Arts, Art Works Downtown), Rafael theater; but need to attract State funding and drive events activity
<b>“Green” Community</b>	Outdoor activities, parks, and trees are an important amenity; parklets have created good public spaces downtown
<b>Historic Character</b>	Historic neighborhoods can attract new residents, entrepreneurs
<b>Older Adults</b>	Large population of older adults can be a resource (employment, mentorship, etc) but also need stronger connections to services
<b>Essential Workers</b>	Southeast San Rafael / Canal area houses many essential workers, provides employment backbone for the County; could use improvements for workforce development programs for residents
<b>Entrepreneurial Spirit</b>	Wide variety of entrepreneurs in the City, from small businesses to tech entrepreneurs
<b>Events</b>	Existing events are successful, bring liveliness / activity; Dining Under the Lights popular with many local businesses, finding balance

## STAKEHOLDER IDENTIFIED CHALLENGES

<b>Need a Plan</b>	City needs a visionary roadmap that prioritizes strategies to maximize impact and coordinates with Marin Economic Vitality Plan
<b>Organization Capacity</b>	Chamber and BID are good organizations with good relationships with the City, but have limited funding which impacts capacity
<b>City Processes &amp; Development Costs</b>	City has made some improvements, but entitlement timeline can take time / expense (appeals, design review board, historic review, project shrinkage, utility upgrades, fees, etc.), need more predictability
<b>Beautification</b>	Many commercial areas could use beautification / streetscape / façade improvements (Downtown, Northgate Industrial Park / Smith Ranch, Canal), improved cleanliness, showcase art (displays, murals, installations, etc.)
<b>Flood Risk</b>	Valley floor represents a large percentage of the city's economic activity, but flooding could create a serious problem in the future
<b>Vacancy</b>	Retail vacancy is a problem downtown, potential risk from office vacancies and changes occurring in the office market
<b>Parking / Circulation</b>	Parking is a perceived problem downtown; free parking could help drive visits to area; other shopping districts nearby may have free parking; limited employee parking; parking structures offer capacity / flexibility; downtown may benefit from prioritizing cycling / walking
<b>Homelessness</b>	Perception of homelessness is sometimes a problem for downtown businesses / visitors

## STAKEHOLDER IDENTIFIED OPPORTUNITIES

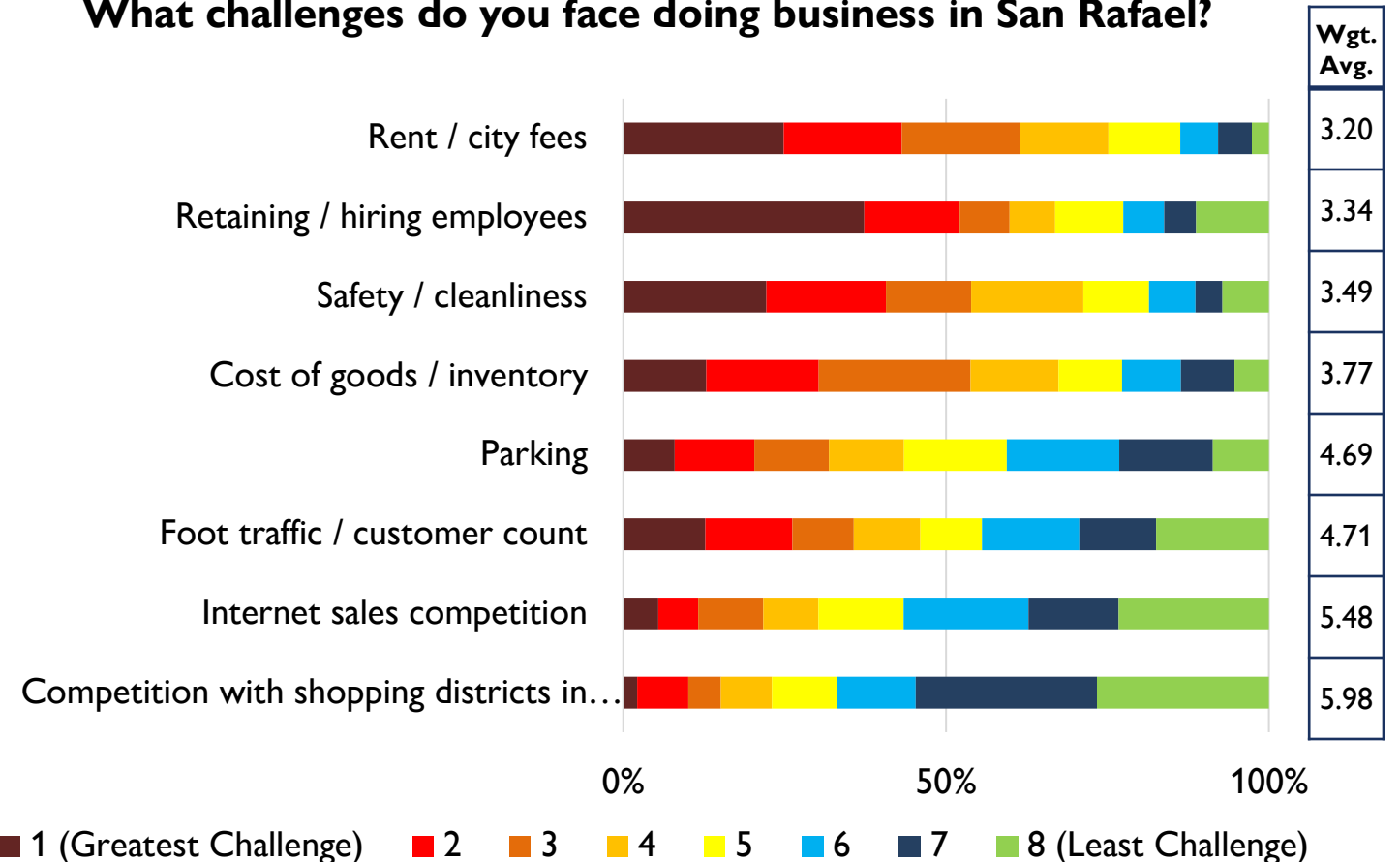
<b>Waterfront</b>	Waterfront area is an underutilized asset, could be leveraged for new activities – needs a more curated feel
<b>Events</b>	More events centered around food / music can help attract visitors, serve diverse demographics, create experiences
<b>Tourism</b>	Need to leverage partnerships to build tourism base (Visit Marin /Visitors Bureau); need better tourist-oriented services downtown (visitor offices to orient biking tourists, BID/Chamber office to orient travelers, better gateway area, bikeshare / bike racks
<b>Dominican University</b>	Underutilized asset, students / faculty can bring activity downtown and provide services to community, neighborhood issues constrain growth
<b>Cannabis</b>	There could be an opportunity to expand cannabis manufacturing, testing, and research



## BUSINESS SURVEY OVERVIEW

- The online business survey conducted in December 2022 provided feedback from businesses to help plan for San Rafael's future. 228 surveys were submitted; ~29% were from members of the San Rafael Chamber of Commerce, and ~15% of responses were from members of the San Rafael Downtown Business Improvement District.
- Results show that the top challenges facing businesses in San Rafael includes High Rent / City Fees, Retaining / Hiring Employees, Safety / Cleanliness.

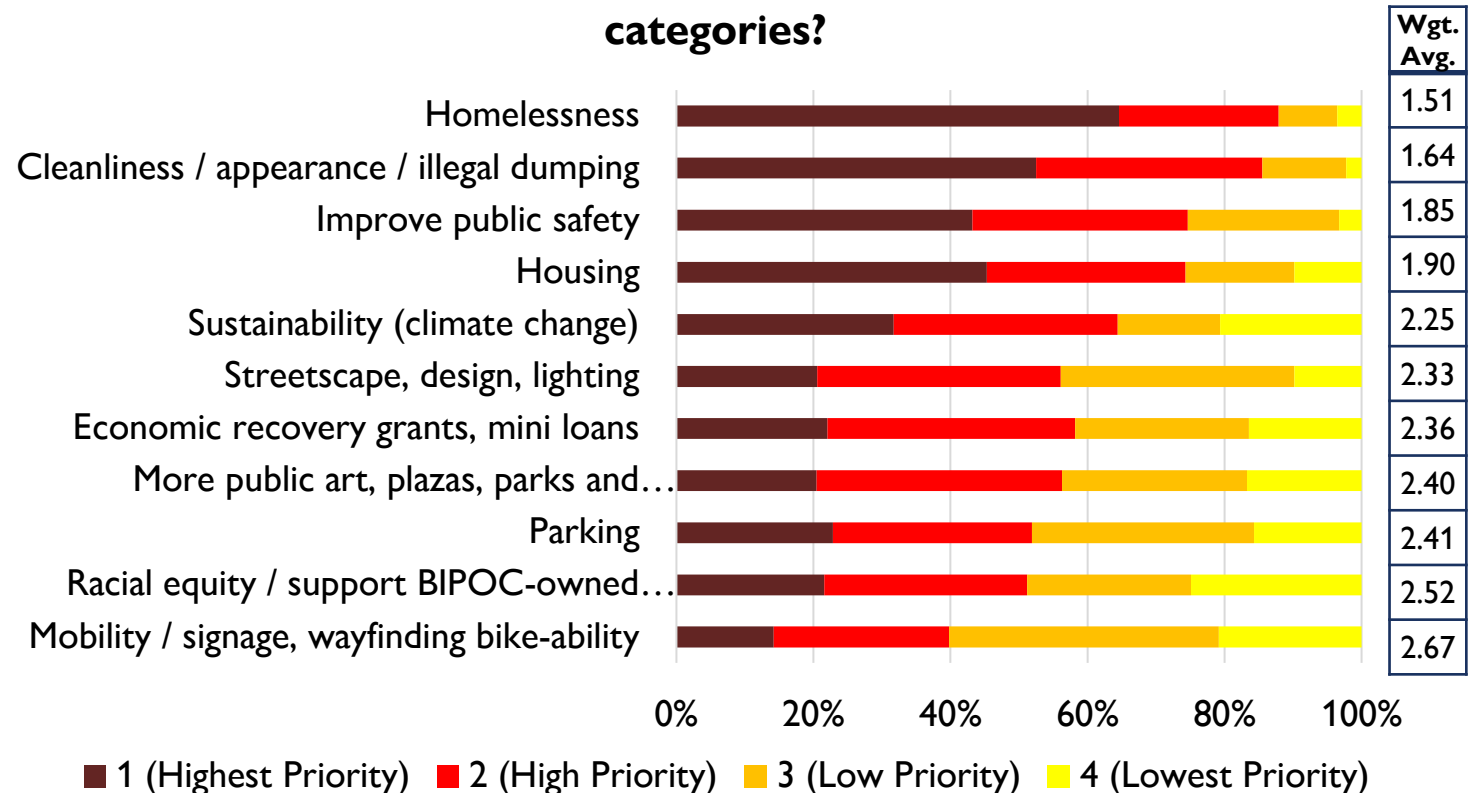
### What challenges do you face doing business in San Rafael?



## BUSINESS SURVEY OVERVIEW

- The top City priorities identified in the business survey include Homelessness, Cleanliness / Appearance / Illegal Dumping, Improving Public Safety, Housing, and Sustainability / Climate Change.
- Businesses were also asked to what extent they would support two ideas to fund BID operations / provide resources to the business community:
  - Increase transient occupancy taxes on overnight hotel stays (current rate is 12%) – supported by 52% of survey respondents
  - Increase parking fees (street meters and parking structure) – supported by 25% of survey respondents

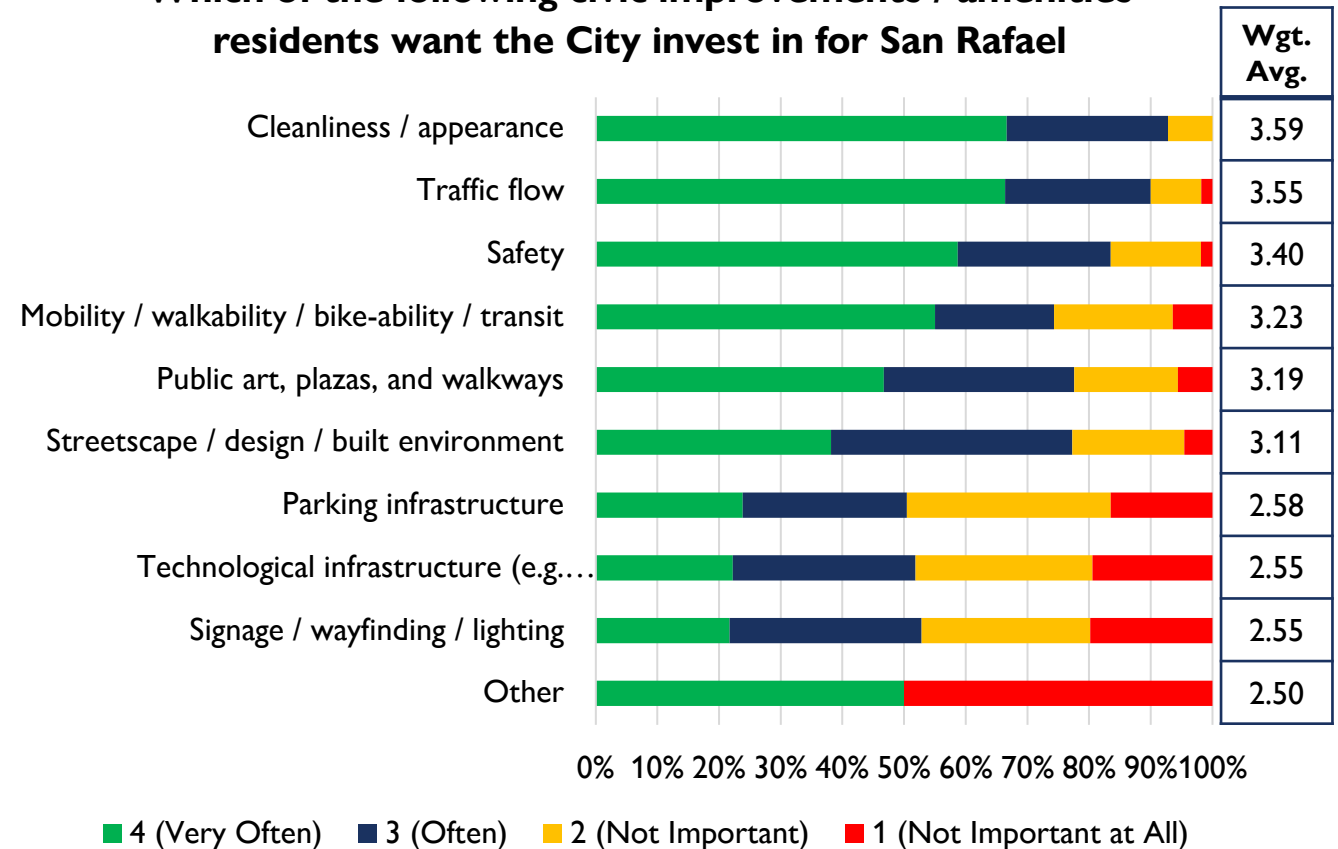
**What level of priority do you think the City should focus its financial resources in each of the following categories?**



## COMMUNITY SURVEY OVERVIEW

- An online community survey was conducted in December 2022 providing feedback from residents to help plan for San Rafael's future. 112 surveys were submitted, with around ~94% of responses coming from San Rafael residents. 60% live in Council District 2, 53% of respondents have lived in San Rafael for over 20 years, and 73% of respondents were at least 55 years old.
- Results show that respondents highly value a wide variety of new developments in the Downtown and North San Rafael areas, including Arts / Cultural / Educational options, Shopping / Other Retail, Fine Dining, Family Restaurants, Gathering Places, and Multifamily Housing.
- Results also show support for City investment in civic improvements / amenities, with the top-ranking choices including Cleanliness / Appearance, Traffic Flow, Safety, Mobility / Walkability / Bike-ability / Transit, Public Art / Plazas / Walkways, and Streetscape / Design.

### Which of the following civic improvements / amenities residents want the City invest in for San Rafael

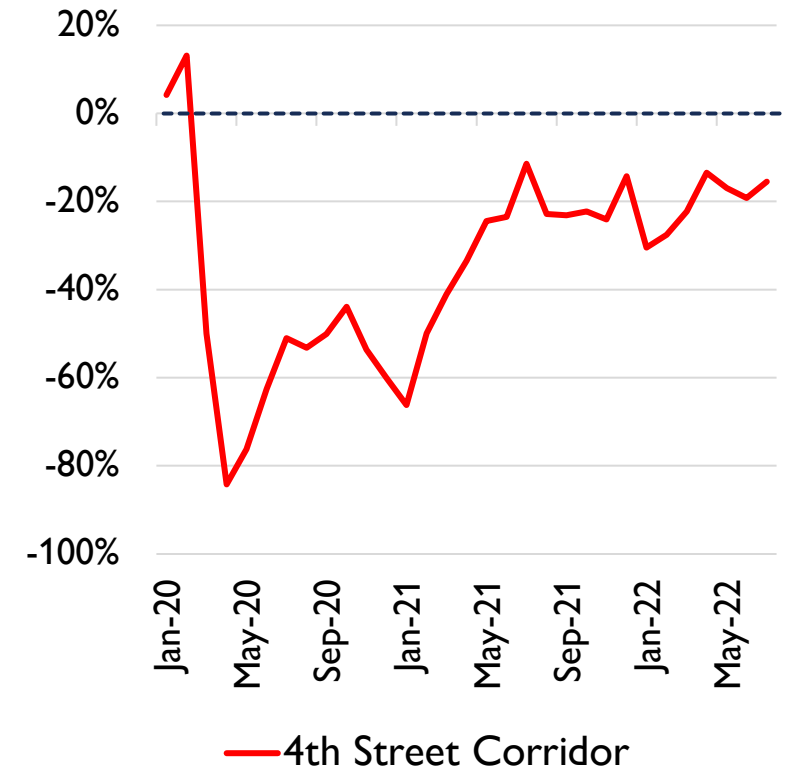


## PLACER.AI OVERVIEW

- Kosmont conducted a preliminary, high-level analysis of visits to key areas of Downtown San Rafael using mobile visitor data provided by Placer.ai. Placer.ai is a mobility data provider that tracks movement of over 30 million people in the U.S. via anonymized mobile app data; the data platform can be used to understand visitation trends, performance, characteristics of consumers, and trade areas.
- An initial review of this data shows that the 4<sup>th</sup> Street Corridor area draw visitors from San Rafael and other nearby surrounding communities; visits to the 4<sup>th</sup> Street Corridor area are still generally ~20% below pre-COVID levels.

Visits: 8/21 – 7/22	4 <sup>th</sup> Street Corridor
Median Weekly Visits	53,400
Visitor Avg. HH Income	\$148,000
Median Length of Visit	58 min.
% of Visits: Home < 3 Miles	42.2%

Monthly Visits Compared to Pre-COVID Baseline



## **CITYWIDE DEMOGRAPHIC / ECONOMIC / MARKET DATA**

## DEMOGRAPHIC SUMMARY

- San Rafael has a population of ~61,500, with ~8% growth over the past 20 years
- **Average Household Size** is 2.6 persons, and the **Median Age** is 42.3 years; residents are **well educated**, with ~57% achieving at least a bachelors degree
- City **Average Household Income** is \$164,800, approx. ~14% less than County and 27% higher than statewide levels
- San Rafael sees ~34,000 people coming into City to work with ~19,700 commuting outside for Net **Inflow** of ~14,300 jobs, with most workers coming from Novato, San Francisco, and Petaluma
- **Jobs in the City** are primarily in the Healthcare / Social Assistance, Retail Trade, Construction, and Professional / Scientific / Technical Services sectors
- **Residents of the City** are primarily employed in the Health Care / Social Assistance, Professional / Scientific / Technical Services, Accommodation / Food Services, and Retail Trade sectors.

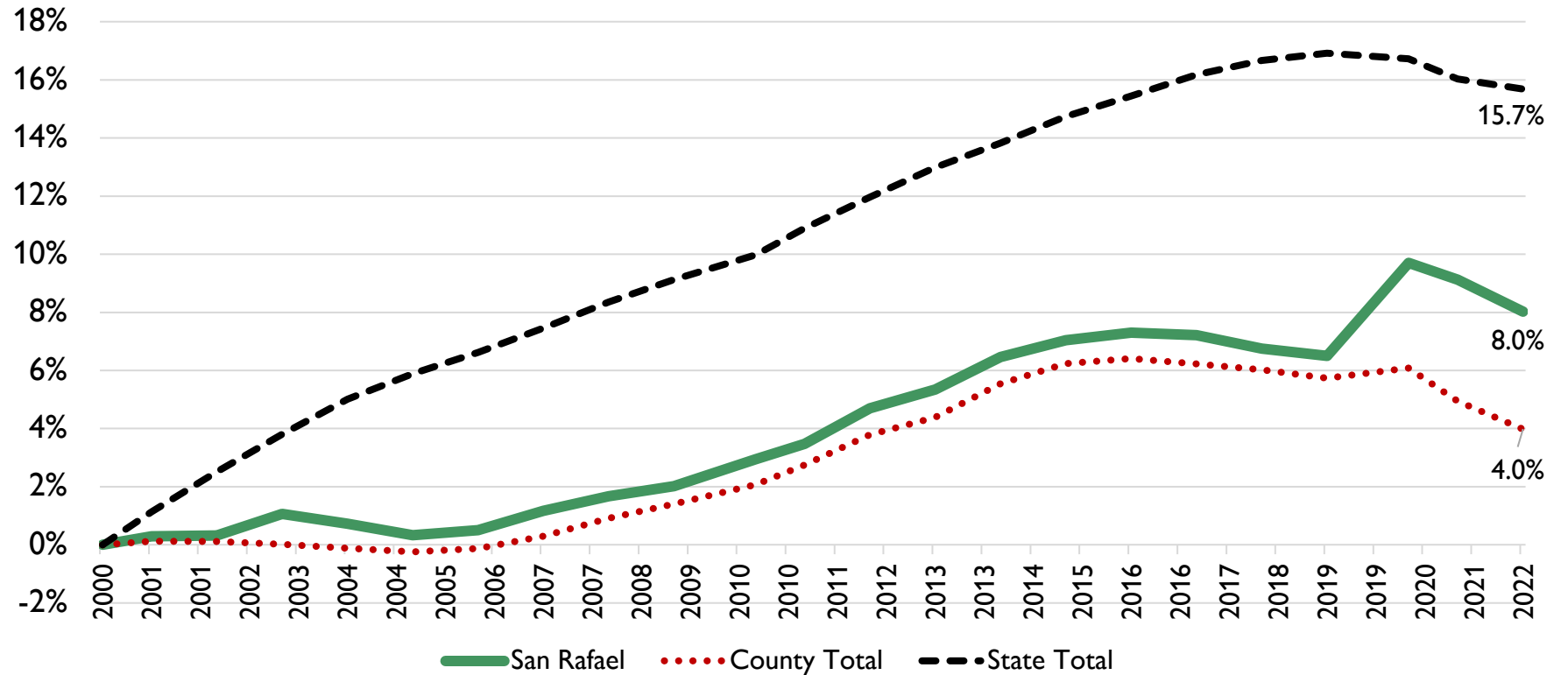
## POPULATION & INCOME CITY, COUNTY, AND STATE

	San Rafael City	Marin County	California State
<b>Population</b>	61,453	262,403	39,770,476
<b>Households</b>	23,288	103,804	13,570,050
<b>Average HH Size</b>	2.6	2.5	2.9
<b>Median Age</b>	42.3	47	36.7
<b>% Bachelor's Degree or Higher</b>	57.1%	63.7%	37.8%
<b>Income</b>			
<b>Per Capita Income</b>	\$62,790	\$75,995	\$44,265
<b>Median HH Income</b>	\$108,095	\$126,960	\$88,930
<b>Average HH Income</b>	\$164,766	\$191,736	\$129,367
<b>Median Home Value</b>	\$969,494	\$1,113,044	\$629,224

# CUMULATIVE POPULATION GROWTH, 2000 – 2022

**Population Growth, 2000 - 2022**

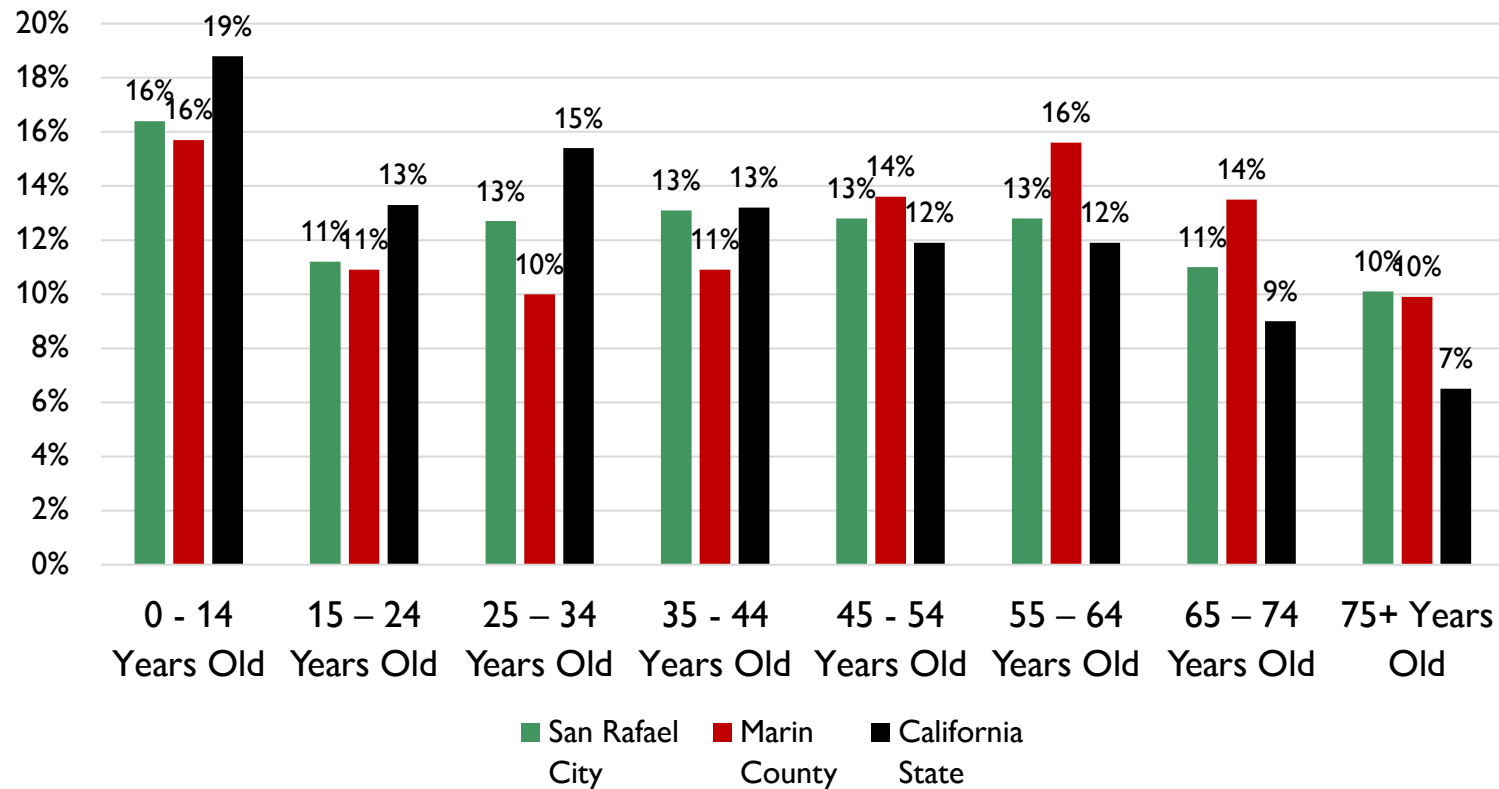
San Rafael has seen population growth of ~8% since 2000, less than 0.4% per year. It is higher than Marin County, but much lower than California's overall growth of 15.7%.





## POPULATION BY AGE COHORT

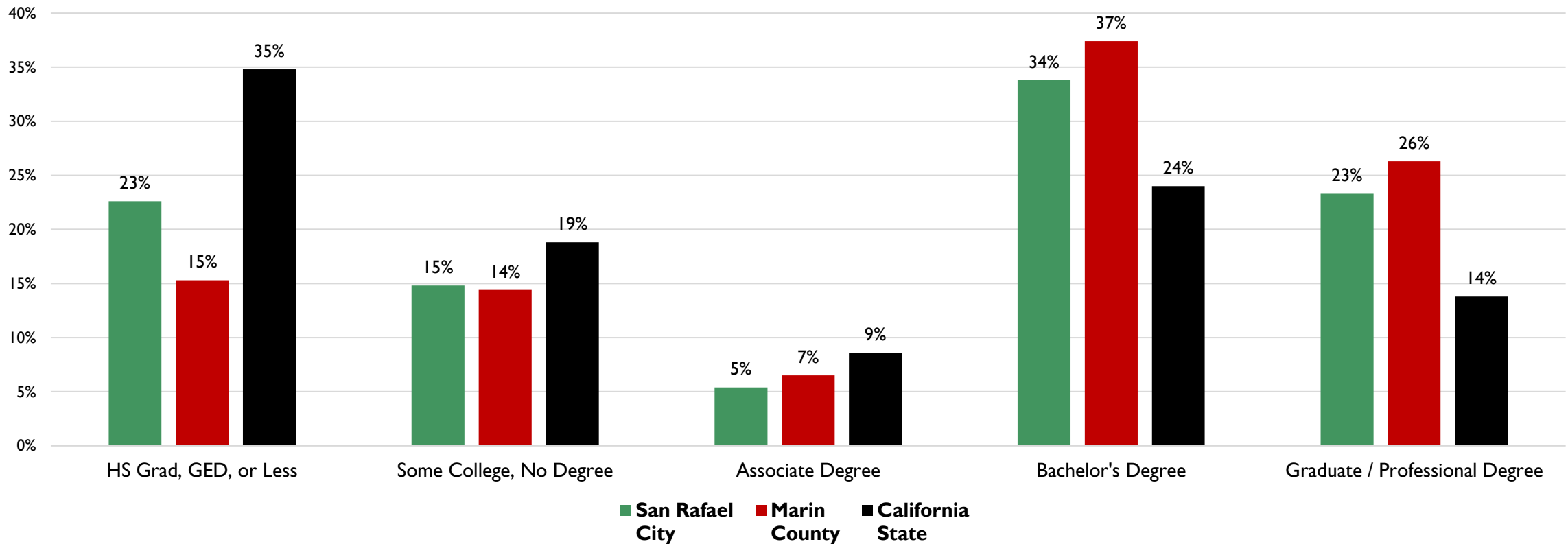
Population by Age Cohort



Age Cohort	Population (2022)
0 - 14 Years Old	10,100
15 - 24 Years Old	6,900
25 - 34 Years Old	7,800
35 - 44 Years Old	8,100
45 - 54 Years Old	7,900
55 - 64 Years Old	7,900
65 - 74 Years Old	6,800
75+ Years Old	6,200

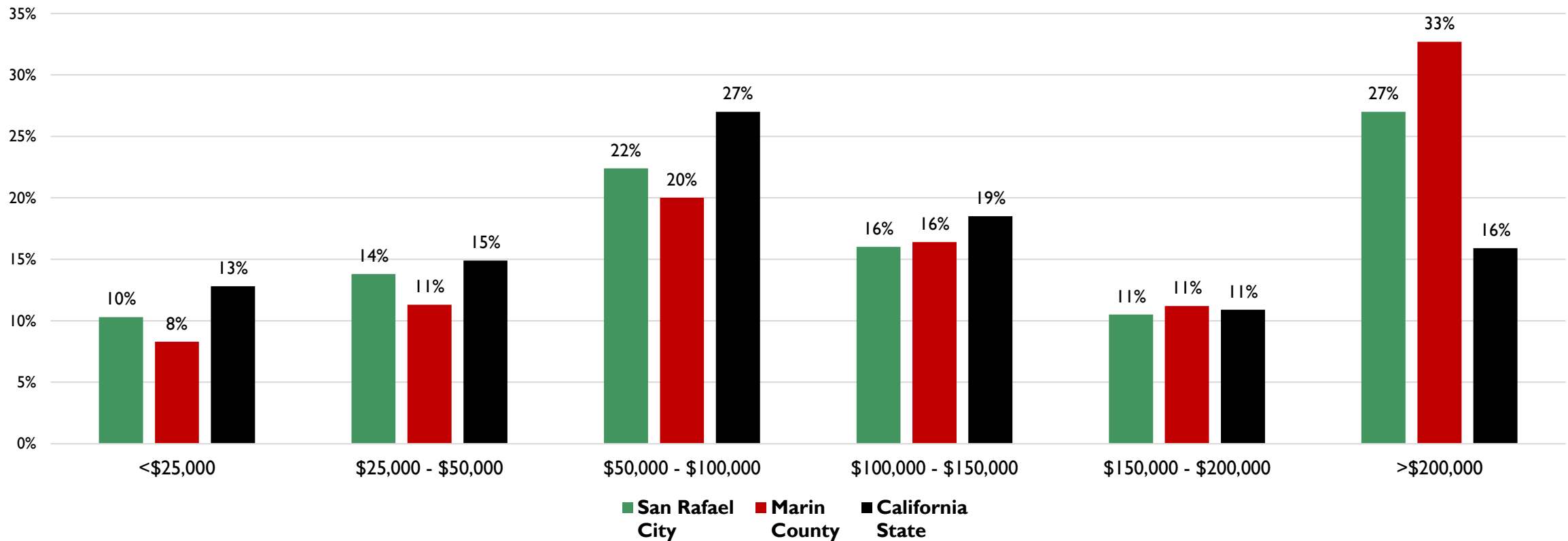
## POPULATION BY EDUCATIONAL ATTAINMENT

2022 Population by Educational Attainment



## POPULATION BY INCOME

2021 Households by Income Level

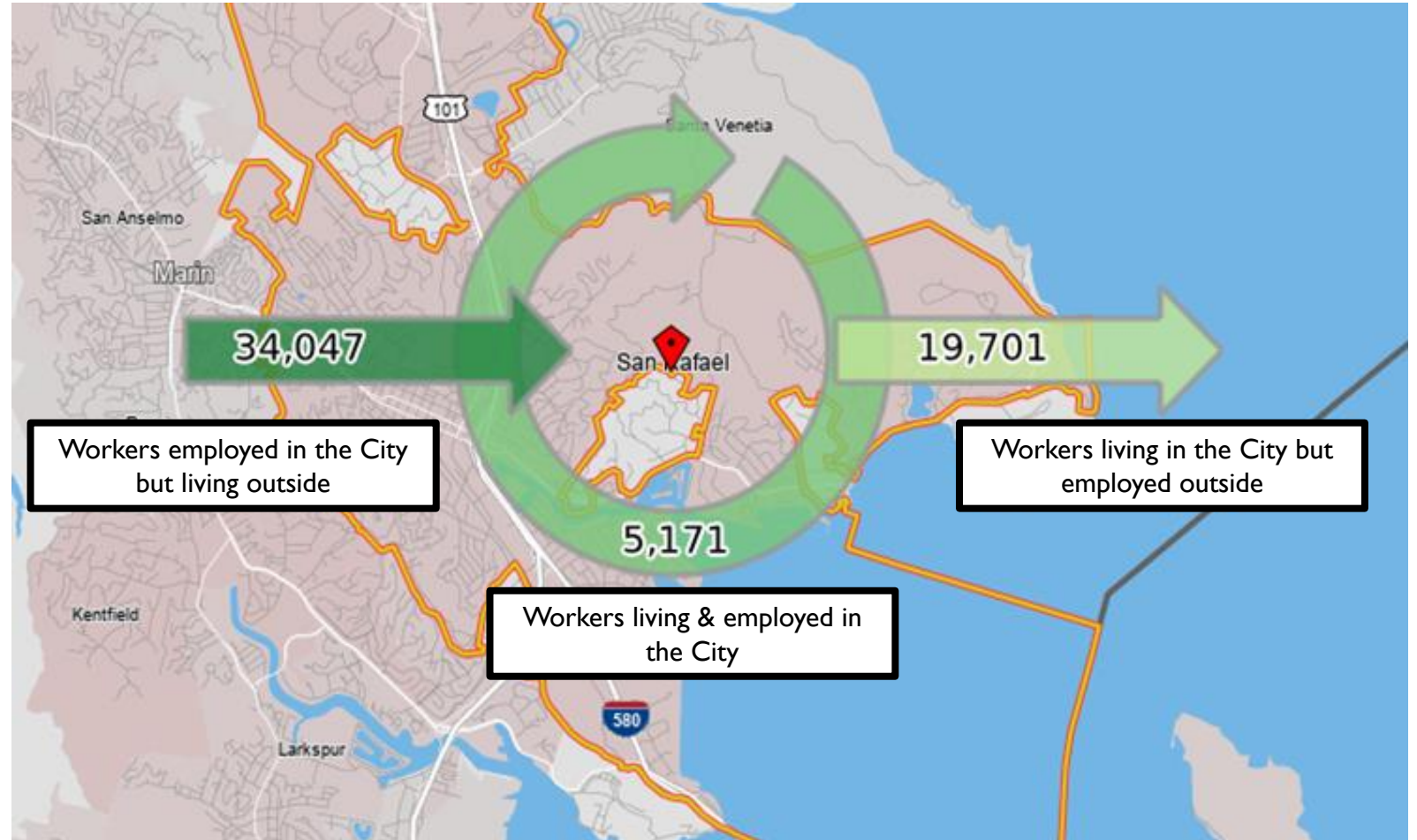


# MAJOR EMPLOYERS IN SAN RAFAEL

2021 Data		
<i>Major Employer</i>	<i>Type</i>	<i>Employees</i>
Kaiser Permanente	Healthcare	2,339
BioMarin Pharmaceutical Inc.	Pharmaceutical	950
San Rafael Elementary / High School Dist(s)	Education	700
City of San Rafael	Government	412
Dominican University of California	Education	394
Buckelew Programs	Health Services	103*
Lifehouse	Non-profit Organization	100*
EO Products	Health Products	108**
Toyota Marin	Auto Dealer	141*
Ghilotti Bros., Inc.	Construction / Contractor	298
Community Action Marin	Non-profit Organization	200
Equator Coffees, LLC	Retail	95

## WORKER INFLOW / OUTFLOW

Worker Inflow/Outflow (2019)	
Workers Living & Working	5,171
Workers Coming (Inflow)	34,047
Workers Going (Outflow)	19,701
Net Inflow/Outflow	<b>14,346</b>
Employment Ratio*	<b>1.58</b>



**Source:** U.S. Census Bureau Center for Economic Studies (2019, Accessed August 2022)

**Notes:** \***Employment Ratio** = People employed within City (living and working in City + those who come into the City for work) / Employed population of City (living and working in City + workers who live in the City, but work outside of the City)

## WORKER DESTINATIONS & ORIGINS CITY OF SAN RAFAEL

- Workers who live in San Rafael primarily work in San Francisco, San Rafael, Novato, Oakland, and Larkspur.
- Employees who work in primarily come from San Rafael, Novato, San Francisco, Petaluma, and Richmond.

Outflow: Where San Rafael Residents Commute To		
City	Count	Percentage
San Francisco	5,582	22.4%
San Rafael	5,171	20.8%
Novato	1,301	5.2%
Oakland	698	2.8%
Larkspur	591	2.4%
Corte Madera	501	2.0%
Mill Valley	478	1.9%
Kentfield	433	1.7%
San Anselmo	362	1.5%
Sausalito	337	1.4%
Petaluma	329	1.3%
Richmond	327	1.3%
Berkeley	287	1.2%
Santa Rosa	285	1.1%
San Jose	260	1.0%
Emeryville	221	0.9%
South San Francisco	219	0.9%
Fairfax	192	0.8%
Santa Venetia	183	0.7%
Tiburon	181	0.7%
Sacramento	177	0.7%
San Mateo	174	0.7%
Palo Alto	171	0.7%
Tamalpais-Homestead Valley	169	0.7%
Strawberry	160	0.6%
Other	6,083	24.5%

Inflow: Where San Rafael Workers Come From		
City	Count	Percentage
San Rafael	5,171	13.2%
Novato	3,411	8.7%
San Francisco	2,501	6.4%
Petaluma	1,489	3.8%
Richmond	1,414	3.6%
Vallejo	1,158	3.0%
Santa Rosa	1,026	2.6%
Oakland	1,002	2.6%
Rohnert Park	801	2.0%
San Anselmo	692	1.8%
San Jose	590	1.5%
Larkspur	535	1.4%
Fairfax	433	1.1%
Lucas Valley-Marinwood	429	1.1%
San Pablo	422	1.1%
Santa Venetia	391	1.0%
Fairfield	356	0.9%
Mill Valley	336	0.9%
Daly City	334	0.9%
Berkeley	329	0.8%
Sacramento	323	0.8%
Corte Madera	322	0.8%
Los Angeles	314	0.8%
Napa	303	0.8%
Tamalpais-Homestead Valley	295	0.8%
Other	14,841	37.8%

## EMPLOYMENT BY INDUSTRY

City Resident Employed Population	
Sector	Share
Health Care and Social Assistance	14.3%
Professional, Scientific, and Technical Services	11.8%
Accommodation and Food Services	9.9%
Retail Trade	9.7%
Educational Services	8.7%
Administration & Support, Waste Management and Remediation	5.7%
Construction	5.6%
Other Services (excluding Public Administration)	4.7%
Manufacturing	4.4%
Information	4.3%
Finance and Insurance	3.9%
Public Administration	3.6%
Other Industries	13.4%

*“Industries in which City residents work”*

Workers Employed Within City	
Sector	Share
Health Care and Social Assistance	18.2%
Retail Trade	13.0%
Construction	9.1%
Professional, Scientific, and Technical Services	8.0%
Educational Services	8.0%
Accommodation and Food Services	7.6%
Public Administration	6.7%
Other Services (excluding Public Administration)	5.5%
Administration & Support, Waste Management and Remediation	4.6%
Management of Companies and Enterprises	3.8%
Transportation and Warehousing	2.9%
Wholesale Trade	2.5%
Other Industries	10.1%

*“Jobs in the City”*

## FISCAL SUMMARY

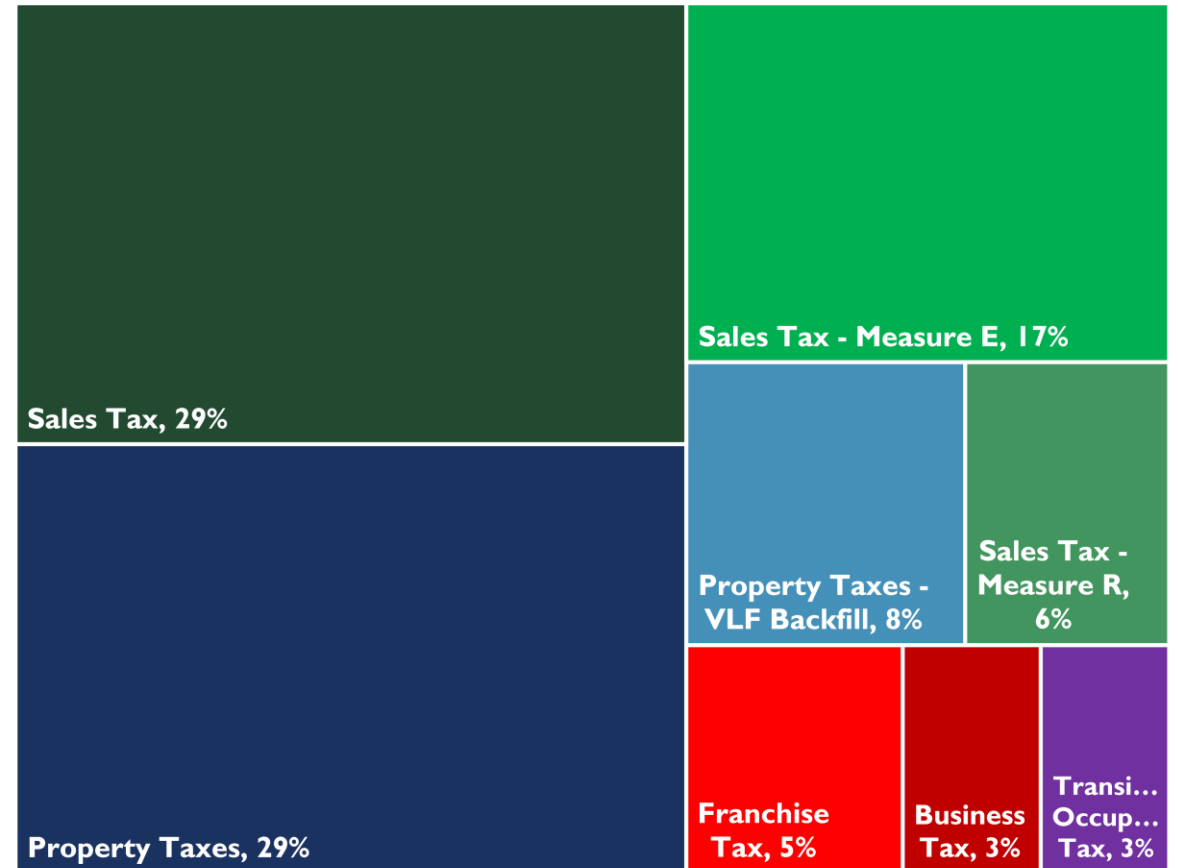
- **San Rafael** receives ~89% of its General Fund revenue from taxes, of which 37% are property taxes and VLF, ~52% of its tax revenue from various sales taxes, and the remainder from franchise, business, and transient occupancy taxes
- **Sales Tax** revenues have grown ~82% since 2013, or approx. 6.9% per year;
  - Actual retail sales grew approximately 2.2% annually since 2016
  - Measure E (0.75% TUT exp 2034) and Measure R (0.25% exp 2030) increased the tax rate, creating greater growth in total tax revenues
  - County Pool revenues increased dramatically in past 10 years
- **Property Tax** revenues have grown ~86.7% since 2013, or approx. 7.2% per year; Assessed Value growth driven by high real estate values and mark-to-market reassessments for sale of long-held properties



## TAX REVENUE OVERVIEW FY2022-23 BUDGET

FY2022-23 Budget	
Property Taxes	\$ 24,409,721
Property Tax - VLF Backfill	6,700,000
Sales Tax	25,085,742
Sales Tax - Measure E	14,694,975
Sales Tax - Measure R	4,898,325
Franchise Tax	4,182,016
Business Tax	2,669,567
Transient Occupancy Tax	2,483,067
<b>Taxes Subtotal</b>	<b>85,123,413</b>
<b>Revenues from Other Agencies</b>	
CSA #19 Fire Service	2,442,513
Other Agencies	1,903,252
<b>Other</b>	
Permits & Licenses	3,010,159
Fine & Forfeiture	186,732
Interest & Rents	47,500
Charges for Services	2,568,965
Other Revenue	588,196
<b>Total</b>	<b>95,870,730</b>

FY 2022-23 Budget: Tax Revenues

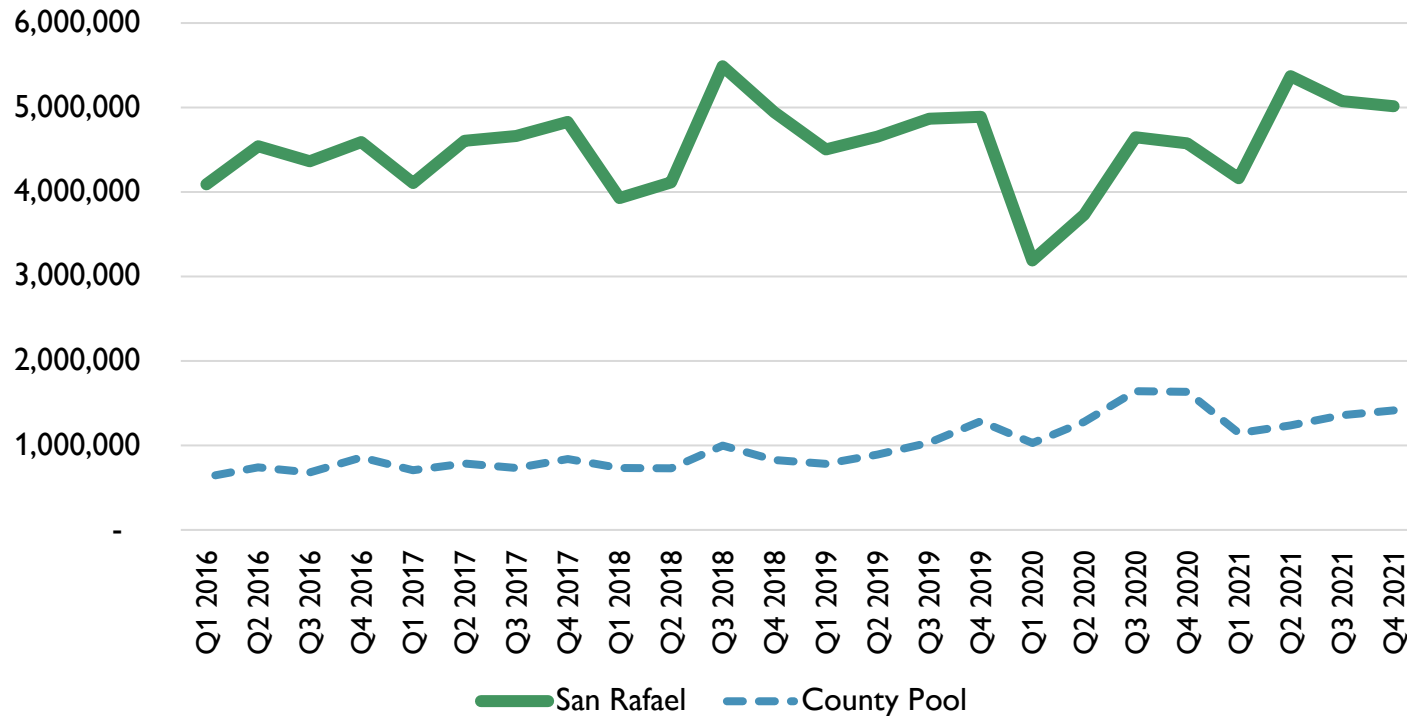


## FISCAL SUMMARY HISTORIC TAX REVENUE COLLECTIONS

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2013 - 2022 Growth	CAGR
Property Taxes	20,107,637	17,317,772	18,439,619	19,039,443	19,998,567	23,343,140	24,627,373	25,903,240	26,491,505	30,993,516	32,324,129	86.7%	7.2%
Sales Taxes	22,355,749	24,262,282	27,758,971	32,269,915	34,348,089	31,819,259	34,119,502	35,626,646	33,784,770	39,599,113	44,110,471	81.8%	6.9%
Paramedic	3,807,545	3,804,985	3,816,070	3,820,240	4,226,020	5,485,637	4,923,148	4,934,584	4,923,092	5,153,448	5,109,836	34.3%	3.3%
Transient Occupancy	1,866,575	2,185,287	2,332,277	2,661,878	3,063,263	2,984,758	3,115,151	3,203,499	2,410,745	1,797,578	2,976,234	36.2%	3.5%
Franchise	3,076,094	3,331,160	3,260,958	3,272,390	3,418,277	3,610,824	3,726,841	3,627,254	4,029,050	3,973,806	4,209,979	26.4%	2.6%
Business License	2,332,146	2,507,785	2,588,728	2,670,071	2,824,664	2,774,803	2,790,212	2,788,496	2,824,722	2,575,341	2,645,636	5.5%	0.6%
Other	3,574,918	2,929,915	3,452,171	3,295,751	3,465,193	1,824,830	2,245,882	1,783,170	2,152,617	2,996,950	3,108,543	6.1%	0.7%
<b>TOTAL</b>	<b>57,120,664</b>	<b>56,339,186</b>	<b>61,648,794</b>	<b>67,029,688</b>	<b>71,344,073</b>	<b>71,843,251</b>	<b>75,548,109</b>	<b>77,866,889</b>	<b>76,616,501</b>	<b>87,089,752</b>	<b>94,484,828</b>	<b>67.7%</b>	<b>5.9%</b>

## SALES TAX HISTORY

City and County Sales Tax Revenue by Quarter, Q1 2016 – Q4 2021



In FY2022, the top 25 sales tax producers provide 52% of overall sales tax revenues; the top sales tax categories were:

- Autos and Transportation: 30%
- Building and Construction: 22%
- State / County Pools (e-commerce): 16%

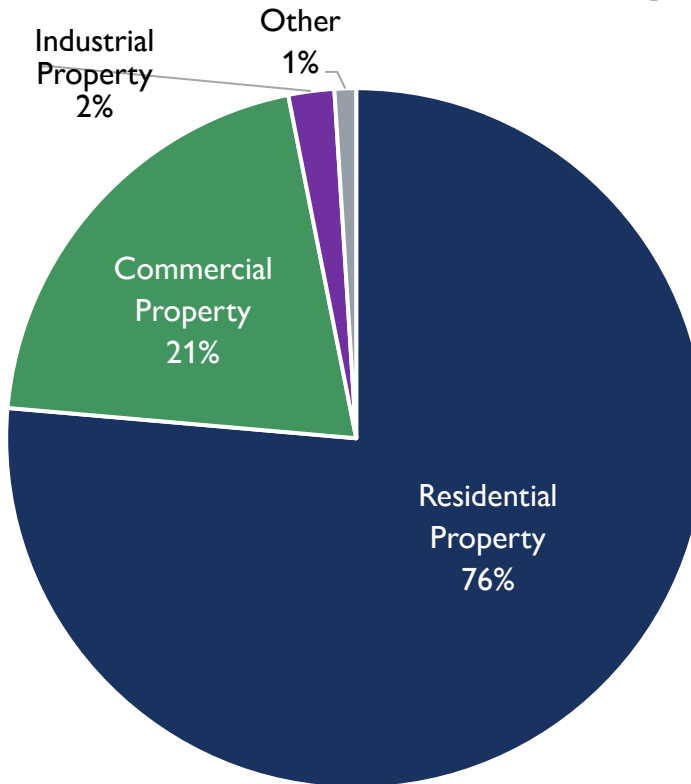
Year	San Rafael	County Pool	Pool Share
2016	17,592,000	2,914,000	16.6%
2017	18,213,000	3,072,000	16.9%
2018	18,479,000	3,296,000	17.8%
2019	18,918,000	3,999,000	21.1%
2020	16,149,000	5,585,000	34.6%
2021	19,633,000	5,162,000	26.3%
5-Year Growth	12%	77%	
COVID-19 Effect (2019-2020)	14.6%	-39.7%	
CAGR	2.2%	12.1%	

Source: CA DOF; San Rafael FY 2022 ACFR

## ASSESSED VALUE – REAL SECURED PROPERTY

San Rafael's Real Secured Property Tax is overwhelming from residential property (76%), with 21% coming from commercial property and 2% industrial property

**Assessed Value: Real Secured Property**



# ILLUSTRATIVE FISCAL REVENUE OF NEW DEVELOPMENT

To evaluate economic opportunities, here is an illustration of incremental tax revenues generated from various types of development on **a typical 1-acre parcel**:

	10,000 SF Commercial Services	10,000 SF Retail	10,000 SF Restaurant	50-unit Multifamily Housing	60-room Upscale Hotel
Property Taxes + VLF	\$10,000	\$10,000	\$15,000	\$65,000	\$50,000
Direct Sales Taxes	\$30,000	\$70,000	\$100,000		
Indirect Sales Taxes				\$20,000	\$50,000
Hotel TOT					\$300,000
<b>Annual General Fund Revenues</b>	<b>\$40,000</b>	<b>\$80,000</b>	<b>\$115,000</b>	<b>\$85,000</b>	<b>\$400,000</b>

## MARKET SUMMARY

- San Rafael saw almost no growth in commercial, industrial, and apartment markets over the past decade
- With less than 25% of the population, San Rafael represents a much more significant share of Marin County Economic Activity:
  - Retail: 38% of inventory, rents are 12% lower and vacancy is 0.2% lower
  - Office: 43% of inventory, rents are 3% lower and vacancy is 3.4% lower
  - Industrial: 62% of inventory, rents are 2% higher and vacancy is 2.9% lower
  - Flex / R&D: 32% of inventory, rents are 5% lower and vacancy is 1.1% lower
  - Multifamily: 40% of inventory, rents are 16% lower and vacancy is 0.3% lower

# MARIN COUNTY VS SAN RAFAEL

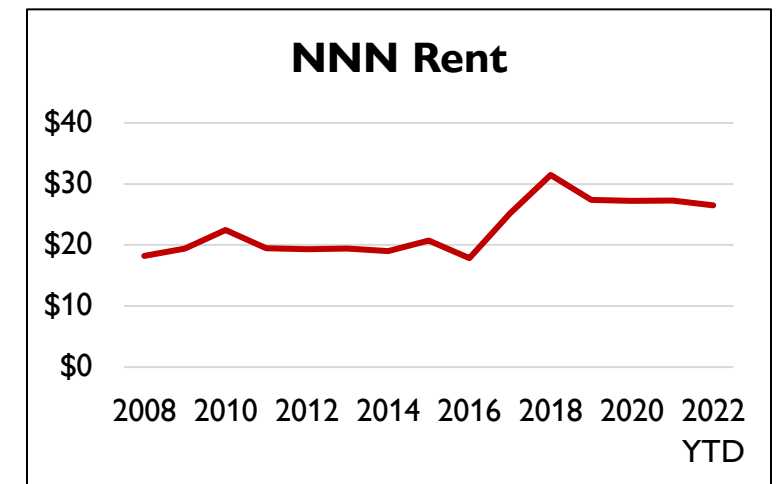
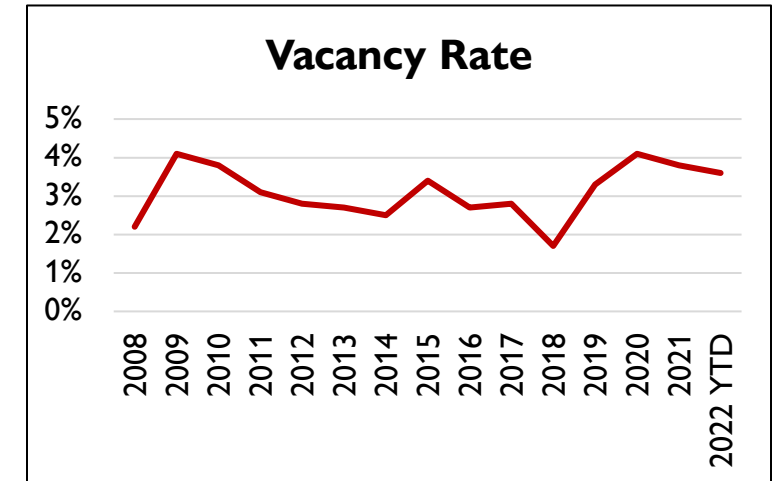
	Inventory			Vacancy		Market Rent	
2022 Q4	County	City	City Share of County	County	City	County	City
Retail	13,407,000 SF	5,034,400 SF	38%	3.4%	3.2%	\$33.58	\$29.48
Office	12,737,600 SF	5,505,700 SF	43%	18.2%	14.8%	\$39.58	\$38.23
Industrial	5,336,500 SF	3,314,700 SF	62%	3.5%	0.6%	\$21.11	\$21.48
Flex	2,967,800 SF	958,600 SF	32%	4.3%	3.2%	\$24.59	\$23.38
Multifamily	21,550 Units	8,674 Units	40%	3.6%	3.3%	\$2,611	\$2,205



**Source:** CoStar; Market rents for retail, office, industrial, and flex given as annual rent per square foot – monthly rent can be determined by dividing figure by 12 (e.g. a market rent of \$30 is \$2.50 per square foot per month).

## CITY RETAIL MARKET HISTORY

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall
2022 YTD	5,032,725	181,151	3.6%	10,670	\$26.49
2021	5,029,487	191,298	3.8%	13,080	\$27.29
2020	5,029,487	204,378	4.1%	(37,841)	\$27.25
2019	5,029,487	166,537	3.3%	(65,117)	\$27.39
2018	5,012,396	84,329	1.7%	55,405	\$31.49
2017	5,012,396	139,734	2.8%	(6,905)	\$25.21
2016	5,012,396	132,829	2.7%	37,277	\$17.87
2015	5,012,396	170,106	3.4%	(44,151)	\$20.74
2014	5,012,396	125,955	2.5%	9,201	\$18.99
2013	5,014,696	137,456	2.7%	1,411	\$19.44
2012	5,014,696	138,867	2.8%	18,496	\$19.31
2011	5,014,696	157,363	3.1%	4,110	\$19.45
2010	5,044,696	191,473	3.8%	43,793	\$22.47
2009	5,015,158	205,728	4.1%	(100,074)	\$19.40
2008	5,022,506	113,002	2.2%	22,378	\$18.24



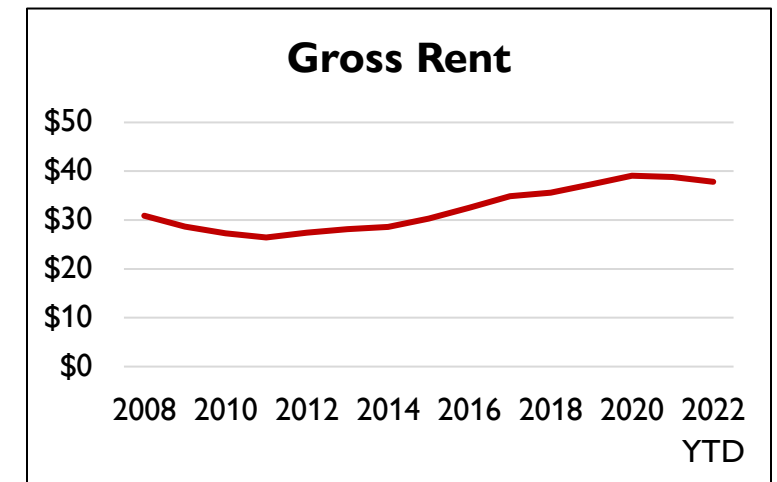
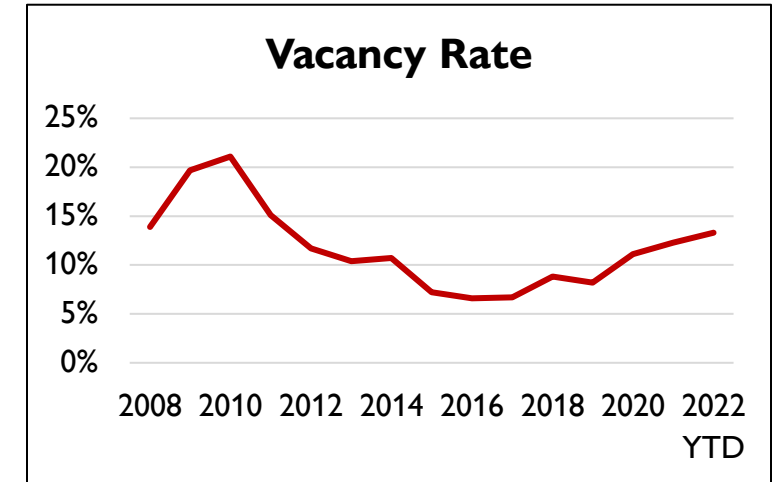
**Source:** CoStar (Accessed August 2022)

**Note:** Costar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges.”



## CITY OFFICE MARKET HISTORY

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	Gross Rent Overall
2022 YTD	5,496,234	732,009	13.3%	(53,393)	\$37.79
2021	5,496,234	678,616	12.3%	(76,753)	\$38.81
2020	5,505,445	611,074	11.1%	(138,906)	\$39.09
2019	5,485,445	452,168	8.2%	29,487	\$37.27
2018	5,485,445	481,655	8.8%	(45,087)	\$35.62
2017	5,409,557	360,680	6.7%	(6,231)	\$34.89
2016	5,409,557	354,449	6.6%	115,240	\$32.52
2015	5,324,557	384,689	7.2%	193,981	\$30.28
2014	5,313,905	568,018	10.7%	(22,256)	\$28.60
2013	5,322,334	554,191	10.4%	70,991	\$28.11
2012	5,322,334	625,182	11.7%	171,873	\$27.41
2011	5,332,894	807,615	15.1%	316,406	\$26.42
2010	5,332,894	1,124,021	21.1%	(75,658)	\$27.26
2009	5,332,894	1,048,363	19.7%	(187,917)	\$28.66
2008	5,192,382	719,934	13.9%	60,983	\$30.86

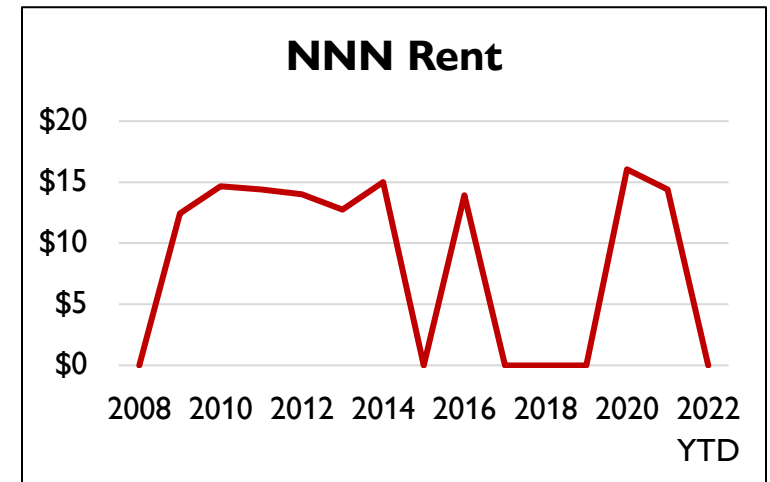
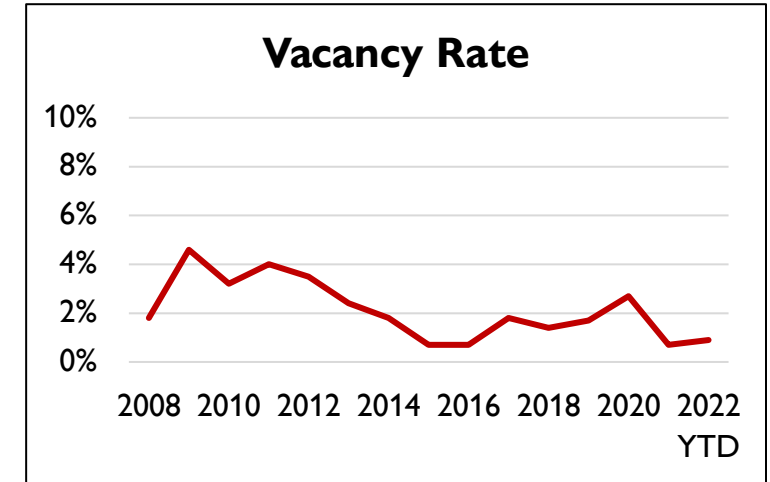


Source: CoStar (Accessed August 2022)

Note: Costar defines Full Service / Gross Rent as “a rental rate that includes normal building standard services which are provided and paid by the landlord.”

## CITY INDUSTRIAL MARKET HISTORY

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall
2022 YTD	3,314,700	30,966	0.9%	(9,301)	-
2021	3,314,700	21,665	0.7%	68,211	\$14.40
2020	3,314,700	89,876	2.7%	(33,148)	\$16.04
2019	3,314,700	56,728	1.7%	(9,235)	-
2018	3,314,700	47,493	1.4%	12,190	-
2017	3,314,700	59,683	1.8%	(37,772)	-
2016	3,314,700	21,911	0.7%	2,746	\$13.92
2015	3,314,700	24,657	0.7%	34,690	-
2014	3,314,700	59,347	1.8%	21,550	\$15.00
2013	3,314,700	80,897	2.4%	36,223	\$12.74
2012	3,314,700	117,120	3.5%	16,307	\$14.00
2011	3,314,700	133,427	4.0%	(26,238)	\$14.40
2010	3,314,700	107,189	3.2%	53,213	\$14.65
2009	3,306,375	152,077	4.6%	(91,537)	\$12.44
2008	3,306,375	60,540	1.8%	30,693	-

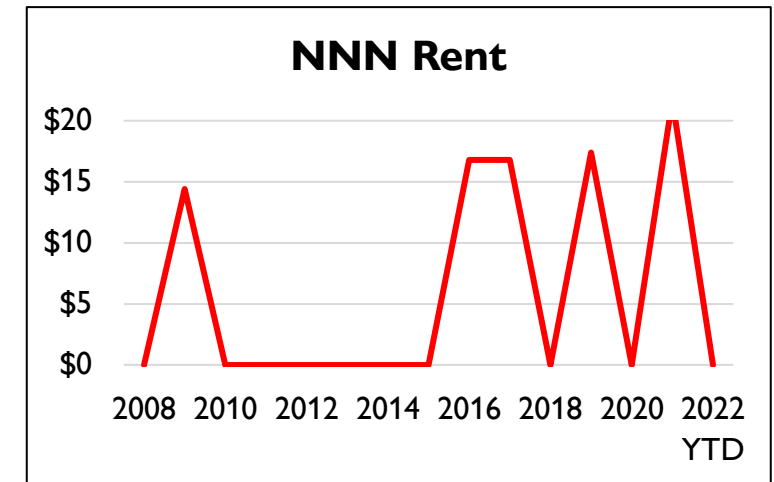
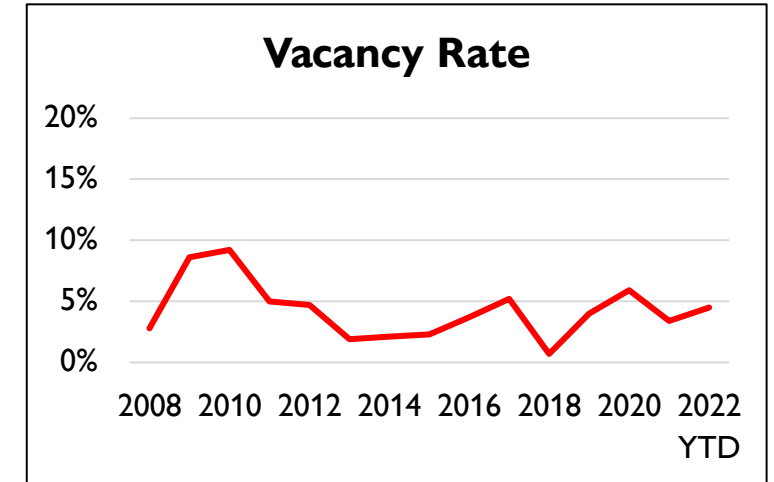


Source: CoStar (Accessed August 2022)

Note: Costar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges.”

## CITY FLEX MARKET HISTORY

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall
2022 YTD	968,034	43,231	4.5%	(47,240)	-
2021	1,006,034	33,991	3.4%	25,055	\$21.66
2020	1,006,034	59,046	5.9%	(18,867)	-
2019	1,006,034	40,179	4.0%	(32,773)	\$17.40
2018	1,006,034	7,406	0.7%	45,230	-
2017	1,006,034	52,636	5.2%	(15,879)	\$16.80
2016	1,006,034	36,757	3.7%	(13,685)	\$16.80
2015	1,006,034	23,072	2.3%	(1,834)	-
2014	1,006,034	21,238	2.1%	(1,849)	-
2013	1,006,034	19,389	1.9%	27,809	-
2012	1,006,034	47,198	4.7%	2,797	-
2011	1,006,034	49,995	5.0%	42,840	-
2010	1,006,034	92,835	9.2%	(6,094)	-
2009	1,006,034	86,741	8.6%	(58,813)	\$14.40
2008	1,006,034	27,928	2.8%	1,012	-

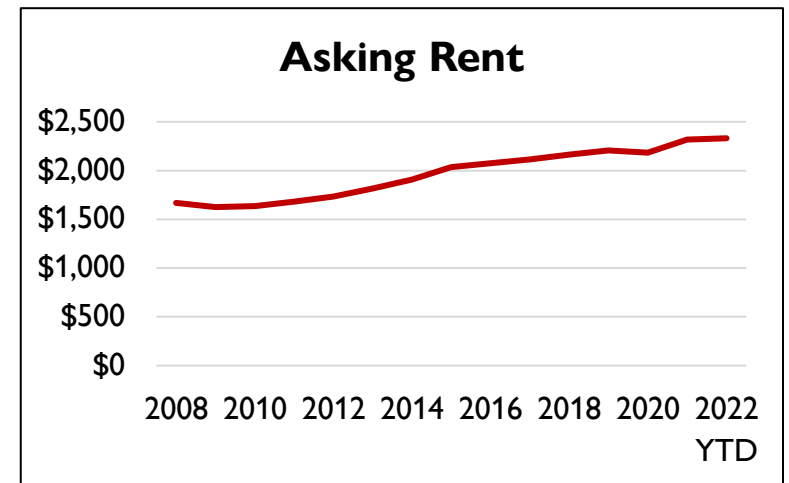
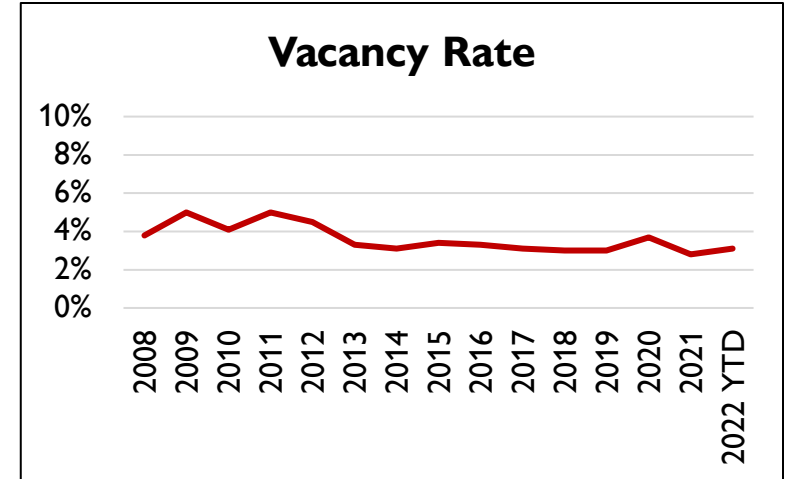


Source: CoStar (Accessed August 2022)

Note: Costar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges.”

## CITY MULTIFAMILY MARKET HISTORY

Year	Inventory Units	Vacant Units	Vacancy Percent	Net Absorption (Units)	Asking Rent (Unit/Mo.)
2022 YTD	6,269	194	3.1%	(19)	\$2,331
2021	6,269	176	2.8%	97	\$2,318
2020	6,228	232	3.7%	(46)	\$2,185
2019	6,228	187	3.0%	2	\$2,206
2018	6,228	189	3.0%	8	\$2,165
2017	6,228	196	3.1%	33	\$2,117
2016	6,203	204	3.3%	5	\$2,076
2015	6,203	208	3.4%	(1)	\$2,036
2014	6,187	191	3.1%	13	\$1,910
2013	6,187	204	3.3%	73	\$1,818
2012	6,187	277	4.5%	31	\$1,735
2011	6,187	307	5.0%	27	\$1,683
2010	6,105	252	4.1%	(44)	\$1,637
2009	6,209	312	5.0%	(97)	\$1,626
2008	6,234	240	3.8%	(60)	\$1,668



Source: CoStar (Accessed August 2022)

Note: Costar defines Asking Rent as “average monthly amount the lessor is asking for in order to lease their building/space/land.”

Analytic filters exclude senior / student / military / corporation / vacation housing / co-ops; limit search to buildings with 5+ units; and Market / Market Affordable rent types.

## **BUSINESS DISTRICT ANALYSIS**

## SAN RAFAEL DISTRICTS

Five business areas were identified for analysis, based on Neighborhood Group boundaries from the City's website:

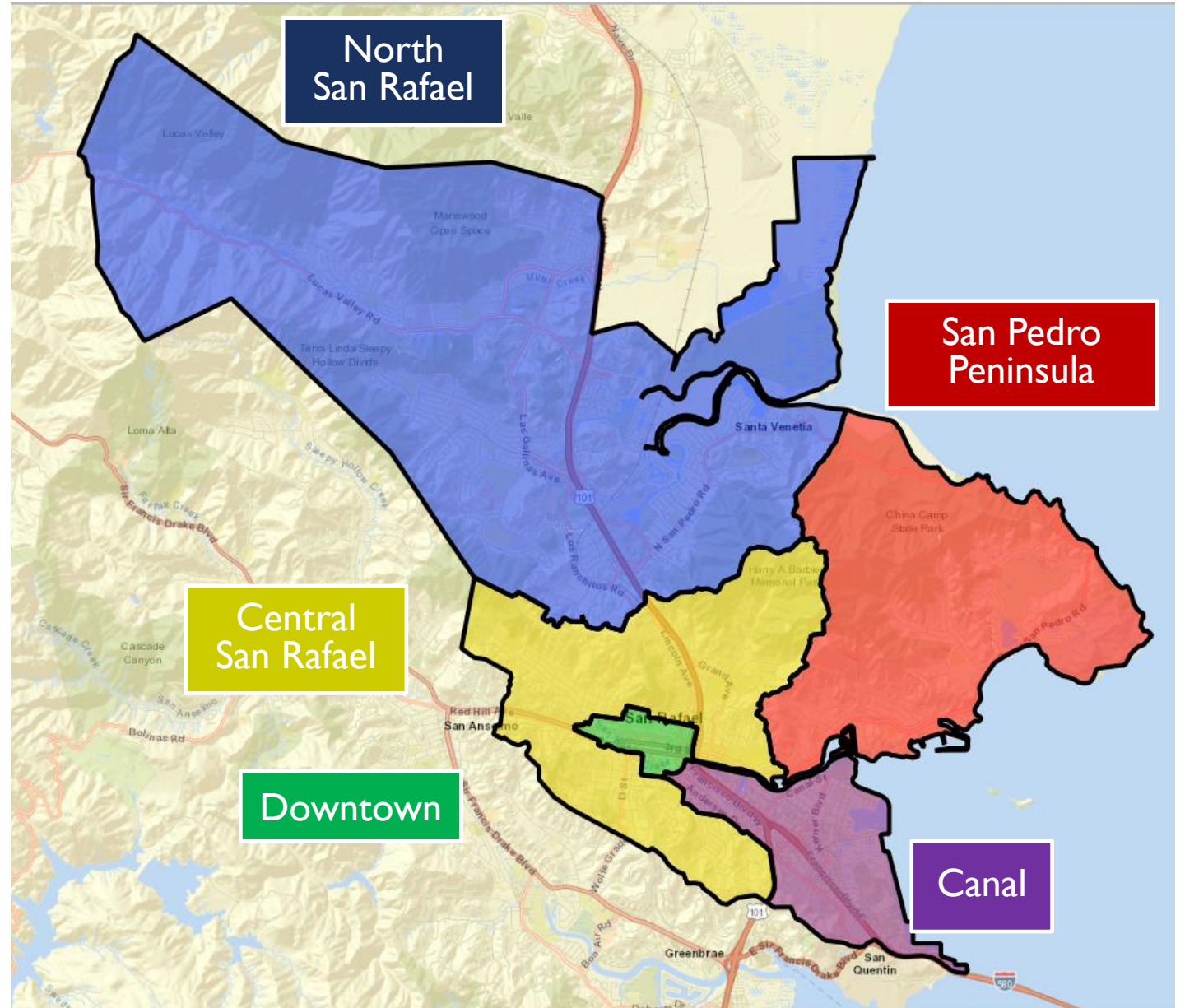
- North San Rafael
- San Pedro Peninsula
- Central San Rafael
- Downtown
- Canal

Boundaries are provided for illustrative purposes only.

Boundaries based on San Rafael Neighborhood Group boundaries, and include Sphere of Influence areas

**Sources:**

ESRI BAO Online, City of San Rafael



## DISTRICT DEMOGRAPHIC SUMMARY

	Downtown San Rafael	Canal	North San Rafael	Central San Rafael	San Pedro Peninsula
Population	2,300	12,600	30,800	21,800	6,600
Households	1,100	3,190	12,210	9,010	2,640
Avg HH Size	1.92	3.92	2.44	2.35	2.46
Median Age	40.3	31.5	49.7	43.9	54.6
Education: Bach Degree +	54%	19%	64%	64%	73%
Median Household Income	\$77,700	\$62,000	\$118,700	\$115,100	\$194,300
Average Household Income	\$96,600	\$99,600	\$173,900	\$173,100	\$248,300
Median Home Value	\$706,300	\$799,000	\$904,600	\$1,058,300	\$1,308,100
Owner Occupied Housing Units	9%	20%	67%	46%	80%
Median Year Housing Unit Built	1961	1972	1967	1958	1968
Median Year Moved into Unit	2010	2010	2008	2011	2005

## BUSINESS SUMMARY - ESTIMATED ~\$6 BILLION IN ECONOMIC ACTIVITY

District	Business Tax Gearea	Est. % of City Gross Receipts	# Firms	Estimated Gross Receipts
Canal	Canal	30.8%	760	\$1,778,532,000
Downtown	Downtown	17.9%	1,510	1,035,615,000
North San Rafael	Northgate Ind Pk	16.0%	626	927,024,000
North San Rafael	Terra Linda	13.4%	645	776,269,000
Central	Br Harte	13.6%	350	783,209,000
Central	Linc/SV	1.2%	445	70,483,000
Central / San Pedro Peninsula	SP Ridge	1.2%	315	67,715,000
Outside San Rafael	-	5.9%	1,168	338,530,000
<b>TOTAL</b>			<b>5,819</b>	<b>\$5,777,381,000</b>



## SAN RAFAEL BUSINESS TAX DATA

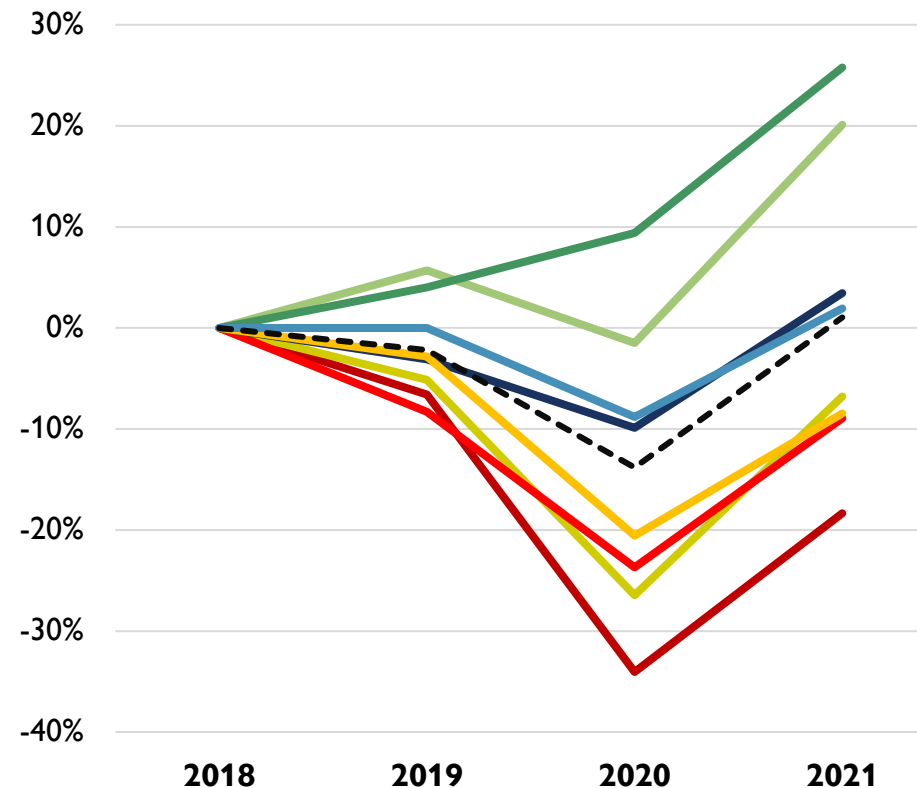
- The business categories with the largest gross receipts in the City include Motor Vehicle Dealers, Administrative Offices, Building Supply/Materials, and Manufacturing.
- The top 25 business categories by gross receipts are listed at the right; these categories account for ~75% of the City's gross receipts.

Business Type	Est. Gross Receipts	% Total City Gross Receipts
Motor Vehicle Dealer	\$ 679,400,000	11.8%
Administrative Offices	\$ 434,600,000	7.5%
Building Supply/Materials	\$ 376,000,000	6.5%
Manufacturing	\$ 297,000,000	5.1%
Medical Clinic	\$ 268,100,000	4.6%
Grocery	\$ 262,100,000	4.5%
Contractor Out Of Town	\$ 194,200,000	3.4%
Wholesale Merchant	\$ 192,000,000	3.3%
Apartment House	\$ 156,700,000	2.7%
Contractor In Town	\$ 143,000,000	2.5%
Attorney	\$ 141,000,000	2.4%
Misc. Services	\$ 136,900,000	2.4%
Motor Vehicle Repair	\$ 115,900,000	2.0%
Restaurant	\$ 114,700,000	2.0%
Department Store	\$ 110,100,000	1.9%
Consulting	\$ 95,100,000	1.6%
Service Station	\$ 75,000,000	1.3%
Financial Services	\$ 65,400,000	1.1%
Engineering	\$ 60,900,000	1.1%
Import Exports	\$ 55,500,000	1.0%
Accountant	\$ 55,100,000	1.0%
Drug Store	\$ 52,800,000	0.9%
Furniture Sales	\$ 42,500,000	0.7%
Investment Advice	\$ 40,800,000	0.7%
Real Estate Broker/Agent	\$ 34,500,000	0.6%

## SALES TAX BY GEOGRAPHIC AREA

	2018	2019	2020	2021
Terra Linda	2,317,000	2,164,000	1,528,000	1,892,000
Downtown Business District	975,000	925,000	717,000	909,000
West Francisco	3,631,000	3,330,000	2,771,000	3,307,000
East Francisco	3,162,000	3,342,000	3,115,000	3,798,000
Shoreline	2,765,000	2,679,000	2,492,000	2,860,000
Andersen	2,119,000	2,204,000	2,318,000	2,665,000
North Canal / East 101	851,000	827,000	676,000	779,000
West 101	1,035,000	1,035,000	944,000	1,055,000
Other	1,184,000	1,166,000	1,096,000	1,018,000
<b>Total - All Outlets</b>	<b>18,872,000</b>	<b>18,458,000</b>	<b>16,263,000</b>	<b>19,072,000</b>

Sales Tax By Area:  
Comparison to 2018 Baseline



## REAL ESTATE DATA SUMMARY

	Downtown San Rafael	Canal	North San Rafael	Central San Rafael	San Pedro Peninsula
Population	2,300	12,600	30,800	21,800	6,600
Households	1,100	3,190	12,210	9,010	2,640
Retail SF	1,442,000	1,632,000	1,031,000	530,000	55,000
Office SF	1,345,000	851,000	2,168,000	429,000	
Flex SF	1,000	516,000	424,000	17,000	
Industrial SF	37,000	2,801,000	306,000	170,000	
Multifamily Units	750	1,480	2,760	2,610	4
Hotel Rooms	-	230	470	100	

# NORTH SAN RAFAEL AREA

## **NORTHGATE OVERVIEW**

Northgate Mall has been a major commercial center for the City for the past 50 years. The closure of Sears and loss of in line shops resulted in the 2017 sale of the Mall to Merlone Geier Partners, who has submitted a proposed Specific Plan to redevelop the 45-acre site with a reduced commercial center and up to 1,300 townhomes and apartment units.

# NORTHGATE AERIAL



**NORTHGATE AREA MARKET DATA**

	<b>Inventory</b>		<b>Vacancy</b>	<b>Market Rent</b>	<b>Market Rent Growth, 10-yr</b>
Retail	1,184,000 SF		4.7%	\$31.84	17.7%
Office	1,015,000 SF		34.1%	\$40.34	38.2%
Multifamily	1,484 units		3.0%	\$2,476	33.9%
Industrial / Flex	46,000 SF		-	\$22.69	66.0%
Hotel	471 Units				

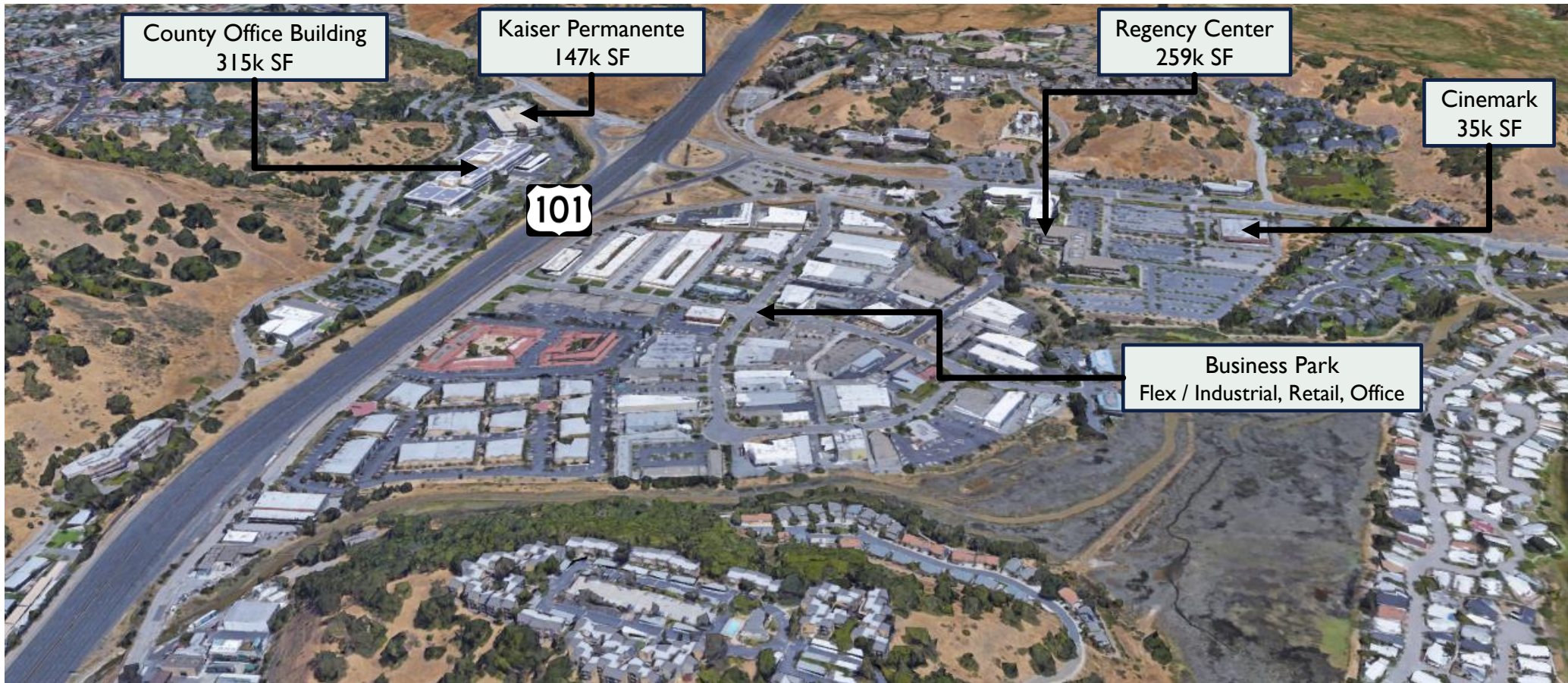
# **NORTHGATE INDUSTRIAL PARK / SMITH RANCH OVERVIEW**

Located northeast of the Northgate area on the east side of the 101 Freeway, the Northgate Industrial Park / Smith Ranch area of North San Rafael is home to business parks with flex industrial, office, and retail spaces and a variety of businesses.

While the area is generally built out, it could be an area of opportunity to bring revitalized infrastructure to better serve these commercial uses, as well as potentially incorporating new uses.



# NORTHGATE INDUSTRIAL PARK / SMITH RANCH AERIAL



# NORTHGATE INDUSTRIAL PARK / SMITH RANCH MARKET DATA

	Inventory	Vacancy	Market Rent	Market Rent Growth, 10-yr
Retail	60,700 SF	-	\$27.33	20.0%
Office	1,231,000 SF	15.4%	\$35.48	28.0%
Industrial / Flex	677,000 SF	1.5%	\$21.61	62.8%
Multifamily	812 Units	3.9%	\$3,115	40.8%

## DOWNTOWN AREA

## DOWNTOWN OVERVIEW

- Downtown San Rafael is a historic downtown that has served a central role for Marin County, home to office buildings and main street retail along the 4<sup>th</sup> Street corridor and the surrounding area.
- Downtown San Rafael:
  - Retail: Represents 30% of citywide, small shops and restaurants, with vacancy levels slightly higher than overall city averages.
  - Office: Represents 20% of citywide, small local-serving offices as well as professional office buildings and the BioMarin complex.
  - Multifamily: Less than 10% of citywide, new large apartment buildings, with rents steadily increasing.

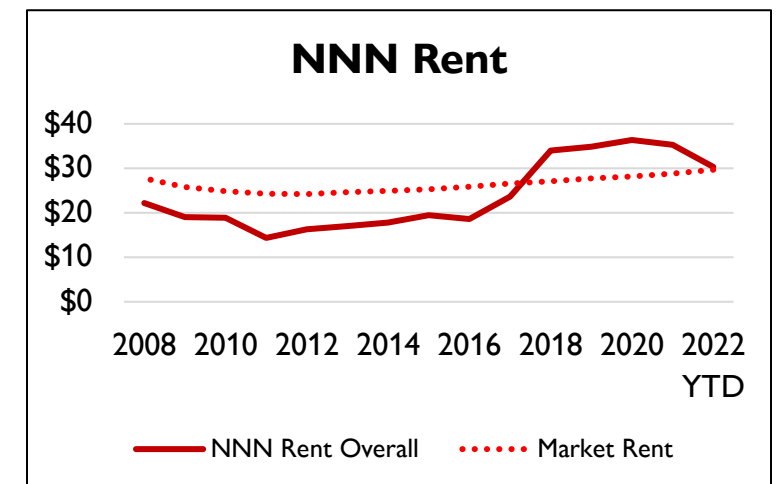
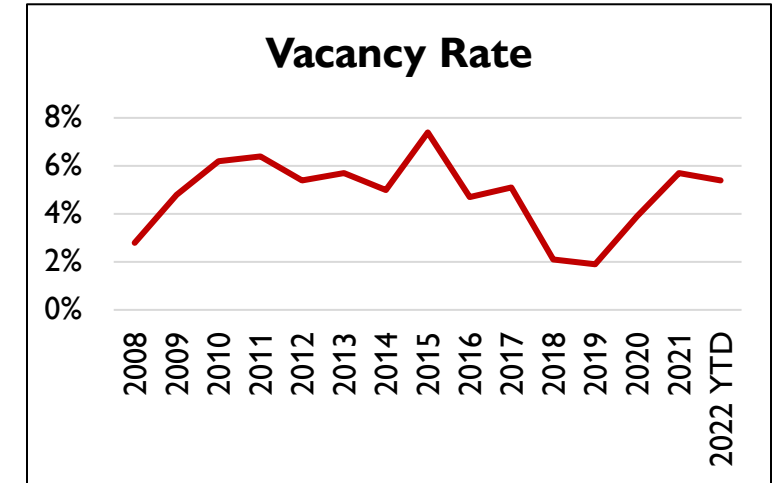
# DOWNTOWN AERIAL



Source: CoStar, Google Earth

## DOWNTOWN RETAIL MARKET DATA

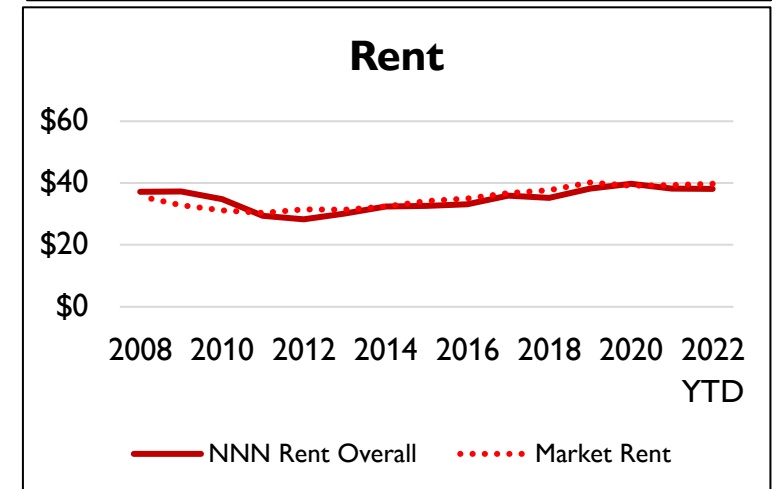
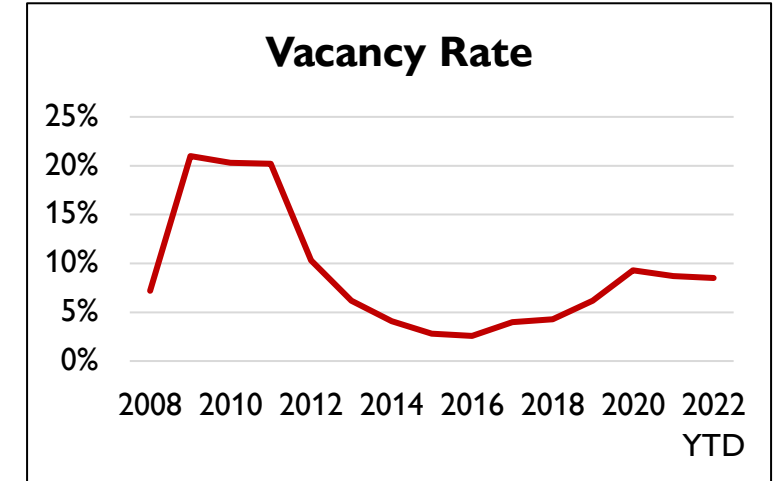
Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall	Market Rent
2022 YTD	1,441,991	78,141	5.4%	3,489	\$30.33	\$29.65
2021	1,441,991	81,630	5.7%	(25,124)	\$35.30	\$28.84
2020	1,441,991	56,506	3.9%	(29,052)	\$36.38	\$28.20
2019	1,441,991	27,454	1.9%	2,932	\$34.87	\$27.76
2018	1,441,991	30,386	2.1%	43,531	\$34.00	\$27.07
2017	1,441,991	73,917	5.1%	(5,898)	\$23.64	\$26.57
2016	1,441,991	68,019	4.7%	38,024	\$18.61	\$25.86
2015	1,441,991	106,043	7.4%	(34,227)	\$19.48	\$25.32
2014	1,441,991	71,816	5.0%	10,067	\$17.82	\$24.92
2013	1,441,991	81,883	5.7%	(4,663)	\$16.98	\$24.62
2012	1,441,991	77,220	5.4%	14,377	\$16.29	\$24.23
2011	1,441,991	91,597	6.4%	(1,836)	\$14.34	\$24.30
2010	1,441,991	89,761	6.2%	(20,450)	\$18.86	\$24.85
2009	1,441,991	69,311	4.8%	(36,331)	\$19.00	\$25.82
2008	1,449,339	40,328	2.8%	6,258	\$22.17	\$27.71



**Source:** CoStar; Costar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges,” and these rent figures are based on what is available on the market at any given point in time (and so are weighted by actual available SF). The “market” rent figures are modeled values representing an aggregated time series for all properties within a market.

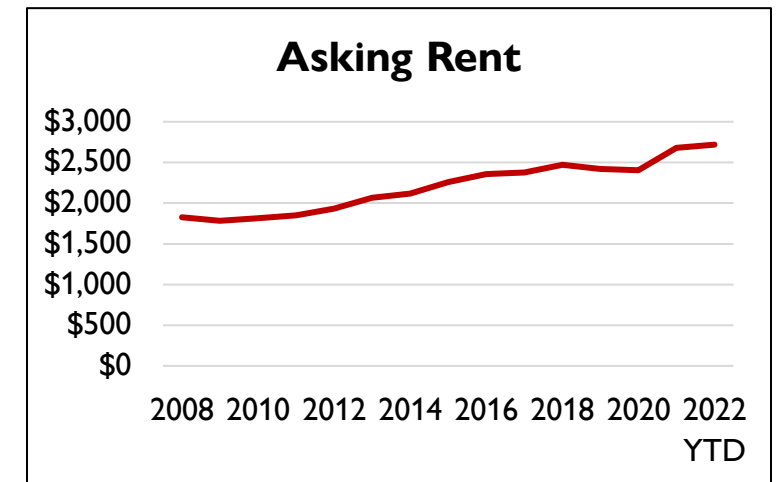
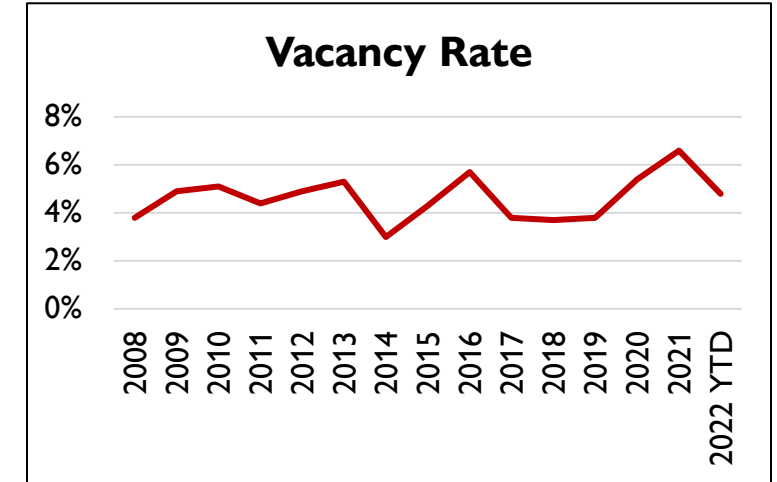
## DOWNTOWN OFFICE MARKET DATA

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	Gross Rent Overall	Market Rent
2022 YTD	1,344,639	113,958	8.5%	2,450	\$38.06	\$39.76
2021	1,344,639	116,408	8.7%	721	\$38.23	\$39.36
2020	1,353,850	126,340	9.3%	(23,314)	\$39.74	\$39.11
2019	1,333,850	83,026	6.2%	(25,347)	\$38.19	\$40.16
2018	1,333,850	57,679	4.3%	(3,986)	\$35.15	\$37.69
2017	1,333,850	53,693	4.0%	(19,178)	\$35.92	\$36.79
2016	1,333,850	34,515	2.6%	85,187	\$33.10	\$34.94
2015	1,248,850	34,702	2.8%	26,486	\$32.63	\$34.16
2014	1,238,198	50,536	4.1%	18,528	\$32.37	\$32.38
2013	1,246,627	77,493	6.2%	50,900	\$30.11	\$31.41
2012	1,246,627	128,393	10.3%	115,459	\$28.23	\$31.44
2011	1,257,187	254,412	20.2%	425	\$29.45	\$30.35
2010	1,257,187	254,837	20.3%	8,986	\$34.80	\$31.13
2009	1,257,187	263,823	21.0%	(27,491)	\$37.24	\$32.84
2008	1,099,779	78,924	7.2%	11,713	\$37.11	\$35.73



## DOWNTOWN APT. MARKET DATA

Year	Inventory Units	Vacant Units	Vacancy Percent	Net Absorption (Units)	Asking Rent (Unit/Mo.)	Asking Rent (SF/Mo.)
2022 YTD	623	30	4.8%	11	\$2,718.00	\$3.82
2021	623	41	6.6%	32	\$2,681.00	\$3.77
2020	582	31	5.4%	(9)	\$2,406.00	\$3.38
2019	582	22	3.8%	-	\$2,419.00	\$3.40
2018	582	22	3.7%	-	\$2,470.00	\$3.47
2017	582	22	3.8%	19	\$2,376.00	\$3.34
2016	572	32	5.7%	(7)	\$2,357.00	\$3.31
2015	572	25	4.3%	(7)	\$2,257.00	\$3.17
2014	572	17	3.0%	13	\$2,116.00	\$2.97
2013	572	30	5.3%	(3)	\$2,066.00	\$2.90
2012	572	28	4.9%	(3)	\$1,933.00	\$2.71
2011	572	25	4.4%	5	\$1,851.00	\$2.60
2010	572	29	5.1%	(2)	\$1,813.00	\$2.54
2009	572	28	4.9%	(31)	\$1,785.00	\$2.50
2008	597	23	3.8%	(5)	\$1,827.00	\$2.56



Source: CoStar

Note: Costar defines Asking Rent as “average monthly amount the lessor is asking for in order to lease their building/space/land.” Analytic filters exclude senior / student / military / corporation / vacation housing / co-ops; limit search to buildings with 5+ units; and Market / Market Affordable rent types.



## DOWNTOWN SALE COMPS

Address	Sale Date	Size	Sales Price	\$/PSF	Lot AC	Use
<b>Retail</b>						
1017 4th St	9/28/2022	2,292 SF	\$1,350,000	\$589	0.09	Class C Storefront, built 1925
899 Lincoln Ave	5/6/2022	11,957 SF	\$500,000	\$42	0.37	Class C Freestanding, built 1915
1007-1011 C St	4/22/2022	4,100 SF	\$1,275,000	\$311	0.11	Class C Storefront, built 1942
1430 4th St	2/3/2022	2,126 SF	\$1,500,000	\$706	0.22	Class C Storefront, built 1959
1444-1446 4th St	6/30/2021	5,280 SF	\$2,100,000	\$398	0.13	Class C Storefront, built 1920
<b>Office</b>						
1531 5th Ave	4/28/2022	2,062 SF	\$750,000	\$364	0.17	Class C medical office, built 1910
747 B St	1/31/2022	5,500 SF	\$1,700,000	\$309	0.34	Class C, St Vincent de Paul Society, built 1970
638 5th Ave	10/22/2021	2,382 SF	\$1,037,500	\$436	0.06	Class C, built 1910
813 D St	10/20/2021	1,600 SF	\$889,000	\$556	0.11	Class C, built 1882
1099 D St	8/30/2019	26,690 SF	\$11,000,000	\$412	0.54	The American Building, medical office, built 1981
<b>Multifamily</b>						
155 Andersen Dr	8/8/2022	91,195 SF / 126 units	\$58,600,000	\$643	1.73	One55 Lofts, Class B built in 2001
815 B St	11/16/2021	58,088 SF / 41 units	\$32,130,000	\$553	0.54	Class A built in 2021
5 F St	2/7/2021	4,329 SF / 8 units	\$2,550,000	\$589	0.14	Class C, built in 1961
1533 4th St	12/28/2018	6,792 SF / 5 units	\$3,640,000	\$536	0.17	Class C, storefront bar, built 1925

## DOWNTOWN LEASE COMPS

Address	Sign Date	Space	SF	Rent	Rent Type
<b>Retail</b>					
1009 E St	Sept 2022	1 <sup>st</sup> Floor	1,894	\$27.00	MG Asking
905 Lincoln Ave	Sept 2022	1 <sup>st</sup> Floor	1,400	\$25.80	MG Asking
889-891 4 <sup>th</sup> St	Jul 2022	1 <sup>st</sup> Floor	2,200	\$21.00	MG Asking
1222-1230 4 <sup>th</sup> St	Jun 2022	1 <sup>st</sup> Floor	2,264	\$18.00	MG Effective
1200-1212 4 <sup>th</sup> St	May 2022	1 <sup>st</sup> Floor	922	\$30.60	MG Asking
<b>Office</b>					
882-894 4 <sup>th</sup> St	Oct 2022	2 <sup>nd</sup> Floor	210	\$29.16	FS Asking
938 B St	Sept 2022	2 <sup>nd</sup> Floor, McDermott Bldg	2,250	\$18.60	MG Asking
900 Mission Ave	Aug 2022	2 <sup>nd</sup> Floor, First Security Loan Corp	414	\$30.00	MG Asking
835 5 <sup>th</sup> Ave	Aug 2022	1 <sup>st</sup> Floor, tenant is AvantSpace	9,391	\$42.00	MG Asking
1299 4 <sup>th</sup> St	Aug 2022	2 <sup>nd</sup> Floor	226	\$36.00	FS Asking
1101 5 <sup>th</sup> Ave	Jul 2022	3 <sup>rd</sup> Floor	612	\$48.00	FS Asking

## DOWNTOWN RECENT PROJECTS



**815 B St (built 2021)**

41 Units and retail on 0.5 AC lot

Rent: \$4,216 / mo (\$4.75 / sf)

AV: \$11,558,890 (\$282k / unit) (partial assessment)

Sold Nov 2021 for \$32.1m (\$784k / unit)



**1700 4<sup>th</sup> St – G Square (built 2017)**

10 Units and retail on 0.2 AC lot

Rent: \$3,868 / mo (\$3.71 / sf)

AV: \$6,395,731 (\$639.6k / unit)



**1415 3<sup>rd</sup> St (built 2015)**

10,652 SF Medical Office

Est Rent: \$31 - 38/fs  
Comp: 1.5k SF Signed August 2015 for \$67.27

AV: \$13,906,303 (\$1,306k / unit)

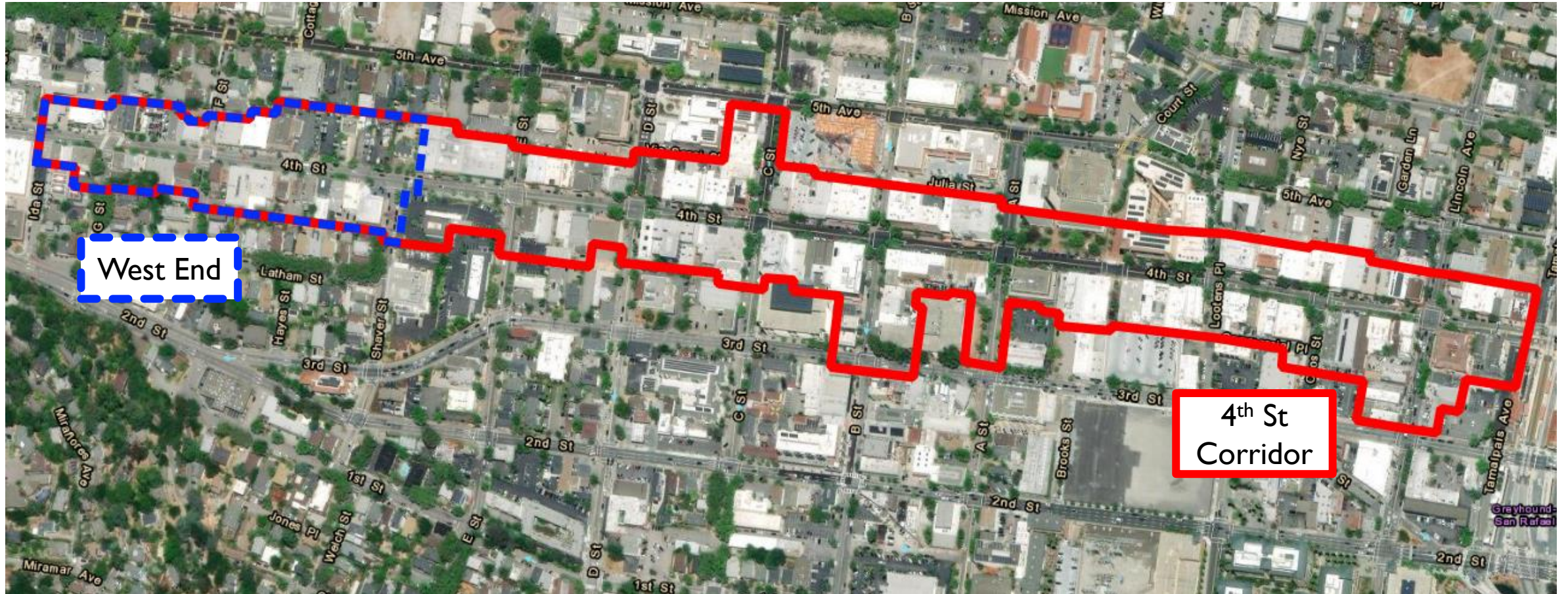
Sold Apr 2016 for \$12.97m (\$1,218 / SF)

## **MOBILE ANALYTICS - 4TH STREET CORRIDOR**

## PRELIMINARY PLACER.AI VISITOR DATA BACKGROUND & SUMMARY

- Kosmont conducted a preliminary, high-level analysis of visits to key areas of Downtown San Rafael using mobile visitor data provided by Placer.ai.
- An initial review of this data shows that the 4<sup>th</sup> Street Corridor area draw visitors from San Rafael and other nearby surrounding communities; visits to the 4<sup>th</sup> Street Corridor area are still generally below pre-COVID levels, with the West End area of 4<sup>th</sup> Street recovering at a slightly greater level.
- Kosmont also used Placer.ai data to collect information about visits to areas of 4<sup>th</sup> Street during the Friday Night Block Party events in summer 2022 that occurred in the West End area. The Placer.ai sample size of visitors during these key events is fairly small, presenting some challenges to generalizing results.
- This preliminary data shows that Fridays throughout the past year generally have a larger number of visits to the West End than average, and visits on Fridays tend to peak around 7pm, with ~27% of the day's visits occurring between 7-10pm. A modest percentage of Friday visitors to the West End either come from or go to a dining or leisure location before / after visiting the West End area, with popular locations being bars and restaurants in the downtown San Rafael area. Summer Fridays follow a similar pattern.

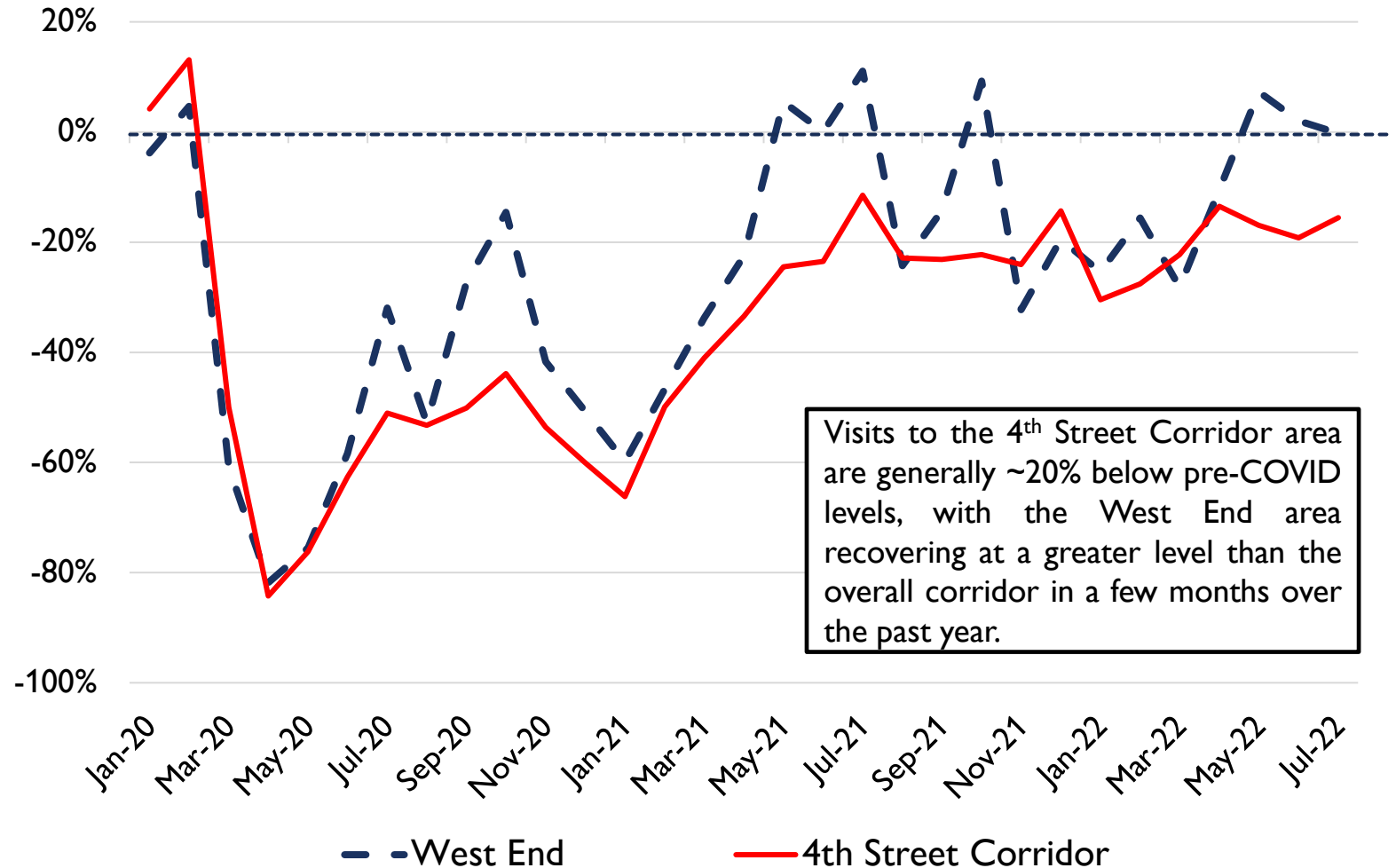
# MAP OF DOWNTOWN SAN RAFAEL STUDY AREAS



## SAN RAFAEL AREA VISITOR PERFORMANCE SUMMARY

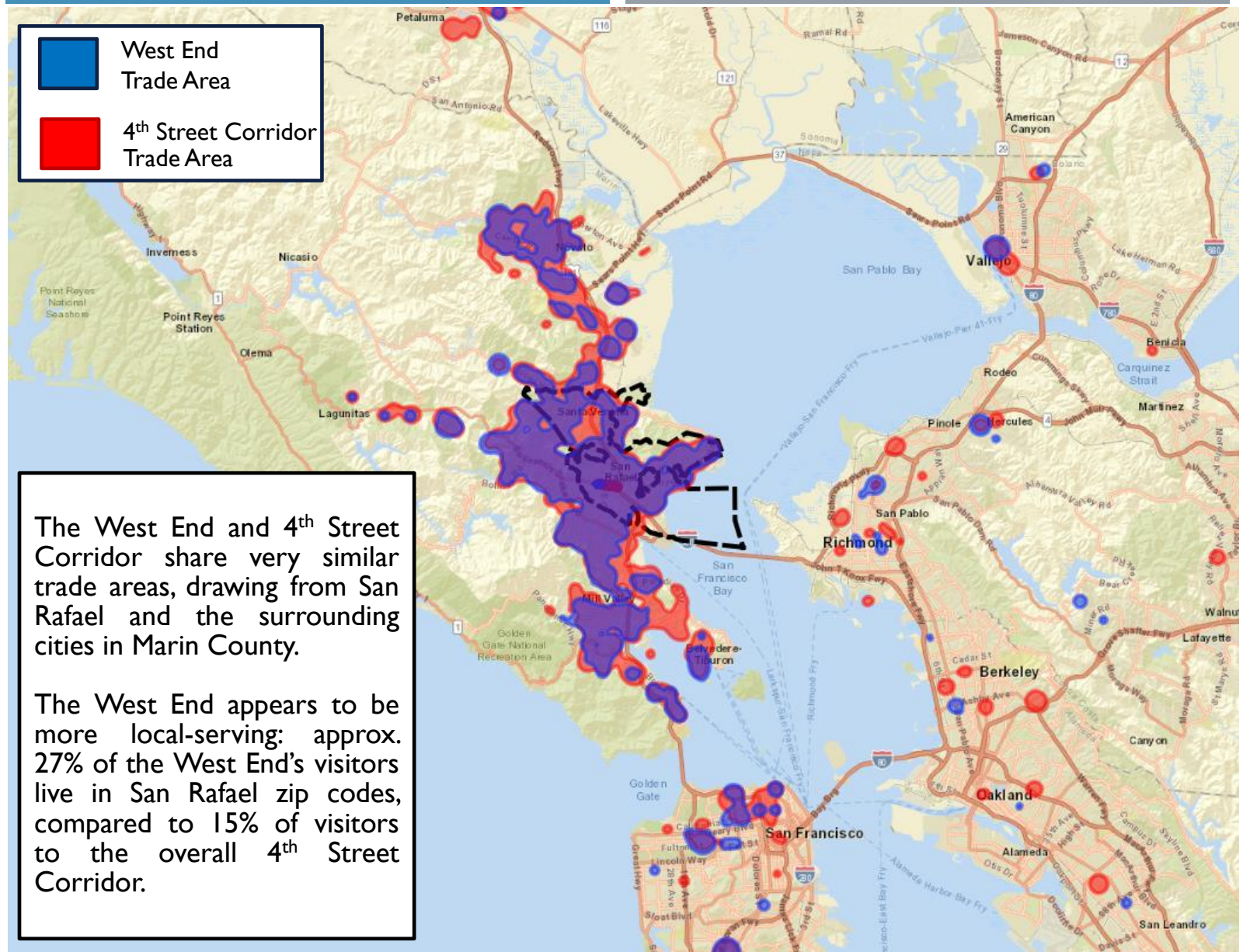
Visits: 8/21 – 7/22	4 <sup>th</sup> Street – West End	4 <sup>th</sup> Street Corridor
Est. Annual Visits	360,400	2,759,300
Median Weekly Visits	6,800	53,400
Visitor Avg. HH Income	\$154,000	\$148,000
Median Length of Visit	60 min.	58 min.
% of Visits: Home < 3 Miles	39.8%	42.2%

### Monthly Visits Compared to Pre-COVID Baseline



## SAN RAFAEL VISITOR TRADE AREAS

Trade Area Demographics	4 <sup>th</sup> Street – West End	4 <sup>th</sup> Street Corridor
Population	332,100	464,900
Millennial & Younger	48%	49%
Bach. Degree +	58%	58%
Avg. HH Income	\$166k	\$162k



**Sources:**

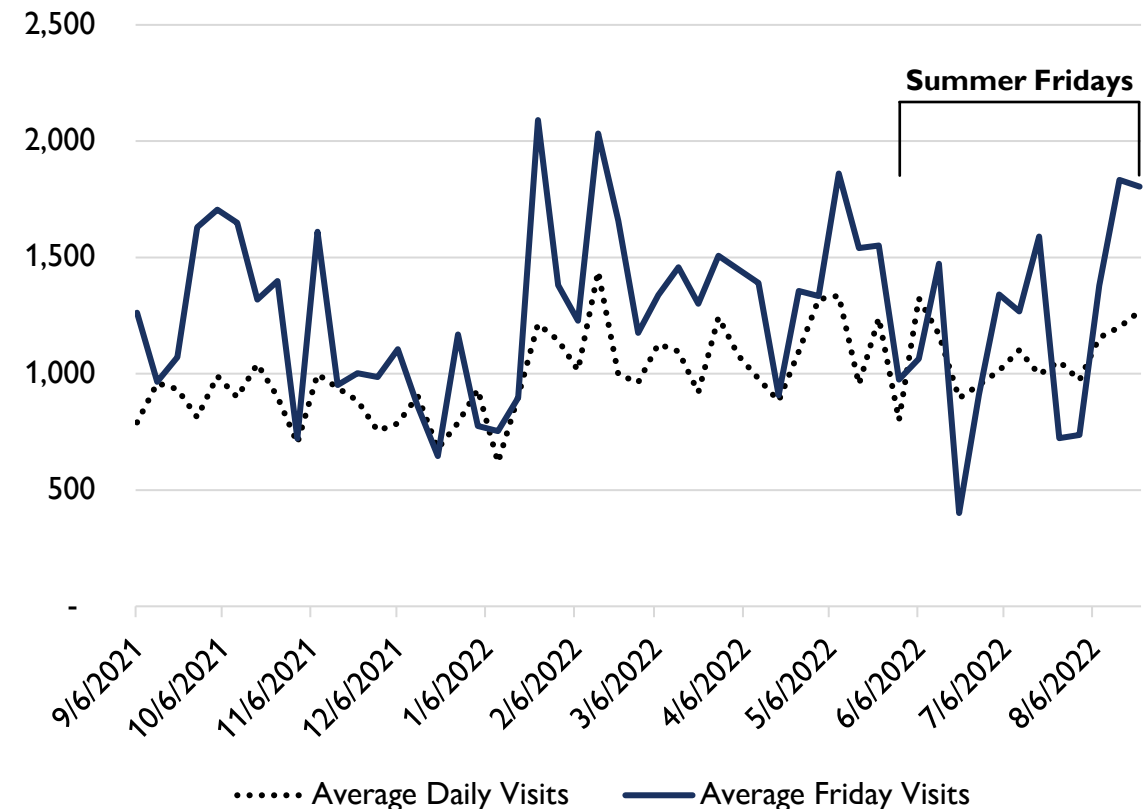
Placer.ai, data for 8/21-7/22, 80% True Trade Area represents the home locations of the top 80% of visits to the Study Areas (Accessed August 2022)



## WEST END 4<sup>TH</sup> STREET – FRIDAY BLOCK PARTIES EVENT ANALYSIS

- Kosmont pulled daily visit data for the West End and overall 4<sup>th</sup> Street Corridor areas for the past year, as well as data for Friday visits to the West End and Thursday visits to the 4<sup>th</sup> Street Corridor areas.
- It is important to note that the small Placer.ai sample size presents a challenge for individual day analysis – for example, Placer.ai has a sample size of 210 visits for all of the Friday visitors to the West End area between May 26<sup>th</sup> and August 29<sup>th</sup>, 2022 (or ~15 visits per day), making it difficult to draw strong, generalizable findings about event performance.

4th Street West End Daily Visitors, 9/21 – 8/22



## WEST END 4<sup>TH</sup> STREET – FRIDAY BLOCK PARTIES PLACER.AI VISIT DATA

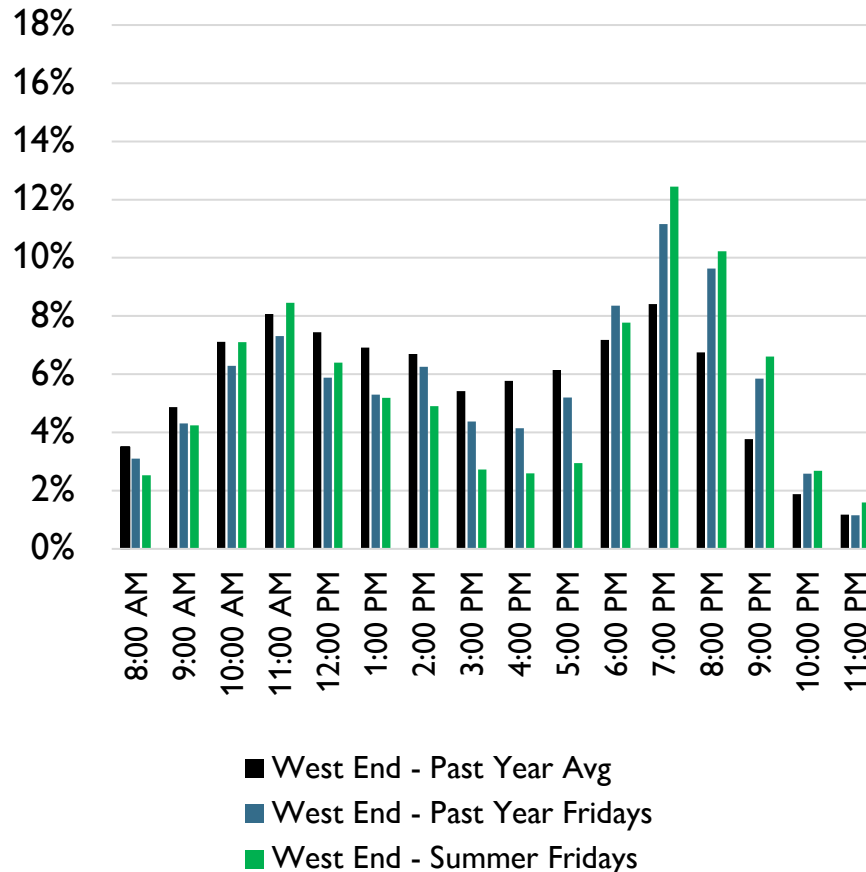
Time of Day analysis shows that visits to the West End area tend to peak around lunchtime, and peak again around 7pm.

Fridays tend to have a larger number of visitors, with a greater percentage of visits occurring between 7-10pm (27%).

The summer Fridays have a similar pattern, with a slightly higher percentage of visitors coming between 7-10pm (29%).

A modest percentage of Friday visitors to the West End either come from or go to a dining or leisure location before / after visiting the West End area, with popular locations being bars and restaurants in the downtown San Rafael area.

### Percentage of Visits by Time of Day



	West End Area Past Year Overall	West End Area Past Year Fridays	West End Area Since 5/26 Fridays
Est. Daily Visits	1,000	1,270	1,190
Median Length of Stay	59 min	63 min	58 min
% of Visits: Home < 3 Miles Away	39%	40%	38%
Visitor Avg. HH Income	\$154k	\$147k	\$145k
Prior / Post Location: Dining & Leisure	~14%	~15%	~18%

# CANAL AREA

## CANAL AREA OVERVIEW

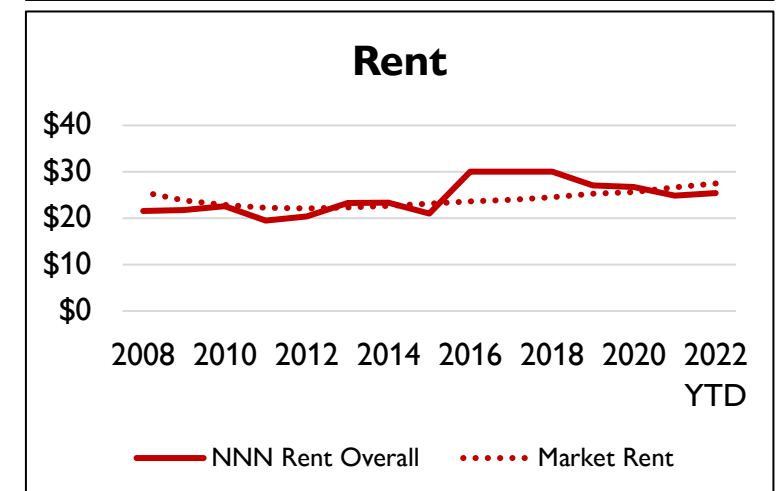
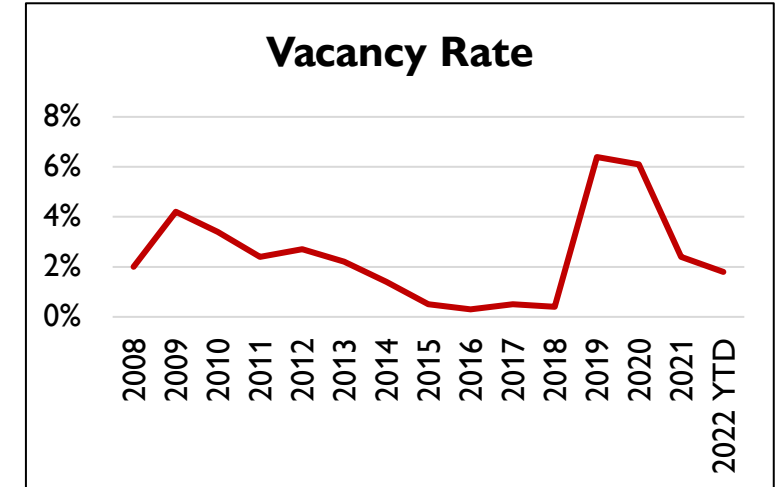
- The Canal Area serves as an economic engine for the City and Marin County, home to retailers / auto dealerships, construction / industrial spaces, and a large workforce population that provides the employment backbone for the region.
  - Retail: Represents 32% of citywide, Auto dealerships and big box retailers are major drivers, with low vacancy.
  - Office: Represents 15% of citywide, small local-serving office buildings as well as larger office / flex / R&D complexes (such as Bayview Landing)
  - Multifamily: Represents 24% of citywide, clustered along San Rafael Creek, primarily in structures built before 1975; ~2% vacancy
  - Industrial / Flex: Represents 77% of citywide, service / warehouse properties, as well as Flex / R&D / Light Distribution / Light Manufacturing properties.

## CANAL AERIAL



## CANAL MARKET DATA RETAIL

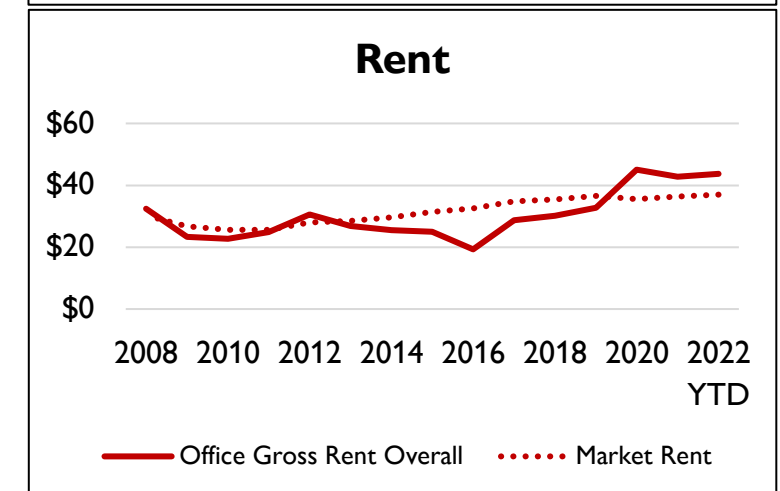
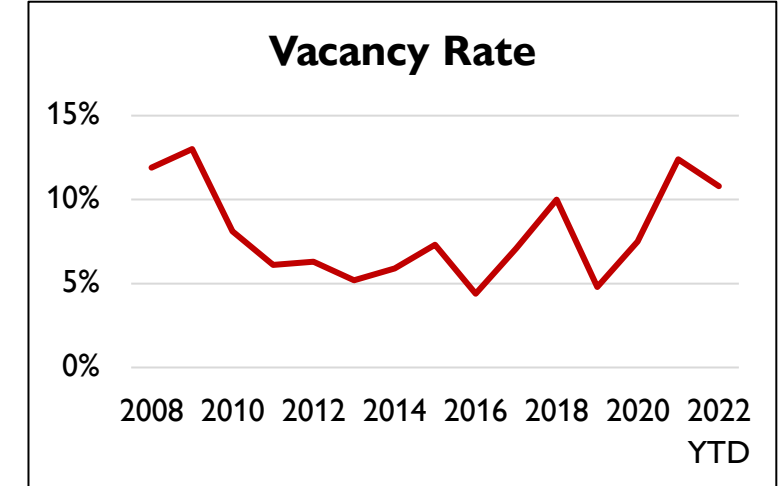
Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall	Market Rent
2022 YTD	1,632,293	28,718	1.8%	9,986	\$25.37	\$27.49
2021	1,632,293	38,704	2.4%	60,791	\$24.84	\$26.61
2020	1,632,293	99,495	6.1%	4,515	\$26.71	\$25.61
2019	1,632,293	104,010	6.4%	(97,313)	\$27.04	\$25.28
2018	1,632,293	6,697	0.4%	991	\$30.00	\$24.52
2017	1,632,293	7,688	0.5%	(2,888)	\$30.00	\$23.94
2016	1,632,293	4,800	0.3%	4,125	\$30.00	\$23.60
2015	1,632,293	8,925	0.5%	13,284	\$21.00	\$23.12
2014	1,632,293	22,209	1.4%	13,122	\$23.35	\$22.66
2013	1,632,293	35,331	2.2%	8,476	\$23.24	\$22.31
2012	1,632,293	43,807	2.7%	(5,447)	\$20.38	\$22.10
2011	1,632,293	38,360	2.4%	16,778	\$19.47	\$22.22
2010	1,632,293	55,138	3.4%	14,106	\$22.55	\$22.87
2009	1,632,293	69,244	4.2%	(36,198)	\$21.74	\$23.79
2008	1,632,293	33,046	2.0%	9,401	\$21.52	\$25.57
2007	1,632,293	42,447	2.6%	20,788	\$15.51	\$26.00



**Source:** CoStar; CoStar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges,” and these rent figures are based on what is available on the market at any given point in time (and so are weighted by actual available SF). The “market” rent figures are modeled values representing an aggregated time series for all properties within a market.

## CANAL MARKET DATA OFFICE

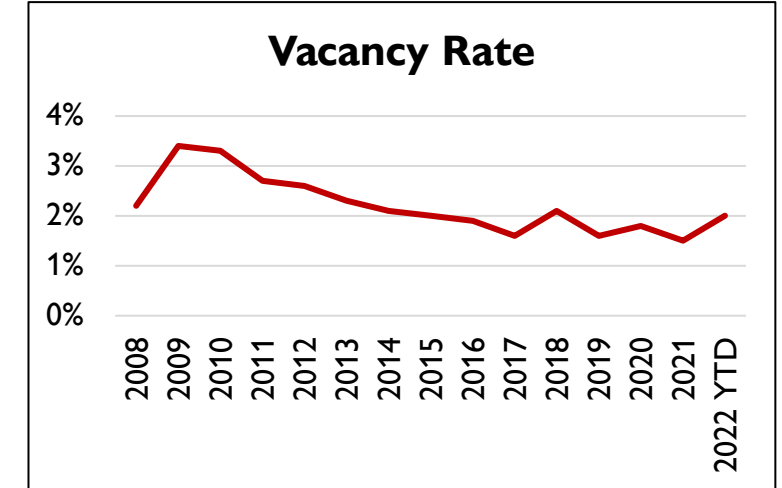
Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	Gross Rent Overall	Market Rent
2022 YTD	850,854	92,114	10.8%	13,295	\$43.79	\$37.03
2021	850,854	105,409	12.4%	(41,512)	\$42.84	\$36.37
2020	850,854	63,897	7.5%	(22,789)	\$45.08	\$35.57
2019	850,854	41,108	4.8%	44,229	\$32.77	\$36.57
2018	850,854	85,337	10.0%	(24,545)	\$30.15	\$35.46
2017	850,854	60,792	7.1%	(23,576)	\$28.79	\$34.87
2016	850,854	37,216	4.4%	25,005	\$19.36	\$32.53
2015	850,854	62,221	7.3%	(11,906)	\$25.03	\$31.40
2014	850,854	50,315	5.9%	(6,415)	\$25.55	\$29.64
2013	850,854	43,900	5.2%	9,412	\$26.92	\$28.53
2012	850,854	53,312	6.3%	(1,490)	\$30.64	\$28.01
2011	850,854	51,822	6.1%	17,469	\$24.94	\$25.65
2010	850,854	69,291	8.1%	41,368	\$22.71	\$25.62
2009	850,854	110,659	13.0%	(9,603)	\$23.35	\$26.79
2008	850,854	101,056	11.9%	129,965	\$32.52	\$30.25
2007	708,445	88,612	12.5%	(4,121)	\$32.20	\$29.39



**Note:** Costar defines Full Service / Gross Rent as “a rental rate that includes normal building standard services which are provided and paid by the landlord,” and these rent figures are based on what is available on the market at any given point in time (and so are weighted by actual available SF). The “market” rent figures are modeled values representing an aggregated time series for all properties within a market.

## CANAL MARKET DATA MULTIFAMILY

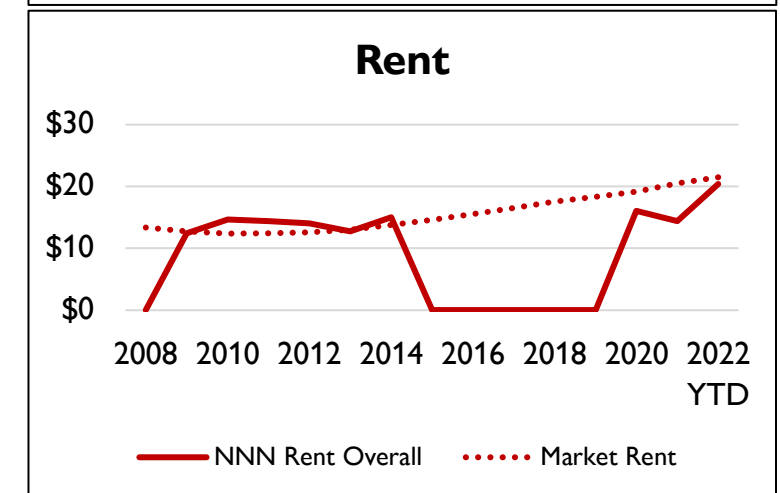
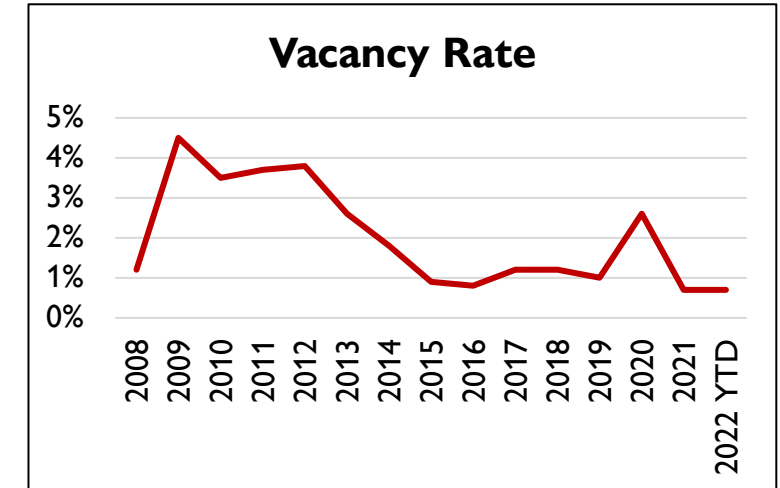
Year	Inventory Units	Vacant Units	Vacancy Percent	Net Absorption (Units)	Asking Rent (Unit/Mo.)	Asking Rent (SF/Mo.)
2022 YTD	1,482	30	2.0%	(8)	\$1,942.00	\$2.44
2021	1,482	22	1.5%	5	\$1,921.00	\$2.41
2020	1,482	27	1.8%	(2)	\$1,909.00	\$2.40
2019	1,482	24	1.6%	6	\$1,886.00	\$2.37
2018	1,482	31	2.1%	(6)	\$1,831.00	\$2.29
2017	1,482	24	1.6%	4	\$1,767.00	\$2.21
2016	1,482	29	1.9%	2	\$1,720.00	\$2.15
2015	1,482	30	2.0%	2	\$1,611.00	\$2.00
2014	1,482	32	2.1%	2	\$1,533.00	\$1.90
2013	1,482	33	2.3%	4	\$1,489.00	\$1.85
2012	1,482	38	2.6%	2	\$1,434.00	\$1.78
2011	1,482	39	2.7%	10	\$1,395.00	\$1.73
2010	1,482	49	3.3%	2	\$1,382.00	\$1.71
2009	1,482	50	3.4%	(17)	\$1,376.00	\$1.71
2008	1,482	33	2.2%	(6)	\$1,390.00	\$1.72
2007	1,482	27	1.8%	5	\$1,379.00	\$1.71





## CANAL MARKET DATA INDUSTRIAL

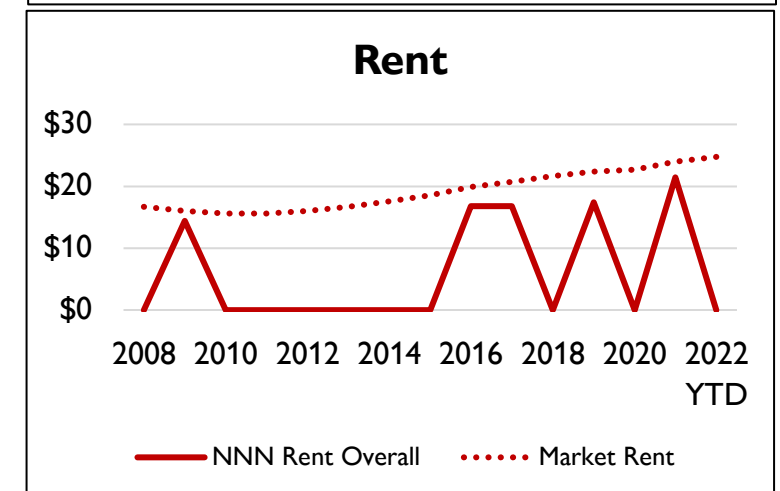
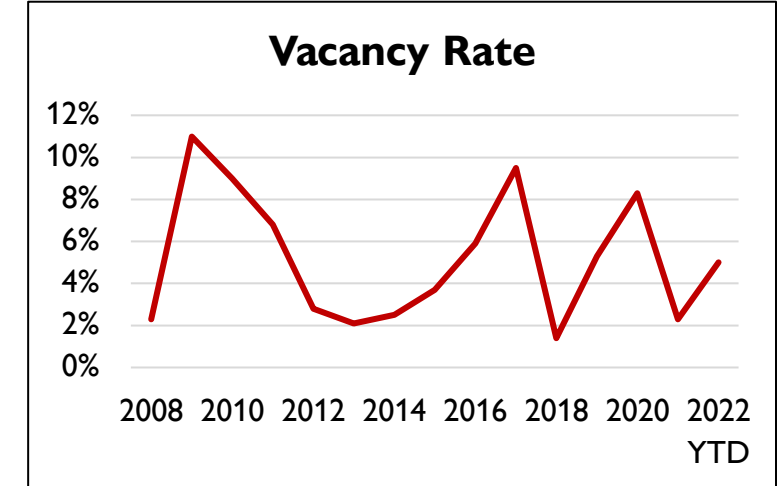
Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall	Market Rent
2022 YTD	2,801,472	20,897	0.7%	(1,232)	\$20.40	\$21.46
2021	2,801,472	19,665	0.7%	53,521	\$14.40	\$20.47
2020	2,801,472	73,186	2.6%	(46,200)	\$16.04	\$19.14
2019	2,801,472	26,986	1.0%	6,936		\$18.34
2018	2,801,472	33,922	1.2%	(44)		\$17.53
2017	2,801,472	33,878	1.2%	(11,967)		\$16.52
2016	2,801,472	21,911	0.8%	2,746		\$15.52
2015	2,801,472	24,657	0.9%	24,985		\$14.60
2014	2,801,472	49,642	1.8%	23,900	\$15.00	\$13.75
2013	2,801,472	73,542	2.6%	31,523	\$12.74	\$12.99
2012	2,801,472	105,065	3.8%	(786)	\$14.00	\$12.55
2011	2,801,472	104,279	3.7%	(6,740)	\$14.40	\$12.40
2010	2,801,472	97,539	3.5%	36,056	\$14.65	\$12.38
2009	2,793,147	125,270	4.5%	(91,320)	\$12.44	\$12.71
2008	2,793,147	33,950	1.2%	45,778		\$13.37
2007	2,793,147	79,728	2.9%	27,557	\$13.80	\$13.40



**Source:** CoStar; CoStar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges,” and these rent figures are based on what is available on the market at any given point in time (and so are weighted by actual available SF). The “market” rent figures are modeled values representing an aggregated time series for all properties within a market.

## CANAL MARKET DATA FLEX

Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall	Market Rent
2022 YTD	515,775	25,636	5.0%	(13,951) -		\$24.76
2021	515,775	11,685	2.3%	30,899	\$21.48	\$23.98
2020	515,775	42,584	8.3%	(15,344) -		\$22.71
2019	515,775	27,240	5.3%	(19,834)	\$17.40	\$22.37
2018	515,775	7,406	1.4%	41,774 -		\$21.68
2017	515,775	49,180	9.5%	(18,636)	\$16.80	\$20.75
2016	515,775	30,544	5.9%	(11,603)	\$16.80	\$19.92
2015	515,775	18,941	3.7%	(6,266) -		\$18.57
2014	515,775	12,675	2.5%	(1,687) -		\$17.58
2013	515,775	10,988	2.1%	3,508 -		\$16.72
2012	515,775	14,496	2.8%	20,562 -		\$16.02
2011	515,775	35,058	6.8%	11,466 -		\$15.63
2010	515,775	46,524	9.0%	10,250 -		\$15.60
2009	515,775	56,774	11.0%	(44,861)	\$14.40	\$16.03
2008	515,775	11,913	2.3%	15,104 -		\$16.71
2007	515,775	27,017	5.2%	33,672 -		\$17.02



**Source:** CoStar; CoStar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges,” and these rent figures are based on what is available on the market at any given point in time (and so are weighted by actual available SF). The “market” rent figures are modeled values representing an aggregated time series for all properties within a market.

## CANAL SALE COMPS

Address	Sale Date	Size SF	Sales Price	\$/PSF	Lot AC	Use / Notes
<b>Retail / Specialty</b>						
540 W Francisco Blvd	1/3/2022	21,688	\$33,781,711	\$1,557.62	3.68	Auto Dealership; Portfolio sale
24 Bellam Blvd	10/19/2022	22,230	\$6,519,000	\$293.25	0.87	Self Storage, built 1960
990-1010 Andersen Dr	5/27/2022	72,249	\$24,000,000	\$332.18	3.29	Self Storage
<b>Industrial</b>						
1945 E Francisco Blvd	8/25/2022	965	\$510,000	\$528.50		Rafael Business Center, service, 1980
1945 E Francisco Blvd	4/8/2022	990	\$1,100,000	\$1,111.11		Rafael Business Center
1101-1105 E Francisco Blvd	2/7/2022	16,254	\$5,400,000	\$332.23		Warehouse, built 1971
3125 Kerner Blvd	2/1/2022	6,538	\$2,150,000	\$328.85		Warehouse, built 1978
<b>Multifamily</b>						
3737 Kerner Blvd	8/11/2022	6,596 SF / 5 Units	\$2,225,000	\$337.33		Apartments, built 1979
400 Canal St	7/22/2022	100,391 SF / 99 Units	\$32,250,000	\$321.24		Apartments, built 1963
90 Louise St	7/20/2022	4,700 SF / 7 Units	\$1,300,000	\$276.60		Apartments, built 1960
355 Canal St	1/28/2022	32,664 SF / 42 Units	\$14,650,000	\$448.51		Westwind Apartments, built 1962

## CANAL LEASE COMPS

Address	Sign Date	Space	SF	Rent	Rent Type
<b>Retail</b>					
869 W Francisco Blvd	Oct 2022	1 <sup>st</sup> Floor, Graham Center	20,838	\$22.80	NNN Asking
815-825 W Francisco Blvd	Aug 2022	1 <sup>st</sup> Floor, Graham Center	3,200	\$23.40	MG Starting
1121 E Francisco Blvd	Dec 2021	1 <sup>st</sup> Floor, freestanding	4,230	\$19.80	MG Asking
<b>Office</b>					
41 Simms St	May 2022	1 <sup>st</sup> Floor	1,210	\$19.80	MG Asking
101 Glacier Point Rd	July 2022	2 <sup>nd</sup> Floor, Bay View Bus. Park	16,873	\$23.40	NNN Asking
2173 E Francisco Blvd	Feb 2022	1 <sup>st</sup> Floor, Bay Park Office. Compl.	430	\$31.80	MG Asking
<b>Industrial</b>					
987-999 Francisco Blvd	Oct 2022	Showroom built 1978	4,465	\$22.20	IG Asking
47 Louise St	Oct 2022	Warehouse, built 1968 renov 2005	6,050	\$20.40	NNN Asking
24 Woodland Ave	May 2022	Service, tenant is Velazquez Title, Inc.	4,900	\$18.00	IG Asking
1925 E Francisco Blvd	Mar 2022	Light manufacturing, built 1981	1,342	\$24.00	MG Asking
3095 Kerner Blvd	Jan 2022	Warehouse, built 1976	1,200	\$21.60	IG Asking

## DISCLAIMER

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma and tax analyses are projections only. Actual results may differ from those expressed in this analysis, as results are difficult to predict as a function of market conditions, natural disasters, pandemics, significant economic impacts, legislation and administrative actions.