

DRAFT

CITY OF SAN RAFAEL

ECONOMIC DEVELOPMENT STRATEGIC PLAN

UPDATE TO ECONOMIC DEVELOPMENT SUBCOMMITTEE

April 13, 2023



El Segundo, CA

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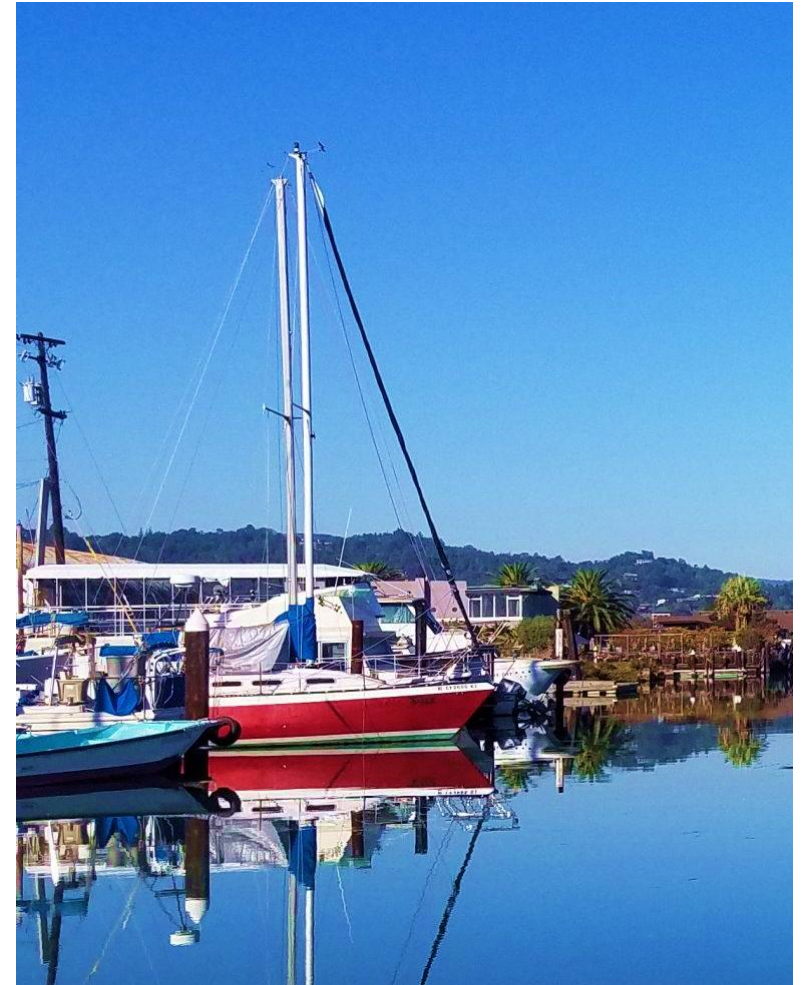
VISION AND OBJECTIVES

Vision:

The EDSP is designed to help strengthen the local economic base and fiscal health of the City; provide a wide range of employment and educational opportunities for its residents; enable the City to leverage State and Federal grants, loans and policy tools; and achieve greater resiliency in light of the Covid-19 pandemic.

Core Objectives:

1. Increase fiscal revenue
2. Enhance City's commercial and residential market by attracting a healthy balance of local and national businesses and developing a wide range of housing options;
3. Enhance employment, educational and business opportunities;
4. Create job opportunities for younger generations;
5. Fund critical physical improvements to infrastructure



1. ECONOMIC DEVELOPMENT STRATEGY

San Rafael Economic Development Strategic Plan

ECONOMIC DEVELOPMENT STRATEGIES

The following section prioritizes strategies for the City to consider to achieve the economic goals. Action Items for each strategy are identified, and responsible organization. An estimated investment range for each strategy is identified below, recognizing that the City has \$300,000 per year currently available for Economic Development programs, in addition to the two professional staff members.

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

\$ = \$50,000 to \$200,000

\$ = \$200,000 to 500,000

\$\$\$ = \$500,000 to \$750,000

Estimated new annual investment of \$500,000 is needed to implement the Economic Development Strategies over next 3-5 years

STRATEGY 1: SUPPORT BUSINESS / DEVELOPMENT

City Economic Development – Cost \$\$\$

Business-friendliness is a vital component to support the needs of businesses, developers and to foster entrepreneurship in the City, bolstering the local economy.

Action Item 1.1: Create a Business Expansion, Attraction, and Retention (BEAR) program. Modify existing economic development program to provide enhanced customer service to support business development.

Action Item 1.2: Develop or sponsor technical assistance programs to support emerging businesses/entrepreneurs living or doing business in San Rafael's designated Opportunity Zone.

Action Item 1.3: Maintain enhanced business and development data analytics to track economic and market trends.

Action Item 1.4: Increase bi-lingual staffing with cultural and language capacity to support and enhance access to business development programs.

Action Item 1.5: Sponsor “Shark Tank” type competition and other networking events to promote new entrepreneurial ideas and bolster the local entrepreneur network.

The Economic Trends section identifies key aspects to fostering entrepreneurship in a community, and the Case Study section highlights approaches that the City of Thousand Oaks and the City of Corona took to foster entrepreneurship in their communities.

STRATEGY 2: DOWNTOWN REIMAGINATION

City Economic Development – Cost \$\$\$

Activating Fourth Street is the key for successful downtown revitalization in San Rafael.

Action Item 2.1: Consider programs that can help existing businesses thrive (such as façade improvement programs, streetery / outdoor retail) and help existing properties utilize their space (such as expanding allowable uses in storefront spaces, sales tax in-lieu payment for non-retail uses, etc). Prioritize program implementation to Opportunity Zones and under-invested commercial areas in the City.

Action Item 2.2: Explore conversion or expansion of the Business Based Improvement District to a Property Based District to support enhanced cleaning, security, marketing and physical improvements in downtown. (revenue generating / funding capacity)

Action Item 2.3: Evaluate publicly-owned opportunity sites in the downtown area – such as the surface parking lots and parking garages – to evaluate potential reuse strategies that aim to add gathering places, activities, and other amenities.

As shown in Trends / Case Studies, property owners are exploring new uses and programming to activate underutilized parking lots, ranging from short-term temporary reuses for special events to semi-permanent reuses that provide spaces for people to gather. The Real Estate Strategies Toolkit section identifies key aspects of real estate strategies as well as an overview of potential publicly-owned opportunity sites, such as under-utilized parking properties.

DOWNTOWN REIMAGINATION - CONTINUED

Action Item 2.4: Invest in physical improvements that can create sense of place and further activate the downtown area—through pedestrian-oriented improvements such as plazas and outdoor spaces, water features, running/walking paths, street improvements, sidewalks, transit / micro-transit services, and pedestrian malls.

Action Item 2.5: Invest in other enhancements such as gateway signage and wayfinding, public art, thematic street and sidewalk enhancements, and public open space.

Action Item 2.6: Grow social media engagement channels, social medial influencer/engagement channels, as well as marketing/trade publications to promote Downtown businesses and events.

Pedestrian mall and related case studies explain how pedestrian-oriented improvements, events, and other placemaking strategies / interventions are used to drive activity and engagement in downtown areas – improving the experience for residents and visitors and bolstering the local economy.

STRATEGY 3: ANALYZE IMPLEMENTATION OF EIFD

City Economic Development – Cost \$

Enhanced Infrastructure Financing Districts are a type of tax increment financing district that allows local governments to capture new assessed value creation and finance public projects (such as infrastructure, affordable housing) using property tax revenue from new development.

Action Item 3.1: Conduct feasibility analysis, develop plan for district formation.

Action Item 3.2: Work with Marin County to identify mutually beneficial investments to encourage sharing of a portion of County tax increment. (revenue generating / funding capacity)

Action Item 3.3: Pursue grants that align with goals of the district, particularly those that give preference to EIFDs – Infill Infrastructure Grants, Affordable Housing and Sustainable Communities Grants, and Transformative Climate Communities grants. (revenue generating / funding capacity)

As explained in the Economic Toolkit section below, EIFDs may be well suited for San Rafael's opportunity areas such as Northgate that have significant infrastructure needs (roads / connectivity, water / sewer, electricity, telecom / broadband). These districts are being utilized by communities across California to induce private sector investment, accelerate growth, create jobs, grow fiscal revenues and capture value.

STRATEGY 4: STRENGTHEN LOCAL PARTNERSHIPS

City Economic Development – Cost \$

Local organizations such as the Chamber of Commerce, Canal Alliance, and Downtown BID are important partners to improve the economic environment for all areas of the City. By strengthening these partnerships, the City will develop a greater capacity to pursue economic development initiatives and facilitate cooperation / collaboration across public, private, and non-profit entities.

Action Item 4.1: Explore the formation of a Countywide Tourism Improvement District or increasing the San Rafael Transient Occupancy Tax or other tourism funding model to support tourism marketing and increase tourism sector growth. (revenue generating / funding capacity)

Action Item 4.2: Evaluate current list of community events & programming (e.g., Dining Under the Lights, Block Parties, festivals/cultural events, outdoor athletic events, live music/concerts, performing arts, etc.). Expand special events in Canal, Terra Linda and Downtown area – such as block parties, public markets, outdoor dining, outdoor music / movies, and other events.

Action Item 4.3: Establish partnerships and leverage cross promotional opportunities between City, Marin County, business owners, and other organizations. Regional marketing is a more cost-efficient way to attract new industry and encourage visitors to use Marin County as base for regional tourism.

Action Item 4.4: Pursue tourism marketing, San Rafael as a gateway to the Mendocino Coast and Sonoma/Napa Valley wine country.

Action Item 4.5: Coordinate with arts organizations to integrate arts programming with events and economic development initiatives, building upon the Cultural Arts District designation.

Action Item 4.6: Collaborate with service organizations such as Canal Alliance to support programs that address workforce development, entrepreneurship, and economic resiliency.

STRATEGY 5: ATTRACT HIGH-TECH INDUSTRIAL USES

City Economic Development – Cost \$

As shown by the success of BioMarin, San Rafael is well positioned to attract bio-tech and other high-tech industrial businesses. Life Sciences are one of the key expanding economic clusters in Marin County, driven by the flourishing tech economy of the greater Bay Area.

Action Item 5.1: Revise zoning restrictions and entitlement policies/processes to ensure that it facilitates new industrial uses.

Action Item 5.2: 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.

Action Item 5.3: Identify target areas for tech industrial development (e.g. Smith Ranch, Canal) and consider overlay zoning to facilitate development

Action Item 5.4: Conduct outreach to existing businesses, develop relationships with industry groups to foster collaboration, and identify / address business feasibility issues (infrastructure, procedural, etc.).

The Strategic Land Use Policies Toolkit section identifies key aspects to revising zoning and entitlement processes to facilitate desired development activity. Economic Trends section identifies key aspects to promoting biotech and life sciences businesses (such as access to necessary infrastructure, local tax / administrative policy, and availability of housing and transit). The Case Study highlights the approach that the City of San Diego took to advance the biotech sector in the La Jolla area of the City.

STRATEGY 6: OUTREACH FOR PRIVATE AND BUSINESS DEVELOPMENT OPPORTUNITIES

City Economic Development – Cost \$\$

Proactively work with property-owners to understand challenges and opportunities that may align with the City's economic development goals.

Action Item 6.1: Identify and analyze key privately-owned sites that are well-positioned for reuse or redevelopment.

Action Item 6.2: Conduct outreach and collaborate with property owners to explore development opportunities and address challenges that can bring new uses to privately-owned sites.

Action Item 6.3: Pursue businesses and developers, in coordination with property owners.

Action Item 6.4: 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 generating / funding capacity)

Action Item 6.5: 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.

The Real Estate Strategies Toolkit section identifies key aspects of real estate strategies as well as an overview of potential privately-owned opportunity sites, such as the Smith Ranch movie theater site and the Marin Square shopping center site.

STRATEGY 7: WORKFORCE DEVELOPMENT PROGRAMS

City Economic Development – Cost \$\$

Expand Workforce Development programs to help local residents gain access to higher paying jobs – improving their economic situations and also helping area businesses gain access to a higher-quality pipeline of talent.

Action Item 7.1: 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.

Action Item 7.2: 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).

PERFORMANCE METRICS

Performance metrics will allow the City to identify progress made and determine what barriers to economic development continue to exist, what responses have proven successful or otherwise, and which projects are scheduled for development. The following metrics are recommended to be measured each calendar year and compared to the prior year's results:

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

SAN RAFAEL STRENGTHS

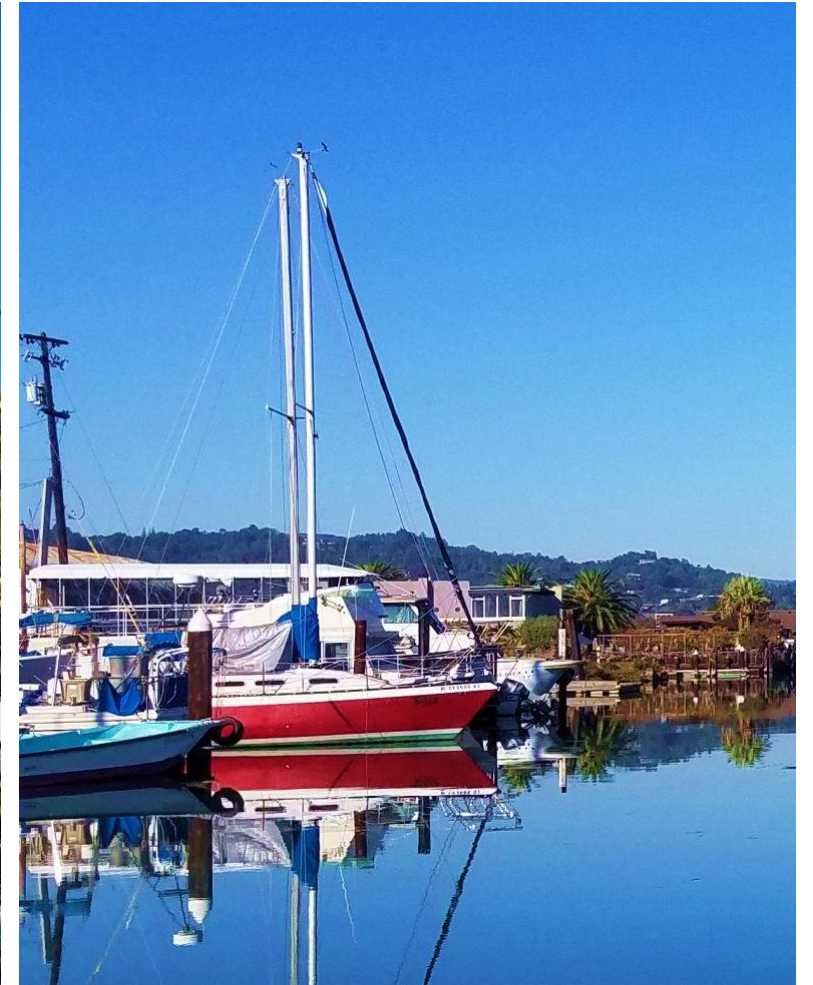
- **Economic Engine for Marin County:** the City is home to major employers, retail centers, downtown district, industrial uses, civic / cultural institutions, entrepreneurs, and essential workers.
- **Unique Character:** The City is steeped in history and serves as a gateway between the Bay Area and Wine Country (Sonoma and Napa Valley); City has Downtown Cultural Arts District and arts organizations; a “green” and active community with parks, trees, outdoor activities, and waterfront; events bring liveliness and activity
- **Commercial Sites:** Key sites are available for development throughout the City
- **Diverse Workforce:** Strong local labor options; entrepreneurial spirit – from small businesses to tech entrepreneurs
- **Anchor Institutions:** Dominican University and BioMarin are major providers of education and employment opportunities; County Civic Center and City offices play a role in providing services / programs / events
- **Transportation Access:** The City is accessible through SMART passenger rail service and local bus service, and US-101 and I-580 – can support future transit-oriented development and connectivity
- **Business Organizations:** Chamber of Commerce is very active and meets with businesses regularly
- **Relative Affordability:** Lower cost single-family housing compared to Marin County and the San Francisco peninsula

SAN RAFAEL CHALLENGES

- **Commercial Vacancies:** Some vacant / abandoned / blighted buildings and nonresponsive / absentee property owners
- **Market Trends:** Retail in downtown challenged by e-commerce, office parks challenged by telework
- **Zoning / Development Code:** Required Conditional Use Permits in Industrial Zoning is obstacle to high value development
- **Worker Shortage:** Long commutes for many workers impacts employee retention for many businesses
- **Resistance to Change:** General “Not In My Backyard” (NIMBY) among some residents stalled development for over a decade
- **Homeless / Crime:** Perceptions of crime, homelessness, and parking challenges impact commercial activity
- **Environmental Risk:** Commercial areas are in flood-risk areas, such as the Canal district and parts of Downtown
- **Development Costs:** High cost of construction materials and labor due to the ongoing COVID-19 pandemic
- **Economic Uncertainty:** The uncertainty of economic conditions such as Federal Reserve restricting liquidity to reduce inflationary pressures.

SAN RAFAEL OPPORTUNITIES

- **Downtown Revitalization:** Precise Plan takes a placemaking approach and brings predictability to downtown development, paving the way for new activity
- **City / County Partnership:** Potential joint ventures with Marin County thru EIFD or CRD to fund infrastructure and affordable housing
- **Tourism:** As a gateway to the Mendocino Coast and Sonoma/Napa Valley wine country, San Rafael can capture significant portion of regional tourist visit
- **Northgate Town Center:** Development Agreement for conversion of the Northgate Mall into a blended use Town Center and over 1,000 housing units can be major catalyst for North San Rafael
- **Parking Structures and Parking Lots:** City-owned parking structures provide opportunities for reuse and reactivation
- **Federal Opportunity Zone (“OZ”):** Canal Area development can benefit from OZ and EIFD’s to spur additional investment in new development projects
- **SMART:** Regional rail service connecting the Sonoma Valley to San Rafael and connecting to the Ferry service to San Francisco, provided transit-oriented development (“TOD”) opportunities.



2. ECONOMIC DEVELOPMENT TOOLKIT

San Rafael Economic Development Strategic Plan

ECONOMIC DEVELOPMENT TOOLKIT OVERVIEW

Business Expansion, Attraction, and Retention (BEAR)	Focus on business and developer outreach to deliver quality jobs and fiscal revenue.
Real Estate Strategies	Use strategies to better utilize the value of city properties – performance-based leases / ground leases, monetizing assets (such as parking garages, selling property to private sector, etc.)
Special Districts for Infrastructure Financing CFD's, EIFD's, CRD's	Use TIF and other district tools (such as Enhanced Infrastructure Financing Districts – EIFDs and Climate Resilience Districts) to capture taxes from assessed value increases to fund infrastructure needs.
Zoning and Land Use Strategies Development Opportunity Reserve (D.O.R.)®	Zoning and entitlements create value; capture the value from zoning changes to link new density to community benefits and public amenities.
Revenue Replacement Tools	Create general fund revenues through development agreements / public-private partnerships.
Government Funding and Financing	Use government financing tools to generate enhanced revenues to fill financial gaps of projects in order to encourage private investment and other tax-generating development.
Grants and Other Public Funding	Pursue grant funds available at the state and local level for infrastructure, housing, and other projects.

BEAR STRATEGIES BUSINESS EXPANSION, ATTRACTION, AND RETENTION

Business Expansion, Attraction, and Retention (BEAR) strategies focus on business and developer outreach to deliver quality jobs and fiscal revenue.

Different strategies to consider include:

- **Support:** Help existing business through regular check-ins, assistance with resources, and networking opportunities
- **Marketing:** Highlight the city as a business-friendly destination with community assets, talented workforce, and success stories
- **Outreach:** Conduct target outreach to developers, businesses, and brokers with opportunity site marketing collateral, correspondence, meetings / site tours, and participation at industry events
- **Collaboration:** Foster a supportive environment between businesses, universities, industry groups, and government entities
- **Incentives / Regulatory Reform:** Consider regulatory reform efforts, such as permit streamlining, development code changes, and other policies to foster a business-friendly environment

REAL ESTATE STRATEGIES PUBLICLY-OWNED PROPERTY

Public agency land is often under-utilized, offering the potential to increase value and revenues (e.g., property tax, sales tax, TOT). Local government-owned real estate can be leveraged to increase revenue and help stimulate economic development projects. The land can include former redevelopment Agency (“RDA”) properties, public use properties (civic centers, fire stations, recreation), and surplus property (city, school district, utility, other), rights of way (streets, alleys, parking lots and parking structures).

The State, in its push to have cities develop more affordable housing, has made subsequent legislative changes (e.g., AB 1486) to strengthen the Surplus Land Act (SLA). The SLA now requires all public agencies in the State of California to first offer a property for sale or lease to ‘housing sponsors’ and affordable housing developers prior to the sale or lease of the asset (unless otherwise exempt) and will assess penalties if a public agency is not in compliance.

Key Strategies include:

- **Performance-Based Leases / Ground Leases:** San Rafael can maintain ownership and leverage an income stream from an asset via a ground lease (e.g., lease revenues) as well as establish a rent structure based on specific performance benchmarks thereby reducing risk for lenders/private investors.
- **Monetizing Assets:** San Rafael can raise revenues by monetizing assets such as surface parking lots / garages.
- **Acquisition or Sale of Property:** San Rafael can make strategic acquisitions and/or sell property for preferred private development opportunities, as well as utilize strategies such as lease-back strategies, continued operation of existing use, and redevelopment of properties into new uses.

REAL ESTATE STRATEGIES PUBLICLY-OWNED OPPORTUNITY SITES DOWNTOWN CITY-OWNED PARCELS

#	APN(s)	AC	Use
1	011-212-15	0.38	Parking
2	011-221-07	0.27	Parking
3	011-224-05, 06	0.26	Parking
4	011-273-17	0.46	Parking
5	011-271-12, 13, 14, 16	0.44	Parking
6	011-252-10	0.17	Parking



SPECIAL DISTRICTS FOR INFRASTRUCTURE FINANCING

Public agencies can utilize a variety of tax increment financing (TIF) district tools to fund infrastructure projects that can help to motivate private investment. This includes Enhanced Infrastructure Financing Districts (EIFDs). (EIFDs) may be well suited for San Rafael's opportunity areas such as Northgate that have significant infrastructure needs (roads / connectivity, water / sewer, electricity, telecom / broadband).

EIFDs utilize property tax revenues from an estimated +\$500 million in new development to finance public infrastructure projects without introducing new or increased taxes. EIFD project areas do not have to be contiguous, allowing them to target specific areas of high development and high infrastructure need.

- City receives approximately **16%** of every \$1 collected in VLF and property taxes (varies by Tax Rate Area)
- County receives approximately **30%** of every \$1 collected in property taxes on average

The district commitment of revenues toward infrastructure can induce private sector investment, accelerate growth, create jobs, and grow fiscal revenues.

TIF Districts which involve a City / County joint effort are more likely to win state grant funding sources.

SPECIAL DISTRICTS FOR INFRASTRUCTURE FINANCING EIFD CITY / COUNTY PARTNERSHIP CASE STUDY

Placentia / Orange County EIFD Partnership

- 300+ acres: Old Town Placentia Revitalization Plan, Metrolink Station, TOD Packing House Area
- Infrastructure Financing Plan (IFP) will fund \$13 million in public infrastructure improvements for those areas
- Water, sewer, streets, parking, transit connectivity
- \$460M+ expected in new AV from residential, retail, restaurant development
- Net Fiscal Benefit: \$22M to City, \$15M to County

Implementation

- EIFD feasibility analysis & formation process
- Led education/outreach meetings with County BOS
- Developed County EIFD Policy for City/County EIFD
- Completed first EIFD TIF Court Validation in the state
- **Working on TIF Bond—expected by fall of 2022**



SPECIAL DISTRICTS FOR INFRASTRUCTURE FINANCING OTHER DISTRICT TOOLS

Property Business Improvement Districts (PBID)	Property Business Improvement Districts are special assessments levied on real property to fund improvements and promote activities the benefit the properties located within the PBID area. This includes capital improvements, parking facilities, street / streetscape improvements, lighting and landscaping, marketing and promotion, and business attraction / retention. The special assessment amount that each property owner pays must be directly proportional to the benefit received.
Community Facilities District (CFD)	Community Facility Districts are a new property assessment or "special tax" that appears as a separate line item on a tax bill and can be used to fund infrastructure / services that benefit the property. This includes transportation, parking, street / utility improvements, hazardous waste remediation, street lighting / sidewalk, and public services. CFDs are useful because they provide early financing for a variety of critical services and infrastructure. CFDs also pair well with EIFDs as a value capture strategy – with CFDs providing early funding and EIFDs providing funds as projects are constructed, and tax increment grows.
Parking Authority District	Parking Authority Districts can utilize a variety of funding sources – including bonds, ad valorem taxes, user fees, parking meter charges, parking revenues, and City / County contributions – to fund improvements such as parking lots, structures, and alterations to circulatory infrastructure to facilitate ingress and egress.
Climate Resilience District (CRD)	Climate Resilience Districts are a new type of district can fund projects to mitigate climate change. These districts have broad financing powers, and can fund a wide range of eligible projects, including projects that address sea level rise / flooding, extreme weather, wildfire, and drought.

ZONING AND LAND USE STRATEGIES ENTITLEMENT AND PERMITTING PROCESSES

Permitting processing delays (i.e. Zoning Variances, Conditional Use Permits) have the potential to tie up private resources and discourage investor interest, it can have a significant impact on business formation and economic activity.

Permit processing for new businesses can be an expensive and high-risk endeavor – often featuring multiple public meetings, and uncertainty whether permits will ultimately be approved.

At the same time, planning and building departments can have strained resources and staffing, increasing application review time and limiting staff resources to assist applicants.

Key Strategies include:

- **Increase Flexibility:** Review and revamp zoning and permitting requirements to ensure flexible requirements that can accommodate market and changing business and customer dynamics.
- **Streamline Process:** Identify business and project categories that are particularly beneficial to the Downtown and create a fast and predictable process for review / approval.
- **Encourage Active Uses:** Provide an easy permit process for interesting and dynamic uses – such as pop-up users, live music / events, outdoor dining permits, and artistic improvements / installations – that can enhance the Downtown experience.
- **Incentivize Reuse of Struggling Spaces:** Provide flexible building permit rules for properties suited for adaptive reuse and incentivize conversion of vacant commercial buildings into other uses (such as office, hotel, residential).
- **Specialize:** Tailor requirements for infill development to recognize the often-challenging circumstances involved in infill developments.

PERMITTED USES IN INDUSTRIAL ZONES

The San Rafael Zoning Code requires many Technology / Research & Development uses to get conditional use permits or other administrative approvals that can be significant obstacles to attracting these high value industries.

To encourage economic development, some cities re-evaluate these requirements to ensure that they do not present an undue burden on development. One strategy is to shift more toward administrative or by-right approvals for select industries.

Cities still place some restrictions on particular uses, while generally allowing a category of uses. For example, the City of Richmond permits Research and Development uses in many of its industrial districts but with a restriction that biological research / commercial testing in a laboratory rated for a Biosafety Level (BSL) 3 or higher requires a CUP. This addresses the city's safety concerns, while still providing the flexibility needed to encourage development.

Use	Permit Requirements
Biotechnology firms	Conditional Use Permit
Chemical manuf. / processing	Conditional Use Permit or Not Allowed
Electronics Industry	Conditional Use Permit and/or zoning administrator
Laboratories	Conditional Use Permit / zoning administrator
Pharmaceutical manufacturing	Conditional Use Permit
Research and Development Facilities	Conditional Use Permit or Not Allowed
Research and Development Industry	Conditional Use Permit and/or zoning administrator or not allowed
Medical Services (Clinics, laboratories, medical office)	Conditional Use Permit or Not Allowed
Cannabis Testing / Lab, Delivery, Manufacture, Distribution	Permitted; subject to additional regulations
Storage, Warehousing, Distribution	Permitted
Maintenance and Repair Services	Permitted; outdoor storage rules
Business Sales / Services	Permitted
Personal Services	Permitted
Motor Vehicle Sales / Service	Varies: Conditional Use Permit, Administrative
Assembly / manufacture / processing	Permitted by right unless <300 ft from residential district, Conditional Use Permit
Food service establishments, Brew Pubs	Conditional Use Permit or Not Allowed

ZONING AND LAND USE STRATEGIES DEVELOPMENT OPPORTUNITY RESERVE D.O.R.®

Zoning and entitlements create value. Cities can avoid simply giving that value away, and instead capture that value as currency to support community benefits and public amenities.

Old Playbook:
Rezone Areas for New Density
and Expect New Development

Rezoning gives the value of the new density to current property owners: inflated land values, limited possibility of development

New Playbook:
Bank Density with Development
Opportunity Reserve D.O.R.®

DOR allows cities to create a “bank” of new density in zoning / specific plans, allowing them to give the density to projects that deliver **community benefits & public amenities**

ZONING AND LAND USE STRATEGIES DEVELOPMENT OPPORTUNITY RESERVE D.O.R.® - PROCESS

Create D.O.R.

Step 1

Conduct market / economic density analysis to understand development potential.
Identify sites and areas within community as areas targeted for new development.

Step 2

Use planning process to create a reserve bank of density to use in target areas and create an amenity list of desired community benefits and advance projects.

Implement D.O.R.

Step 3

Development Projects apply for density from the DOR in exchange for amenities and community benefits delivered.

Step 4

City & Developer sign a Development Agreement, assigning DOR density to project with contractual commitment to deliver amenities or infrastructure.

ZONING AND LAND USE STRATEGIES DEVELOPMENT OPPORTUNITY RESERVE D.O.R.® - CASE STUDIES

Buellton Avenue of Flags

- **Goal:** Induce housing development in downtown area
- **Benefits & Amenities:** public restrooms, off-site improvements, public parking, parking district, public art, parks, green buildings, other
- **Incentives:** Increase density up to 40 units / acre, increase heights, reduce on-site parking, reduced setbacks, reduced traffic and application fees



Implementation Steps

1. Conduct market housing / economic study
2. Discuss new density and public amenities with community
3. Create DOR mechanism as new Zoning / Specific Plan provision

El Monte Downtown Main St.

- **Goal:** Increase downtown density along with community benefits and public improvements
- **Benefits & Amenities:** streets, bicycle facilities, parking, open space, beautification, transit, arts / cultural spaces, lot consolidation; developer can install amenities or pay into public improvement fund; value based on a portion of residual land value (~75%)
- **Incentives:** Increase density, heights, FAR, dwelling units per acre



REAL ESTATE STRATEGIES PRIVATELY-OWNED PROPERTY

Cities can pro-actively reach out to select private property owners to facilitate real estate developments to advance the City's economic development goals.

- **Property Owner Outreach** – collaborate with property owners to understand their plans for properties, challenges that they face with development, and opportunities that may align with economic development goals.
- **Rehabilitation / Renovation** – encourage rehabilitation and/or renovation of facilities, signage or store-front facades; can include public programs such as façade improvement loans / grants, or assisting with identifying other sources of funding
- **Marketing** – Conduct marketing activities, such as developer or building outreach, in coordination with property owner
- **Public-Private Partnerships (P3)** – Enter into formal partnerships with property-owners that commit city resources to fund improvements that will advance both the property owner's goals for development and the City's goals for economic development

PRIVATELY-OWNED OPPORTUNITY SITE 280 SMITH RANCH ROAD

As a result of COVID impact to entertainment uses, many movie theaters are challenged. The site currently generates a relatively small amount of property and sales taxes. If redeveloped into a blended-use project with multifamily residential and retail components, it could generate substantially more tax revenue.

Owner	Nationwide Theatres Corp
APN(s)	155-121-09
Acreage	8.95
Current Use	Century Regency Movie Theater
Assessed Value (2022)	\$8,000,000



PRIVATELY-OWNED OPPORTUNITY SITE MARIN SQUARE

Located at the junction of I-580 and US-101, this site may be suited for higher value uses. Residential uses may be problematic due to highway noise and pollution.

#	Owner	APN(s)	AC	Use
1	Chelsea Pacific Investments LP	018-051-17, 20 01-063-04, 07, 08, 09, 10	10.58	Marin Square shopping center, office, service industrial, showroom
2	State of California	018-051-12, 16	0.78	Industrial yard
3	Blue Oak Development LLC	018-051-13	0.53	Service industrial
4	Woodside Holdings LP	018-051-01	0.21	Service industrial
5	City of San Rafael	018-063-11	0.09	Landscaping



GOVERNMENT FUNDING AND FINANCING STRATEGIES

The following financing mechanisms can be utilized to generate enhanced revenues to fill financial gaps of projects, in order to encourage private investment and other tax-generating development.

Lease Revenue Bonds

Lease Revenue Bonds are issued by a public entity (e.g., JPA) and can be used to finance vital capital improvements to be leased to a public agency. The bonds are payable solely from lease payments paid by a public agency.

Lease-leaseback (P3) Structures

Lease-leaseback structures give cities the opportunity to cut costs and deliver public projects through strategic public-private partnership (P3) project delivery. The lease and subsequent sublease of assets between two public agencies enables lease payments to be leveraged (borrowed). These strategies can also come with procurement and project timing advantages. For example, an existing building facility can utilize lease payments immediately without the need to fund capitalized interest.

Cash-Flow Management Programs

Improved cash flow management can generate enhanced revenues from cash resources. Customized cash flow modelling can maximize portfolio size and increase funds that are available to the City. These enhanced short-term returns can then be utilized for community revitalization projects.

GRANTS AND OTHER PUBLIC FUNDING

There is a wide variety of grant programs and funding sources available through the state and federal government. New grant programs are added every year, many with a focus on housing and climate resiliency. Cities should periodically review available grant sources and pursue grants that align with the city's economic development goals (a grant-writing firm can provide assistance if the City's internal resources are limited).

Three current programs that give some preference to EIFDs are:

Infill Infrastructure Grants (IIG)

Grants for infill projects / areas, gap funding for infrastructure for residential / mixed-use with some affordability requirements; awards range between \$1 - \$7.5 million

Affordable Housing and Sustainable Communities Program (AHSC)

Grants for affordable housing, housing infrastructure, transportation, related amenities, and program costs; awards range between \$1 - \$30 million

Transformative Climate Communities (TCC)

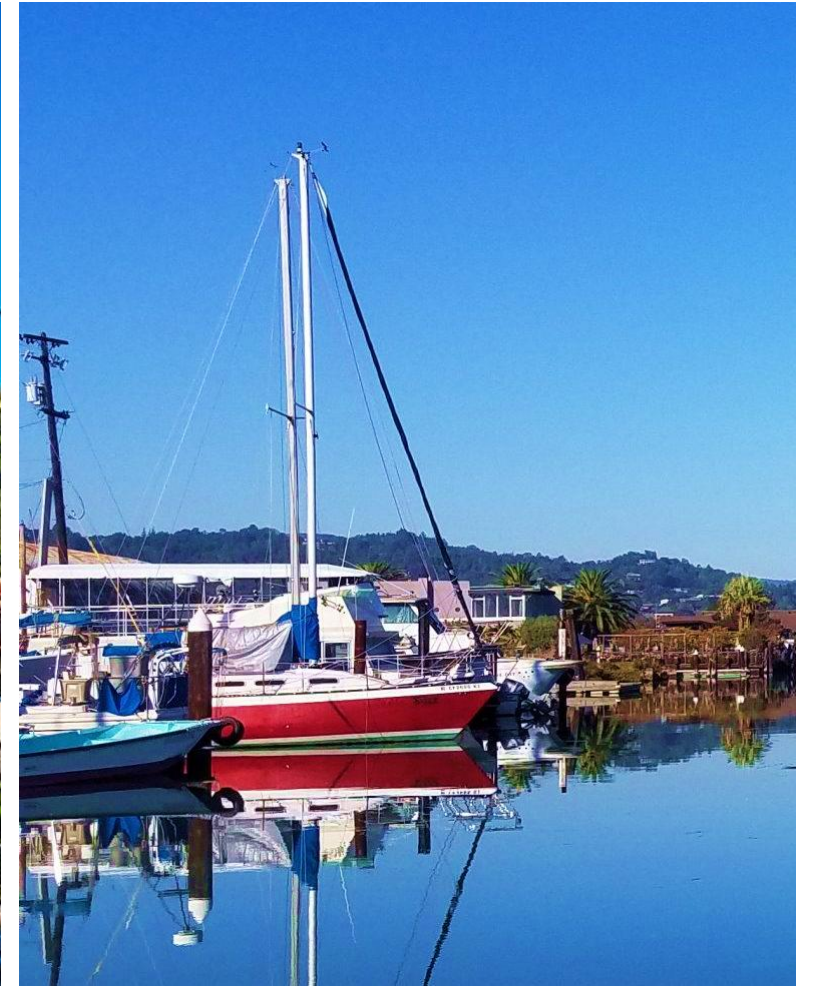
Funds community-led development and infrastructure projects that achieve environmental / health / economic benefits in the state's most disadvantaged communities.

Recent Economic Development & Climate Grant / Funding Programs

- Regional Early Action Planning (REAP)
- Local Early Action Planning (LEAP)
- Infill Infrastructure Grants (IIG)
- Affordable Housing and Sustainable Communities (AHSC)
- Community Economic Resilience Fund (CERF)
- Multifamily Housing Program (MHP)
- ICARP Regional Resilience Grant Program (RRGP)
- Infrastructure State Revolving Fund (ISRF)
- Homeless Housing, Assistance, and Prevention (HHAP)
- Infrastructure State Revolving Fund (ISRF)
- Coastal Conservancy Grants
- Adaptation Planning Grant Program (APGP)
- Strategic Growth Council grants
- Infrastructure Investment and Jobs Act (IIJA)

GRANTS AND OTHER PUBLIC FUNDING

Funding Source / Grant	Purpose
Infill Infrastructure Grant (IIG) Program (EIFD Preference)	<ul style="list-style-type: none"> - IIG provides grants for capital improvement projects for qualifying infill projects or qualifying infill areas - Used for gap funding to infrastructure improvements for residential or mixed-use developments - Eligible activities: construction, rehab, demolition, relocation, preservation, and acquisition of infrastructure - Affordability threshold: No less than 15% of units as “affordable” units - Assistance terms: Minimum award (\$1M), maximum award (\$7.5M)
Affordable Housing and Sustainable Communities (AHSC) Program (EIFD Preference)	<ul style="list-style-type: none"> - The AHSC Program assists project areas by providing grants and/or loans to a locality, public housing authority, JPA, developer, or facilities districts, that will achieve greenhouse gas (GHG) emissions reduction and benefit Disadvantaged communities through increasing accessibility of affordable housing, employment centers, and key destinations via low-carbon transportation - Assistance terms: Minimum award (\$1M), maximum award (\$30M) - Eligible activities: new construction, acquisition, or rehab of affordable housing; housing infrastructure; sustainable transportation infrastructure and related amenities, program costs (active transportation) - Affordability threshold: 20% of homes at 80% median household income (MHI)
Multifamily Housing Program (MHP)	<ul style="list-style-type: none"> - MHP assist the new construction, rehab, and preservation of permanent and transitional rental housing for lower income households, or the conversion of a non-residential structure to rental housing - Eligible activities: property acquisition, land lease payments, construction and rehabilitation work, offsite improvements (e.g. sewer, utilities, and streets directly related to housing development) - Assistance terms: Maximum award (\$20M), base loan various from \$150K and \$175K based on type of unit
Transit-Oriented Development (TOD) Housing Program	<ul style="list-style-type: none"> - Program offers low-interest loans as gap financing for rental housing developments near transit that include affordable units. Grants are available to localities and transit agencies for infrastructure improvements necessary for the development of specified housing projects or to facilitate connections between the project and the transit station - Eligible applicants: developers for rental housing projects; municipalities/transit agencies for infrastructure projects - Assistance terms: Maximum award for a single project is \$15M



3. ECONOMIC / LAND USE TRENDS & CASE STUDIES

San Rafael Economic Development Strategic Plan

DRAFT ECONOMIC DEVELOPMENT STRATEGIC PLAN



Housing is Not a Loss Leader, it's a Growth Driver

Housing Creation as Economic Development

- New housing can generate significant new tax revenues and support local jobs
- Housing is not necessarily a net negative fiscal impact, especially at current property values



Retail is Not Just Retail Anymore

Retail Reimagination as Economic Development

- U.S. retail over-built and needs “right sizing;” Covid accelerated trends; today its about essentials, experience & e-commerce
- Blended/mixed use projects integrate multiple uses (housing, retail, open space, creative office, hotel)



Telework is Reconfiguring Office

Office Conversions as Economic Development

- Telework and work from home options are reshaping the needs for office space and business districts
- Job redistribution tied to housing
- Vacancies can lead to fiscal impact pressure



Industrial / Distribution is Critical for Your Economy

Industrial & Fulfillment as Economic Development

- Modern industrial is not “your father’s industrial” – not smokestacks
- Retail can’t thrive without distribution
- Booming demand for distribution, e-commerce, and data centers, blending for fulfillment/delivery, job creators

ECONOMIC AND LAND USE TRENDS

➤ Retail

- Retail store closures, bankruptcies, and e-commerce has changed economics of retail centers. Many are being reimagined (e.g, blended use)
- Retail is driven by trip-generators such as entertainment, experience, and essentials

➤ Office

- Downtown S.F. office building vacancy rising as remote work becomes new normal; Social distancing leads to offices resizing/reconfiguring
- Corporations see possible shift to suburban offices - Integrating office in blended use environments

➤ Industrial

- E-commerce growth has exploded
- Retail and industrial are merging, with space being used for Buy Online Pick Up in Store (BOPIS), fulfillment, last mile and warehousing

➤ Residential

- Homes are live, play, **and work** environments
- Strength in suburban markets; Home office is the new amenity, Apartment developments are being designed to facilitate work
- New residential sites in shopping centers

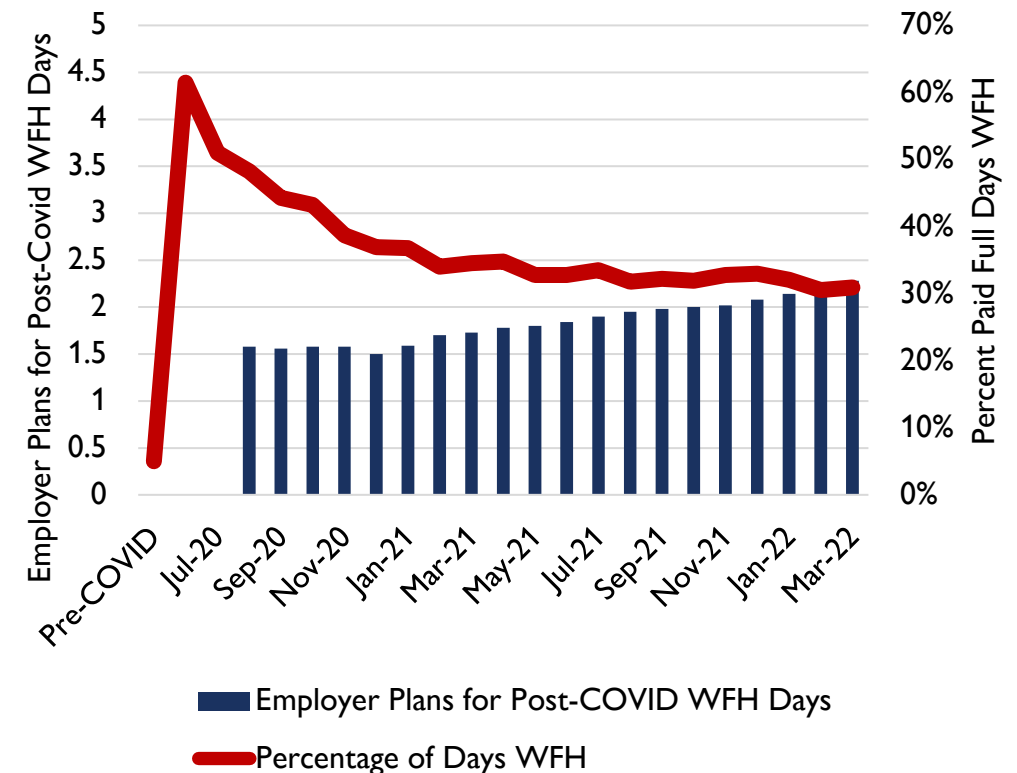
➤ Hospitality

- Hospitality sector hurt the most by Covid-19, but leisure travel is rebounding

TELEWORK GROWTH

- Telework is changing where people choose to live, and increases popularity of “15-minute communities” that offer amenities and quality of life.
- Census Bureau estimated that ~44% of workers are in jobs where working from home is currently feasible, with only a quarter of those in feasible telework jobs actually utilizing this capability.
- Research shows the ability to telework likely varies by educational attainment and income-level; many of the telework occupations are Management / Business / Financial / Professional occupations. Opportunity for San Rafael new residential units.
- Other research shows that work-from-home represent ~30% of days, significantly above pre-pandemic estimates of 5%.
- Employers are expecting an average of 2.3 work-from-home days per week, suggesting that hybrid home/office model is likely to be well-utilized post-Covid.

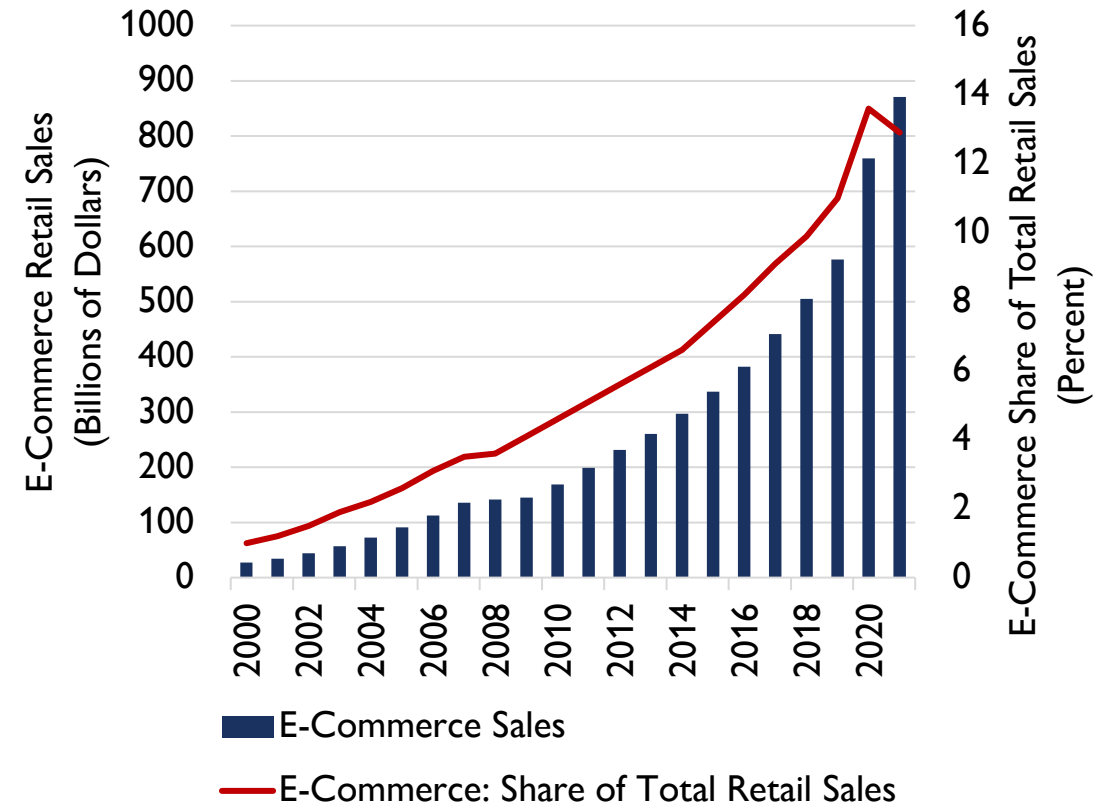
Work-from-Home: Current Utilization and Employer Plans for post-Covid



E-COMMERCE GROWTH

- E-commerce sales in the U.S. have increased steadily, jumping by 30% to \$800 billion annually by Q2 2020 due to increased utilization during the Covid-19 pandemic. This put additional pressure on local brick-and-mortar retailers. Post pandemic retail mall shopping has recovered somewhat.
- According to UBS, e-commerce's share of overall U.S. retail sales will continue to increase over the next 5 years, resulting in a loss of brick-and-mortar sales, primarily in clothing, office supply and sporting goods.
- Consumer online shopping behavior has further solidified during the Covid-19 pandemic, and is not likely to revert to old patterns, thanks to free 1-day delivery services, etc.

E-Commerce Retail Sales



RETAIL TRENDS

- Shopping centers across the U.S. are faced with dramatic decline in retail sales as the digital economy converts the lifestyles and social patterns of every generation. Today's consumers use online websites for purchasing many hard and soft good commodities.
- Several hundred regional malls have closed in past 5-10 years. By 2025, experts expect only Class-A malls in high income communities are most likely to survive.
- The impacts from e-commerce will have major impacts on large shopping centers in the region, particularly power centers. San Rafael is in relatively good position as community retail centers with the strongest opportunity for future growth are those focused on essentials and experiences.
- Shopping districts that are centered around experiences, entertainment, and essentials are best poised for economic resiliency and future success.
- The future for retail centers in San Rafael lies in fostering experiential, entertainment uses and restaurants. Blended use projects that bring additional uses to retail sites (such as hospitality, last-mile logistics, and multifamily residential) can bring more customers to the stores and thus be a more sustainable and diversified development that serves the community.

WHAT DRIVES AN ENGAGING RETAIL EXPERIENCE?

Thoughtful Design	Programmed Outdoor Space	Communal Elements	Unique Amenities	Unique Food Offerings	Curated Retail Tenants
<ul style="list-style-type: none"> • Feels like an exciting destination • Celebrates local character • Fosters a specific vibe/feeling • Feels fresh and innovative 	<ul style="list-style-type: none"> • Fun and welcoming environment to gather and hang • Fresh air elevates dining and shopping experience • Mood lighting and aesthetics lifts the ambiance 	<ul style="list-style-type: none"> • Shared community experiences • Encourage conversation and connection • Examples: breweries, distilleries, coffee / tea 	<ul style="list-style-type: none"> • Unexpected entertainment attracts and retains customers • Memorable and engaging • Examples – arcade games, photo booths, lawn games, art installations 	<ul style="list-style-type: none"> • Interesting and culturally rich food options • Reflects local flavor, authentic, interesting fusion • Exciting to try, drives additional visits 	<ul style="list-style-type: none"> • Tenants and pop-ups create a reason to come • Digital brands with brick-and-mortar spaces • Curated products that create a desirable shopping experience • Local / exclusive products

ENGAGING RETAIL EXAMPLES



Communal Outdoor Spaces



Upscale Design Elements



Curated Retail & Food



Outdoor Amenities



Curated Food

EXPERIENTIAL ENTERTAINMENT RETAIL CONCEPTS

Experiential retail / entertainment concepts have been merging food, drinks, and entertainment into engaging experiences. This includes:

- Movie Theater concepts such as Alamo Drafthouse that deliver an improved theater experience with better seating / design and elevated food / beverage.
- Bowling concepts such as Bowlmor and Lucky Strike, which provide a more upscale experience in a lounge setting
- Smaller format sports / activities concepts such as Puttshack, Spin Ping Pong, rock climbing gyms, ax throwing, escape rooms, laser tag, and trampoline parks.
- Larger format sporting / activities, including Topgolf and SFC sports facilities
- Personalized retail services, such as clothing and accessories stores that offer in-store services and customization
- Interactive exhibits, including art galleries, installations, and other cultural offerings
- Gaming concepts such as arcade bars, pinball, virtual reality gaming, and e-sports



EXPERIENTIAL RETAIL CASE STUDY VILLAGE CENTER / RODEO 39

Village Center / Rodeo 39 is an example of an experiential retail / housing blended use project that serves as an entertaining destination and hub for the community. It also demonstrates how adding residential can generate demand for retail on the site and add value to a project.

The Village Center shopping plaza in Stanton was a blighted 24-acre shopping site that had significant vacancy issues. The site's retail component was rightsized down to 10-acres of the site, with a “town square” environment anchored by the Rodeo 39 curated public market. A new multifamily housing project was built on the remainder of the site.

Food and entertainment – particularly curated local offerings – was the foundation of the public market, a new 41,000 SF retail and dining space. Rodeo 39 has been a great success, with the local community embracing the eclectic destination.

The project also added a variety of entertaining and experiential offerings that encourage people to spend more time – a wide variety of cultural dining, small stage for live music performances, retro arcade / games, boutique tattoo artists, pop-up shops, and a variety of indoor and outdoor seating and gathering areas.



FOSTERING ENTREPRENEURSHIP

Small business start-ups, and other entrepreneurial enterprises are an important component of a healthy local economy. These enterprises can drive job retention and creation, innovation, vibrancy, and diversity. The City of San Rafael can foster a strong entrepreneurial environment through targeted programs and a supportive regulatory environment. As a gateway community between the Bay Area and wine country, the City can attract talent from across the region and build upon its existing economic clusters.

Talent	Investment in human capital builds and retains a talented workforce. Supporting educational and training programs, as well as linking academic networks with local businesses, can help build a strong and innovative workforce.
Density	Dense communities can foster innovation through greater opportunities for collaboration and larger local customer base. Supporting cluster growth, creating hubs of activity, driving media awareness, and building mentorship networks are components of dense startup hubs.
Culture	Innovation clusters require a culture of innovation, support, learning, and entrepreneurship; this can be fostered through partnerships that teach entrepreneurial skills and link businesses with employees.
Capital	Startup success requires experienced investors to provide funding, networking, and expertise. This can be aided through programs geared toward linking startups with capital and other resources to grow businesses, as well as tax incentives for investors.
Regulatory Environment	Governments should help create a stable, predictable, and supportive regulatory environment to foster innovation and entrepreneurship.

FOSTERING ENTREPRENEURSHIP CASE STUDIES

City of Thousand Oaks – Ventura County

The City of Thousand Oaks partners with a variety of groups and institutions to encourage entrepreneurship in their community:

- **California Lutheran University** – private university home to over 4,000 students that is primarily a liberal arts school with a variety of majors / programs, including biology, chemistry, biochemistry, computer information, computer science and environmental sciences. CLU has a strong record of encouraging business development from its students and graduates, offers a minor in entrepreneurship, and hosts other programs (such as events, incubator grants, and mentorship opportunities).
- **805 Startups** – works with a number of Southern California cities to educate and connect startups to traditional businesses through a variety of programs / services, including events, business development, marketing, skill development, and talent recruitment / retention
- **Ventura BioCenter** – community of scientists / engineers / educators / business professionals to encourage scientific research and business development. Biotech business incubator includes spaces and equipment available for some members
- **Hub101** – Coworking space, incubator, and community dedicated to supporting entrepreneurs via coworking, educational programs, mentorship, and events

City of Corona – Riverside County

City of Corona partnered with TriTech Small Business Development Center and Tech Coast Angels to hold a “Shark Tank”-style event where entrepreneurs pitched ideas to a panel of investors. The event was part of a larger City program that aimed to facilitate start-up businesses to capture more jobs within the city.

PROMOTING BIOTECH AND LIFE SCIENCES

The San Francisco / San Jose area is home to a strong biotech and life sciences cluster, but limited availability of specialized lab / flex R&D / manufacturing spaces can delay business expansions and push firms to move to other areas.

Fostering new developments in these science / tech sectors – from startups to major firms – can be a key economic development strategy to creating good local jobs. Life science firms look for cities with amenities, quality of life, and available housing for workers.

Biocom is an industry group that advocates for life science in California through advocacy, programs, and events. As noted in Biocom’s economic impact reports, the Bay Area’s life sciences industry includes a range of sub-sectors, including Bio-pharmaceutical, Bio-technology, Research & Manufacturing, Medical Devices / Equipment, Scientific / Research Tools, and Food / AG Biotechnology. The life science industry represents a workforce of over 146,000, with ~3,100 workers in Marin County. Research and development is a strong growth area, adding almost 4,000 new jobs in 2021. Average pay is over \$148,000.

San Rafael may be well-positioned to provide less expensive space to develop into campuses that serve some of these biotech sub-sectors.

Biocom California: Bay Area Priorities

Access to Water and Utilities

Access to water and other utilities is necessary for biotech firms’ research processes; mandatory water cutbacks can be challenging

Housing

The extreme housing shortage in the Bay Area is a challenge to accommodate the biotech industry’s diverse workforce

Taxes & Administration

Local taxes and fees can have detrimental impacts on development and firm expansion. Consistent permitting and inspection processes needed.

Infrastructure

Preserving industrial land for R&D, manufacturing, and distribution is needed for long-term stability / growth. Transportation is critical for employee commutes, workforce attraction, and transport of goods / products.

PROMOTING BIOTECHNOLOGY & LIFE SCIENCES CASE STUDY

Case Study: La Jolla / City of San Diego

- The La Jolla area of San Diego was home to a major biotech company in the 1970s (Hybritech). After it was acquired by E.J. Lilly, many of the scientists did not want to be part of a large corporate pharmaceutical company. The City and other local non-profits/agencies worked together to achieve this vision.
- Today, San Diego's biotech industry is responsible for nearly \$9 billion in annual economic impact and employs over 44,000 people across 700 companies.

The following are approaches the City of San Diego and University of San Diego used to aid the growth of the biotech industry in the City:

- City involved in making land use decisions incentivizing industrial development on City-owned land
- City allowed for natural industry growth by taking a “hands-off” approach regarding industry controls
- City worked collaboratively with biotech businesses in the area to address water shortages
- City created an ombudsman position to interact with local biotech companies for fast track permitting/processing, the development of long term relationships, and City/industry collaboration to make quick informed decisions in times of need
- City staff supported industry growth by speaking at events and taking part in visits to Washington D.C. and elsewhere to advocate for their local biotech research community

SMALL BUSINESS SUPPORT

Category	Description
Small Business Liaison / Ombudsman	Designate a city liaison / ombudsman to provide assistance regarding city processes / regulations / policies, such as permitting, license, compliance, and development standards.
Access to Capital	Connect firms with capital through loan programs, grants, and other financing opportunities for businesses to start / grow / expand.
Business Incubators / Accelerators	Support business incubator / accelerator programs to provide early-stage companies with resources, workspace, mentorship, and networking.
Networking / Joint Marketing	Host / support networking events, workshops, and other opportunities that connect small businesses / entrepreneurs with other firms, potential customers / clients, investors, and workers.
Technical / Business Assistance	Seek mentors with business expertise, including business planning, financial management, legal services, market research, e-commerce strategies, etc.

WORKFORCE DEVELOPMENT

Workforce development programs aim to improve and diversify a City's workforce. They address the needs of workers to be better prepared for higher-paying jobs; these programs also help local employers attract and retain the talent needed for their businesses to be successful. These programs often focus on four key themes:

- **Collaboration** – Fostering relationships between current / potential employers, educational institutions, and local nonprofits to identify and address worker skill gaps
- **Training** – Connecting workers to programs to build skills that improve workforce readiness (certification programs, licensure, English as a Second Language, etc.)
- **Networking** – Connecting employers, educational / training institutions, and workers via networking programs, mentorship programs, internships / apprenticeships
- **Addressing Barriers** – Encouraging programs that will alleviate pressures on workforce readiness, such as childcare, transit, and internet / computer accessibility

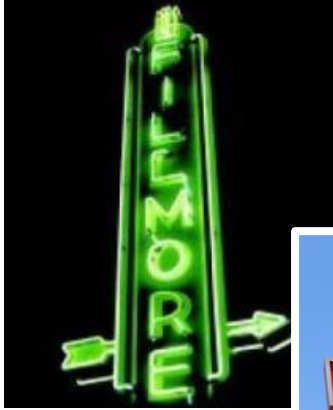
PLACEMAKING THROUGH DISTRICTS AND EVENTS

Programming downtown areas via the use of micro-districts can encourage nodes / clusters of focused business activity – such as areas focused on arts / entertainment, hospitality, office, health / wellness, and dining / restaurants.

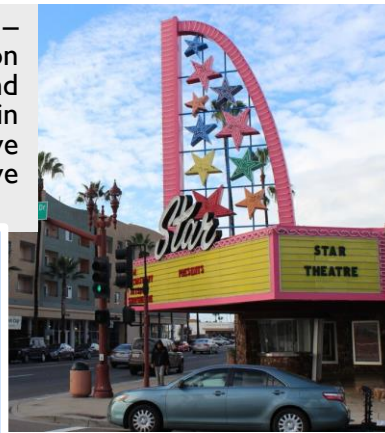
While downtown areas should still aim to integrate many different uses in mixed-use districts, micro-districts that place *some* emphasis on particular themes can allow business clusters to thrive and improve the overall downtown experience.

- **Entertainment / Arts Districts:** Focused on cultural and recreational amenities, such as theaters, music venues, art galleries, and experiential activities. These districts can attract residents and tourists and create a vibrant and lively urban environment. Districts can focus on supporting the development of new facilities / venues / restaurants to revitalize the area and attract new visitors.
- **Hospitality Districts:** Focused on hotels, conference centers, recreation, and other tourism-related amenities. These districts can help attract tourists and boost the local economy by focusing on new hotel development and visitor-serving amenities.
- **Technology Districts:** Focused on office space to support new employers and high-paying jobs, attracting workers and visitors into the area and driving economic growth. These districts aim to provide the spaces, technology infrastructure, and amenities needed to attract tech industry investment and workers to the area.
- **Restaurant Districts:** Focused on restaurants, bars, cafes, and food-related amenities as well as entertainment. These districts can create a vibrant and lively urban environment that is desirable to residents, workers, visitors, and tourists.

PLACEMAKING THROUGH DESIGN, DISTRICTS & EVENTS



Distinctive signs – such as the neon signs in Fillmore and the Star Theatre in Oceanside – can give an area a distinctive sense of place.



Events like the CicLAvia bike / walk fairs in Los Angeles and the Mission Inn Festival of Lights in Riverside, CA are memorable and engaging activations of public spaces.



The Medical Main Street district in Lancaster, CA aims to be a blended use area centered around major medical anchors that includes many complementary uses.

Murals in downtown Providence, RI add character and highlight local artists and themes.



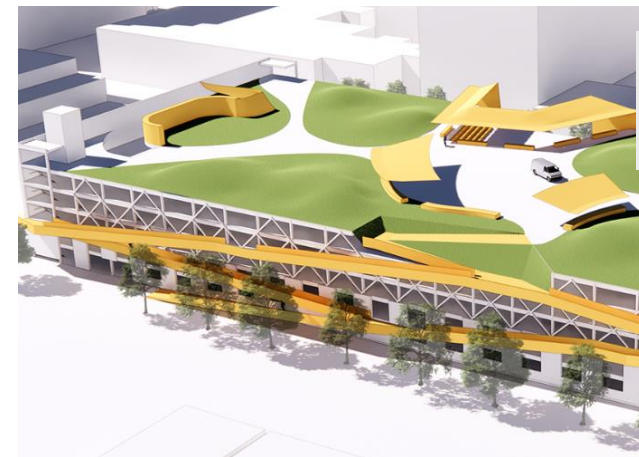
REACTIVATING UNDERUTILIZED PARKING & CATALYST SITES

Cities and property owners are exploring new uses and programming that reactivates underutilized parking space, parking lots, and parking structures:

- **Temporary reuses** for special events such as outdoor movie screenings, block parties, farmers markets, and craft fairs
- **Short-term reuses** such as parklets that allow for extra outdoor seating for dining, music performance spaces, gardens, waiting areas, or retail display tables
- **Semi-permanent reuses** such as converting parking garage roofs into “people decks” that provide spaces for people to gather / relax / socialize, and façade / space-planning revisions that reactivate the sides of structures / lots that face the street (enlivening the pedestrian experience in the area with micro-retail, art, and activity)



Some parking structures set up temporary movie screenings on their roofdecks – converting underutilized parking into fun events with chairs, lights, turf, & restaurant partners.



One proposal for a city-owned parking structure in downtown San Jose aimed to convert the roof into a “people deck” community space.

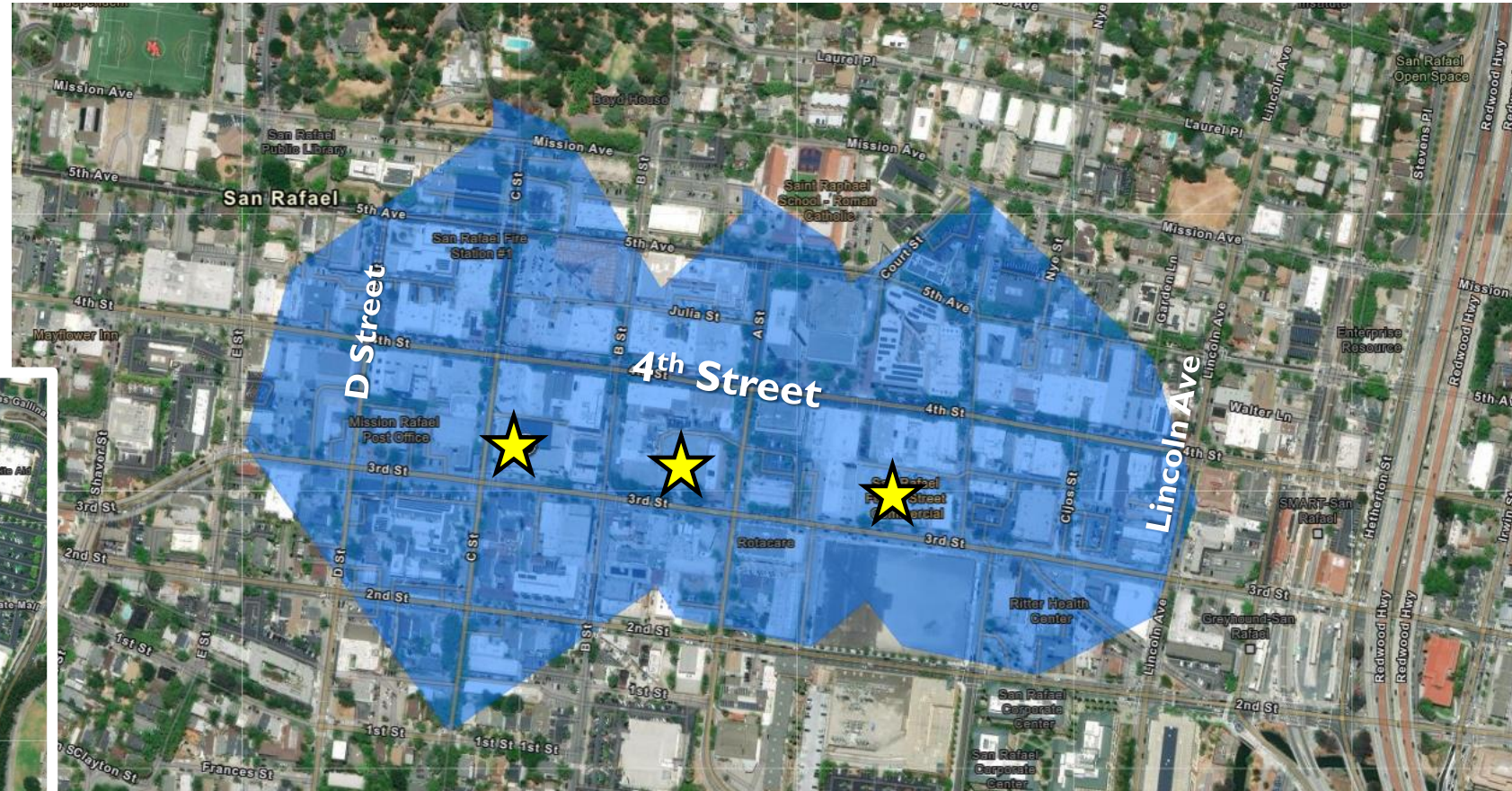


WALK DISTANCE COMPARISON NORTHGATE MALL VS. DOWNTOWN SAN RAFAEL

Walking distances from the downtown parking structures to the main business district along 4th Street are comparable to the walk to the middle of the Northgate Mall from an average parking spot.

The map below shows a walking route (red) from a parking space to a point in the center of the Northgate Mall (~700 ft). The map at right shows the ~700ft walking distance areas (blue) around the three primary downtown parking structures.

The 5-minute walking distance boundary from each of the garages covers an even larger area of the downtown – suggesting that much of the downtown area is well-served by these facilities.



Note: Maps not to scale

PEDESTRIAN MALLS IN DOWNTOWN DISTRICTS

Pedestrian malls and significant public spaces help activate downtown districts through vibrant, engaging activity, given proper circumstances, location, design, and implementation.

Even before Covid-19 pandemic, increasing the amount of public space dedicated to pedestrians became particularly popular, with many cities allowing parking spaces, sidewalks, and roadways to be used for commercial and pedestrian activity.

Many cities have found these changes have contributed to more vibrant and enjoyable commercial districts and have found ways to make some of these changes permanent.

Successful Pedestrian Mall Indicators	
Population	Most successful pedestrian malls are in areas with populations less than 100,000.
Short Length	Most successful pedestrian malls are 1-4 blocks long; most tend to have small block sizes, with lots of corners and cross streets to bring cars and activity.
Minimally Disruptive	Do not impact high levels of vehicular traffic; many mid-century pedestrian malls closed city's main vehicular arteries, and surrounding streets were not able to handle the additional volume.
Anchors	Usually need nearby anchor institutions to drive foot traffic throughout the day, such as universities (Boulder, Iowa City, Burlington, Charlottesville), transit hubs (Denver, Salem), or office/financial core (Denver, Boston).
Variety of Uses and Services	Successful malls need a vibrant mix of active uses: retail, residential, & commercial; late-night services (bars & restaurants, movie theater) to attract crowds all day; convenience-related businesses, unique shopping experiences, entertainment attractions, programming/public events; balance of chains & independents, retail & restaurants, indoor & outdoor.
Amenities	Attractive landscaping (gardens, fountains, monuments), public art, public tables / chairs, stages, artists, and vendors
Programming	Festivals, concerts, sports, food trucks, performers drive vibrancy and create a sense of place and destination
Accessibility, Walkability, and Visibility	Centralized parking allows convenient access to visitors; successful malls need to be easily reachable and accessible, with numerous entrances, cross-streets, nearby parking, public transit. They should also incorporate walkable neighborhood structures, amenities, and visible interest. Visibility of the pedestrian area should not be overly blocked by buildings or landscaping.
Management	Coordinated activities to ensure area management / maintenance; dedicated agency/business improvement district to oversee maintenance, security, planning, programming, retail mix, etc.

PEDESTRIAN MALLS IN DOWNTOWN DISTRICTS IMPLEMENTATION

Pedestrian Malls require the right locational circumstances, design, business selection, and other considerations. Success “depends more on location and access than materials and beauty.” Full street closure takes time to assess current conditions, clarify goals, test concepts, and build community support. Partial closures and events are a good way to test concepts.

Cities can also explore other interventions in a similar spirit – such as parklets, expanded outdoor dining on sidewalks / patios / parking areas, slower traffic speeds and infrastructure that prioritizes pedestrians, and public gathering spaces.

Best Practices – Creating Pedestrian Malls

Step 1	Car Dependency	Ensure that there are nearby parking alternatives with proper wayfinding. Reliance on cars can be hard to assess without testing the concept temporarily.
Step 2	Pedestrian Mall Concept Testing	Start by closing streets for a few days (a holiday; a regular weekend day; a whole weekend, etc), treating each as a test. Stay flexible to see which arrangements work best.
Step 3	Temporary Closure	When confident to make the car ban permanent, first use temporary materials: epoxy gravel, potted plants, small trees, movable tables and chairs.
Step 4	Adding Permanence	if it works well, shift to better pavement and permanent plants / trees / fixtures. Focus on programming rather than design; let it evolve over time. Partner with key institutions, strategically locate equipment needed for targeted activities. Resist adding immovable barriers to cars.

PEDESTRIAN MALLS AND DOWNTOWN DISTRICTS CASE STUDIES

The Pearl Street Mall is a four-block pedestrian mall in downtown Boulder, Colorado, and is one of the country's most successful pedestrian malls.

- **Amenities** include public art, fountains, gardens, sculptures, sandbox, street performers, musicians
- **Business Mix** includes restaurants, cafes, personal services, local independent retailers, national brands
- **Destination** for restaurants, independent businesses, tourists, festivals, entertainment
- **Anchors** nearby include the University of Colorado, Boulder; Boulder County Courthouse; Boulder Theatre; Boulder Museum of Contemporary Art
- **Core Clientele** includes Leisured Middle (*out-of-state tourists, suburban day-trippers and CU Boulder parents*), Yupsters (*artsy and progressive Baby Boomers*), and Students

