



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Economic Development

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City Manager Approval: 

TOPIC: ECONOMIC DEVELOPMENT STRATEGIC PLAN

SUBJECT: RESOLUTION ADOPTING THE ECONOMIC DEVELOPMENT STRATEGIC PLAN

RECOMMENDATION:

Adopt resolution adopting the Economic Development Strategic Plan.

BACKGROUND:

As part of the City Council's 2021-2022 Goals and Objectives, economic recovery is one of four policy focus areas. In order to build San Rafael's economy to be stronger and more resilient, the creation of an Economic Development Strategic Plan (EDSP) was identified as a key project. With support from the San Rafael Chamber of Commerce and business and community leaders, the City partnered to host a series of Going the Extra Mile (GEM) industry focus groups to gain better understanding of the current challenges businesses were facing. In addition, Mayor Kate Colin conducted "walkabouts" throughout San Rafael's various commercial districts to connect with business owners and provide support and updates on the City's ongoing recovery efforts.

Through the industry sector outreach and input from the City Council Economic Development Subcommittee, the City established the following strategic elements and EDSP focus areas:

- Leverage the prior work completed by the City's General Plan 2040
- Provide meaningful data-driven analysis
- Create actionable multi-step plans with clear metrics for performance
- Integrate technology, partnerships, and innovative thinking into the EDSP
- Leverage external partnerships, resources, and funding to achieve goals
- Support business expansion, attraction, and retention
- Develop a workforce development strategy
- Improve public safety

FOR CITY CLERK ONLY

Council Meeting: May 15, 2023

Disposition:

- Invest in beautification

With an economic development scope established, the City engaged Kosmont Companies, an economic development consulting firm, to prepare an EDSP. Throughout the ten-month project timeline, Kosmont Companies followed a comprehensive scope of work that included the following:

- Led kickoff and group meetings to gather stakeholder input
- Assessed demographic and economic conditions
- Conducted market assessment and review of opportunity sites
- Solicited feedback through community surveys to businesses and the general public
- Reviewed zoning requirements and policies
- Conducted feasibility analyses of key economic development tools for the implementation of strategies
- Prepared draft EDSP to recommend near-term and long-term actions and establish metrics for City to measure success

The project kicked off in the Fall of 2022 and included various community engagements with key business and community stakeholders. In addition, a community-wide survey was completed in January 2023 (see Attachment 3). The project builds upon the community engagement and market data from the Marin County Economic Vitality Strategic Plan that was completed in August 2022.

On February 9, 2023, Kosmont Companies presented the Demographic, Market and Economic Overview (Attachment 4) to the City of San Rafael Council Economic Development Subcommittee, which includes participation from the San Rafael Chamber of Commerce, the Downtown Business Improvement District, the Hispanic Chamber of Commerce, and others. The overview provided a snapshot of the current economic conditions, real estate development data, business sectors, trends, and revenue generation. It also included specific data on San Rafael's geographic business areas: 1) North San Rafael, 2) San Pedro Peninsula, 3) Central San Rafael, 4) Downtown, and 5) Canal.

On April 13, 2023, Kosmont Companies presented EDSP draft policy and program recommendations to the Council Economic Development Subcommittee. Following the subcommittee meeting, the plan has been refined over the past month incorporating feedback (Attachment 2). The recommendations were built upon the City's economic strengths and opportunities, community survey results, interviews with community stakeholders, and successful economic development models implemented in other California communities. The EDSP is designed to provide a playbook for the City's economic development efforts over the next three to five years. The recommendations cover several key areas of opportunity including the potential for increased tourism, improvements in the downtown area, growth of the industrial sector, and financing models to meet needed infrastructure and program costs.

ANALYSIS:

The proposed EDSP would be the first economic development strategic plan since the dissolution of the redevelopment agency in 2012 and the first EDSP evaluating the entire City. With the COVID-19 pandemic's impacts on the business community, a heightened focus was established on economic vitality, and the Council identified strategic efforts to strengthen the San Rafael economy and create greater resiliency for future economic downturns.

The City of San Rafael is the key business engine for Marin County with the largest commercial square footage market share compared to the other Marin communities.

Marin County Commercial Real Estate Inventory Q4 2022 (CoStar)

	Marin County	San Rafael	Percentage Share
Retail	13,407,000 SF	5,034,400 SF	38%
Office	12,737,600 SF	5,505,700 SF	43%
Industrial	5,336,500 SF	3,314,700 SF	62%
Flex	2,967,800 SF	958,600 SF	32%

Over the past 20 years, there has been limited growth in both commercial and residential development within San Rafael. As San Rafael and the greater Bay Area economy recover from the global pandemic, businesses are adjusting to the new normalized work conditions, which include remote work and modified retail shopping patterns. The commercial real estate owners and business community will also need to adjust to market demand for space and incorporate experiential retail that is focused on products and experiences that cannot be purchased online.

The EDSP recommends that policy makers and City activities target seven areas:

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

The seven targeted areas would build upon the San Rafael General Plan 2040 Economic Vitality Policies: EV1.1 Quality of Life; EV1.2- Strategic Planning; EV1.3-Relationship Building; EV1.4-Business Retention and Support; EV1.5-Business Attraction; EV1.6- Monitoring; and EV1.7 – Marketing and Branding. The EDSP program recommendations would 1) provide economic data and information; 2) create a strategic plan; 3) strengthen strategic partnerships; 4) create a retention and support program; 5) diversify the economy; 6) monitor economic development program outcomes; and 7) support marketing and branding programs.

The EDSP has 32 identified targeted action items over a 5-year planning horizon and are contingent on resources for implementation. An estimated cost/workload dashboard is included as Attachment 5. Staff recommend prioritizing the following items for upfront implementation given current and anticipated budget and staffing resources:

Action Item 1.1 Business Expansion, Attraction, Retention (BEAR) Program.

The BEAR program is an economic development program focused on enhancing customer service to both businesses and developers. Its focus is to provide process navigation services through City permitting and be a single point of contact for business and/or development questions. Services also include site selection, business referral resources, and financial and technical assistant programs. Staff currently provide services and are building capacity through the purchase of real estate data services and service contracts with strategic partners (San Rafael Chamber of Commerce and Marin SBDC). In addition, we would create marketing and branding material for program overview and how to access the program. All materials would be made available in Spanish and could be further translated into other languages depending on need.

Action Item 1.3 Business Data Analytics.

As part of the development of the EDSP, foundational business and real estate data for San Rafael has been collected and will now be utilized for trend analysis and tracking moving forward. In coordination with the City's Digital Service and Open Government Department, staff would obtain and track business data as a foundational task of the economic development program, and staff would add to the available data sources specific to San Rafael. The focus would be on improving our business license data collection and creating a business census that better identifies the business categories, sectors, and ask for voluntary demographic data to understand our business community better and adjust or develop programs with specific focuses on industries or business needs. This data would be the backbone of the data decision-making process that the City is moving toward and would help inform policy and program outcomes.

Action Item 2.2 Explore the conversion of transitioning the Business Based Improvement District (BID) to a Property Based Improvement District (PBID) to support enhanced cleaning, security, marketing, and physical improvements in downtown.

Council recently approved the Chamber of Commerce agreement to support the Downtown BID. This will allow outreach activity to move forward in the upcoming months to engage both the businesses and property owners to understand the specific needs of the Downtown and enhance services. Downtown is a key economic generator and cultural asset for the City. The EDSP community surveys identified concerns related to safety, cleanliness, and approachability in our commercial districts. The exploration of a BID to PBID district modification could leverage additional funding and create partnerships addressing downtown concerns.

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

With the proposed redevelopment of the Northgate Mall and other development in the Northgate area and Downtown, the City would be well positioned to explore an EIFD as an economic development funding tool for needed infrastructure improvements. The EIFD is an authorized State of California economic development tool that utilizes tax increment financing to help pay for needed infrastructure. This is a newer financing tool coupled with support from the County of Marin that could provide for accelerated infrastructure improvements or enhancements for the community within the established boundaries. The State has defined affordable housing and climate resiliency projects as eligible infrastructure projects through an EIFD.

Action Item 4.1 Explore the formation of a Countywide Tourism Improvement District or increasing the San Rafael Transient Occupancy Tax (TOT) to support tourism marketing and increase the tourism sector.

Both the City and the County have identified the tourism sector as a key economic industry. With the return of travel and tourism, hotel stays have been stabilizing. San Rafael will have a new AC Marriott hotel opening in Summer 2023 and foundation work has begun for a dual brand Hilton hotel featuring a Hampton Inn and H2 Hotel in East San Rafael. As the tourism market continues to grow, there are potential exploration activities for a Countywide tourism improvement district or increasing the San Rafael TOT, which currently is 12% (10% City + 2% County).

Action Item 6.4 Increase Cannabis business opportunities through the release of new cannabis licenses and creation of cannabis specific business programs targeting growth and capacity building. Business opportunities should include the exploration of retail storefront cannabis licenses.

The cannabis sector in the state and in San Rafael is going through a transition phase of market consolidation and recalibration. The City has the ability to release new license types, but has held them waiting for market stabilization and attempting to support our current license holders before releasing additional licenses into the local market. One license type that needs further evaluation is retail cannabis storefront. There has yet to be a cannabis retail storefront in Marin County, but the City has been approached by successful cannabis retail storefront businesses operating in other Bay Area counties looking to expand. There may be opportunities to explore retail storefront permits and establish regulations for hemp derived products targeted at youth.

The above action items would be considered foundational economic development activities or would potentially generate funding or provide needed services to enhance the City's economic vitality. There are other action items that could also be explored depending on Council prioritization and resource allocation. It is anticipated that City staff would provide periodic updates on the Economic Development program and progress on the EDSP as part of the City Council Economic Development Subcommittee meetings and an annual report to the City Council.

COMMUNITY OUTREACH:

Since the beginning of 2022, staff attended monthly meetings of both the Chamber of Commerce and the Business Improvement District Board, where members of the business community are invited and regularly attend. Staff provided updates on the progress of the EDSP at these meetings. Attendees of these meetings were provided the opportunity to share their thoughts and feedback on important factors to include in the EDSP.

In August and September 2022, Kosmont conducted in-person and virtual stakeholder interviews to gather community feedback on priority issues and goals for the EDSP. In the Fall of 2022, Kosmont distributed two surveys to the community: a general community survey for residents of San Rafael, and a business survey with targeted questions for business owners. Both surveys were translated into Spanish to make providing input accessible and equitable and ensure that the feedback reflected the diversity of San Rafael.

As stated above, in February and April 2023, respectively, Kosmont presented their economic baseline study and draft strategies to the Economic Development Subcommittee for feedback. In addition, City staff presented the EDSP to the San Rafael Chamber of Commerce Economic Vitality and Governmental Affairs Committee.

ENVIRONMENTAL REVIEW:

Adoption of the EDSP is statutorily exempt from the California Environmental Quality Act pursuant to section 15262 of the California Environmental Quality Act Guidelines because the EDSP is a policy and planning document which guides possible future actions which have not been approved, adopted or funded.

FISCAL IMPACT:

There is no immediate fiscal impact should Council adopt the EDSP. The Economic Development Strategic Plan will be used to identify and prioritize economic development tasks and goals. Funding to support the tasks will be allocated through the annual budget process. Larger projects may be brought to Council for approval where appropriate.

OPTIONS:

The City Council has the following options to consider on this matter:

1. Adopt resolution as presented;
2. Approve a modified version of the resolution;
3. Direct staff to return with further information.

RECOMMENDED ACTION:

1. Adopt resolution adopting the Economic Development Strategic Plan.

ATTACHMENTS:

1. Resolution adopting the Economic Development Strategic Plan
2. Exhibit A: Economic Development Strategic Plan
3. General Community Survey and Business Survey
4. Data Appendix
5. Task / Workload Dashboard

**RESOLUTION NO.
RESOLUTION OF THE SAN RAFAEL CITY COUNCIL ADOPTING
THE ECONOMIC DEVELOPMENT STRATEGIC PLAN**

WHEREAS, economic recovery has been identified as one of the four policy focus areas in the City of San Rafael City Council 2021-2022 Goals and Objectives; and

WHEREAS, an Economic Development Strategic Plan (EDSP) was identified as a key project to build back the San Rafael economy from the impacts from the COVID-19 pandemic; and

WHEREAS, the City engaged the San Rafael Chamber of Commerce, and business and community leaders for industry focus groups to create the scope of work focus areas for the development of an EDSP; and

WHEREAS, on June 21, 2022, City Council approved a professional services agreement with the Kosmont Companies for the creation of an EDSP; and

WHEREAS, Kosmont Companies completed a series of community engagements with key business and community stakeholders and launched a community-wide economic survey; and

WHEREAS, the Economic Development Strategic Plan was presented to the City Council Economic Development subcommittee on February 9, 2023 and April 13, 2023 on publicly noticed meetings; and

WHEREAS, the project is exempt from California Environmental Quality Act pursuant to section 15062 because the San Rafael Economic Development Strategic Plan is a policy document to guide the future of the City's economic development activities and policy approaches.

NOW, THEREFORE BE IT RESOLVED, that the City Council hereby adopts the Economic Development Strategic Plan (Exhibit A). This adoption is based on and supported by the following findings and determinations:

1. The public interest would be served by the adoption of the EDSP in that it provides targeted economic development tasks and activities to increase the economic vitality and resilience. Specifically, it identifies foundational economic development programs and identifies revenue and partnership initiatives to support economic opportunity.

2. As drafted, the EDSP would be consistent with the General Plan 2040, specifically the Economic Vitality element. The EDSP provides recommendations for Economic Vitality Policies: EV1.1 Quality of Life; EV1.2- Strategic Planning; EV1.3- Relationship Building; EV1.4-Business Retention and Support; EV1.5-Business Attraction; EV1.6- Monitoring; and EV1.7 – Marketing and Branding. The EDSP program recommendations would: 1) provide economic data and information; 2) create a strategic plan; 3) strengthen strategic partnerships; 4) create a retention and support program; 5) diversify the economy; 6) monitor economic development program outcomes; and 7) support marketing and branding programs.

3. The project is statutorily exempt from the California Environmental Quality Act pursuant to section 15262 of the California Environmental Quality Act Guidelines because the EDSP is a policy and planning document which guides possible future actions which have not been approved, adopted or funded.

I, **LINDSAY LARA**, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Monday, the 15th day of May 2023, by the following vote, to wit:

AYES: **Councilmembers:**
NOES: **Councilmembers:**
ABSENT: **Councilmembers:**

Lindsay Lara, City Clerk



CITY OF SAN RAFAEL

ECONOMIC DEVELOPMENT STRATEGIC PLAN

May 15, 2023



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ECONOMIC DEVELOPMENT STRATEGIC PLAN

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CITY OF SAN RAFAEL ECONOMIC DEVELOPMENT STRATEGIC PLAN

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ECONOMIC DEVELOPMENT STRATEGIC PLAN



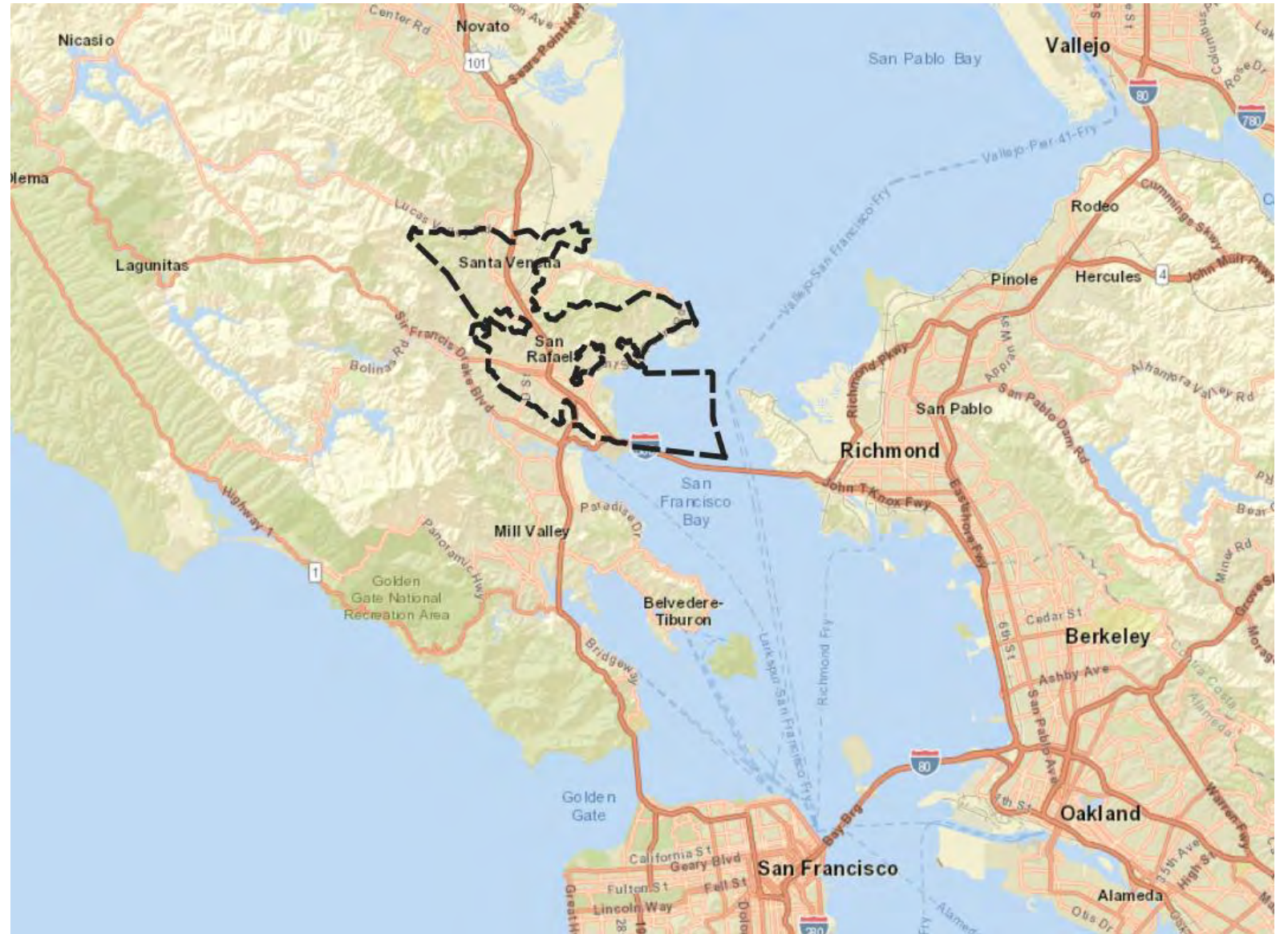
1. BACKGROUND & OVERVIEW

San Rafael Economic Development Strategic Plan

SAN RAFAEL REGIONAL CONTEXT

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 the San Francisco Peninsula and the East Bay. The City also provides easy access to the Sonoma / Napa Valley wine country and the Mendocino Coast.



BACKGROUND

- Kosmont Companies ("Kosmont") was retained by the City of San Rafael ("City") to prepare this Economic Development Strategic Plan ("EDSP").
- The EDSP addresses existing economic conditions, regional real estate trends and opportunities and provides tactical recommendations on business attraction, expansion, and retention through place-making recommendations and community feedback.
- Given shifting consumer preferences and changes in land use, uncertain economic realities, it is imperative that San Rafael identify opportunities within the City to spur development and increase revenues.
- The EDSP includes an assessment of economic / market conditions, an assessment of key commercial districts and sites, as well as insights from community / stakeholder outreach.

APPROACH

Kosmont's approach to preparing the Economic Development Strategic Plan included the following tasks:

- Review of City Budget and Planning documents, together with a daylong tour of the City and its business and residential districts
- Interviews with City staff, Council members, and community stakeholders
- Assessment of regional economic trends
- Assessment of local demographic and market conditions
- In person and virtual community outreach to gain insights as to needs and challenges and present preliminary findings
- Detailed assessment of major commercial districts
- Identification of key opportunities and short-term / long-term strategies

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.

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



COMMUNITY AREAS

Downtown

A thriving commercial center in the 1950's with several major department stores, the Downtown still holds a major 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.

Northgate

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 square footage and adding over 1,000 new MF units. The Northgate Industrial Park / Smith Ranch area is home to a variety of flex industrial / office / retail spaces, and could be have an opportunity for revitalization. The 8-acre movie theater site at 280 Smith Ranch Road is an opportunity site for higher density development.



COMMUNITY AREAS

Canal Area

The Canal Area plays an important part in the City's economy, and is an industrial backbone for Marin County:

- Over 80% of the industrial/flex space
- 30% of the retail space and most high-volume 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



COMMUNITY AREAS

Central San Rafael

This area of the city encompasses residential neighborhoods to the south-west and north-east of Downtown / Canal areas, such as Gerstle Park, West End, Sun Valley, Dominican, and Montecito. Dominican University is a major anchor institution in the area, educating ~1,800 students. These areas are home to neighborhood-serving retail along 4th Street and Lincoln Ave.

San Pedro Peninsula

This area is located east of Central San Rafael, and is home to residential areas such as Country Club, Loch Lomond, and Peacock Gap. China Camp State Park is located in the northern part of this area, featuring hiking, biking, and open space. The McNear – Dutra Quarry is an operating quarry and major supplier of construction material to the region, and there is some long-term opportunity in the future after quarry is closed / reclaimed. This area is also served by some neighborhood-serving retail along Point San Pedro Road.



ECONOMIC OVERVIEW

The City retained Kosmont to prepare the EDSP to develop a strategy that better positions San Rafael to face the economic forces that are reshaping the modern economy:

- Today's consumers are using online websites for purchasing a broad array of goods. As e-commerce continues to take an increasing percentage of consumer spending, cities must take new approaches to land use that explore concepts for public amenities and private attractions that help cities capture trips and thus “sales”.
- Younger consumers, with increased use of media and digital communication, seek gathering places with restaurants, entertainment venues and experiential retail, rather than simply a collection of traditional store fronts.
- Telework dynamics have drastically changed work patterns over the past few years and are poised to reshape office needs. Creative class professionals are attracted to communities with clustered centers, which provide a sense of vitality, diversity, convenience and a mix of work, entertainment, services, arts and culture.

Kosmont is assisting the City in achieving its economic objective by providing strategies, market analysis and recommendation – both citywide, as well as focused on particular commercial districts in the City. The goal is to foster economic vitality throughout the business districts of San Rafael, improving business conditions and resident quality of life.

DEMOGRAPHIC OVERVIEW

- 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 a Net **Inflow** of ~14,300 jobs, with workers coming from San Rafael, 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.



Note: Additional demographic data / analysis is available in Appendix

Source: ESRI BAO, Census Bureau OnTheMap, California Department of Finance

FISCAL & BUDGET OVERVIEW

- The city receives ~89% of its General Fund revenue from taxes. The majority (52%) of City tax revenue comes from sales taxes, and ~37% from property taxes. The remainder comes from franchise, business, and transient occupancy taxes.
- Sales tax revenues have grown ~7% annually since 2012, driven by Measure E and Measure R rate increases and dramatic growth in county pool revenues.
- Property taxes have grown ~7% annually since 2012, with assessed value growth driven by high real estate values and mark-to-market reassessments. San Rafael collects an estimated 12.2% of the 1% Property Tax general levy.

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
<i>Taxes Subtotal</i>	85,123,413
Revenues from Other Agencies	
CSA #19 Fire Service	2,442,513
Other Agencies	1,903,252
Other	
Permits & Licenses	3,010,159
Fine & Forfeiture	186,732
Interest & Rents	47,500
Charges for Services	2,568,965
Other Revenue	588,196
Total	95,870,730

MARKET OVERVIEW

- San Rafael saw limited growth in commercial, industrial, and apartment markets over the past decade. Commercial real estate rents and occupancy have been fairly stable over the past 10 years.
- The **retail market** is facing challenges as e-commerce reshapes consumer preferences – straining demand for regional shopping centers as well as downtown retail districts
- The **office market** is also undergoing changes as telework restructures employer needs and commute patterns – reshaping downtown business districts and office parks
- The **industrial market** is strong, driven by high demand for logistics / warehouse; San Rafael serves as the industrial heart of Marin with a large amount of construction / building spaces; strong demand for R&D / lab space in Bay Area could be increase demand in San Rafael
- The **multifamily residential market** continues to see high demand due to the housing shortage in California

While San Rafael only represents less than 25% of Marin County’s population, the City 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

ILLUSTRATIVE FISCAL REVENUE OF NEW DEVELOPMENT

To evaluate San Rafael economic opportunities and understand their impact on City revenues, the table below provides an illustration of incremental tax revenues potentially 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	Blended-Use Multifamily / Retail	60-room Upscale Hotel
Property Taxes + VLF	\$10,000	\$10,000	\$15,000	\$55,000	\$40,000
Direct Sales Taxes	\$25,000	\$50,000	\$85,000	\$25,000	\$20,000
Indirect Sales Taxes				\$20,000	\$20,000
Hotel TOT					\$370,000
Annual General Fund Revenues	\$35,000	\$60,000	\$100,000	\$100,000	\$450,000

STAKEHOLDER / COMMUNITY OUTREACH OVERVIEW

Kosmont worked with the City to conduct a variety of outreach efforts to solicit feedback from stakeholders and community members, including interviews / group meetings, a business survey, and a community survey.

Stakeholder Interviews	Business Survey	Community Survey
<p>Interviews emphasized the importance of the San Rafael economic engine, entrepreneurial spirit, artistic / historic character, and engaging events and activities.</p> <p>Challenges identified include development costs and processes, beautification improvements needed, and flood risks.</p> <p>Opportunities include better utilization of the waterfront area, more events to attract visitors, and a stronger connection to Dominican University.</p>	<p>Results show that top challenges facing businesses include High Rent / City Fees, Retaining / Hiring Employees, Safety / Cleanliness.</p> <p>Top City priorities include Homelessness, Cleanliness / Appearance / Illegal Dumping, Improving Public Safety, Housing, and Sustainability / Climate Change</p>	<p>Respondents 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.</p> <p>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.</p>

ECONOMIC DEVELOPMENT STRATEGIC PLAN



2. ECONOMIC DEVELOPMENT STRATEGIES

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, as well as 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 Enhanced Infrastructure Financing District (EIFD) (\$)**
- 4. Strengthen Local Partnerships (\$)**
- 5. Attract High-Tech Industrial 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 a 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 industrial zoning restrictions and entitlement policies/processes to ensure that they facilitate 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 Vendor 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 career pathways – setting low-income workers on a path to higher wage careers, 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 attracting businesses and economic activity
8. **Hotel Tax Revenues** – measure success in attracting more visitors
9. **Hotel Visitor Survey** – identify types of visitors, short term vs longer term stays
10. **Annual Survey of Business Owners** – identify issues regarding 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

ECONOMIC DEVELOPMENT STRATEGIC PLAN

ACTION ITEM RESOURCES

1: Support Business / Development

#	Action Item	Cost	Workload	Timeframe
1.1	BEAR Program	\$	👤 👤	Year 1
1.2	Technical Assistance Programs	\$	👤	Year 2
1.3	Business / Development Data	\$	👤	Ongoing
1.4	Bi-lingual Staff	\$\$\$\$	👤 👤 👤 👤	Ongoing
1.5	Entrepreneurial Events	\$\$	👤 👤	Year 1

2: Downtown Reimagination

#	Action Item	Cost	Workload	Timeframe
2.1	Business Programs	\$\$\$	👤 👤	Year 3 - 4
2.2*	Explore conversion of the BBID to a PBID	\$	👤 👤	Year 1
2.3	Evaluate publicly-owned sites for reuse	\$	👤	Year 2-3
2.4	Placemaking physical improvements	\$\$\$\$	👤 👤	Year 3-5
2.5	Other physical enhancements	\$\$\$	👤 👤	Year 3-5
2.6	Marketing / social media	\$	👤	Ongoing

3: Analyze Implementation of EIFD

#	Action Item	Cost	Workload	Timeframe
3.1	Feasibility analysis / plan	\$	👤 👤	Q1-Q3
3.2*	Explore County Partnership	\$	👤	Year 1-2
3.3*	Pursue Grants	\$	👤	Ongoing

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

Estimated Cost thru Year 5

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

Cost does not include allocation of current Econ Dev staff salaries

Estimated Workload During Timeframe

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

ECONOMIC DEVELOPMENT STRATEGIC PLAN

ACTION ITEM RESOURCES

4: Strengthen Local Partnerships					5: Attract High-tech Industrial Uses					6: Outreach for Private / Business Development Opportunities																		
#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe														
4.1*	Explore tourism funding models	\$	1 person	Year 1-2	5.1	Revise zoning / processes for industrial uses	\$\$	3 people	Year 3-5	6.1	Identify / analyze sites for reuse	\$	1 person	Year 1-2														
4.2	Explore / expand events and programming	\$\$\$	2 people	Year 1-3	5.2	Pursue new industrial sectors	\$	1 person	Year 1-2	6.2	Outreach / collaborate with property owners	\$	1 person	Year 1-2														
4.3	Marketing partnerships	\$	2 people	Year 1	5.3	Evaluate tech industrial overlay zoning	\$\$	2 people	Year 2	6.3	Pursue businesses / developers	\$	2 people	Year 2														
4.4	Tourism marketing	\$	2 people	Year 1	5.4	Conduct outreach businesses, industry grps	\$	2 people	Year 1-2	6.4*	Cannabis business opportunities	\$\$	2 people	Year 2-3														
4.5	Arts programming	\$	2 people	Year 1						6.5	Update Mobile Vender Ordinance	\$\$	2 people	Year 2-3														
4.6	Collaborate with service organizations	\$	2 people	Year 2	<h3>7: Workforce Development Programs</h3> <table border="1"> <thead> <tr> <th>#</th> <th>Action Item</th> <th>Cost</th> <th>Workload</th> <th>Timeframe</th> </tr> </thead> <tbody> <tr> <td>7.1</td> <td>Coordinate with orgs. for workforce development</td> <td>\$</td> <td>2 people</td> <td>Year 3-5</td> </tr> <tr> <td>7.2</td> <td>Conduct outreach to local businesses / orgs.</td> <td>\$</td> <td>2 people</td> <td>Tear 3-5</td> </tr> </tbody> </table>					#	Action Item	Cost	Workload	Timeframe	7.1	Coordinate with orgs. for workforce development	\$	2 people	Year 3-5	7.2	Conduct outreach to local businesses / orgs.	\$	2 people	Tear 3-5				
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\$\$\$	\$150,000 to \$300,000
\$\$\$\$	>\$300,000

Cost does not include allocation of current Econ Dev staff salaries

Estimated Workload During Timeframe	
1 person	10-20% of employee workload
2 people	20-40% of employee workload
3 people	40-60% of employee workload
4 people	60-100% of employee workload

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; other nearby educational partners include College of Marin.
- **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.
- **Limited Development Activity:** Previous hesitance to new housing development has historically stalled development.
- **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 and surface lots 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.

ECONOMIC DEVELOPMENT STRATEGIC PLAN



3. 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.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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 property taxes (including Motor Vehicle In-lieu) (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.

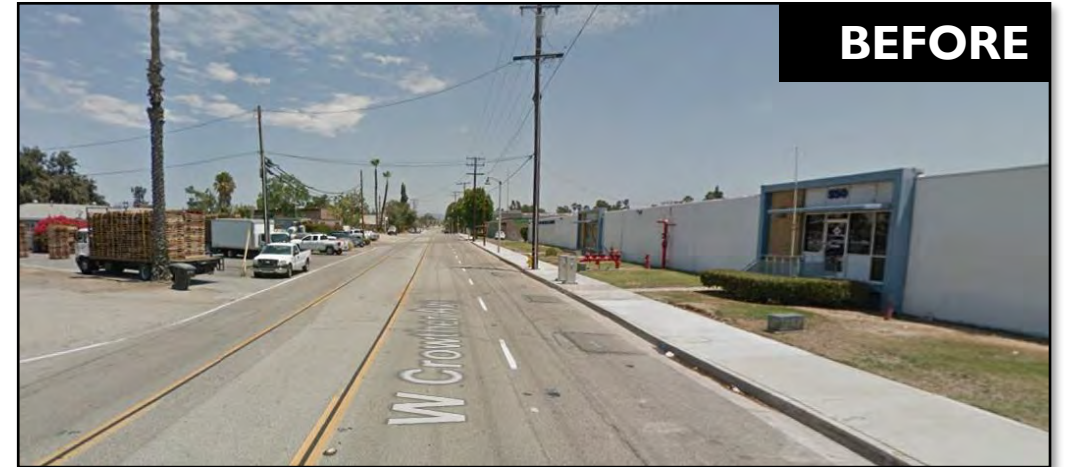
SPECIAL DISTRICTS FOR INFRASTRUCTURE FINANCING EIFD CITY / COUNTY PARTNERSHIP CASE STUDY

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

<p>Property Business Improvement Districts (PBID)</p>	<p>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.</p>
<p>Community Facilities District (CFD)</p>	<p>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.</p>
<p>Parking Authority District</p>	<p>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.</p>
<p>Climate Resilience District (CRD)</p>	<p>Climate Resilience Districts are a new type of district that 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.</p>

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.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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, 20 018-063-04, 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., Joint Powers Authority) 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 <i>(EIFD Preference)</i>	<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 <i>(EIFD Preference)</i>	<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

ECONOMIC DEVELOPMENT STRATEGIC PLAN



4. ECONOMIC / LAND USE TRENDS & CASE STUDIES

San Rafael Economic Development Strategic Plan

ECONOMIC DEVELOPMENT STRATEGIC PLAN



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

Retail is Not Just Retail Anymore

Telework is Reconfiguring Office

Industrial / Distribution is Critical for Your Economy

Housing Creation as Economic Development

Retail Reimagination as Economic Development

Office Conversions as Economic Development

Industrial & Fulfillment 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

- 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 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

- 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

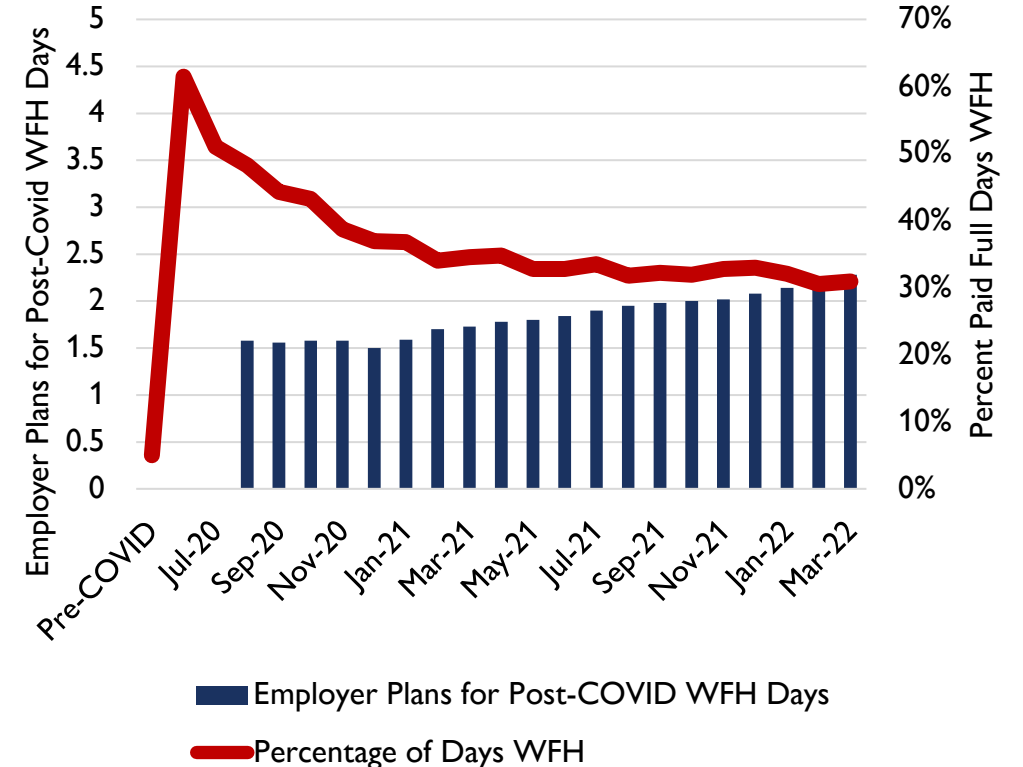
➤ Hospitality

- 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.

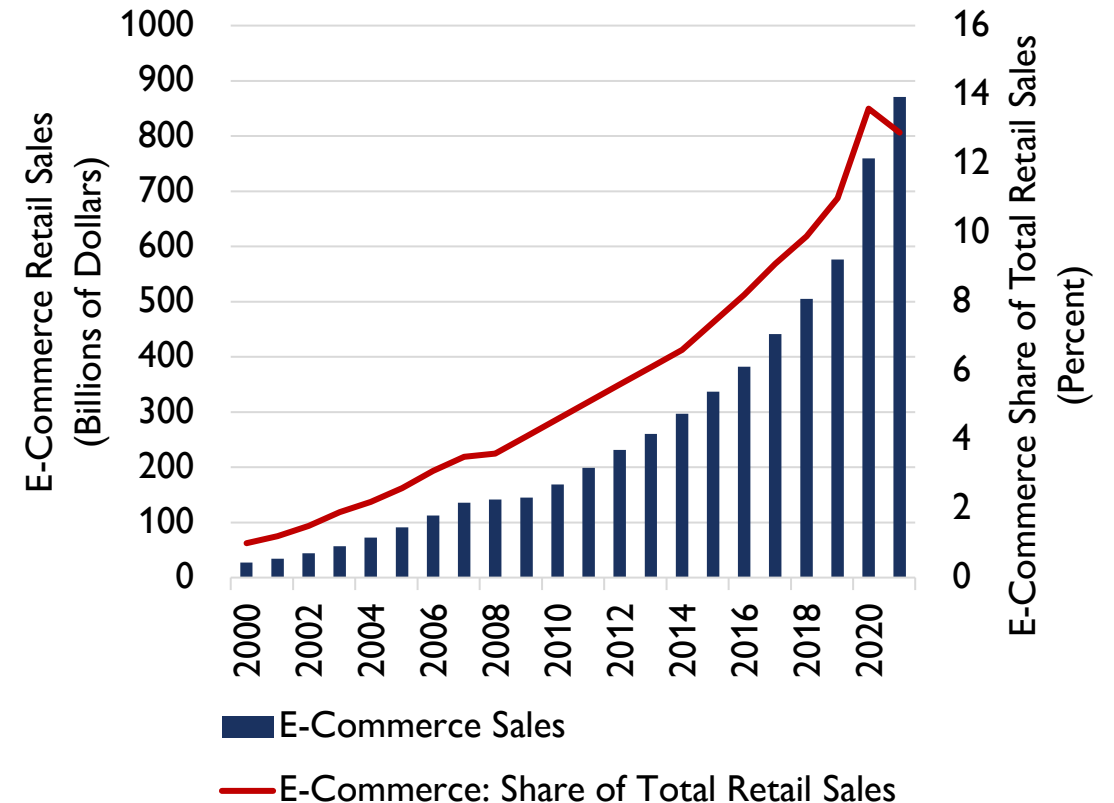
Work-from-Home: Current Utilization and Employer Plans for post-Covid



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

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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.

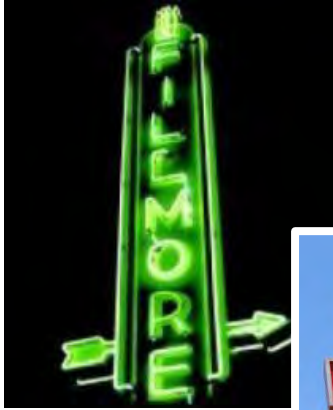
PLACEMAKING THROUGH DISTRICTS AND EVENTS

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.

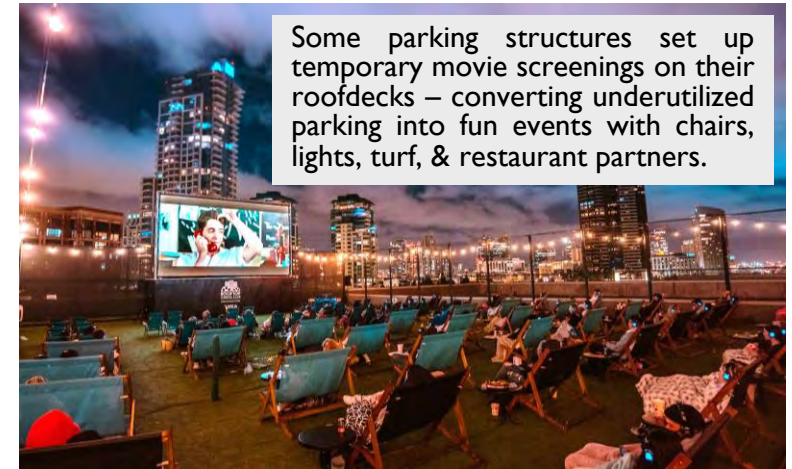
Murals in downtown Providence, RI add character and highlight local artists and themes.



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.

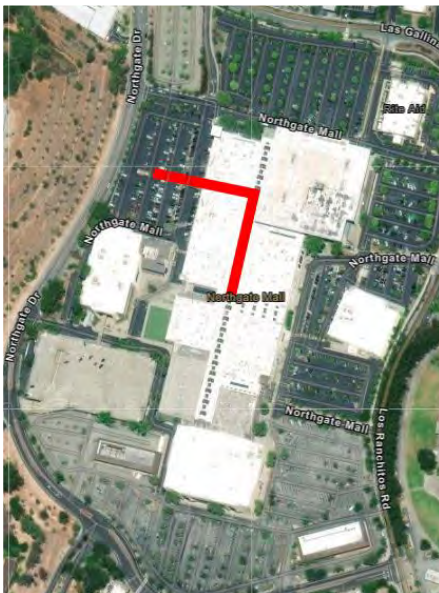


WALK DISTANCE COMPARISON NORTHGATE MALL VS. DOWNTOWN SAN RAFAEL

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 ~700 ft 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

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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

<i>Step 1</i>	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.
<i>Step 2</i>	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.
<i>Step 3</i>	Temporary Closure	When confident to make the car ban permanent, first use temporary materials: epoxy gravel, potted plants, small trees, movable tables and chairs.
<i>Step 4</i>	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



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.



CITY OF SAN RAFAEL

ECONOMIC DEVELOPMENT STRATEGIC PLAN

May 15, 2023



El Segundo, CA
TEL: 424-297-1070 | URL: www.kosmont.com

CITY OF SAN RAFAEL

ECONOMIC DEVELOPMENT STRATEGIC PLAN BUSINESS & COMMUNITY SURVEY RESULTS APPENDIX

January 2023



El Segundo, CA
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BUSINESS SURVEY

BUSINESS SURVEY RESULTS OVERVIEW

- The online 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.
- The top City priorities identified in the survey include Homelessness, Cleanliness / Appearance / Illegal Dumping, Improving Public Safety, Housing, and Sustainability / Climate Change.

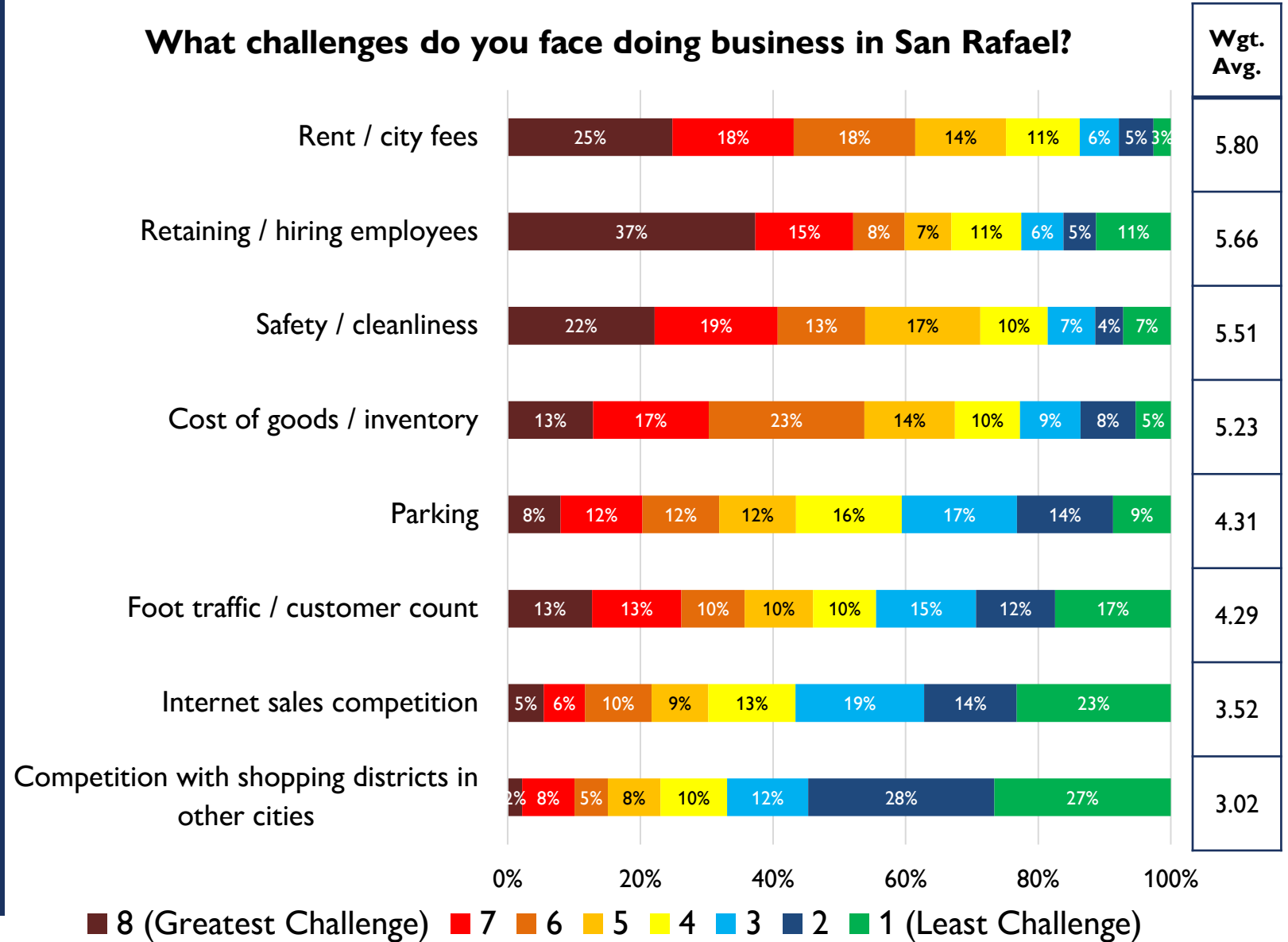
BUSINESS SURVEY RESPONSE COMPOSITION

Business Location	Count of Respondents	% of Respondents	Business Type	Count of Respondents	% of Respondents	Business Size	Count of Respondents	% of Respondents
Downtown	95	42%	Professional / Technical / Scientific Services	55	24%	Sole Proprietor	83	36%
Terra Linda / North San Rafael	61	27%	Retail	28	12%	More than 1 and less than 9 employees	86	38%
East San Rafael	18	8%	Personal Services	26	11%	10-24 employees	31	14%
Montecito, Loch Lomond, Peacock Gap Neighborhood	14	6%	Healthcare / Social Assiis	24	11%	25-99 employees	11	5%
Canal Neighborhood	6	3%	Real Estate / Rental	23	10%	More than 100 employees	11	5%
West Francisco Blvd	5	2%	Accommodation and Food Service	13	6%	Other	6	3%
Woodland / Bret Harte	9	4%	Art, Entertainment, and Recreation	13	6%	Total	228	100%
Other / blank	20	9%	Construction-related	10	4%			
Total	228	100%	Finance and Insurance	9	4%	Membership (not mutually exclusive)		
			Wholesale	8	4%	Downtown Business Improvement District	33	15%
			Automotive / Transport	6	3%	San Rafael Chamber of Commerce	65	29%
			Manufacturing	6	3%			
			Education Services	5	2%			
			Total	228	100%			

SURVEY RESULTS BUSINESS CHALLENGES

Survey responses show that many firms cite Rent / City Fees, Retaining / Hiring Employees, Safety / Cleanliness as high-ranking challenges to their businesses.

What challenges do you face doing business in San Rafael?



SURVEY RESULTS BUSINESS CHALLENGES

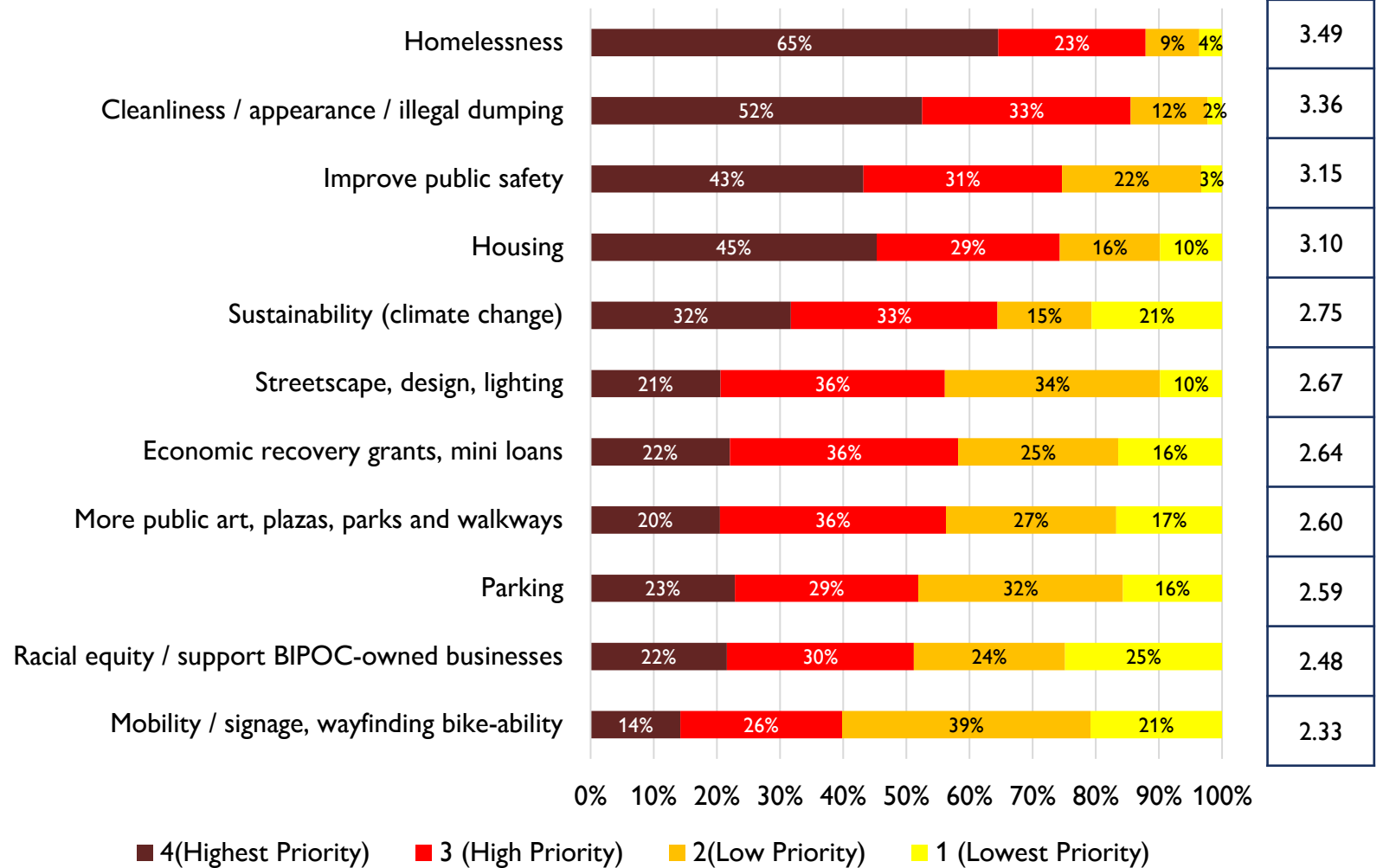
Business challenges results varied by the location of firms, employee count, and industry. The tables at the right summarize the challenges facing these different firm types

Downtown Firms	
Greatest challenges ...	Lowest challenges...
<ul style="list-style-type: none"> • Safety / cleanliness • Rent / city fees • Retaining / hiring employees 	<ul style="list-style-type: none"> • Competition with other shopping districts • Internet sales competitio • Cost of goods / inventory
Terra Linda / North San Rafael Firms	
Greatest challenges ...	Lowest challenges...
<ul style="list-style-type: none"> • Retaining / hiring employees • Rent / city fees • Cost of goods / inventory 	<ul style="list-style-type: none"> • Parking • Competition with other shopping districts • Foot traffic / customer count
East SR / Canal / West Francisco Blvd Firms	
Greatest challenges ...	Lowest challenges...
<ul style="list-style-type: none"> • Cost of goods / inventory • Rent / city fees • Retaining / hiring employees 	<ul style="list-style-type: none"> • Competition with other shopping districts • Parking • Internet sales competition
Firms with Less Than 10 Employees	
Greatest challenges ...	Lowest challenges...
<ul style="list-style-type: none"> • Safety / cleanliness • Rent / city fees • Cost of goods / inventory 	<ul style="list-style-type: none"> • Competition with other shopping districts • Internet sales competition • Foot traffic / customer count
Retail / Accommodation / Food Service Firms	
Greatest challenges ...	Lowest challenges...
<ul style="list-style-type: none"> • Foot traffic / customer count • Retaining / hiring employees • Cost of goods / inventory 	<ul style="list-style-type: none"> • Competition with other shopping districts • Internet sales competition • Parking

SURVEY RESULTS CITY PRIORITIES

Survey responses show that many firms chose Homelessness, Cleanliness / Appearance / Illegal Dumping, Improving Public Safety, Housing, and Sustainability / Climate Change as the top priorities that the City should focus its financial resources.

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



SURVEY RESULTS CITY PRIORITIES

City priorities results varied by the location of firms, employee count, and industry. The tables at the right summarize the challenges facing these different firm types

Downtown Firms	
Highest priority...	Lowest priority...
<ul style="list-style-type: none"> • Homelessness • Cleanliness / appearance / illegal dumping • Improve public safety 	<ul style="list-style-type: none"> • Mobility / signage, wayfinding bike-ability • Racial equity / support BIPOC-owned businesses • Sustainability / Climate Change
Terra Linda / North San Rafael Firms	
Highest priority...	Lowest priority...
<ul style="list-style-type: none"> • Homelessness • Cleanliness / appearance / illegal dumping • Improve public safety 	<ul style="list-style-type: none"> • Parking • Mobility / signage, wayfinding bike-ability • Racial equity / support BIPOC-owned businesses
East SR / Canal / West Francisco Blvd Firms	
Highest priority...	Lowest priority...
<ul style="list-style-type: none"> • Cleanliness / appearance / illegal dumping • Homelessness • Improve public safety 	<ul style="list-style-type: none"> • Mobility / signage, wayfinding bike-ability • Racial equity / support BIPOC-owned businesses • More public art, plazas, parks and walkways
Firms with Less Than 10 Employees	
Highest priority...	Lowest priority...
<ul style="list-style-type: none"> • Homelessness • Cleanliness / appearance / illegal dumping • Improve public safety 	<ul style="list-style-type: none"> • Mobility / signage, wayfinding bike-ability • Racial equity / support BIPOC-owned businesses • Economic recovery grants, mini loans
Retail / Accommodation / Food Service Firms	
Highest priority...	Lowest priority...
<ul style="list-style-type: none"> • Homelessness • Cleanliness / appearance / illegal dumping • Improve public safety 	<ul style="list-style-type: none"> • Mobility / signage, wayfinding bike-ability • Sustainability / Climate Change • Racial equity / support BIPOC-owned businesses

SURVEY RESULTS FUNDING IDEAS

Businesses were asked to what extent they would support the following ideas to fund BID operations, and provide other 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

Support for these funding ideas varied by business organization membership, firm location, and firm type as shown in tables.

Increase Transient Occupancy Tax on Overnight Hotel Stays	
	% Support Among Group
Overall	52%
<u>Membership</u>	
Chamber Members	60%
BID Members	61%
<u>Firm Location</u>	
Downtown Businesses	54%
Terra Linda / North San Rafael Businesses	51%
Canal / East SR / West Francisco Blvd.	59%
<u>Firm Type</u>	
Retail / Accommodation / Food Service	68%
Professional / Technical Scientific Services / Finance and Insurance	52%
Personal Services	38%
Real Estate / Rental / Leasing	30%
Healthcare / Social Assistance	46%

Increase Parking Fees	
	% Support Among Group
Overall	25%
<u>Membership</u>	
Chamber Members	31%
BID Members	21%
<u>Firm Location</u>	
Downtown Businesses	25%
Terra Linda / North San Rafael Businesses	20%
Canal / East SR / West Francisco Blvd.	31%
<u>Firm Type</u>	
Retail / Accommodation / Food Service	22%
Professional / Technical Scientific Services / Finance and Insurance	25%
Personal Services	15%
Real Estate / Rental / Leasing	26%
Healthcare / Social Assistance	29%

BUSINESS SURVEY FEEDBACK / RESPONSES

Some of the main themes that emerged in respondent free-response comments include:

- Improve downtown by making it more bike / pedestrian friendly; improve streetscape / beautification, particularly in the Downtown and gateway areas near the freeway
- Encourage entrepreneurship and innovation; address workforce housing and economic challenges facing small businesses; address economic challenges facing small businesses through programs and incentives
- Encourage community events, farmer markets and outdoor dining; Promote public art and entertainment
- Promote local businesses and encouraging community involvement; Increase foot traffic and retail options; Find ways to encourage businesses to stay open and bring customers to the business areas
- Promote San Rafael as a destination, and developing reasons for people to visit and stay in San Rafael
- Reduce bureaucracy, speed up permitting processes, and improve the City's fee / business regulation environment; assist with construction impacts



COMMUNITY SURVEY

COMMUNITY SURVEY SUMMARY

- An online survey was conducted in December 2022 provided 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.

COMMUNITY SURVEY RESPONSE COMPOSITION

Respondent Type	Count of Respondents	% of Respondents
San Rafael resident	101	94%
Employee with a job in San Rafael	11	10%
Business owner in San Rafael	20	19%
Commercial property owner in San Rafael	2	2%
Investor or Developer	3	3%
Commuter to work outside of San Rafael	5	5%
Total (Unique Respondents)	108	100%

Respondent Age	Count of Respondents	% of Respondents
Under 18	0	0%
18-24	1	1%
25-34	4	4%
35-44	12	11%
45-54	12	11%
55-64	31	28%
65+	50	45%
Total	110	100%

Resident Council District	Count of Respondents	% of Respondents
Council District 1 (includes Canal, Francisco Blvd)	4	4%
Council District 2 (includes most of Downtown, Gerstle Park, West End, Fair Hills, Sun Valley)	60	57%
Council District 3 (includes Dominican, Black Canyon, Montecito, Happy Valley, Loch Lomond, Glenwood, Peacock Gap, Civic Center)	15	14%
Council District 4 (includes Terra Linda, North San Rafael, Smith Ranch, Mont Marin, San Rafael Park)	26	25%
Total	105	100%

Resident Tenure	Count of Respondents	% of Respondents
0-4 years	8	8%
5-9 years	13	12%
10-14 years	18	17%
15-19 years	11	10%
20+ years	56	53%
Total	106	100%

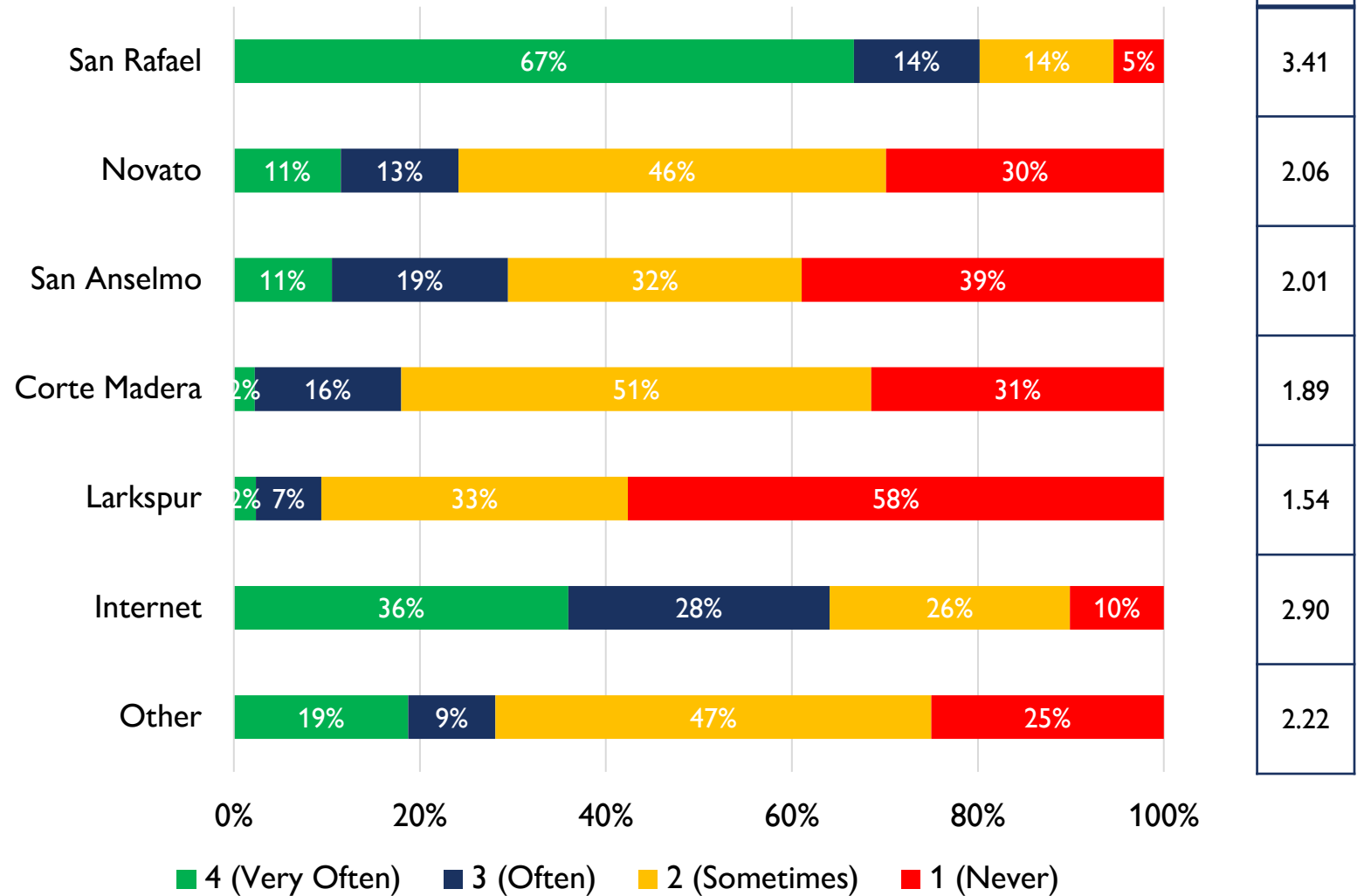
SURVEY RESULTS WEEKLY SHOPPING

Survey responses show that ~81% of respondents conduct their weekly shopping “often” or “very often” in San Rafael. The most popular weekly shopping destinations other than San Rafael include Novato and San Anselmo, with a smaller portion of respondents choosing Corte Madera or Larkspur.

Around 64% conduct their weekly shopping via the internet either “often” or “very often”.

Totals exceed 100% as many people list more than one location

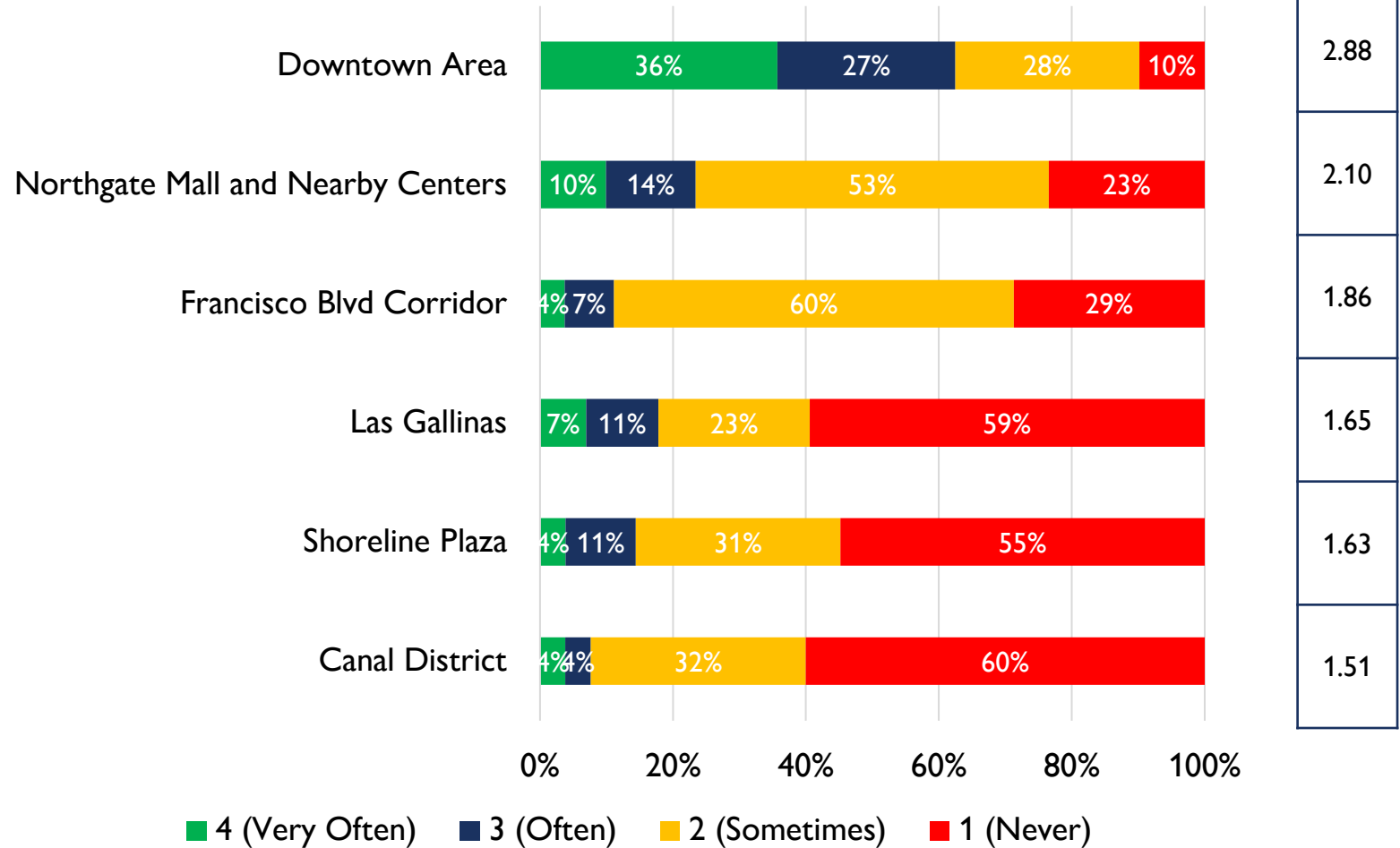
Where do you conduct your weekly shopping?



SURVEY RESULTS BUSINESS DISTRICTS

Survey responses show that ~63% of respondents visit the Downtown Business District “often” or “very often”. The next most popular business districts in San Rafael is Northgate Mall / Surrounding Centers, with ~24% visiting at least “often”.

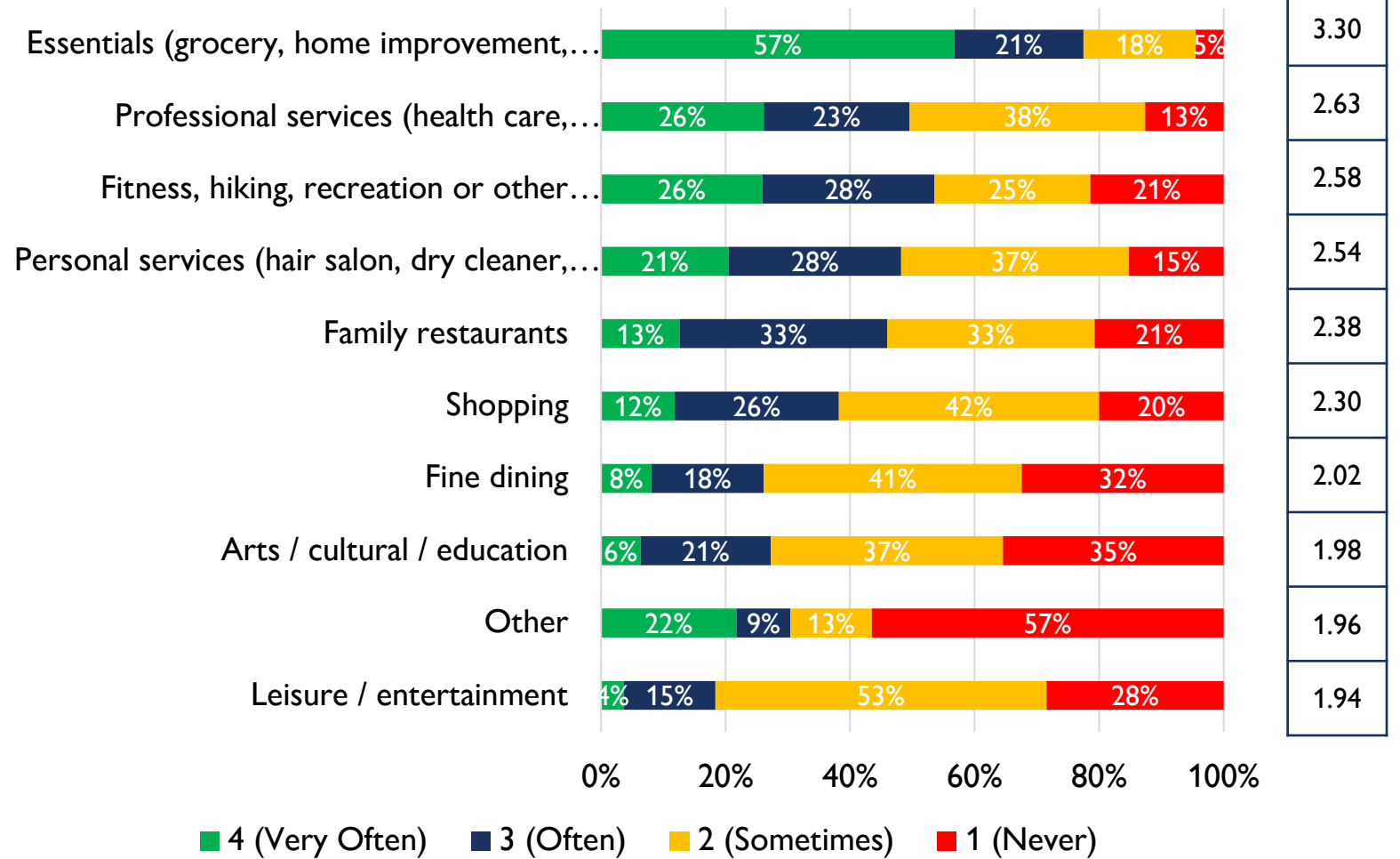
How Often do you Visit Each of the Following Business Districts in San Rafael



SURVEY RESULTS BUSINESS DISTRICTS VISIT PURPOSE

Survey responses show that ~78% of respondents visit the San Rafael business districts “often” or “very often” for Essential purchases. Other common purposes include Professional Services, Fitness, and Personal Services; the least common purposes include Leisure / Entertainment, Arts / Cultural / Education, and Fine Dining.

How often do you visit business districts in the City of San Rafael for the following purposes

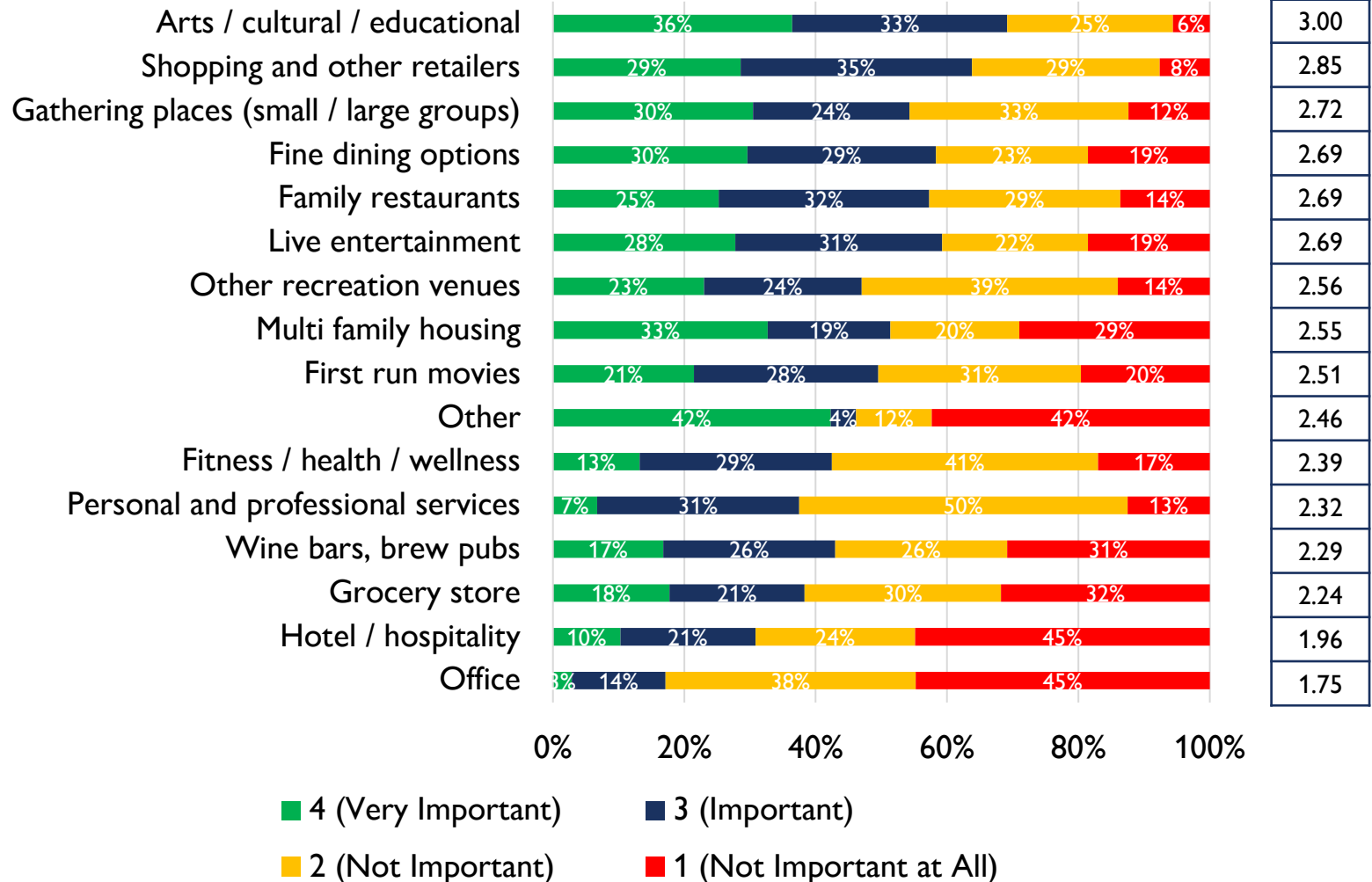


SURVEY RESULTS NEW BUSINESSES DOWNTOWN

Survey responses show that greater than 50% of respondents chose “Important” or “Very Important” for a wide variety of new business types in the Downtown area:

- Arts / Cultural / Educational (69%)
- Shopping / Other Retail (64%)
- Live Entertainment (59%)
- Fine Dining (58%)
- Family Restaurants (57%)
- Gathering Places (54%)
- Multifamily Housing (51%)
- First Run Movies (50%)

What types of new additional businesses would you like to see in Downtown San Rafael

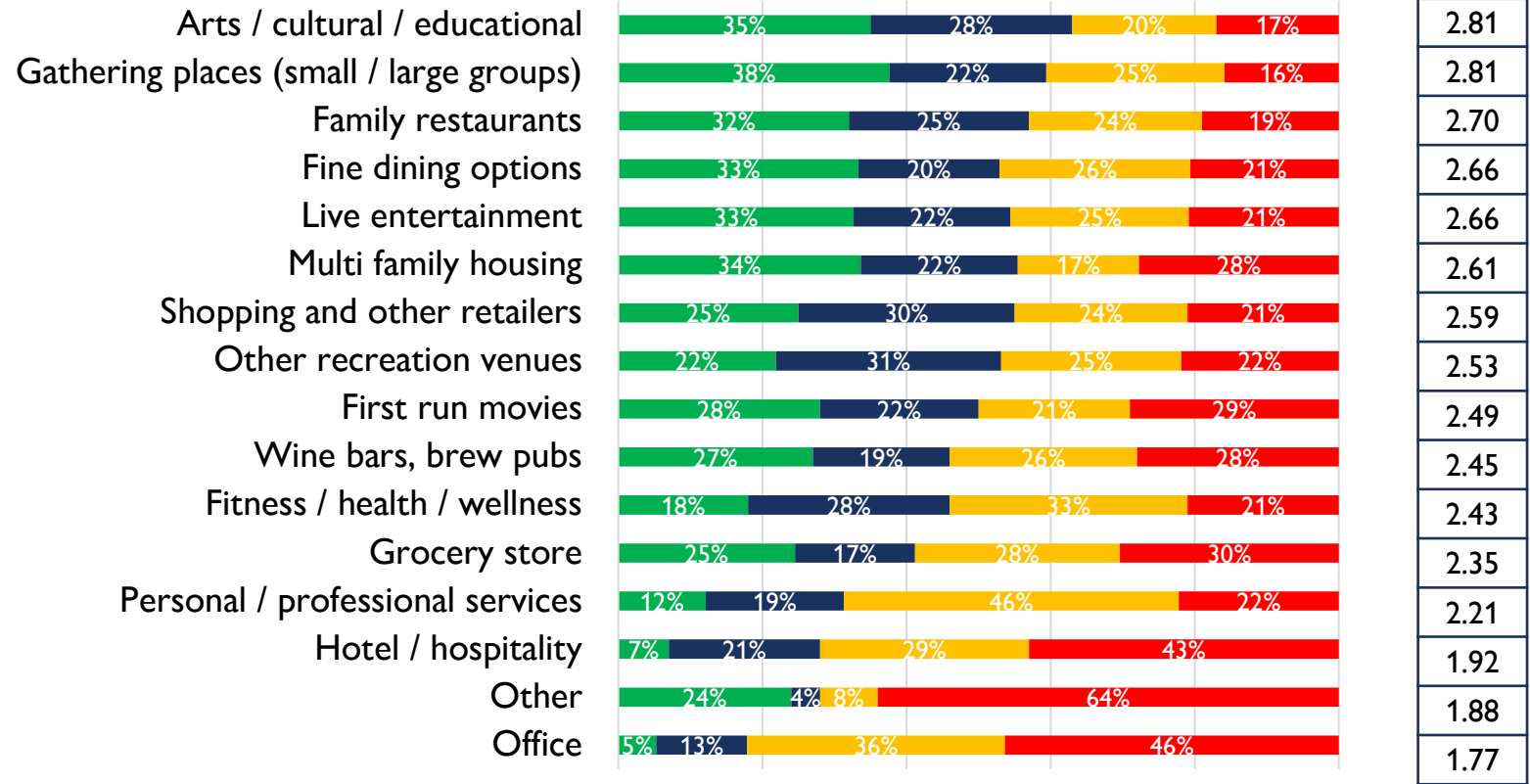


SURVEY RESULTS NEW BUSINESSES NORTH SAN RAFAEL

Survey responses show that greater than 50% of respondents chose “Important” or “Very Important” for a wide variety of new business types in the North San Rafael area:

- Arts / Cultural / Educational (63%)
- Gathering Places (59%)
- Family Restaurants (57%)
- Multifamily Housing (55%)
- Shopping / Other Retail (55%)
- Live Entertainment (54%)
- Other Recreation (53%)
- Fine Dining (53%)
- First Run Movies (50%)

What types of new additional businesses would you like to see in North San Rafael

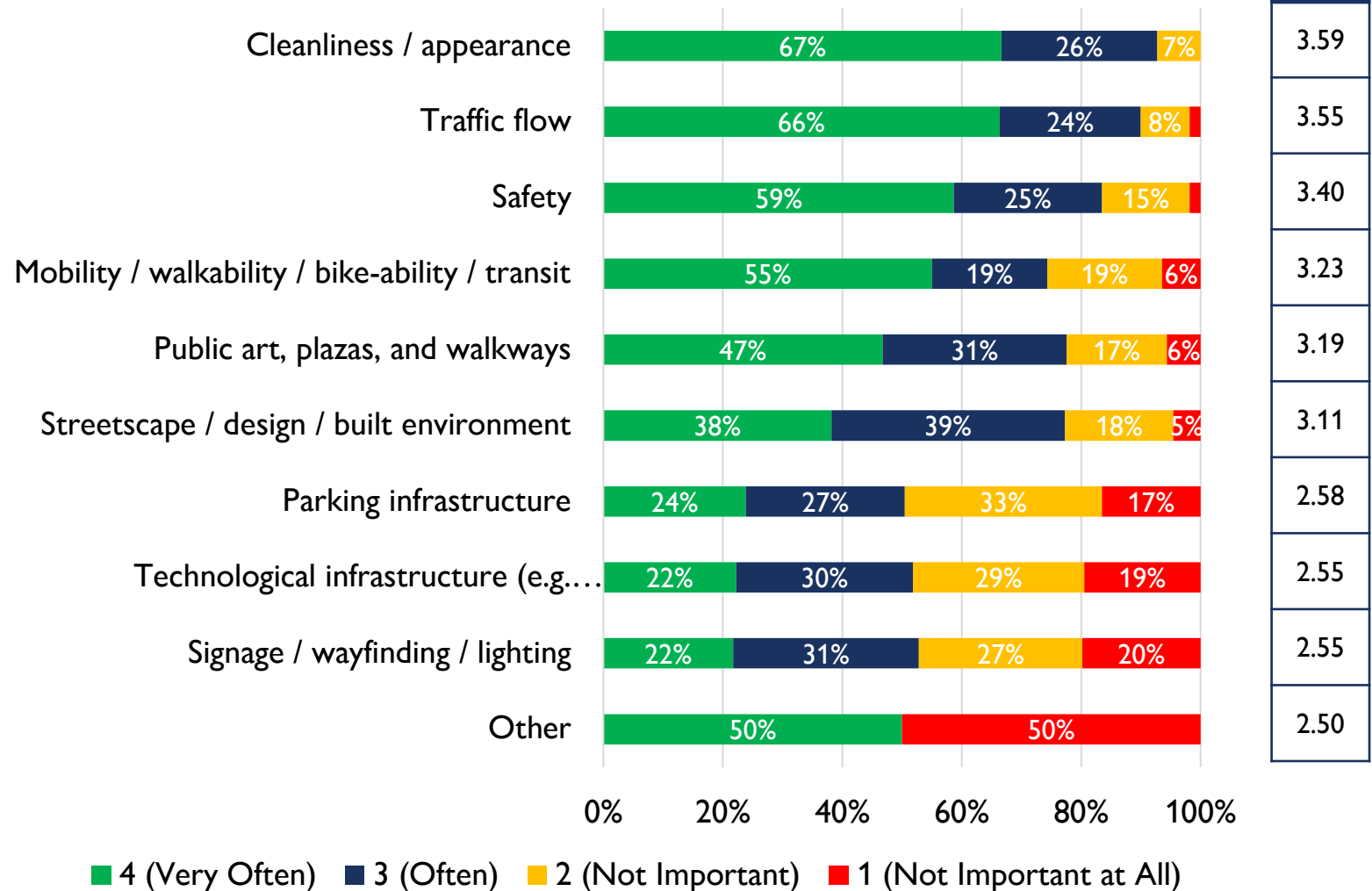


■ 4 (Very Important) ■ 3 (Important)
■ 2 (Not Important) ■ 1 (Not Important at All)

SURVEY RESULTS CIVIC IMPROVEMENTS

Survey responses show support for a wide variety of civic improvements / amenities, with the top ranking choices including Cleanliness / Appearance, Traffic Flow, Safety, Mobility / Walkability / Bikeability / Transit, Public Art / Plazas / Walkways, and Streetscape / Design / Built Environment.

Which of the following civic improvements / amenities should the City invest in for San Rafael



CITY OF SAN RAFAEL

ECONOMIC DEVELOPMENT STRATEGIC PLAN BUSINESS & COMMUNITY SURVEY RESULTS APPENDIX

January 2023



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CITY OF SAN RAFAEL

ECONOMIC DEVELOPMENT STRATEGIC PLAN DATA APPENDIX

May 15, 2023



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ECONOMIC DEVELOPMENT STRATEGIC PLAN



A. DEMOGRAPHIC & EMPLOYMENT DATA

San Rafael Economic Development Strategic Plan

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.

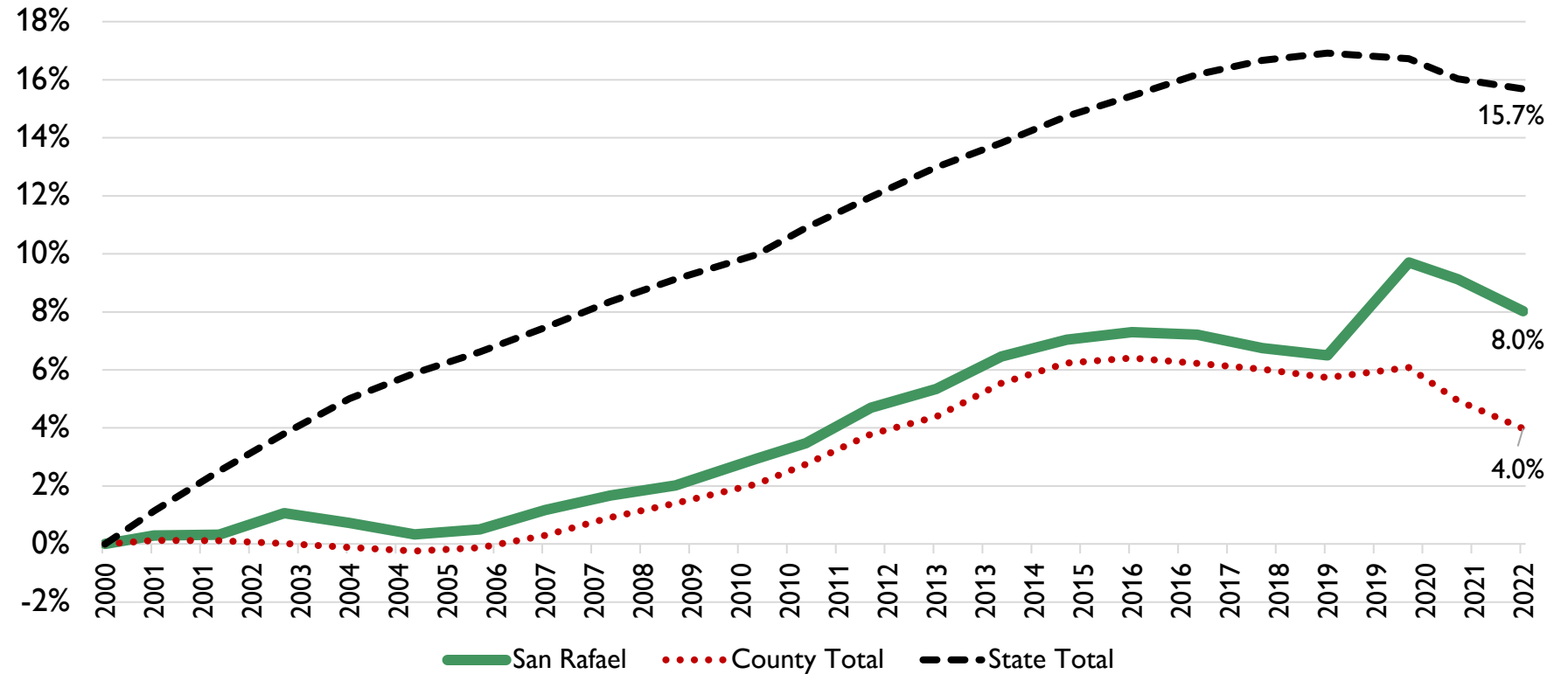
POPULATION & INCOME CITY, COUNTY, AND STATE

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

CUMULATIVE POPULATION GROWTH, 2000 – 2022

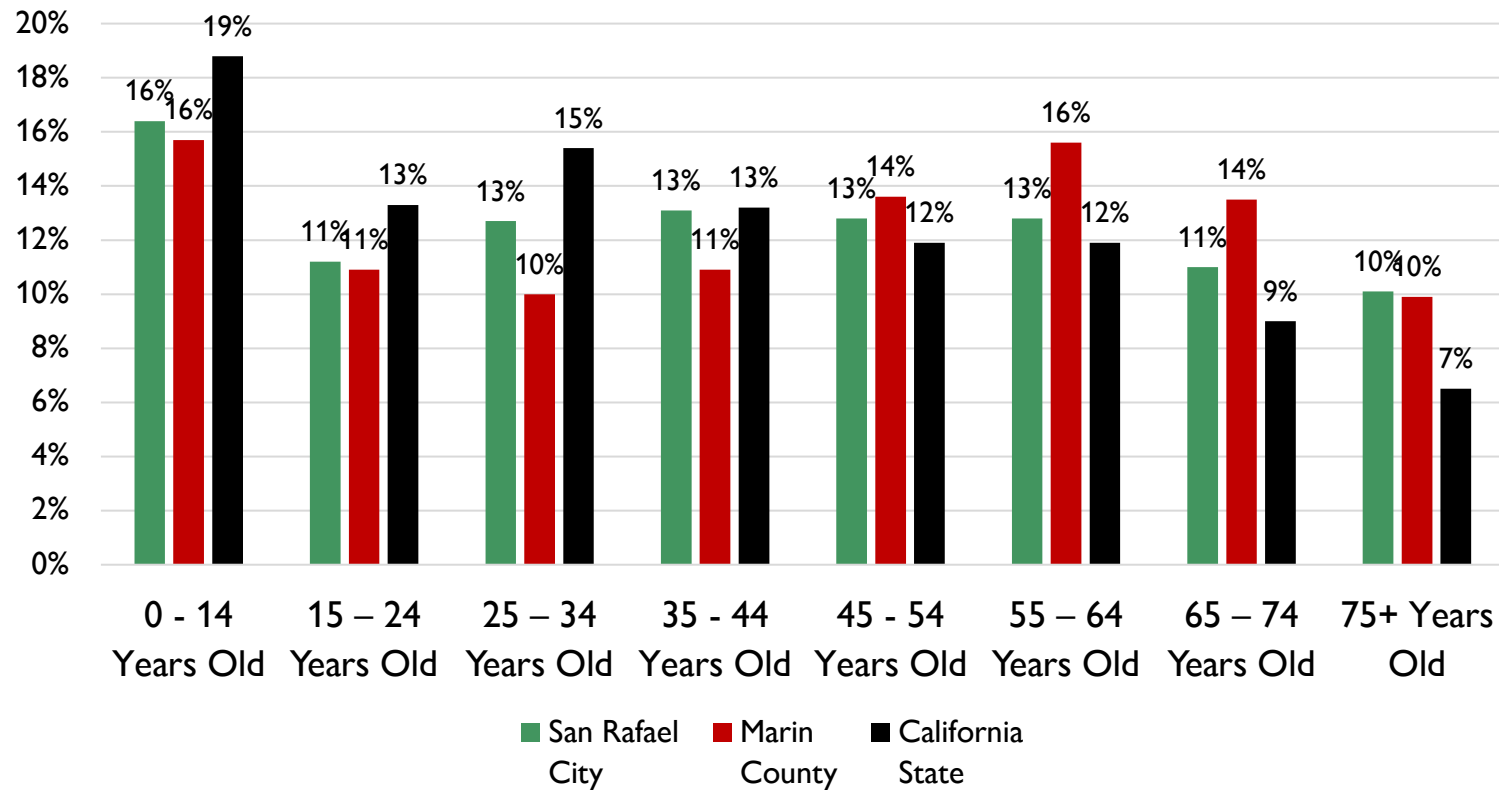
San Rafael has seen population growth of ~8% since 2000, higher than Marin County at 4% but lower than California's growth of 15.7%.

Population Growth, 2000 - 2022



POPULATION BY AGE COHORT

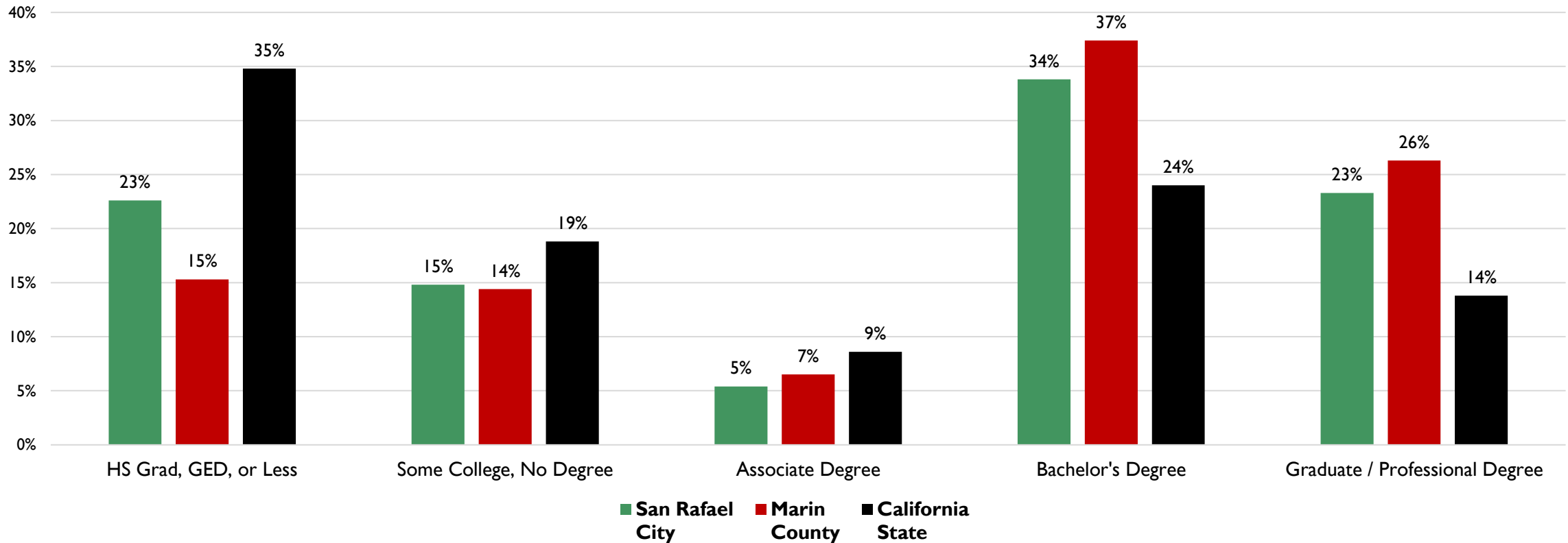
Population by Age Cohort



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

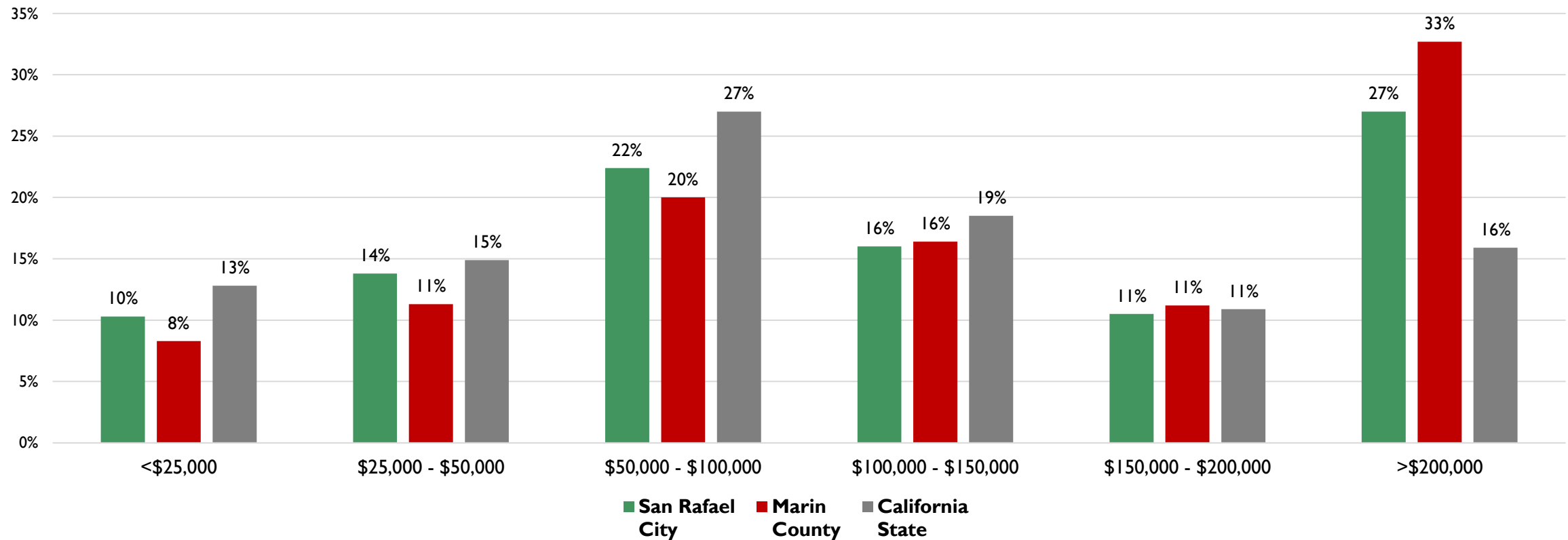
POPULATION BY EDUCATIONAL ATTAINMENT

2022 Population by Educational Attainment



POPULATION BY INCOME

2022 Households by Income Level

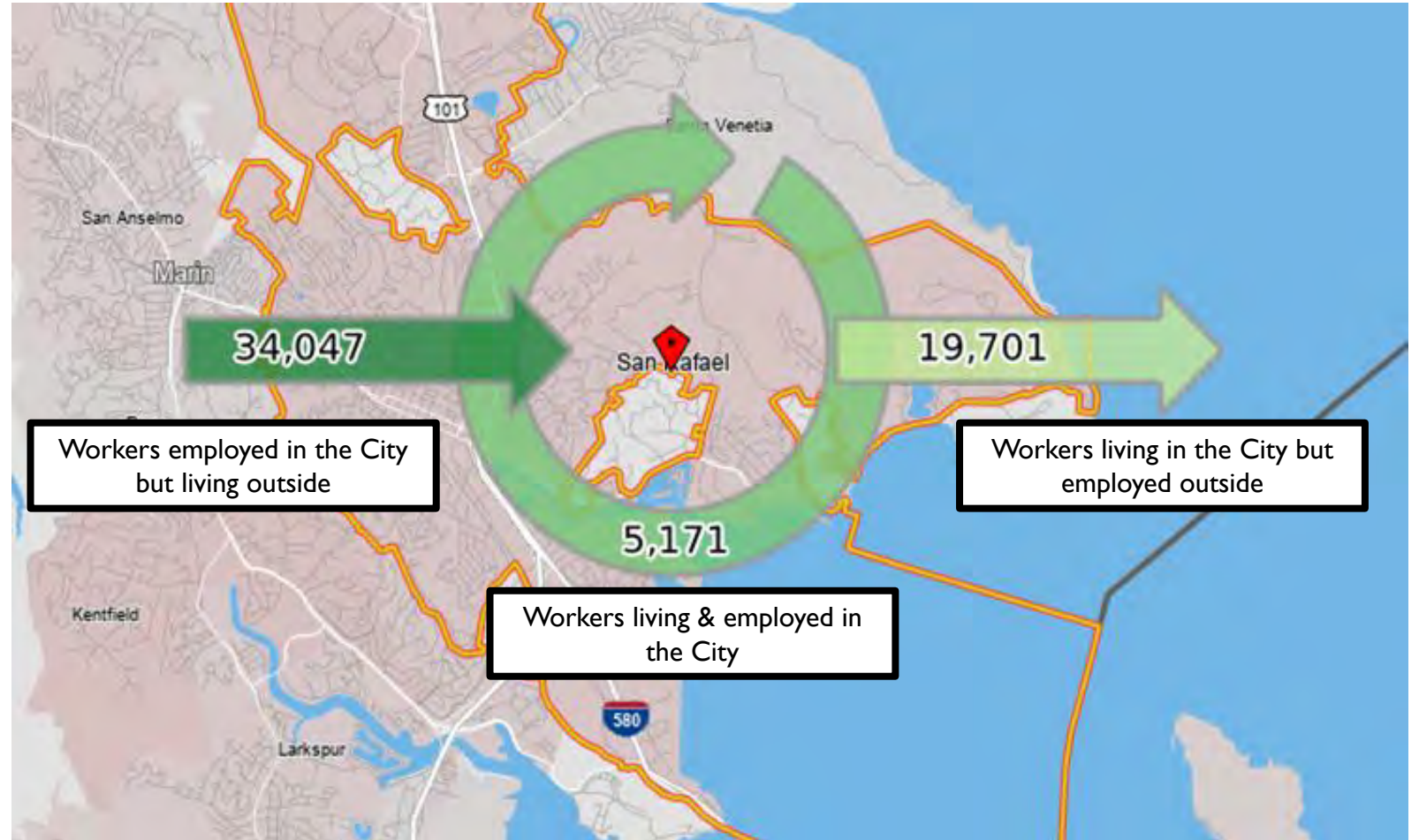


MAJOR EMPLOYERS IN SAN RAFAEL

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	14,346
Employment Ratio*	1.58



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)

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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%

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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”

ECONOMIC DEVELOPMENT STRATEGIC PLAN



B. FISCAL DATA

San Rafael Economic Development Strategic Plan

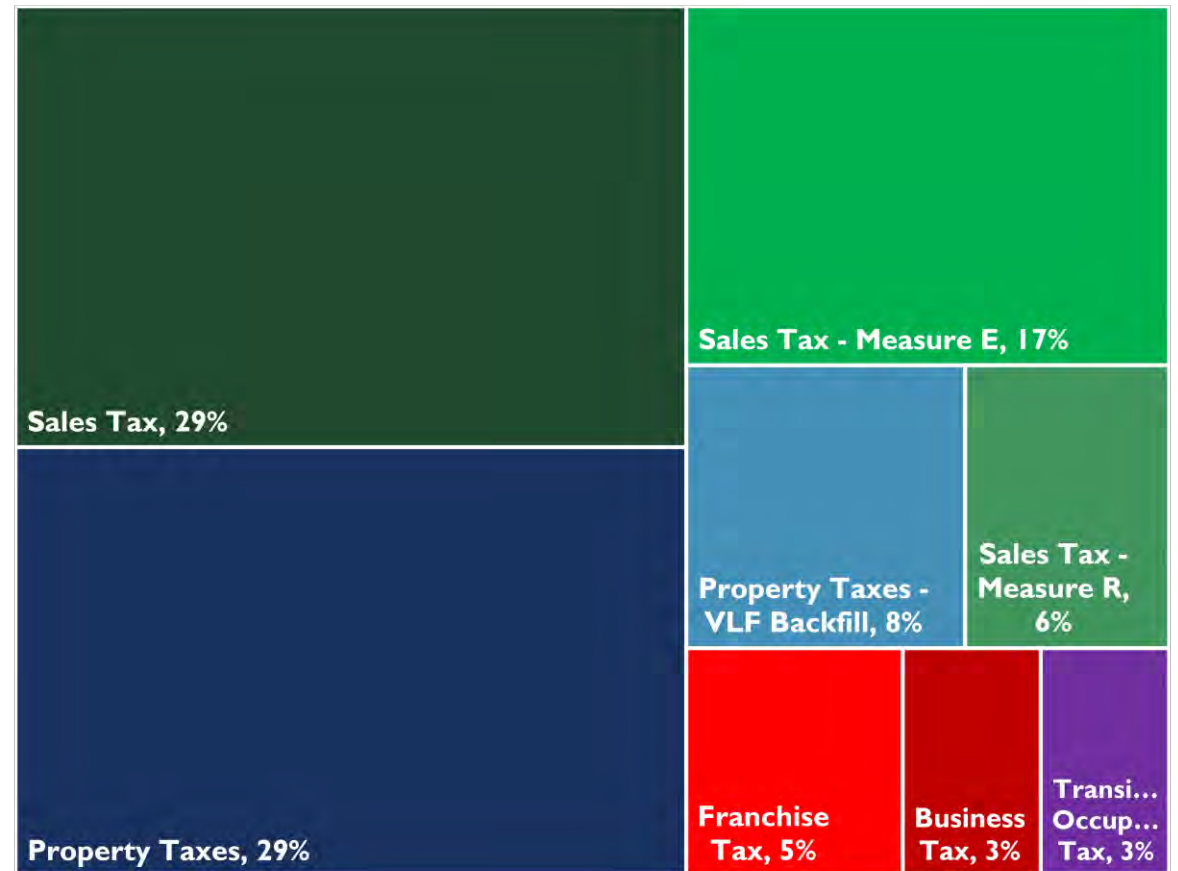
FISCAL SUMMARY

- **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
Taxes Subtotal	85,123,413
Revenues from Other Agencies	
CSA #19 Fire Service	2,442,513
Other Agencies	1,903,252
Other	
Permits & Licenses	3,010,159
Fine & Forfeiture	186,732
Interest & Rents	47,500
Charges for Services	2,568,965
Other Revenue	588,196
Total	95,870,730

FY 2022-23 Budget: Tax Revenues



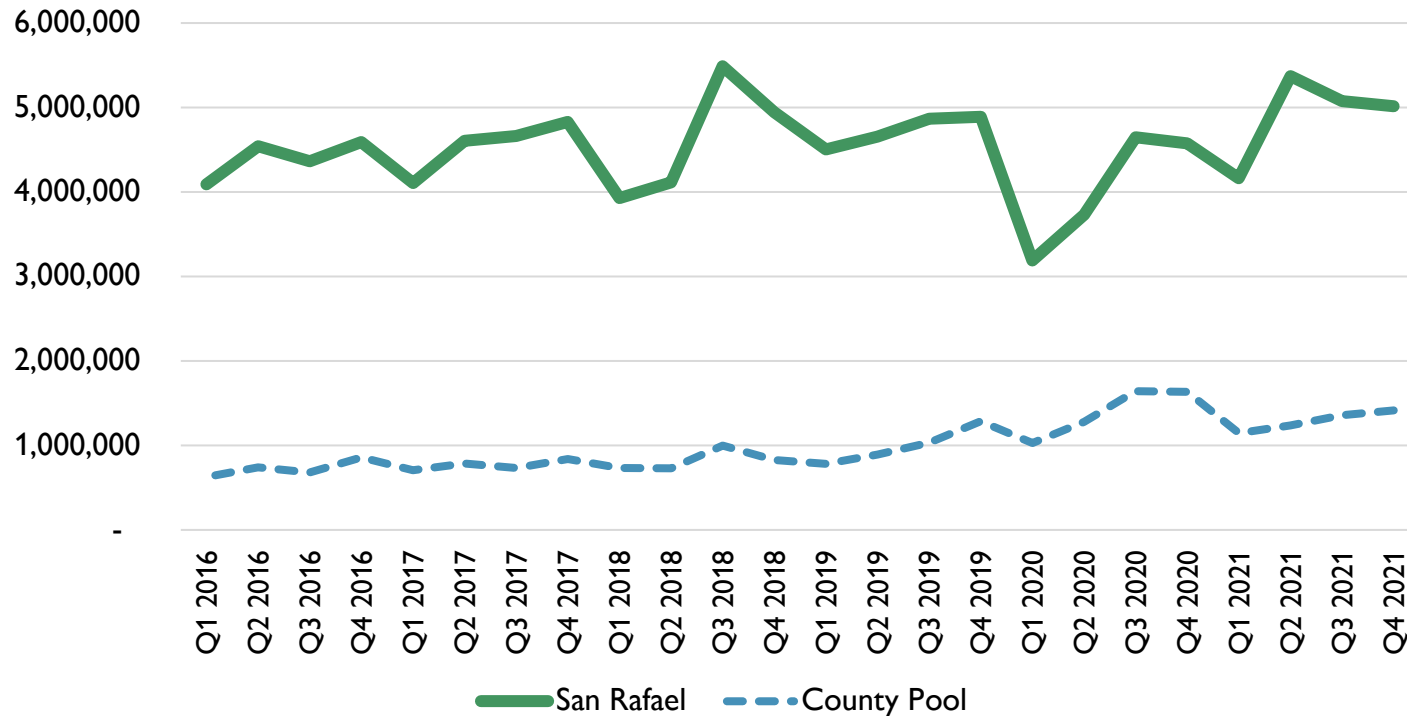
ECONOMIC DEVELOPMENT STRATEGIC PLAN

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%
TOTAL	57,120,664	56,339,186	61,648,794	67,029,688	71,344,073	71,843,251	75,548,109	77,866,889	76,616,501	87,089,752	94,484,828	67.7%	5.9%

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%

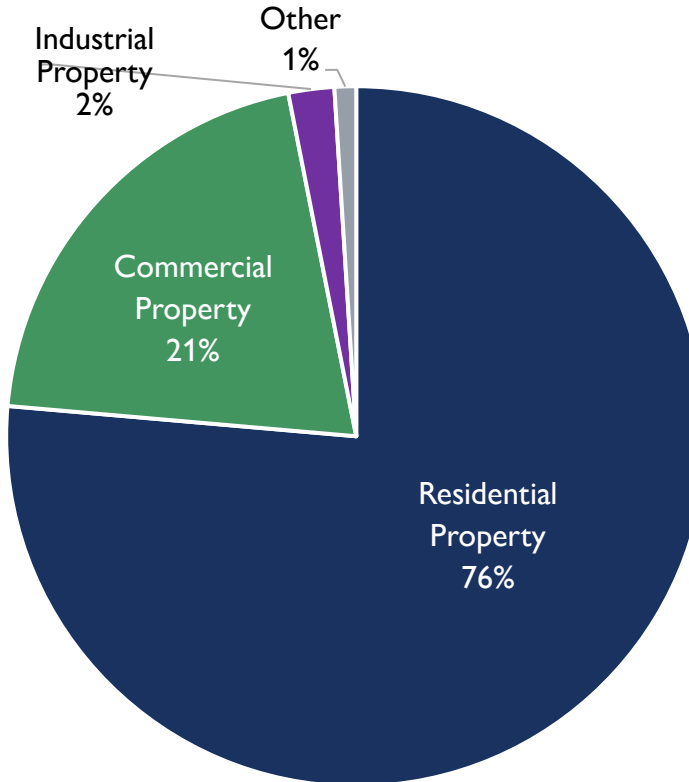
Year	San Rafael	County Pool	Pool Share
2016	17,592,000	2,914,000	16.6%
2017	18,213,000	3,072,000	16.9%
2018	18,479,000	3,296,000	17.8%
2019	18,918,000	3,999,000	21.1%
2020	16,149,000	5,585,000	34.6%
2021	19,633,000	5,162,000	26.3%
5-Year Growth	12%	77%	
COVID-19 Effect (2019-2020)	14.6%	-39.7%	
CAGR	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
Annual General Fund Revenues	\$40,000	\$80,000	\$115,000	\$85,000	\$400,000

ECONOMIC DEVELOPMENT STRATEGIC PLAN



C. REAL ESTATE MARKET DATA

San Rafael Economic Development Strategic Plan

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

COMMERCIAL PROPERTY OVERVIEW

RETAIL

Major Properties	Type	GLA	Major Tenants
Northgate Mall	Regional Mall	786,965	Macy's Backstage, Restoration Hardware, Kohl's, Cinemark, HomeGoods
Montecito Plaza	Neighborhood Center	213,483	Trader Joe's, Petco, Rite Aid
Northgate Shopping Center	Neighborhood Center	117,331	Safeway, Walgreens, Big 5 Sporting Goods
580-620 Francisco Blvd	Neighborhood Center	85,458	TJ Maxx, Scandinavian Designs
Marin Square	Neighborhood Center	82,000	Grocery Outlet, Ross Dress For Less
Shamrock Center	Neighborhood Center	79,401	Sprouts, Staples, Sleep City
Northgate Shopping center III	Neighborhood Center	71,805	Michaels, CVS
111 Shoreline		235,987	Target, Home Depot
Other			
Auto dealership properties clustered along Francisco Blvd near US-101, Shoreline Pkwy			
Downtown Retail / restaurant district, west of US-101, south of Fifth Ave, east of H Street, north of Second St -- includes older mixed-use storefront retail buildings			

COMMERCIAL PROPERTY OVERVIEW OFFICE

Major Properties	Name	GLA	Available SF	Major Tenants
3501 Civic Center Dr	Marin County Civic Center	413,748		
1600-1650 Los Gamos Dr	Marin Commons	461,831	50,583	Marin County, One Tam, Kaiser Permanente
4000 Civic Center Dr	Marin Executive Center / Medical Office	142,364	68,915	Marin General Hospital, Sutter Ambulatory Care
4040 Civic Center Dr		130,828	14,251	Pasha Group, Regus
100-200 Smith Ranch Road	Regency Center	259,000	117,021	Kaiser Permanente, XiO, Strategic Energy Innovations, Putney Financial
111 McInnis Pky	Autodesk	115,514	115,514	Autodesk
1000 4th St	Courthouse Square	104,577	26,406	Keegin Harrison LLP, Carlin & Associates, Shared Hr
750-790 Lindaro St (and Lincoln St)	San Raphael Corporate Center	399,424		BioMarin Pharmaceutical, Morgan Stanley
Other				

Downtown area includes a couple of older buildings from the 1930s with ~130k SF

COMMERCIAL PROPERTY OVERVIEW INDUSTRIAL

Major Properties	Name	GLA	Major Tenants
PROPOSED: 999 3rd St	R&D	140,000	Biomarin Pharmaceutical
1080 Andersen Dr	Warehouse	108,925	Marin Sanitary Services
1011 Andersen Dr	Light Distribution	61,582	Golden Gate Bridge Transportation
1050 Andersen Dr	Warehouse	57,682	Marin Sanitary Service LLC
Other			
Inventory concentrated in areas along US-101			
Inventory is predominantly smaller buildings -- only 4 buildings over 50kSF, they total ~280k SF			
Flex area concentrated near Mitchell Blvd / Paul Dr east of US_101, tenants vary -- including construction / contracting, tech firms, fitness			
Flex / R&D area along Kerner Blvd east of I-580 - tenants include construction/contracting, tech/aerospace,			

COMMERCIAL PROPERTY OVERVIEW

HOTEL

Property Name	Property Address	Rooms	Constr Status	Building Class	Scale		Hotel Open Date
Embassy Suites by Hilton San Rafael Marin	101 McInnis Pky	236	Existing	B	Upper Upscale		10/01/1990
Four Points by Sheraton San Rafael Marin County	1010 Northgate	235	Existing	B	Upscale		06/01/1970
Villa Inn	1600 Lincoln Ave	60	Existing	C	Independent		06/01/1955
Panama Hotel	4 Bayview St	14	Existing	B	Independent		
North Bay Inn	855 E Francisco Blvd	19	Existing	C	Independent		01/01/2005
Extended Stay America - Francisco Blvd East	1775 Francisco Blvd E	112	Existing	C	Economy		04/01/2007
Motel 6 San Rafael	737 E Francisco Blvd	68	Existing	C	Economy		06/01/1958
SureStay by Best Western San Rafael	865 Francisco Blvd E	32	Existing	C	Economy		06/01/1978
Marin Lodge	1735 Lincoln Ave	17	Existing	C	Independent		01/01/1947
	34-50 Grove St	9	Existing	C	Independent		
AC Hotels by Marriott San Rafael	1201 5th Ave	140	Under Construction	B	Upscale		
Hampton Inn and Suites by Hilton San Rafael	1075 Francisco Blvd E	99	Proposed	B	Upper Midscale		
Home2 Suites by Hilton San Rafael	1075 Francisco Blvd E	86	Proposed	B	Upper Midscale		

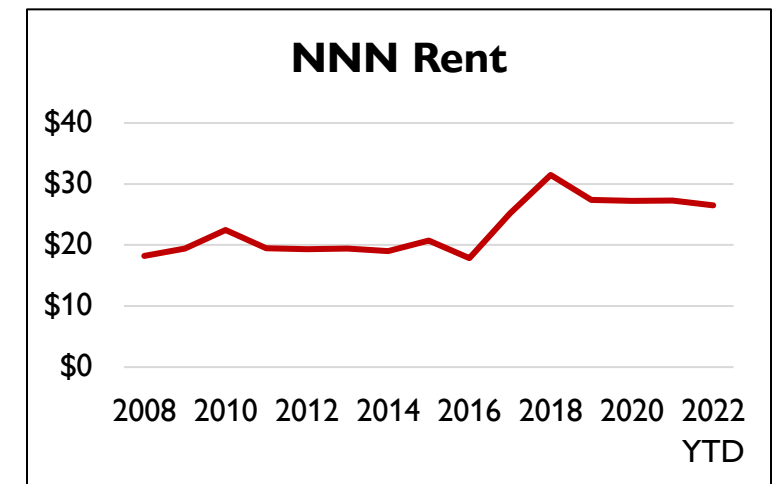
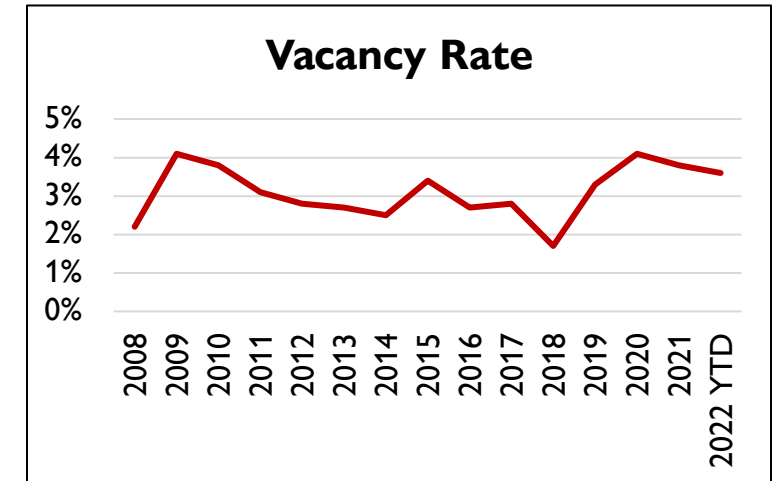
MARIN COUNTY VS SAN RAFAEL

2022 Q4	Inventory			Vacancy		Market Rent	
	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

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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



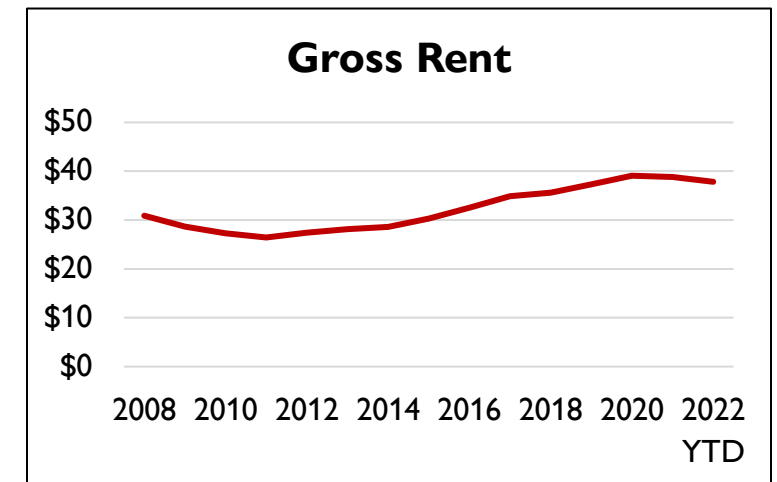
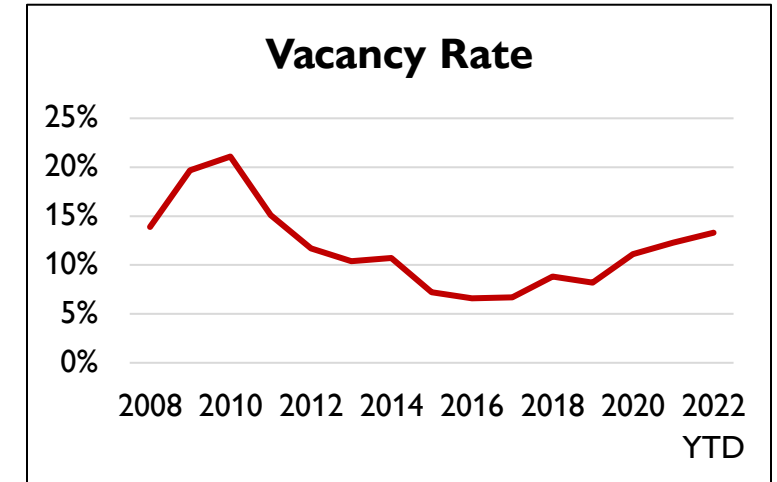
Source: CoStar (Accessed August 2022)

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.”

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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



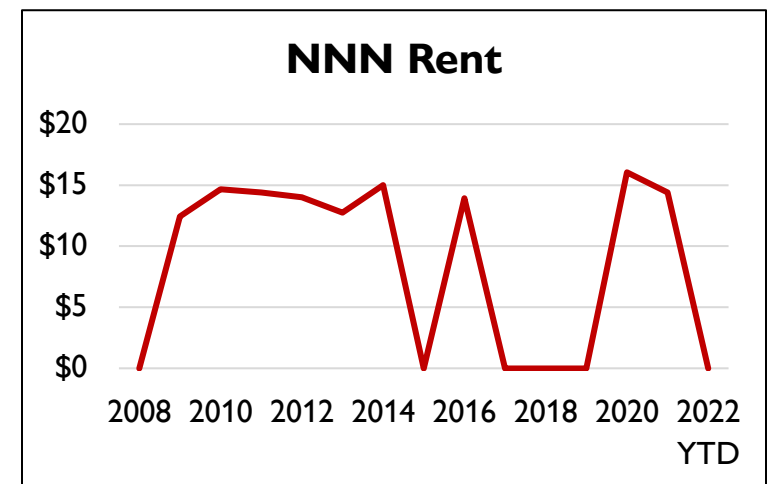
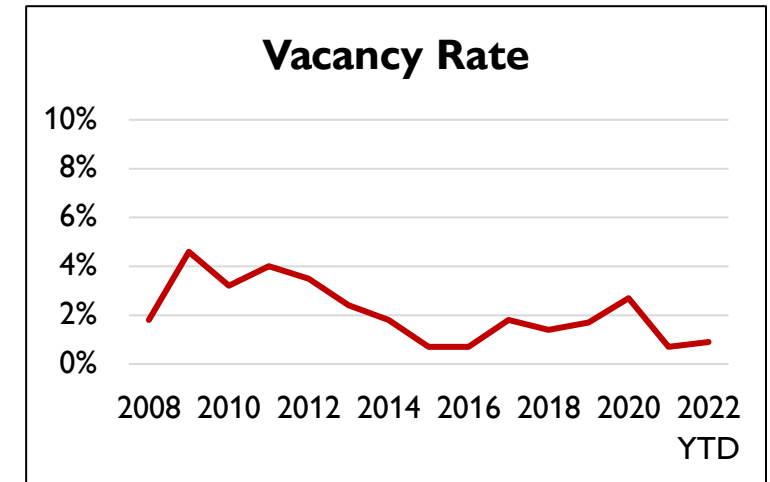
Source: CoStar (Accessed August 2022)

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.”

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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	-



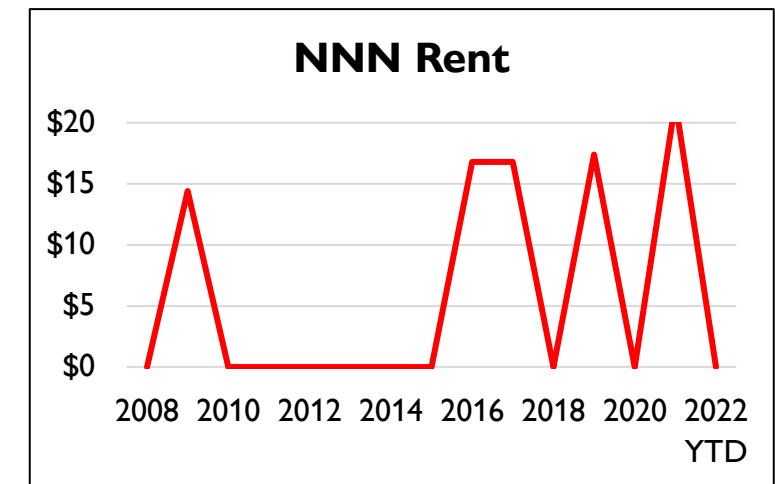
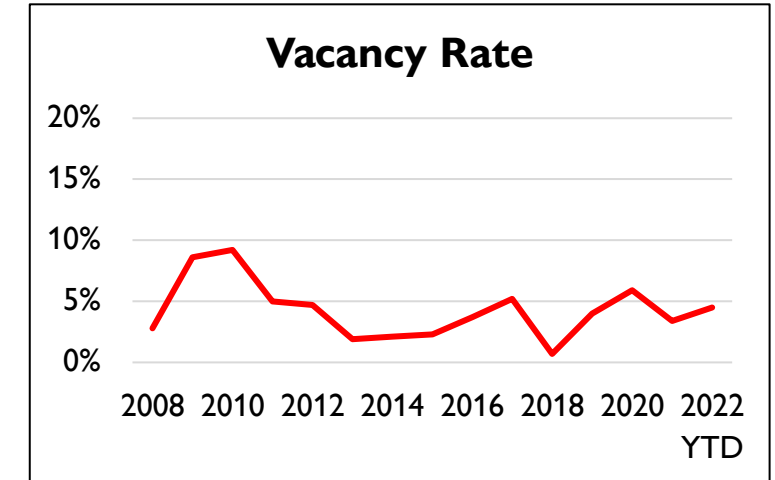
Source: CoStar (Accessed August 2022)

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.”

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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	-



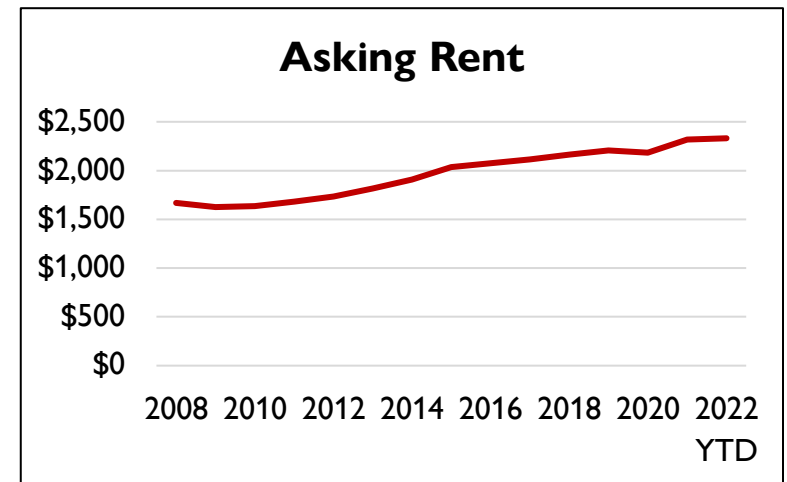
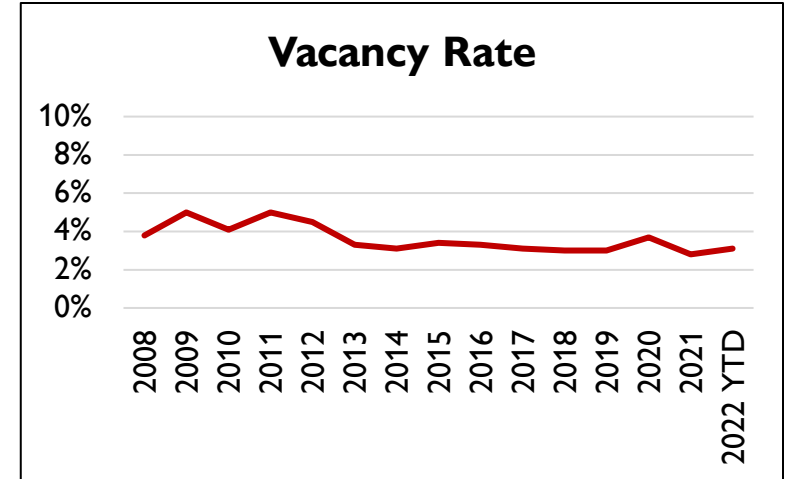
Source: CoStar (Accessed August 2022)

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.”

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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.

ECONOMIC DEVELOPMENT STRATEGIC PLAN



D. BUSINESS DISTRICT DATA

San Rafael Economic Development Strategic Plan

SAN RAFAEL DISTRICTS

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

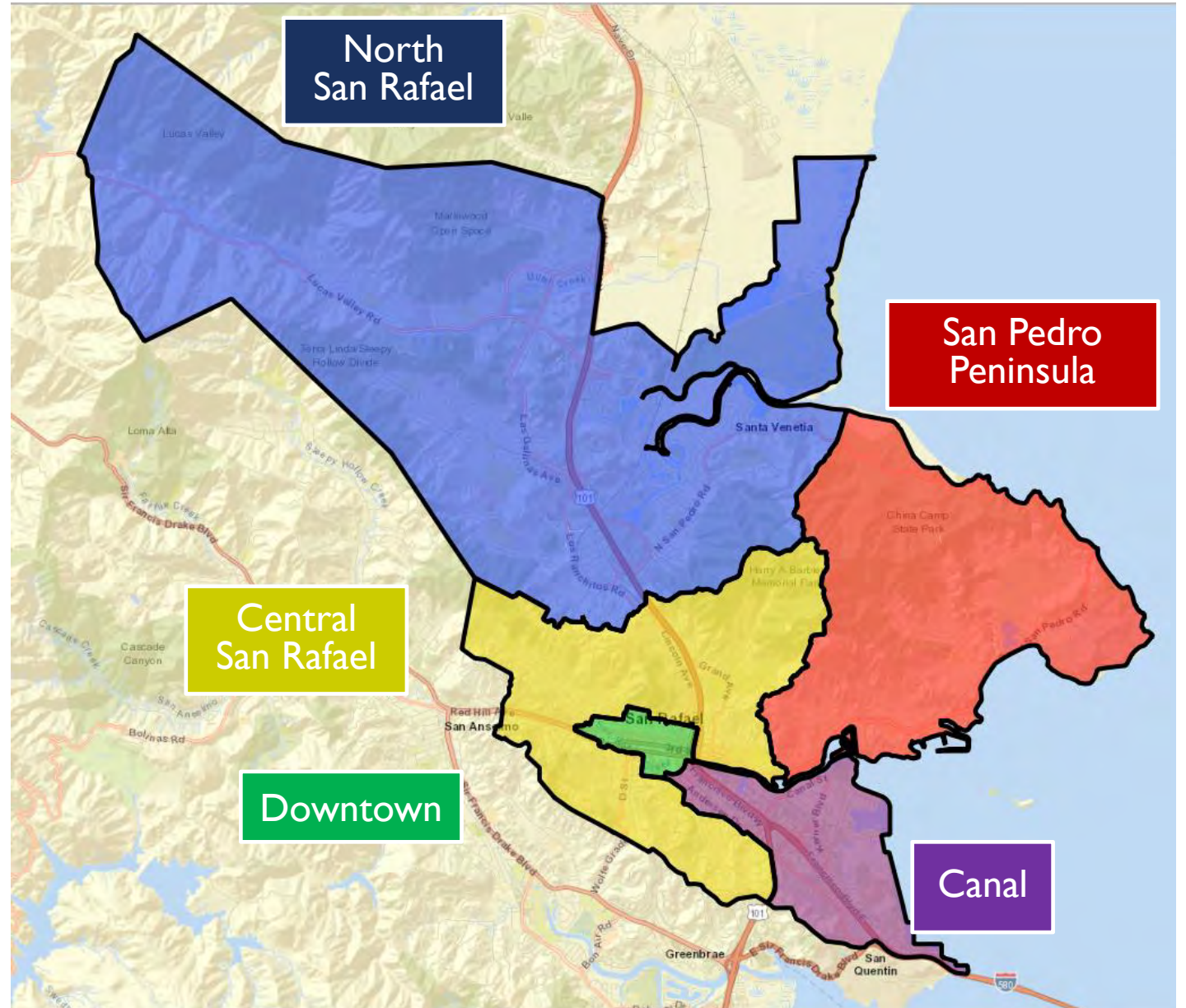
- North San Rafael
- San Pedro Peninsula
- Central San Rafael
- Downtown
- Canal

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 Geoarea	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
TOTAL			5,819	\$5,777,381,000

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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.

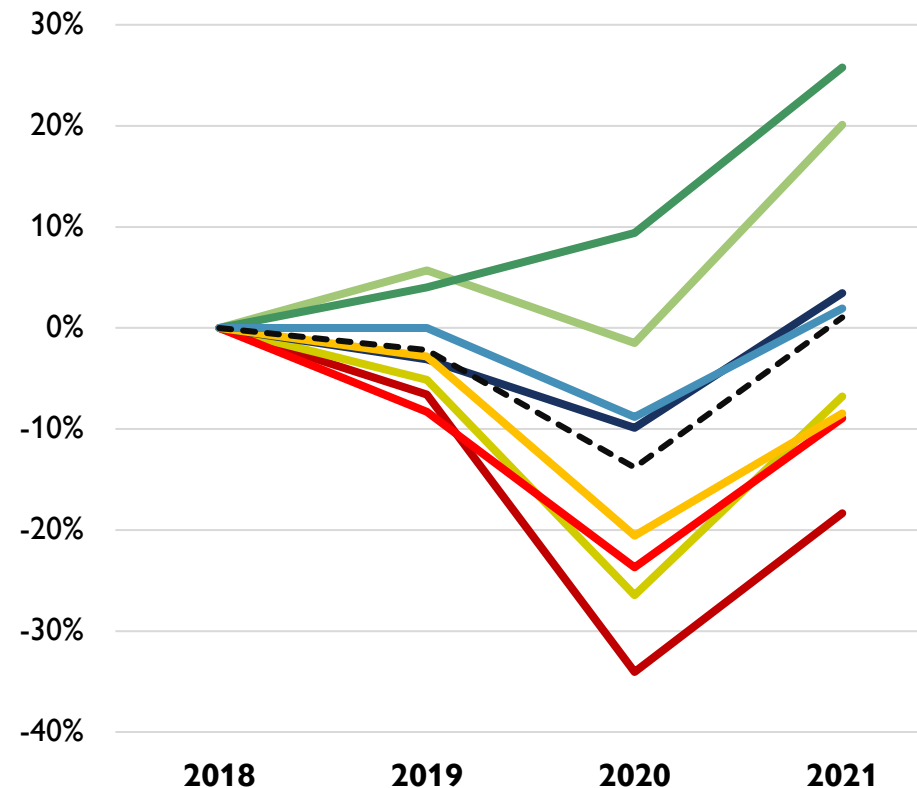
Business Type	Est. Gross Receipts	% Total City Gross Receipts
Motor Vehicle Dealer	\$ 679,400,000	11.8%
Administrative Offices	\$ 434,600,000	7.5%
Building Supply/Materials	\$ 376,000,000	6.5%
Manufacturing	\$ 297,000,000	5.1%
Medical Clinic	\$ 268,100,000	4.6%
Grocery	\$ 262,100,000	4.5%
Contractor 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%

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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
Total - All Outlets	18,872,000	18,458,000	16,263,000	19,072,000

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

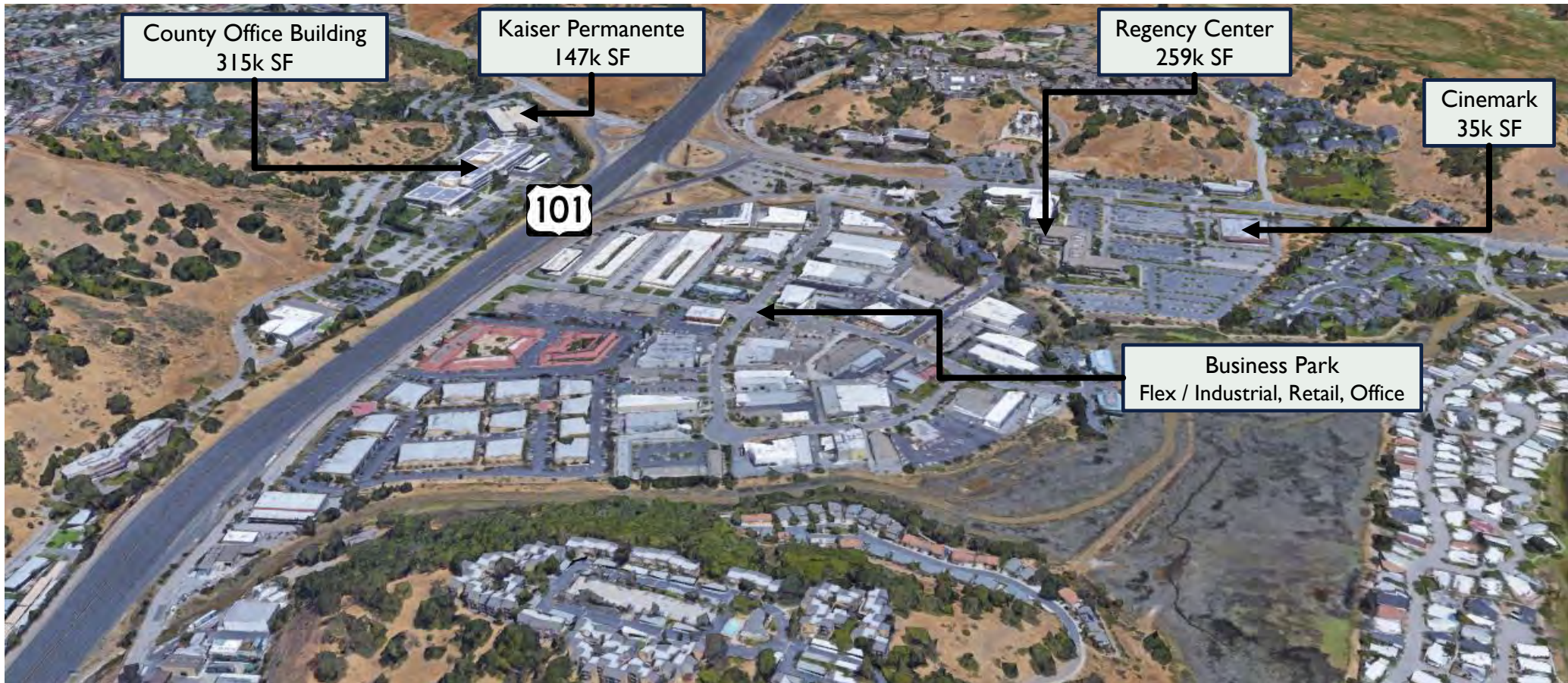
	Inventory		Vacancy	Market Rent	Market Rent Growth, 10-yr
Retail	1,184,000 SF		4.7%	\$31.84	17.7%
Office	1,015,000 SF		34.1%	\$40.34	38.2%
Multifamily	1,484 units		3.0%	\$2,476	33.9%
Industrial / Flex	46,000 SF		-	\$22.69	66.0%
Hotel	471 Units				

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 4th 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

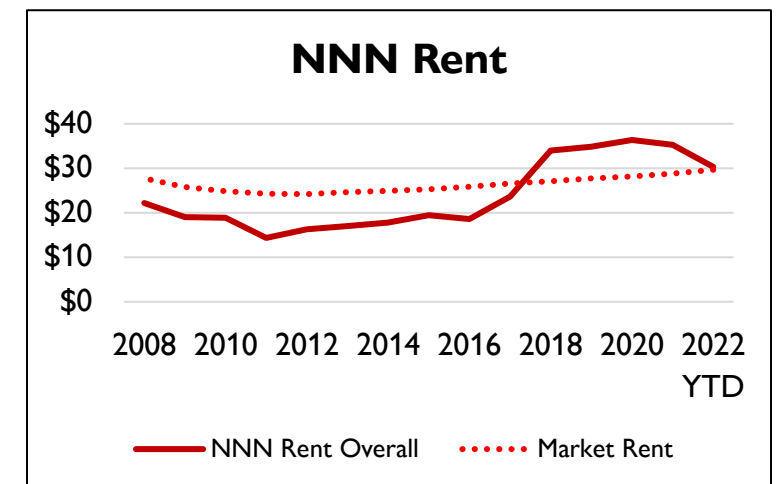
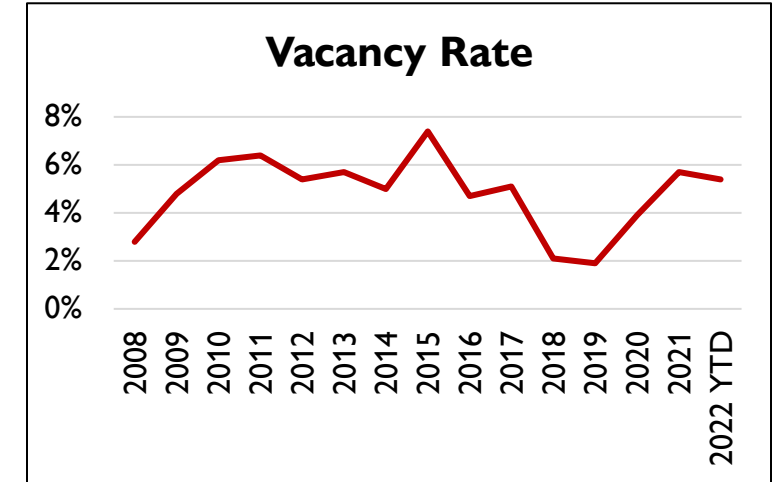


Source: CoStar, Google Earth

ECONOMIC DEVELOPMENT STRATEGIC PLAN

DOWNTOWN RETAIL MARKET DATA

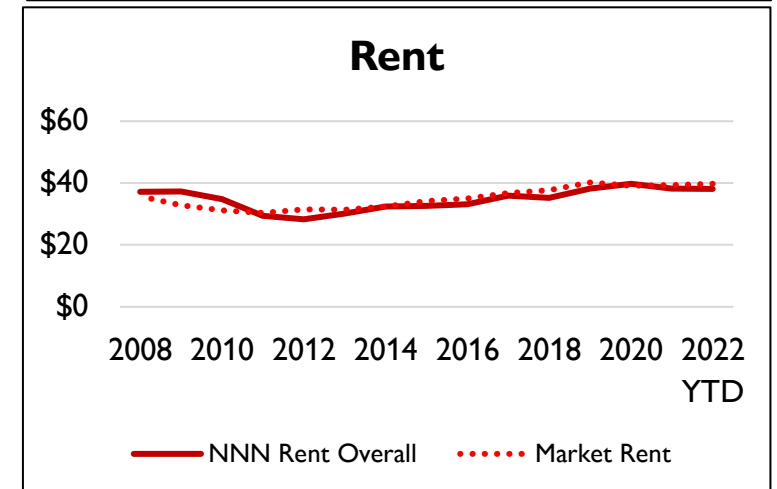
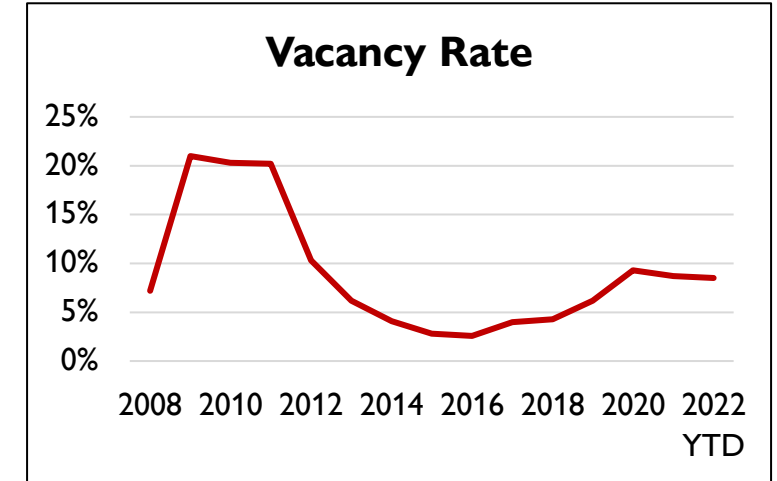
Year	Inventory SF	Vacant SF Total	Vacant Percent % Total	Net Absorption SF Total	NNN Rent Overall	Market Rent
2022 YTD	1,441,991	78,141	5.4%	3,489	\$30.33	\$29.65
2021	1,441,991	81,630	5.7%	(25,124)	\$35.30	\$28.84
2020	1,441,991	56,506	3.9%	(29,052)	\$36.38	\$28.20
2019	1,441,991	27,454	1.9%	2,932	\$34.87	\$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



ECONOMIC DEVELOPMENT STRATEGIC PLAN

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

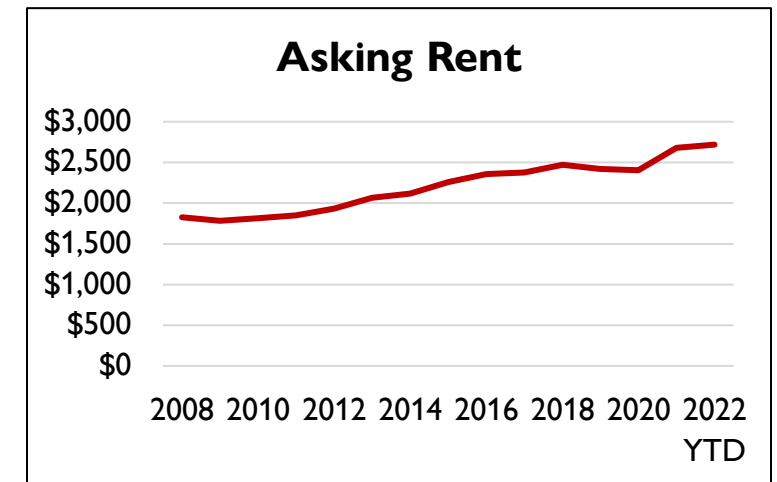
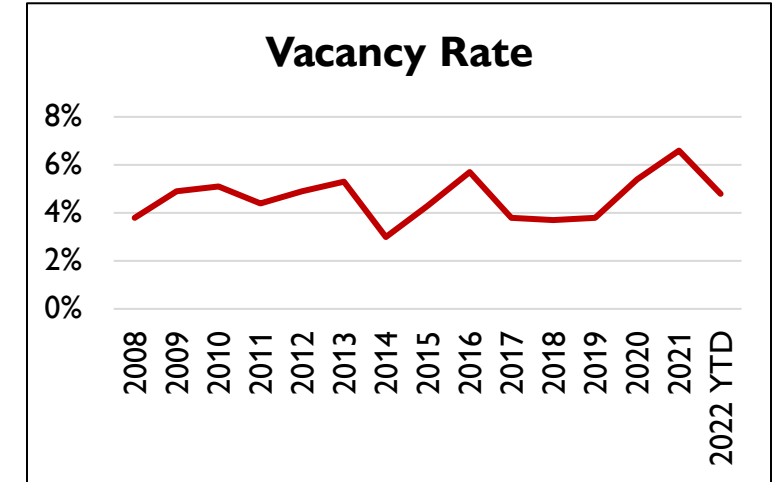


Note: Costar defines Full Service / Gross Rent as “a rental rate that includes normal building standard services which are provided and paid by the landlord,” and these rent figures are based on what is available on the market at any given point in time (and so are weighted by actual available SF). The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

ECONOMIC DEVELOPMENT STRATEGIC PLAN

DOWNTOWN APARTMENT 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.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

DOWNTOWN SALE COMPS

Address	Sale Date	Size	Sales Price	\$/PSF	Lot AC	Use
Retail						
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
Office						
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
Multifamily						
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

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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 4th 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 3rd 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)

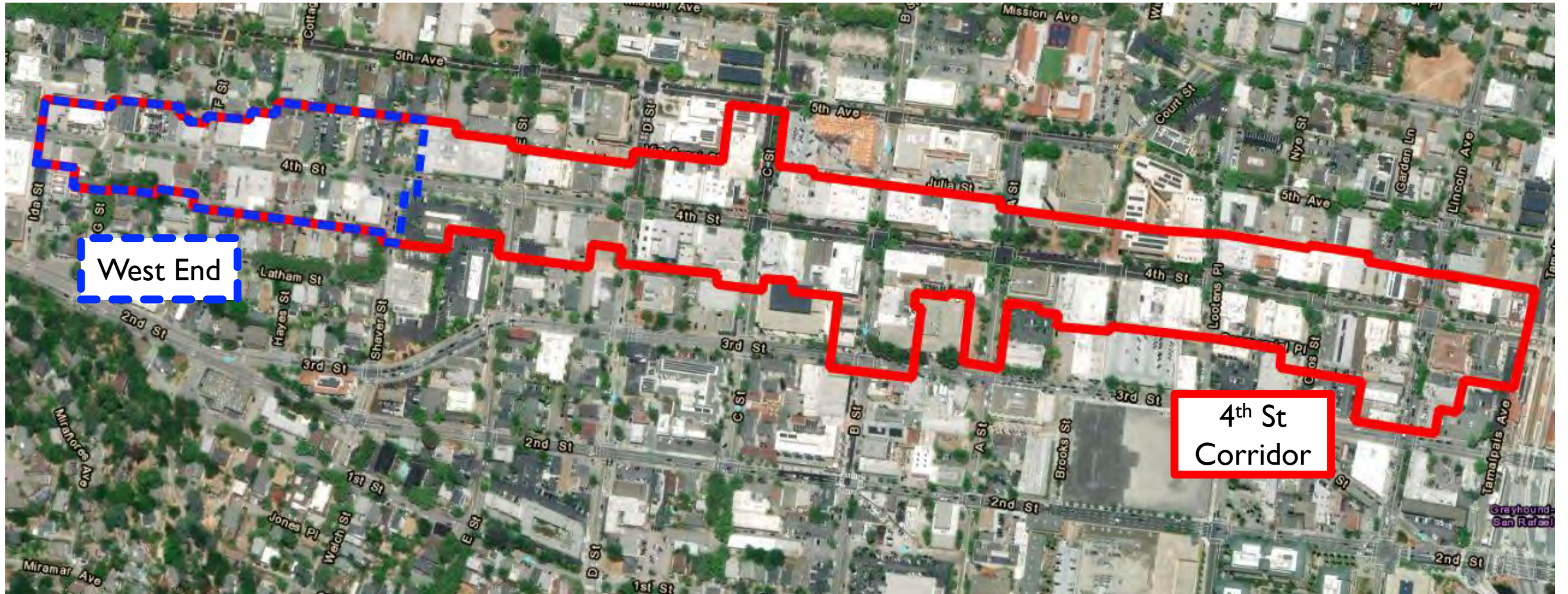
Sold Apr 2016 for \$12.97m (\$1,218 / SF)

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 4th Street Corridor area draw visitors from San Rafael and other nearby surrounding communities; visits to the 4th Street Corridor area are still generally below pre-COVID levels, with the West End area of 4th Street recovering at a slightly greater level.
- Kosmont also used Placer.ai data to collect information about visits to areas of 4th 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

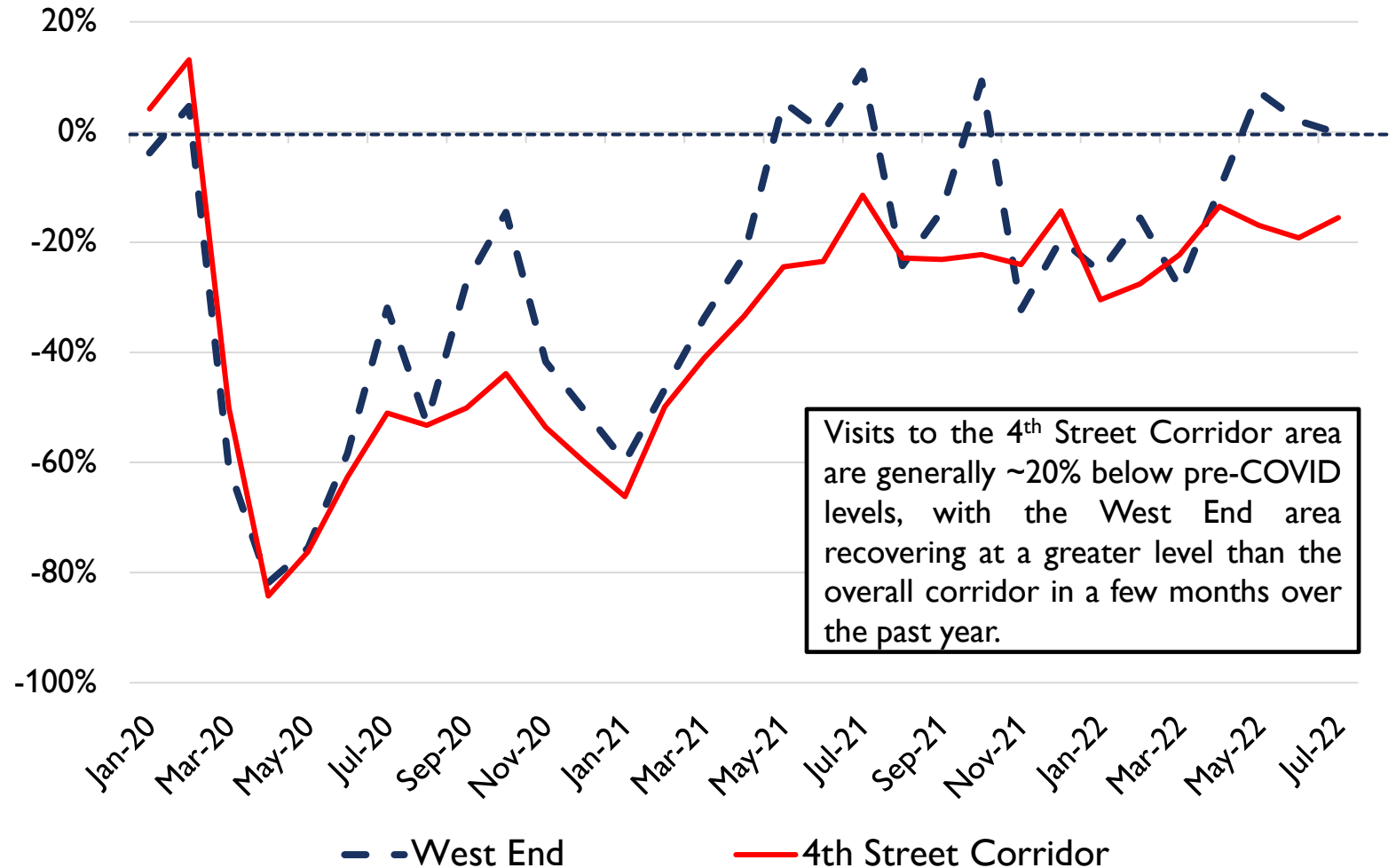


ECONOMIC DEVELOPMENT STRATEGIC PLAN

SAN RAFAEL AREA VISITOR PERFORMANCE SUMMARY

Visits: 8/21 – 7/22	4 th Street – West End	4 th 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%

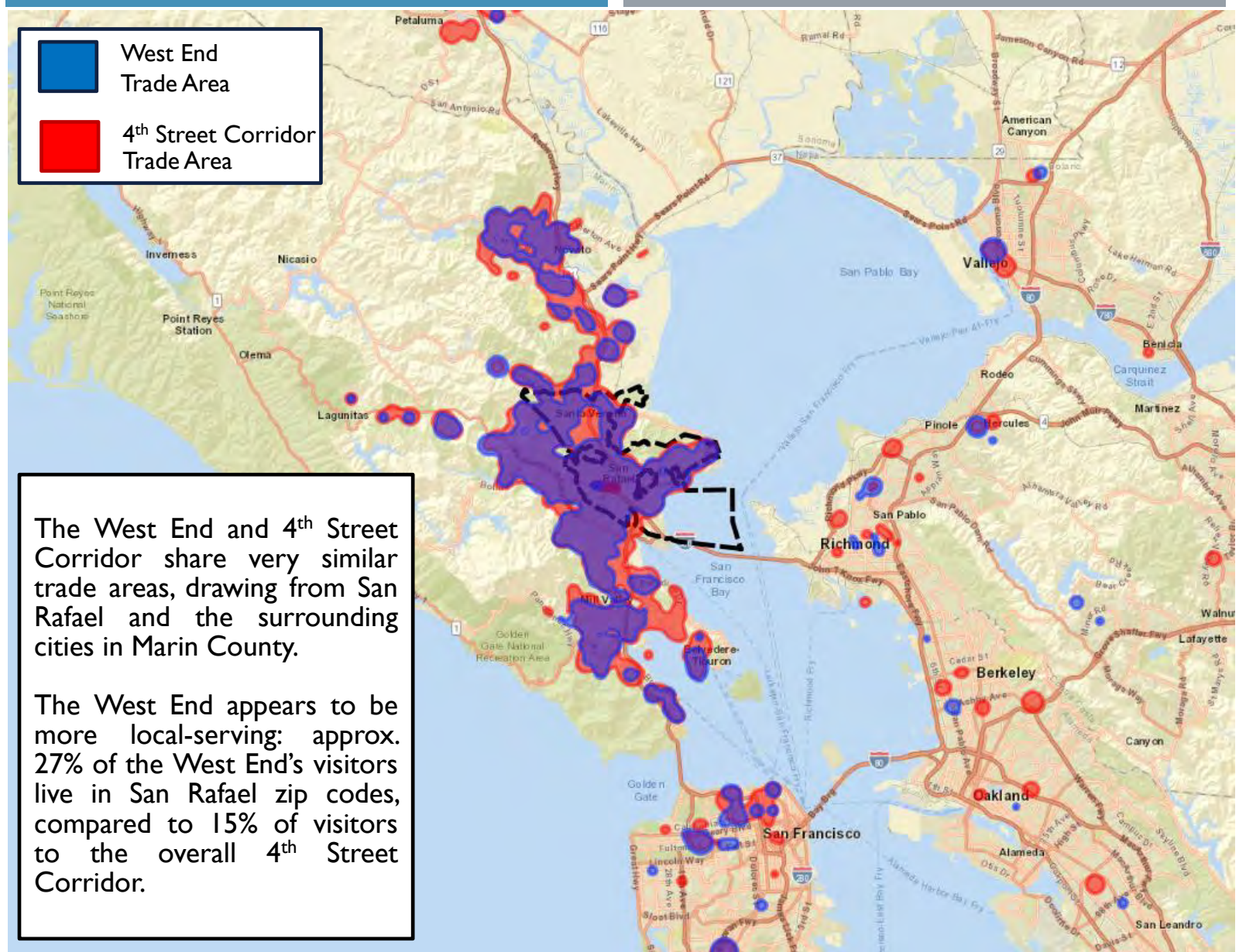
Monthly Visits Compared to Pre-COVID Baseline



ECONOMIC DEVELOPMENT STRATEGIC PLAN

SAN RAFAEL VISITOR TRADE AREAS

Trade Area Demographics	4th Street – West End	4th Street Corridor
Population	332,100	464,900
Millennial & Younger	48%	49%
Bach. Degree +	58%	58%
Avg. HH Income	\$166.2k	\$162.2k



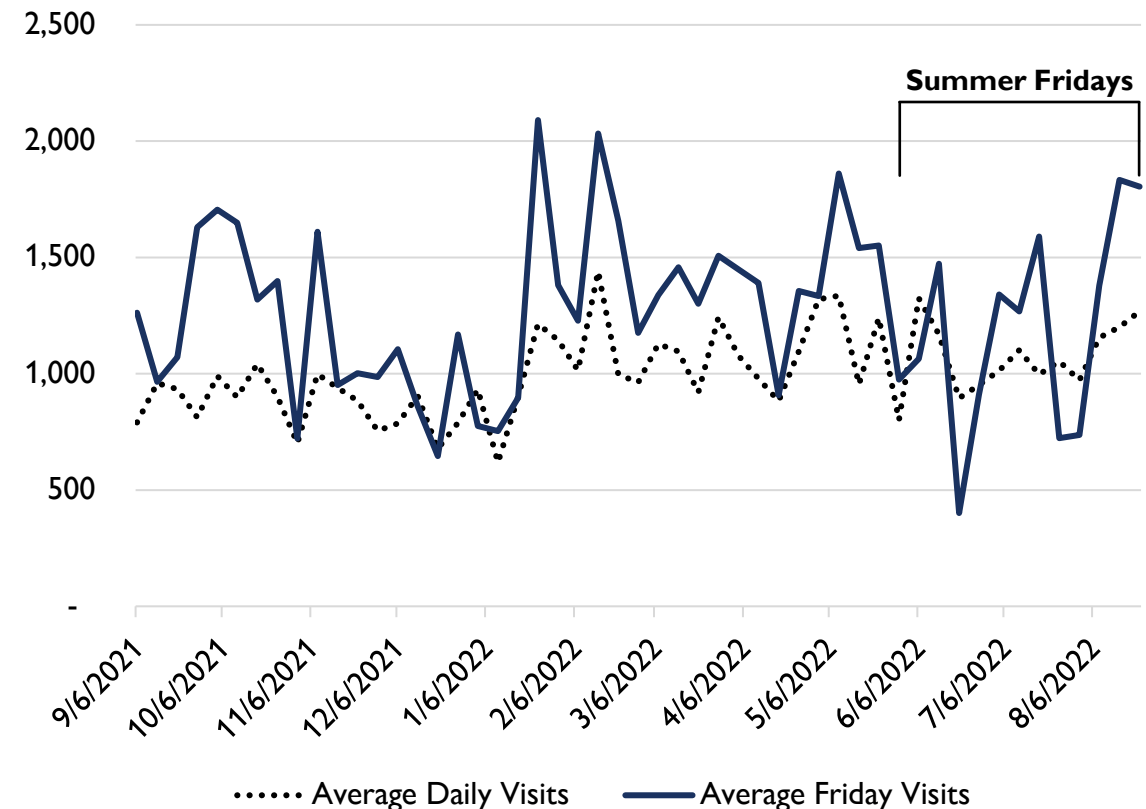
Sources:

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 4TH STREET – FRIDAY BLOCK PARTIES EVENT ANALYSIS

- Kosmont pulled daily visit data for the West End and overall 4th Street Corridor areas for the past year, as well as data for Friday visits to the West End and Thursday visits to the 4th 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 26th and August 29th, 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 4TH STREET – FRIDAY BLOCK PARTIES PLACER.AI VISIT DATA

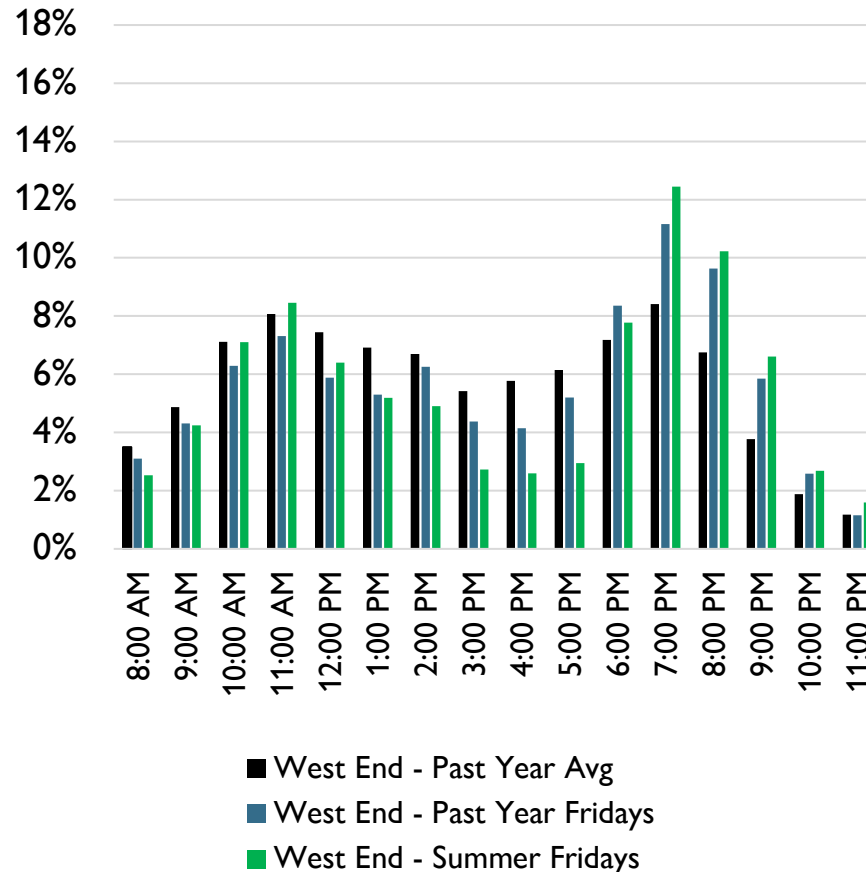
Time of Day analysis shows that visits to the West End area tend to peak around lunchtime, and peak again around 7pm.

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.

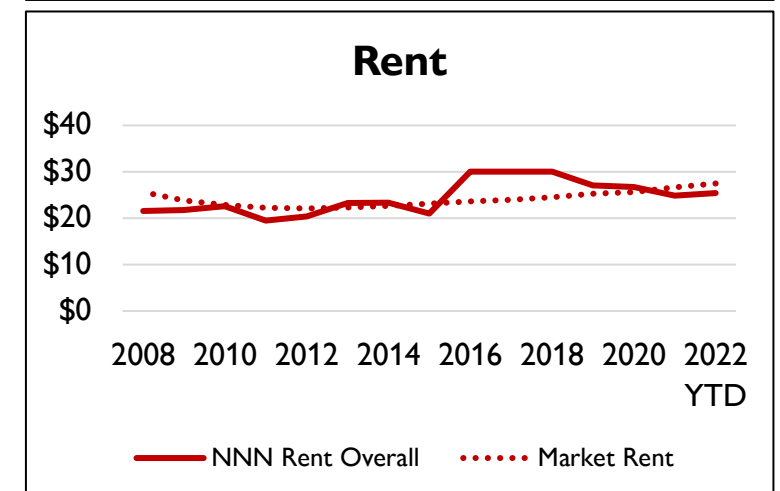
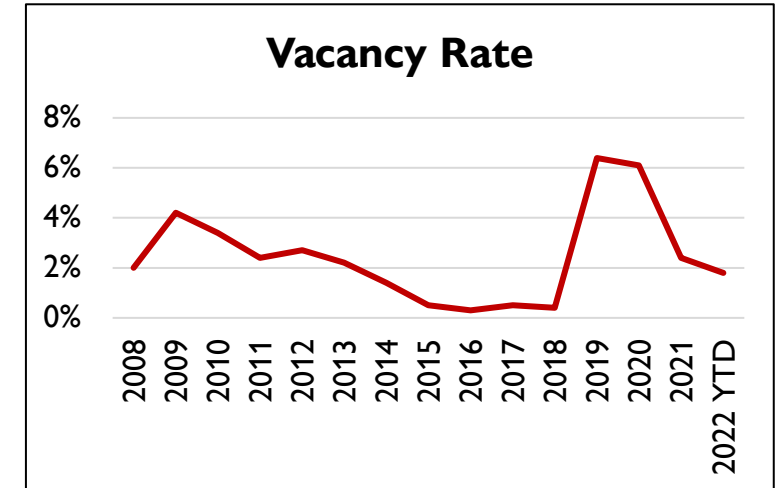
CANAL AERIAL



ECONOMIC DEVELOPMENT STRATEGIC PLAN

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

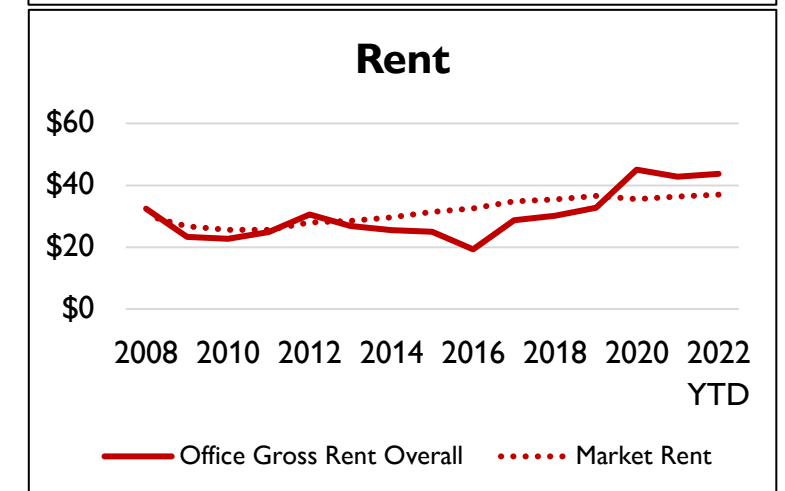
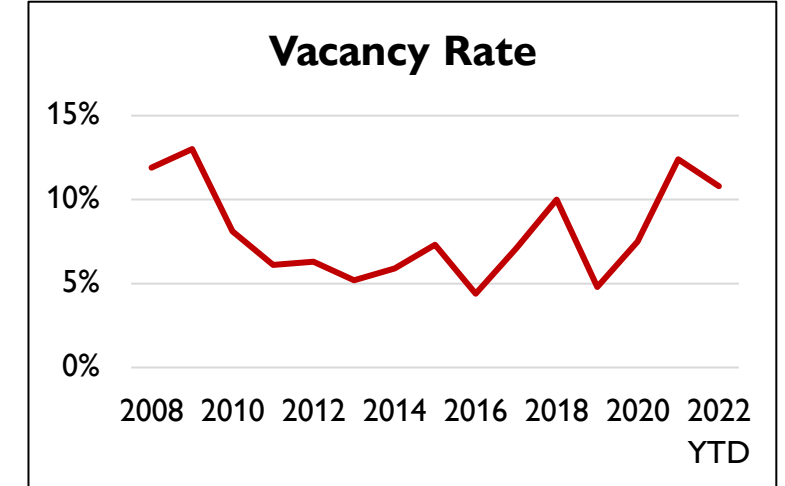


Source: CoStar; CoStar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges,” and these rent figures are based on what is available on 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.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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

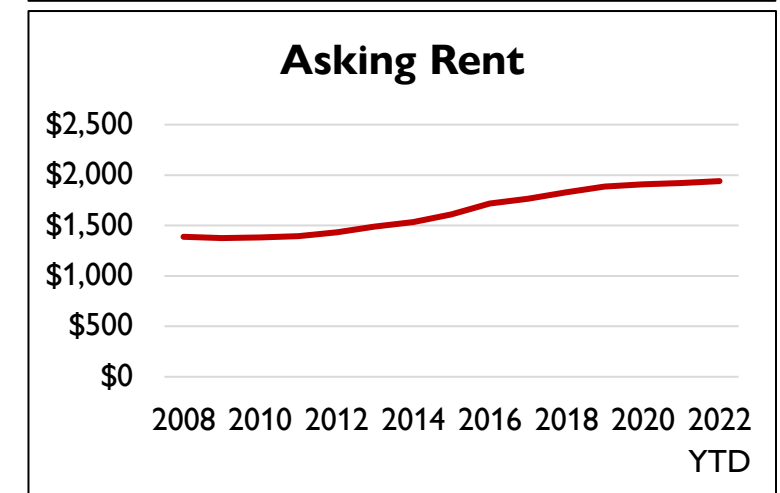
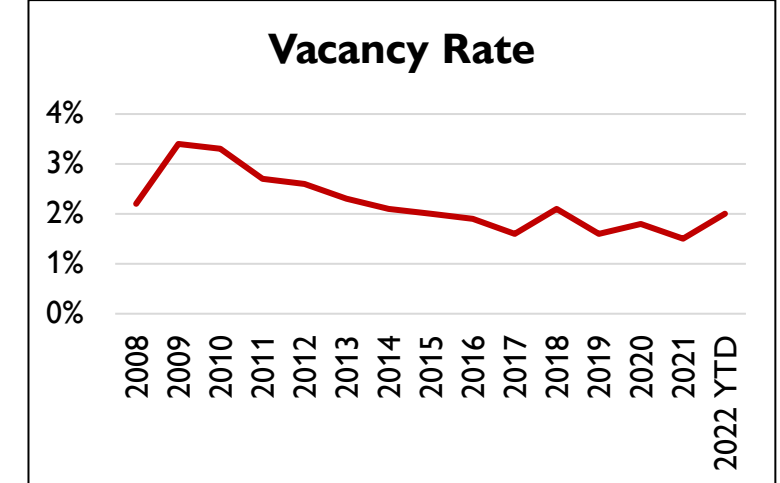


Note: Costar defines Full Service / Gross Rent as “a rental rate that includes normal building standard services which are provided and paid by the landlord,” and these rent figures are based on what is available on the market at any given point in time (and so are weighted by actual available SF). The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

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CANAL MARKET DATA MULTIFAMILY

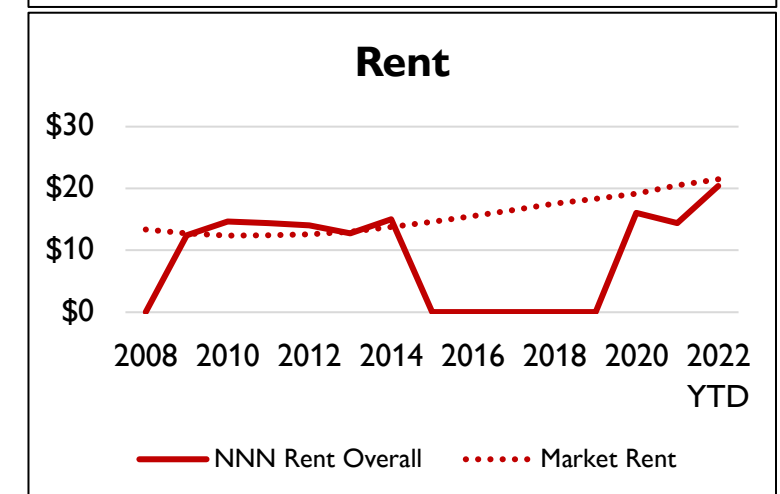
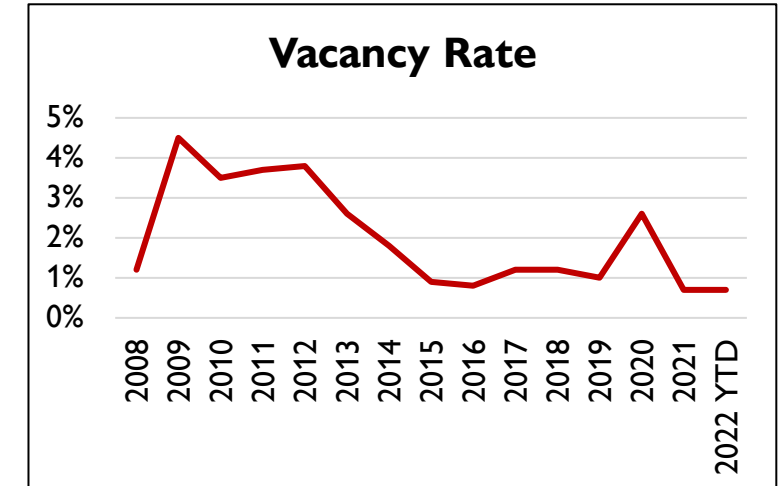
Year	Inventory Units	Vacant Units	Vacancy Percent	Net Absorption (Units)	Asking Rent (Unit/Mo.)	Asking Rent (SF/Mo.)
2022 YTD	1,482	30	2.0%	(8)	\$1,942.00	\$2.44
2021	1,482	22	1.5%	5	\$1,921.00	\$2.41
2020	1,482	27	1.8%	(2)	\$1,909.00	\$2.40
2019	1,482	24	1.6%	6	\$1,886.00	\$2.37
2018	1,482	31	2.1%	(6)	\$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



ECONOMIC DEVELOPMENT STRATEGIC PLAN

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

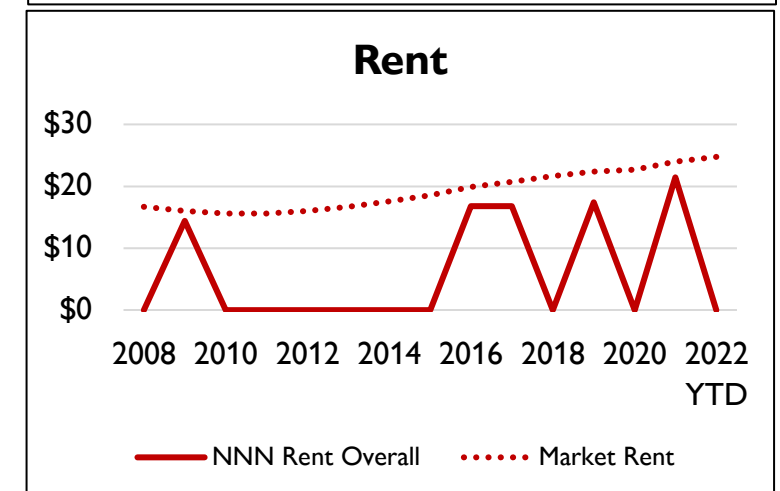
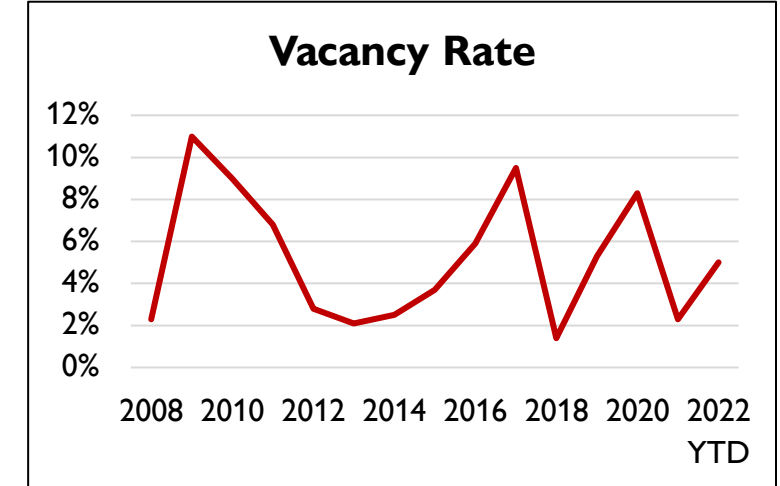


Source: CoStar; CoStar defines Triple Net (NNN) as “a lease where the tenant is responsible for all expenses associated with their proportional share of occupancy of the building, except long-lived structural components and management charges,” and these rent figures are based on what is available on 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.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

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.

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CANAL SALE COMPS

Address	Sale Date	Size SF	Sales Price	\$/PSF	Lot AC	Use / Notes
Retail / Specialty						
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
Industrial						
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
Multifamily						
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

ECONOMIC DEVELOPMENT STRATEGIC PLAN

CANAL LEASE COMPS

Address	Sign Date	Space	SF	Rent	Rent Type
Retail					
869 W Francisco Blvd	Oct 2022	1 st Floor, Graham Center	20,838	\$22.80	NNN Asking
815-825 W Francisco Blvd	Aug 2022	1 st Floor, Graham Center	3,200	\$23.40	MG Starting
1121 E Francisco Blvd	Dec 2021	1 st Floor, freestanding	4,230	\$19.80	MG Asking
Office					
41 Simms St	May 2022	1 st Floor	1,210	\$19.80	MG Asking
101 Glacier Point Rd	July 2022	2 nd Floor, Bay View Bus. Park	16,873	\$23.40	NNN Asking
2173 E Francisco Blvd	Feb 2022	1 st Floor, Bay Park Office. Compl.	430	\$31.80	MG Asking
Industrial					
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

ECONOMIC DEVELOPMENT STRATEGIC PLAN



E. REVIEW OF KEY PLANS / STUDIES

San Rafael Economic Development Strategic Plan

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 lot are developed with no new parking spaces.

Downtown Precise Plan – August 2021

The Precise Plan is 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-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.

DOWNTOWN PRECISE PLAN GOALS, GUIDING PRINCIPLES, AND VISION

The goal of the precise plan is to transform downtown into a “vibrant, mixed-use destination with a strong sense of place and history, and one that provides varied and rich experiences for visitors and residents alike.” The Precise Plan takes a detailed look at the downtown area, assessing existing conditions and establishing goals, principles, and a vision for the Downtown area.

Challenges & Opportunities

Challenges

1. Limited infill opportunities and inhibited housing diversity as a result of development constraints,
2. Inadequate active transportation facilities and barriers to connectivity,
3. Unclear historic status of many older downtown properties,
4. Potential impact of climate change and sea-level rise in parts of downtown,
5. Evolving retail trends potentially impacting downtown,
6. Rising homeless and displacement.

Opportunities

1. Downtown’s identity as a central location / established regional center with diverse jobs & strong economic base,
2. Unique cultural legacy of the authentic walkable, historic downtown along with a mild climate and access to nature
3. Downtown is a major transportation hub with great potential for mixed-use development.

Design Principles & Guiding Policies

1. Strengthen Downtown's identity and sense of arrival by focusing development at key nodes and gateways;
2. Coordinate placemaking improvements to make Downtown interesting, safe, and inviting for everyone;
3. Provide a safe, well-connected transportation network for all modes, supported by a progressive parking strategy;
4. Establish a network of attractive and welcoming streets and civic spaces
5. Enable mixed-use development in Downtown to increase housing, strengthen local businesses, and diversify the economy
6. Reinforce downtown’s eclectic character with historic preservation and new context-sensitive development.”
7. Develop growth and adaptation strategies to increase Downtown’s resilience to climate change
8. Promote housing access to all income levels and establish strategies to prevent homelessness, gentrification, and displacement

Design Vision

1. Compact, mixed-use development on infill sites including a variety of building types;
2. Focused development at the Downtown gateways from the east, west and the SMART station to create a sense of arrival;
3. New development is compatible in scale and form with the existing built fabric;
4. Development on larger sites (typically achieved through lot consolidation) is composed of well-scaled buildings, not large, monolithic structures, to create appropriate height and form transitions to the existing built fabric; and
5. A cohesive network of bicycle and pedestrian-priority streets link key destinations and open spaces, enhancing the public realm

DOWNTOWN PRECISE PLAN APPROACH AND KEY AREAS

The Precise Plan aims to set clear development standards that can create a more cohesive downtown environment and streamline the review and development process for prospective developers.

The Plan takes a Form Based Approach which focuses on the form of the building and its relationship to the adjacent street / civic space, rather than the specific use of the space. – providing flexibility to allow a wide variety of activities and mixed uses that are inherent to a downtown area.

The plan also takes a multimodal approach to transportation, supporting all modes (walking, biking, driving, transit, micro-mobility) and a layered network approach that aims for a “complete streets” road experience and “park once” strategy to encourage parking at off-street facilities and walking through downtown.

Downtown Subareas		Residential	Commercial
Downtown Gateway	Regional transportation hub, plans for mixed-use development, amenities, civic space. Entrance to downtown, provide housing and employment in transit-rich area, draw visitors and residents into downtown	830 Units 1,410 pop. (830,000 SF)	640 Jobs (210,000 SF)
Downtown Core	Heart of retail, dining, culture, and entertainment. Plans for active / growing regional retail and cultural center, mixed use developments, public realm / streetscape improvements to support businesses / enliven area / improve safety / multimodal transportation	620 units 1,050 pop. (620,000 SF)	1,040 Jobs (373,000 SF)
West End Village	Residential and historic character, plans to maintain this feeling and provide expanded variety of housing types	360 Units 610 pop. (360,000 SF)	200 Jobs (70,000 SF)
Montecito Commercial	High concentration of pedestrians / cyclists, plans to be a vibrant residential neighborhood with connection to downtown, canal, and waterfront, incremental infill with mixed-use buildings	390 Units 670 pop. (390,000 SF)	140 Jobs (45,000 SF)

DOWNTOWN PRECISE PLAN IMPLEMENTATION

Goal: Increase employment opportunities, solidify reputation as regional economic center, and maintain downtown culture and character.

The Precise plan strives for implementation flexibility to allow for new innovative solutions, strategies, and development opportunities. The plan facilitates incremental infill to blend growth with existing fabric. “Placemaking” is emphasized to prioritize key improvements to stimulate private investment. “Tactical urbanism” is encouraged to provide short-term, low-cost improvements to test design concepts and build community support. Finally, the plan aims to promote local businesses and institutions via placemaking and preventing displacement to protect uniqueness and authentic character.

<p>Support existing businesses and attract new businesses to downtown</p>	<p>Promote a business-friendly environment, monitor / update development standards, offer businesses technical assistance and information, enhance social media presence.</p>
<p>Maintain / enhance downtown’s fiscal vitality</p>	<p>Monitor leasing activity and support tenant recruitment and permitting, identify joint business support and promotion (small business training and area-wide joint advertising), support local maker and craft businesses, support existing and new co-working spaces, retain existing retailers, etc.</p>
<p>Support new infill and transit-oriented development</p>	<p>Encourage parcel assembly through height bonuses, consider setting a minimum parcel or development size, offer a wide range of affordable and market rate housing, preserve downtown’s historic resources, strengthen ties to SMART station and east and west sides of downtown across US-101, explore partnerships with local health care providers and major employers</p>
<p>Strengthen downtown as a community and regional destination</p>	<p>Build upon the California Arts and Cultural District, establish downtown as the lifestyle and entertainment center of San Rafael, provide high quality public services and amenities; enhance downtown’s reputation in travel, restaurant, and event guides online and in printed media; and encourage public art as a placemaking strategy through incentivizing private developers to sponsor the art.</p>

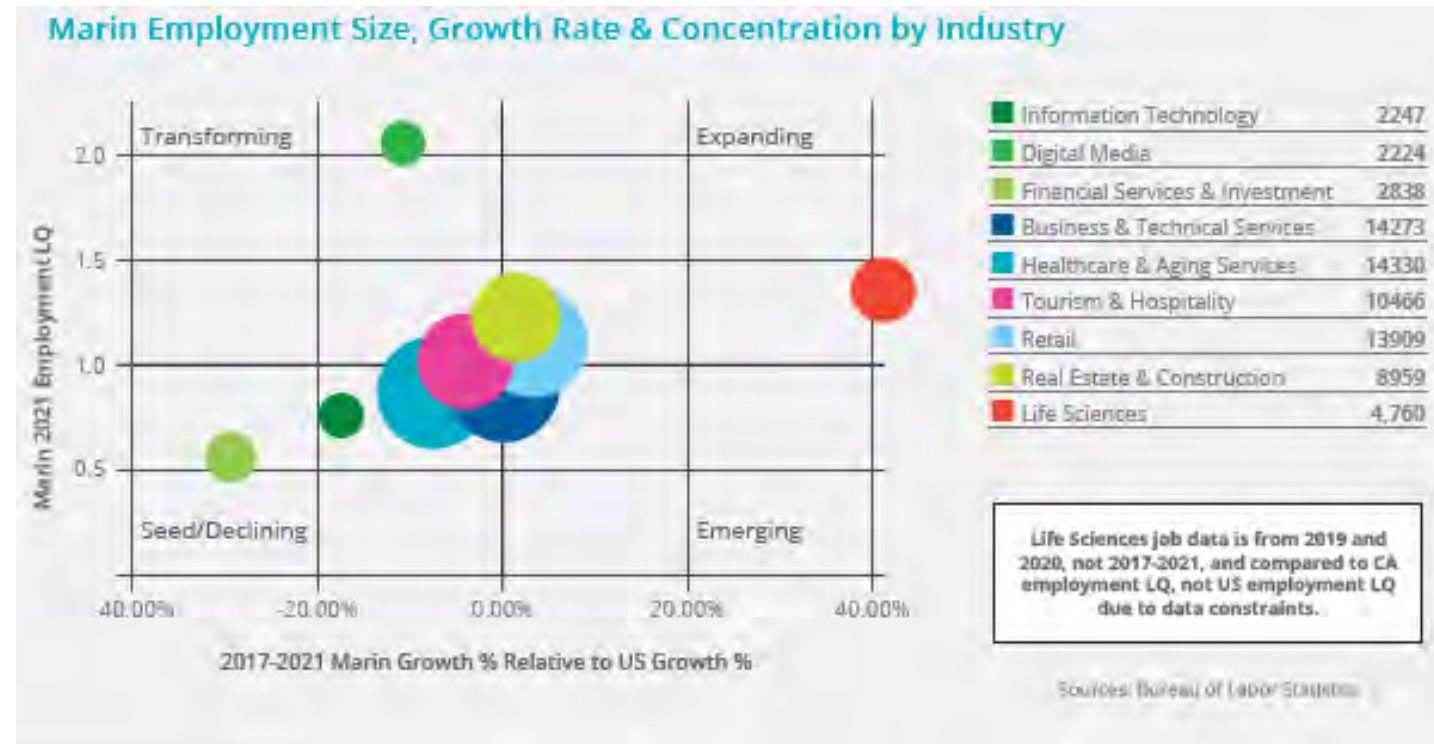
MARIN COUNTY ECONOMIC VITALITY STRATEGIC PLAN

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 provides 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 ECONOMIC FORUM BUSINESS RETENTION & EXPANSION PROJECT

- The Marin Economic Forum collected input from businesses regarding challenges and opportunities for operating a business in Marin County. The purpose of the project is to develop solutions and programs that can assist with business retention and expansion. The Phase 1 Report summarizes the information gathered during the data collection and business outreach efforts.
- The report notes that the Marin economy is strong and has experienced significant economic growth over the past 15 years, but faces challenges in five key areas: workforce, transportation / mobility, regulatory environment, built environment / infrastructure, and business ecosystem.

ECONOMIC DEVELOPMENT STRATEGIC PLAN



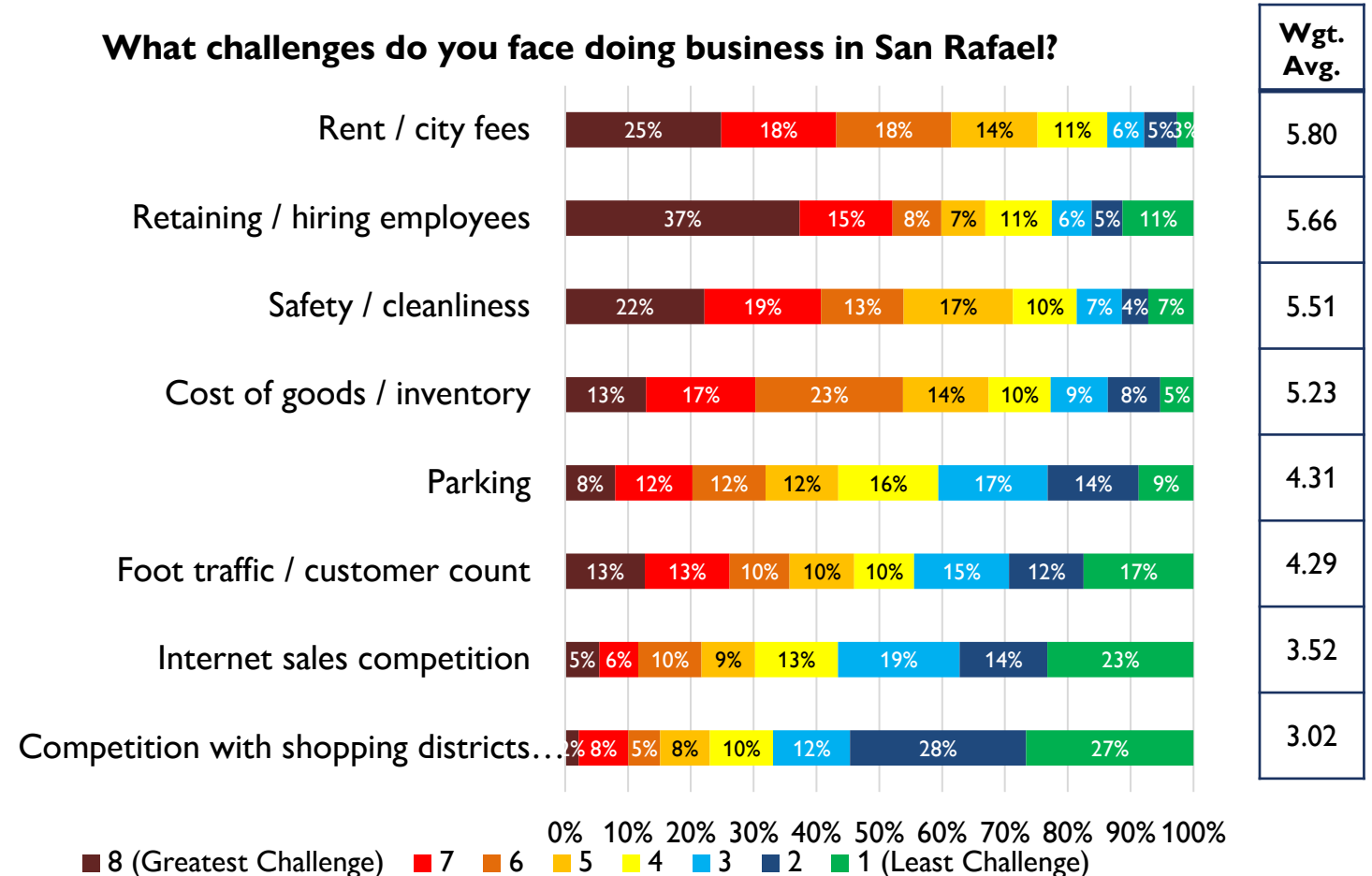
F. STAKEHOLDER OUTREACH & COMMUNITY / BUSINESS SURVEY SUMMARY

San Rafael Economic Development Strategic Plan

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.

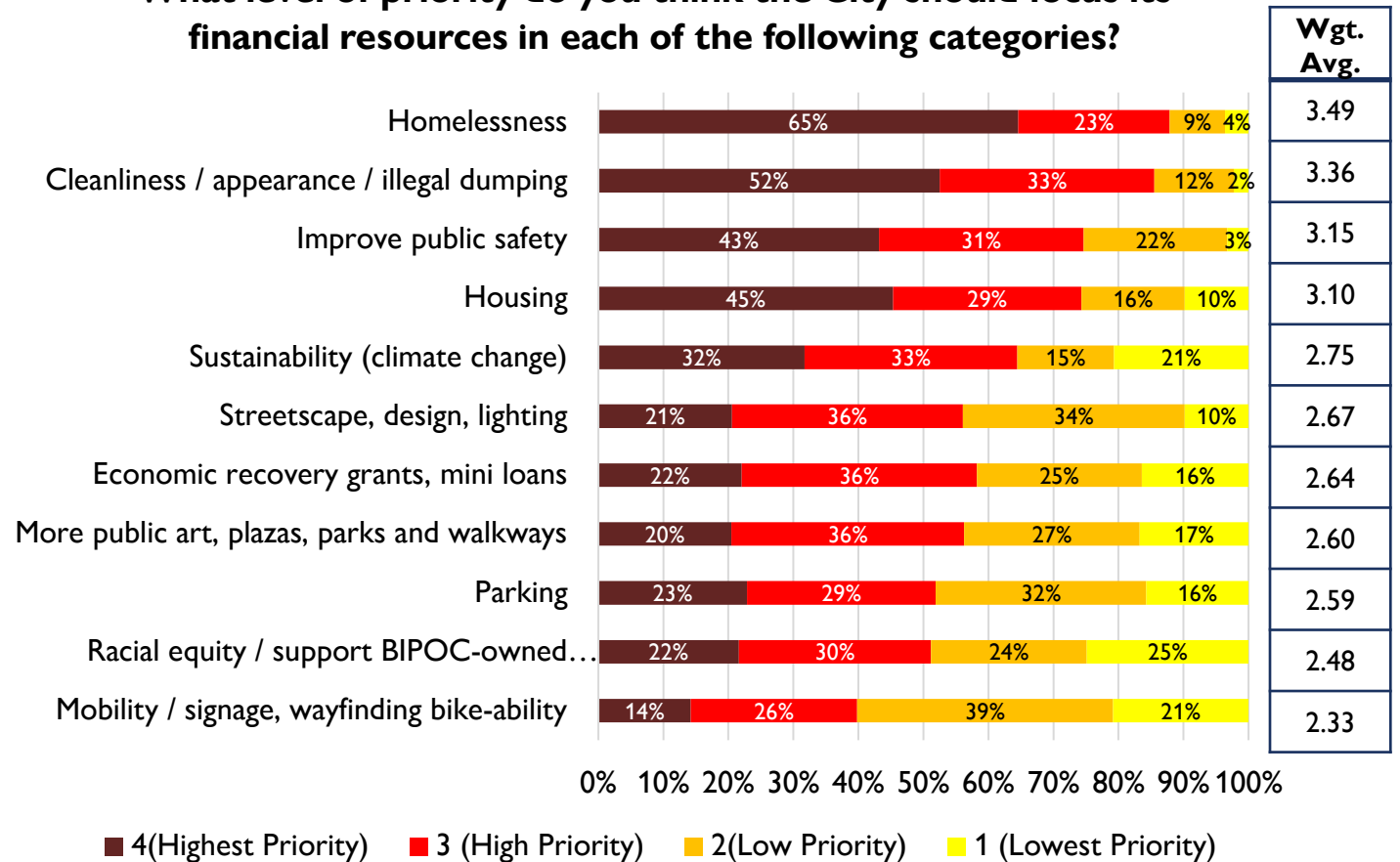
What challenges do you face doing business in San Rafael?



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

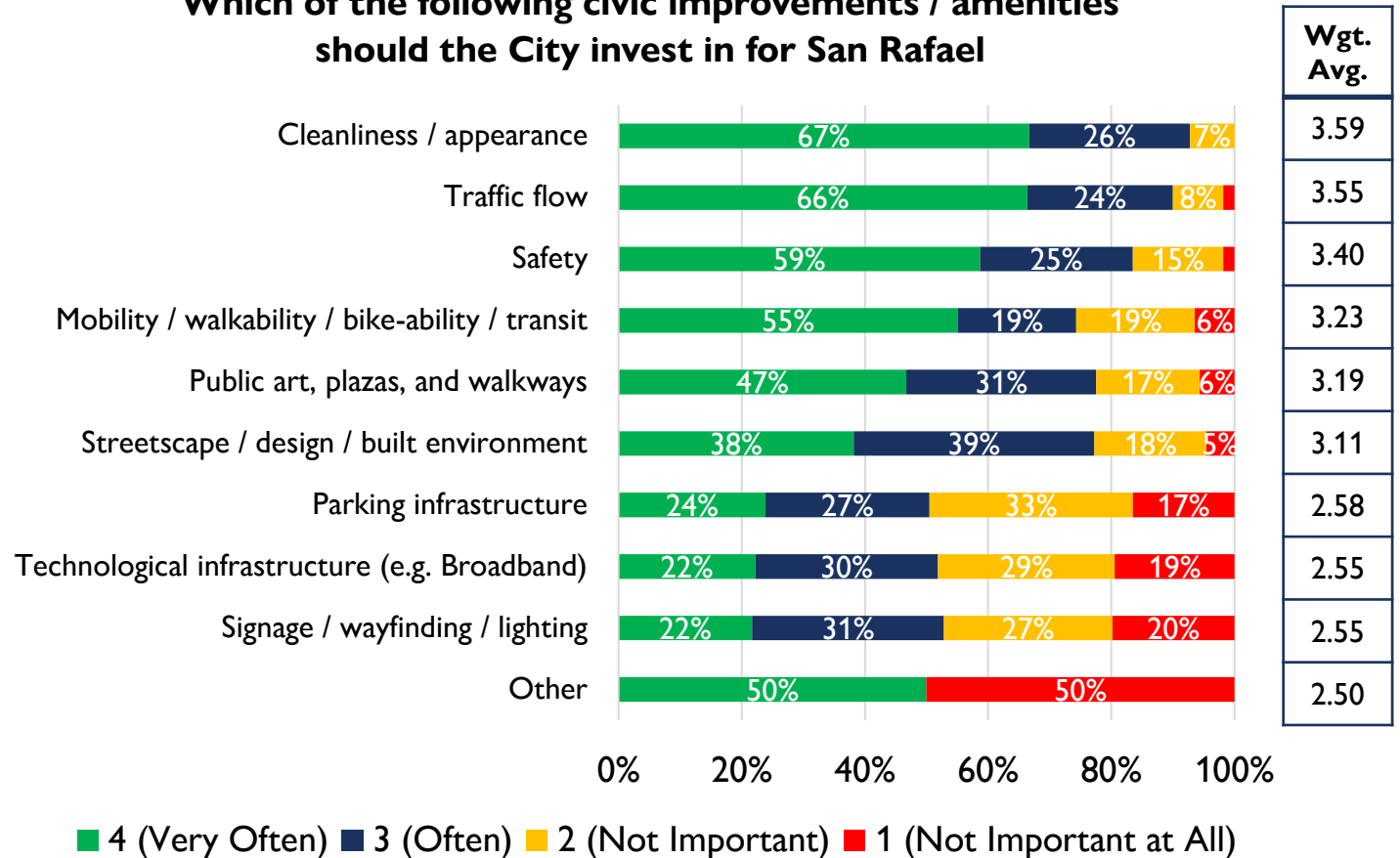
What level of priority do you think the City should focus its financial resources in each of the following categories?



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 should the City invest in for San Rafael



OVERVIEW STAKEHOLDER OUTREACH

City Staff / Council	Business Owners / Groups	Community Groups
<p>Jim Schutz, City Manager Bernadette Sullivan, Sr. Mgmt Analyst Victoria Lim, Economic Development Christine Alilovich, 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>Kate Colin – Mayor Maika Llorens Gulati – Councilmember Dist 1 Eli Hill – Councilmember Dist 2 Rachel Kertz – Councilmember Dist 4</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 OUTREACH STRENGTHS

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

STAKEHOLDER OUTREACH CHALLENGES

Need a Plan	City needs a feasible visionary roadmap that prioritizes strategies to maximize impact and coordinates with Marin Economic Vitality Plan
Organization Capacity	Chamber and BID are good organizations with good relationships with the City, but have limited funding which impacts capacity
City Processes & Development Costs	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
Beautification	Many commercial areas could use beautification / streetscape / façade improvements (Downtown, Las Gallinas, Canal), improved cleanliness, showcase art (displays, murals, installations, etc.)
Flood Risk	Valley floor represents a large percentage of the city's economic activity, but flooding could create a serious problem in the future
Vacancy	Retail vacancy is a problem downtown, lowers activity level; some potential risk from office vacancies and changes occurring in the office market
Parking / Circulation	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
Homelessness	Perception of homelessness is sometimes a problem for downtown businesses / visitors

STAKEHOLDER OUTREACH OPPORTUNITIES

Waterfront	Waterfront area is an underutilized asset, could be leveraged for new activities – needs a more curated feel
Events	More events centered around food / music can help attract visitors, serve diverse demographics, create experiences
Tourism	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
Dominican University	Underutilized asset, students / faculty can bring activity downtown and provide services to community, neighborhood issues constrain growth
Cannabis	There could be an opportunity to expand cannabis manufacturing, testing, and research

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.

CITY OF SAN RAFAEL

ECONOMIC DEVELOPMENT STRATEGIC PLAN DATA APPENDIX

May 15, 2023



El Segundo, CA
TEL: 424-297-1070 | URL: www.kosmont.com

ECONOMIC DEVELOPMENT STRATEGIC PLAN

ACTION ITEM RESOURCES

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

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

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

Cost does not include allocation of current Econ Dev staff salaries

Estimated Workload During Timeframe	
👤	10-20% of employee workload
👤👤	20-40% of employee workload
👤👤👤	40-60% of employee workload
👤👤👤👤	60-100% of employee workload

ECONOMIC DEVELOPMENT STRATEGIC PLAN

ACTION ITEM RESOURCES

4: Strengthen Local Partnerships					5: Attract High-tech Industrial Uses					6: Outreach for Private / Business Development Opportunities				
#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe	#	Action Item	Cost	Workload	Timeframe
4.1*	Explore tourism funding models	\$	1	Year 1-2	5.1	Revise zoning / processes for industrial uses	\$\$	3	Year 3-5	6.1	Identify / analyze sites for reuse	\$	1	Year 1-2
4.2	Explore / expand events and programming	\$\$\$	2	Year 1-3	5.2	Pursue new industrial sectors	\$	1	Year 1-2	6.2	Outreach / collaborate with property owners	\$	1	Year 1-2
4.3	Marketing partnerships	\$	2	Year 1	5.3	Evaluate tech industrial overlay zoning	\$\$	2	Year 2	6.3	Pursue businesses / developers	\$	2	Year 2
4.4	Tourism marketing	\$	2	Year 1	5.4	Conduct outreach businesses, industry grps	\$	2	Year 1-2	6.4*	Cannabis business opportunities	\$\$	2	Year 2-3
4.5	Arts programming	\$	2	Year 1						6.5	Update Mobile Vender Ordinance	\$\$	2	Year 2-3
4.6	Collaborate with service organizations	\$	2	Year 2	7: Workforce Development Programs									
	Star (*) - items that generate revenue / funding capacity				#	Action Item	Cost	Workload	Timeframe	Estimated Workload During Timeframe				
	Estimated Cost thru Year 5				7.1	Coordinate with orgs. for workforce development	\$	2	Year 3-5	1	10-20% of employee workload			
	\$			<\$50,000	7.2	Conduct outreach to local businesses / orgs.	\$	2	Year 3-5	2	20-40% of employee workload			
	\$ \$			\$50,000 to \$150,000						3	40-60% of employee workload			
	\$ \$ \$			\$150,000 to \$300,000						4	60-100% of employee workload			
	\$ \$ \$ \$			>\$300,000										
	Cost does not include allocation of current Econ Dev staff salaries													