AGENDA

CITY OF SAN PABLO
SPECIAL PLANNING COMMISSION MEETING AGENDA
Wednesday, August 3, 2016

City Hall Council Chambers
6:00 P.M.
13831 San Pablo Avenue
ONE ALVARADO SQUARE
SAN PABLO, CA 94806

Planning Commissioners
David Alvarado, Chairperson
Yuhong Shi, Vice Chair
Rita Xavier
Cheremay Sutton
Matthew Trujillo

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **ROLL CALL**

4. **STAFF INTRODUCTIONS**

5. **PUBLIC COMMENT**
The public is welcome at this time to address the Planning Commission on any non-agenda item. Comments are limited to three minutes per speaker. Any public comments made at this time regarding an item pending before the Commission do not go into the public record of that item. Comments on Public hearing items will be heard by the Planning Commission when that item is opened to the public.

6. **PRESENTATIONS**

Presentation by Charles Ching – Update on Economic Development projects in San Pablo
Recommended Action: Receive and File

Presentation by Michele Rodriguez – Targeted Industry Study
Recommended Action: Receive and File

Presentation by Rod Simpson – Additional upcoming projects
Recommended Action: Receive and File

7. **PUBLIC HEARINGS**

None

8. **NEW BUSINESS**

Presentation on the newly adopted Professional Code of Conduct – Michele Rodriguez
Recommended Action: Receive and File

Presentation on the Brown Act – Lynn Tracy Nerland
Recommended Action: Receive and File

9. **OLD BUSINESS**

None

10. **ADJOURNMENT**

NOTICE TO THE PUBLIC

IN ACCORDANCE WITH THE AMERICANS WITH DISABILITIES ACT, PERSONS REQUIRING ASSISTANCE OR AUXILIARY AIDS IN ORDER TO PARTICIPATE SHOULD CONTACT THE PLANNING DIVISION AT ONE ALVARADO SQUARE, SAN PABLO AS SOON AS POSSIBLE PRIOR TO THE MEETING. THE CITY WILL GIVE SUCH REQUIREMENTS PRIMARY CONSIDERATION, TAKING INTO ACCOUNT UNDUE FINANCIAL AND ADMINISTRATIVE BURDENS OR FUNDAMENTAL ALTERATIONS IN THE CITY SERVICE, PROGRAM OR ACTIVITY.

SPEAKERS WISHING TO ADDRESS THE PLANNING COMMISSION ON A SPECIFIC AGENDA ITEM SHOULD FILE A FORM WITH THE RECORDING SECRETARY INDICATING THE AGENDA ITEM. THE PLANNING COMMISSION CHAIRPERSON WILL INVITE YOU TO SPEAK AT THE APPROPRIATE TIME WHEN THE MATTER IS BEING CONSIDERED. IF YOU WISH TO SPEAK ON A NON-AGENDA ITEM WITHIN THE SUBJECT MATTER JURISDICTION OF THE PLANNING COMMISSION, YOU MAY SPEAK UNDER AGENDA NO. 5, "PUBLIC COMMENT". PLEASE FILE YOUR NAME AND ADDRESS WITH THE RECORDING SECRETARY ON FORMS PROVIDED.

COPIES OF THIS AGENDA AND NON-EXEMPT RECORDS RELATING TO AN OPEN SESSION ITEM ON THIS AGENDA WILL BE AVAILABLE FOR PUBLIC REVIEW AT THE CITY CLERK'S OFFICE, 13831 SAN PABLO AVENUE, BUILDING 1, AT THE SAME TIME THEY ARE DISTRIBUTED OR MADE AVAILABLE TO THE COMMISSION.

FOR PUBLIC INFORMATION

Following **ROLL CALL** and the **APPROVAL OF MINUTES** the Planning Commission Chair will open the meeting to the Public Hearing. The Public Hearing enables persons requesting a special permit or allowance that is not routinely allowed by the Zoning Ordinance or not covered by the Municipal Code. The Planning Chair initiates the **PUBLIC HEARING** process by **REQUESTING A STAFF REPORT**; City Staff will give a description, location and explanation of the request. Following an evaluation and analysis of the request, City Staff will make a recommendation of disapproval or approval with or without conditions. Once Staff has made its recommendation, the Chair will ask Commissioners if they have any questions for staff. Then the Chair will open the hearing in the following manner: (Note: Throughout the Hearing the Planning Commissioners may ask questions of those persons participating in the Public Hearing.)

1. The applicant will be invited to further elaborate upon his/her request, make comments, clarifications and/or modifications to the Staff Report.*
2. Persons either for or against the special request will be invited to elaborate and argue points made and reasons why or why not this request should be allowed.*
3. Applicant and persons for the request are given the opportunity for rebuttal.*
4. Persons opposed to the request are given the opportunity for rebuttal.*
5. The Public Hearing will be closed by the Chair.
6. The Planning Commissioners will review and consider all those options, findings, and new perspectives expressed by each side. Following a thorough study of all Staff information, public comment and site location, the Planning Commission will vote to approve, deny, approve subject to conditions, or based on unknown existing or potential conditions, find that the applicant needs further review and continue it to a later hearing.

***Persons addressing the Planning Commission are required to limit their remarks to five (5) minutes, unless an extension of time is granted by the Chair subject to approval by the Planning Commission members.**

Appeal Period and Final Permit: Both the applicant and the public may appeal the Planning Commission decision to the City Council. Appeals must be filed in writing to the City Clerk within five (5) days following the Planning Commission action.

Note: Any questions related to the Planning Commission hearing, Zoning, or related planning activities can be directed to the San Pablo City Planning Division at (510) 215-3031.

City of San Pablo
Planning Commission
Economic Development Projects

August 3, 2016

City of San Pablo

City Council Chambers

CITY OF SAN PABLO

City of New Directions

Plaza San Pablo Infrastructure

CITY OF SAN PABLO
City of New Directions

- Phase 1 and 2 of the Plaza San Pablo Infrastructure project is complete.
- Notice of Completion has been filed with the County.
- Phase 3 and 4 design work currently in plan check.
- Installation of Phases 3 and 4 will be done concurrently with the New San Pablo Library project.
- Scheduled to bid in September.

New County Library Project

CITY OF SAN PABLO
City of New Directions

- Staff and design team continue "fast-track" design process.
- Construction documents currently at 95%.
- Plans are currently in 2nd round of plan check.
- Project went out to bid on July 19 and closes on August 23.
- Scheduled for potential award in early September.
- Ground breaking scheduled for September 19, 2016 (Tentative)
- Estimated construction completion: Summer, 2017

Redevelopment of City Hall Site

CITY OF SAN PABLO
City of New Directions

- Future redevelopment of existing City Hall site and new City Hall project linked to Targeted Industries Study (Draft Findings)
- City Manager has given staff a target construction budget of $15 million for the New City Hall which includes proceeds from disposition of existing City Hall.
- Staff received 4 proposals for RFP to purchase and redevelop the existing City Hall and construction of a New City Hall (RFP Closure date: 07/05/16)
- Staff reviewing proposals and expected to make a recommendation to City Council shortly.

County WIC Project (Lot 7)

CITY OF SAN PABLO
City of New Directions

- City Council approved lease on July 5.
- Staff contemplating a design-build delivery process for the WIC building.
- Staff issued RFQ for potential DBE's.
- Staff to issue RFP shortly after RFQ process.

CALIFORNIA WIC
WOMEN, INFANTS & CHILDREN

El Portal Development Site

CITY OF SAN PABLO
City of New Directions

- City planning to refurbish the El Portal Soccer Field to include restroom facilities, lighting, etc.
- City also looking to redevelop the rest of the former El Portal School site.
- Staff pursuing a California Youth Soccer and Recreation Development Program grant through the State of CA California Department of Parks and Recreation for the rehabilitation of the soccer field.
- Goal: Future sale proceeds to be used to fund future park improvements

Municipal Broadband Project

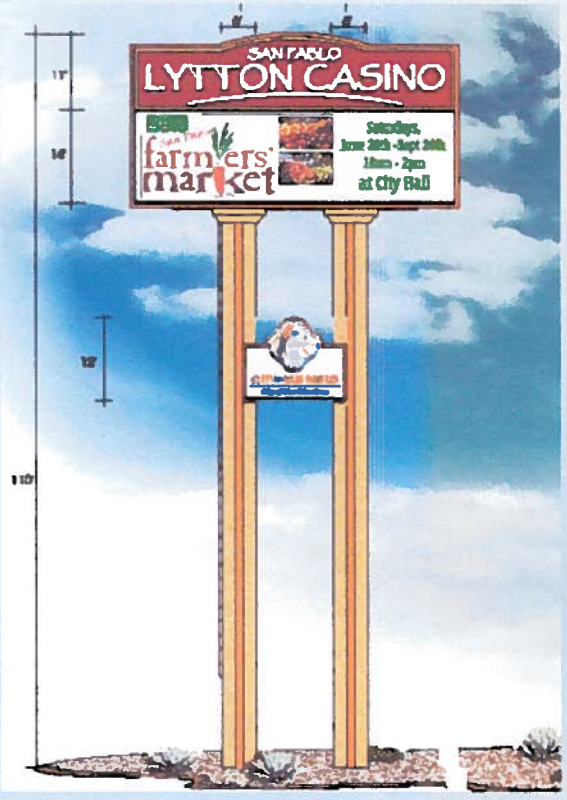
CITY OF SAN PABLO
City of New Directions

- After RFP process, City selected BKF Engineers to do Design and Engineering.
- City awarded Phase 1 of BKF Contract which allows for the completion of the Project's CEQA and NEPA document (May 2016).
- CEQA Consultant (Dudek), BKF and staff continue to work on the CEQA and NEPA document. Estimated to complete CEQA work by November 2016.
- Final design of the Core Rings to commence after environmental is completed.
- An RFP for Broadband Legal Services was issued in May of 2016.
- Staff working on Federal Economic Development Administration $1.5M grant.

Digital Billboard Site

CITY OF SAN PABLO
City of New Directions

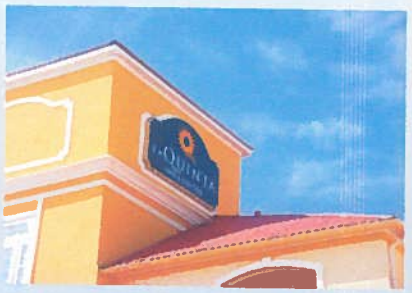
- Staff issued and RFP for the renovation and operation of the City owned Digital Billboard sign.
- Following evaluation of the RFPs, staff is negotiating terms with Outfront Media to present to the City Council for approval
- The design will include a static San Pablo Lytton Casino panel, a digital LED panel and a static City of San Pablo Panel with CEQA analysis



Other Active Projects

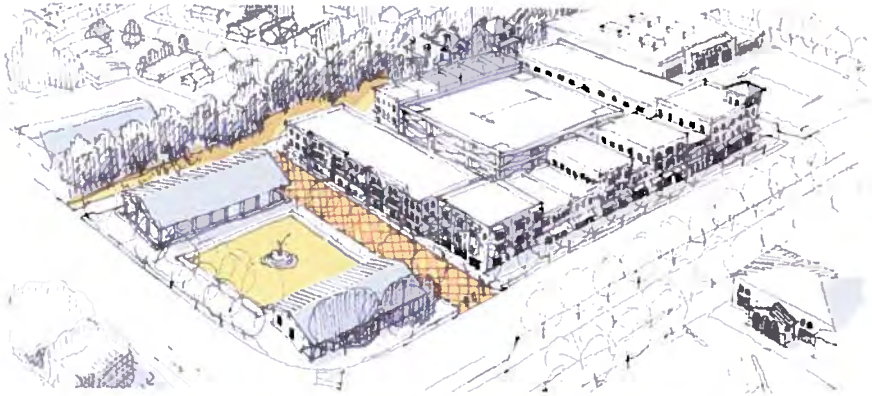
CITY OF SAN PABLO
City of New Directions

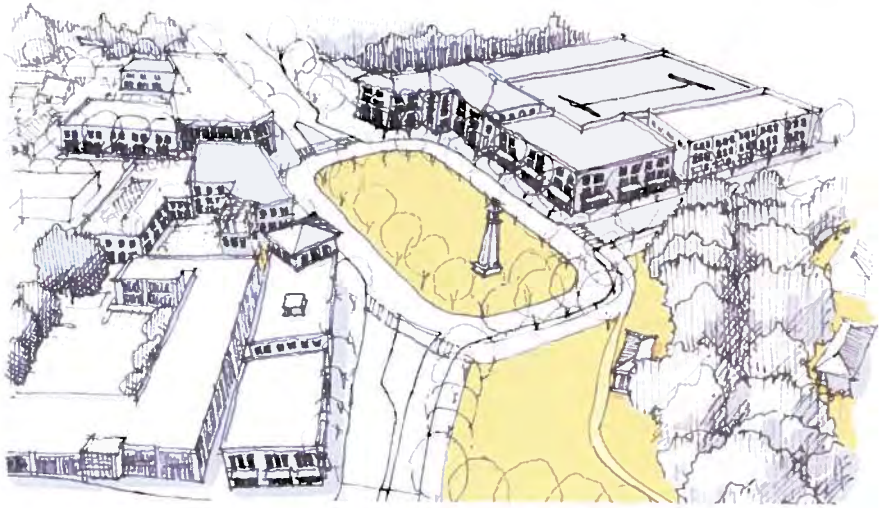
- **Walgreens:**
  - Walgreens celebrated its grand opening on March 14,2016 and is fully operational.
- **Creekview Terrace Senior Housing Project**:
  - Received City entitlements for a 120 unit senior living facility.
  - Applied for State of CA HCD Grant; DDA Project Deadline: 12/31/16
- **DMC Site**:
  - Hospital District under contract with Royal Guest Hotels (RGH) for the purchase and sale of the property since January 2016.
  - RGH submitted application on 06/13/16; Additional review required to process application and payment of fees by applicant: RGH paid developer fees to the City for preliminary traffic study on their proposed project as of 07/08/16;
  - RGH timeline for City design review/CEQA review/permit entitlements (est. 90 days – 120 days) following traffic analysis completion;
  - Hospital District to consider 2nd extension of RGH contract at its Board Meeting on 07/13/16 to accommodate RGH's permit entitlements
- **Block C Site Proposal:**
  - Palm Plaza Development proposing 8 townhomes fronting Chattleton Lane and a 3,000 (divisible) retail building .



Targeted Industries Study

August 3, 2016





Economic Development and Project Management Standing Committee of the City Council

1 Background

Plan Bay Area

Sustainable Communities Strategy

Current

Update in Progress

Plan
BayArea
2040

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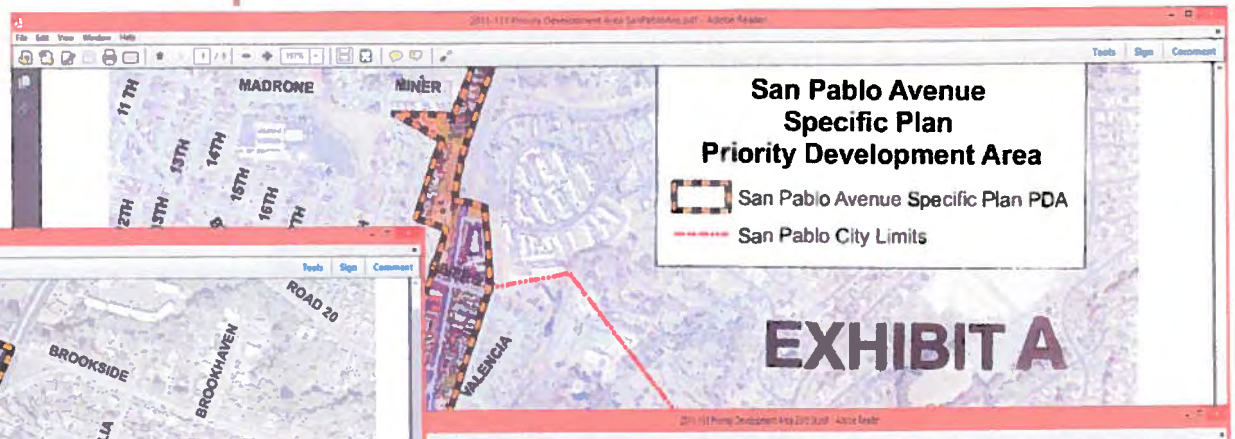
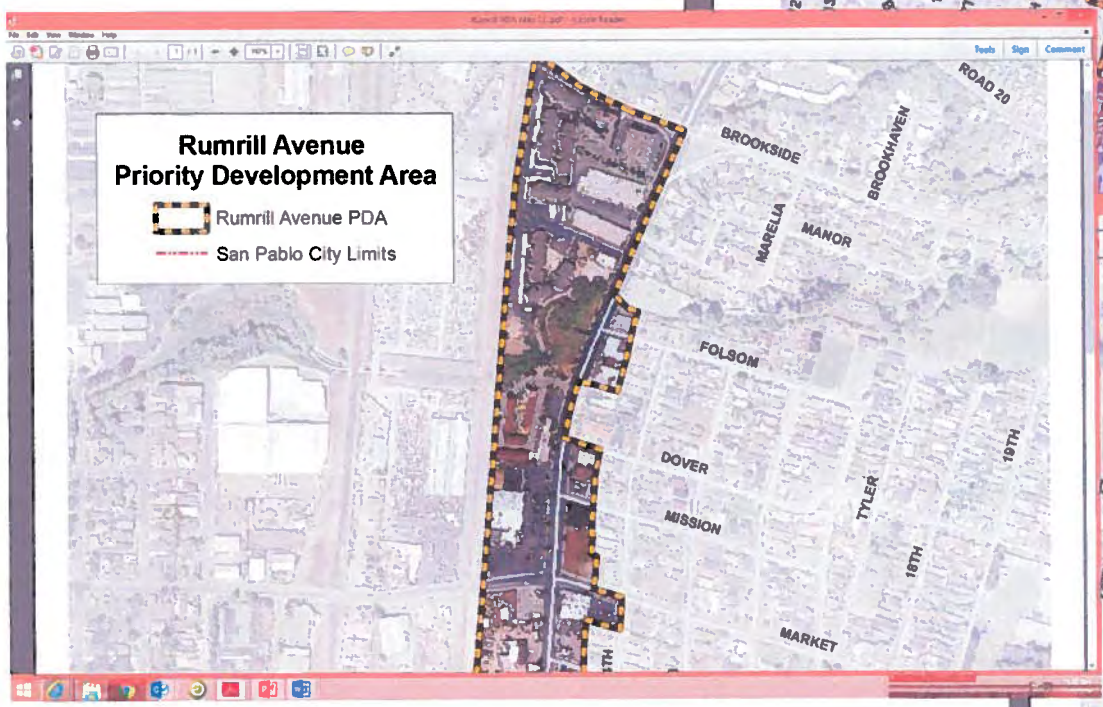
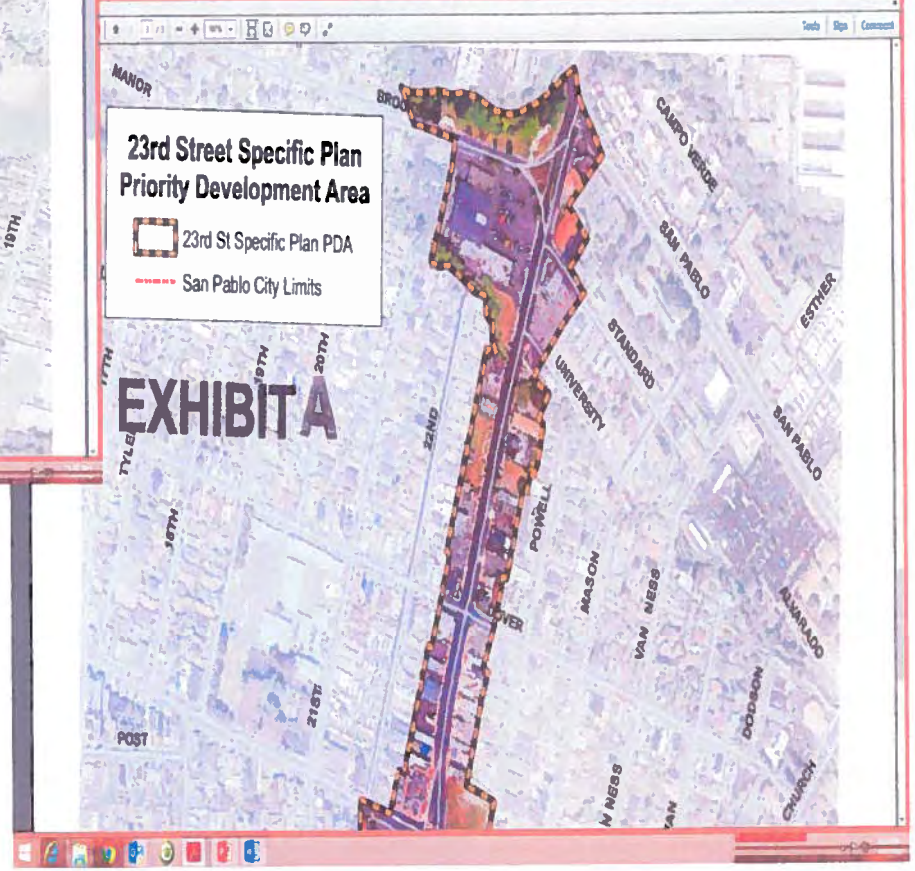
San Pablo Priority Development Areas





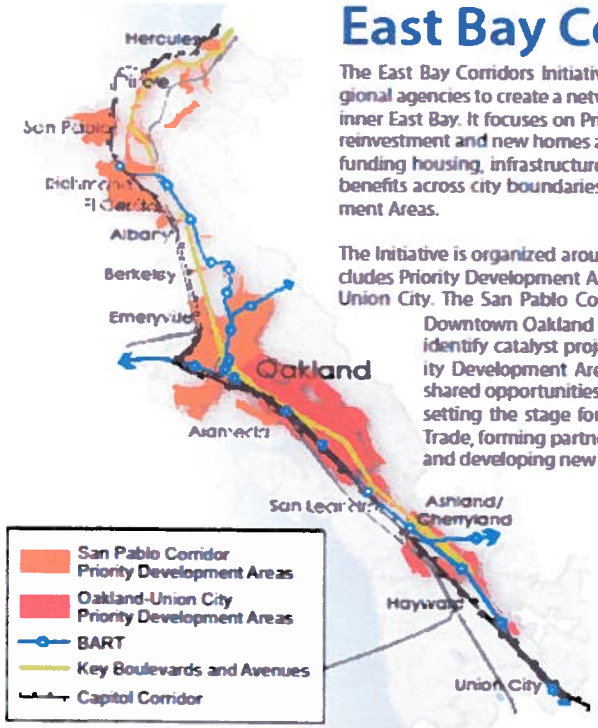


Association of Bay Area Governments

March 16, 2015

City Council authorizes City Manager to sign East Bay Corridors Initiative MOU to formalize working relations with 14 cities, Contra Costa County, and ABAG

Attachment 1



East Bay Corridors Initiative

The East Bay Corridors Initiative is a collaboration between cities, counties and regional agencies to create a network of thriving neighborhoods and downtowns in the inner East Bay. It focuses on Priority Development Areas, places planned by cities for reinvestment and new homes and jobs. The Initiative is a platform for prioritizing and funding housing, infrastructure, and community development projects that provide benefits across city boundaries while implementing local plans for Priority Development Areas.

The Initiative is organized around two corridors. The Oakland-Union City Corridor includes Priority Development Areas between International Boulevard in Oakland and Union City. The San Pablo Corridor includes Priority Development Areas between Downtown Oakland and Hercules. Cities are currently working together to identify catalyst projects that build on the unique assets of corridor Priority Development Areas to address common challenges and capitalize on shared opportunities. During 2015, the Initiative will solidify these projects, setting the stage for pursuing existing funding sources as state Cap and Trade, forming partnerships with the business and non-profit communities, and developing new funding sources.

Oakland-Union City Corridor Jurisdictions

- Oakland
- San Leandro
- Unincorporated Alameda County (Ashland/Cherryland)
- Hayward
- Union City

San Pablo Corridor Jurisdictions

- Oakland
- Emeryville
- Berkeley
- Alameda
- Albany
- El Cerrito
- Richmond
- San Pablo
- Pinole
- Hercules
- Unincorporated Contra Costa County

Regional and County Partners

- Alameda and County Public Health Department
- Alameda and Contra Costa County Transportation Authorities
- Alameda-Contra Costa Transit District (AC Transit)
- Association of Bay Area Governments
- Bay Area Air Quality Management District
- Bay Area Rapid Transit (BART)
- Contra Costa Health Services
- Western Contra Costa County Transit Authority (WestCAT)

Timeline

1995-Today

- Corridor jurisdictions adopt plans for 26 Priority Development Areas

2013

- Plan Bay Area adopted, region's first integrated housing, jobs and transportation plan; growth and investment focused in the inner East Bay
- ABAG Executive Board prioritizes implementation of local plans and regional goals in the East Bay Corridors

2014

- Workshops held to identify key challenges and opportunities related to realizing local PDA plans
- Working groups create draft implementation priorities and catalyst projects

Next Steps

Q1 2015

- Solidify priorities and catalyst projects
- Create partnerships and identify funders

Q2 2015

- Pursue immediate funding opportunities such as Cap & Trade and federal grants

Q3 2015-

- Integrate corridor priorities into regional Land Use Strategy and Plan Bay Area update
- Continue to pursue funding; initiate and complete projects

MTC PDA Planning Grant Program

CCTA Planning Grant

- Planning services from consultants.
- Increase readiness of PDAs.
- Increase land use intensities
- Boost transit ridership, walking, bicycling
- Locate key services

San Pablo Awarded $150,000

- PDA Implementation grant
- Highest growth job industries
- Vacant and underutilized parcel survey
- Marketing and branding program

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1 High Growth Industries

Top Sub-Industry Job Growth

- Health Care and Social Assistance
- Retail Trade
- Accommodation and Food Service
- Arts, Entertainment, and Recreation
- Information, Management, Scientific and Tech Related
- Other Notable High Growth Industries

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Targeted Industries – 2020 Forecasted Jobs

Health Care and Social Assistance

Personal Care /Service: 1,446

Healthcare Practitioner and Technical Occupations: 838

-Personal Service Workers

-Barbers, Hairdressers

-Cosmetologists, Manicurists

-Residential Advisors

-Childcare

-Nursing and Res Care

-Ambulatory Health Care

Retail Trade

Sales: 1,806

Food Prep: 1,132

Office and Admin: 1,965

-General merchandise

-Food and Beverage

-Accommodation

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Targeted Industries – 2020 Forecasted Jobs

Arts, Entertainment, Recreation

-Traveler Accommodation

-Full Service Restaurant

-Special Food Service

-Drinking Places

-Limited Service Eating Places

-Amusement

-Gambling

-Recreation Industries

Information, Management, Scientific, and Tech

Business and Financial Ops: 606

Management Ops: 734

-Information Systems

-Data Processing, Hosting

-Motion Picture

-Sound Recording

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Targeted Industries - 2020 Forecasted Jobs

Other Notable High Growth

Transportation and Material Moving: 1,385

- Educational Services
- Administrative Services
- Support Services

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2 Vacant and Underutilized Parcels

Opportunity Site Selection

Approach

- Departure from "pedestrian priority strategy" outlined in San Pablo Ave. SP
- Cluster activities around key pedestrian-oriented centers

Key Pedestrian-Oriented Nodes Evaluation

- Intersections of major roadways and San Pablo Avenue;
- Potential infrastructure improvements to leverage development potential from adjacent opportunity sites; and
- A broader sphere of focus within a quarter mile walking radius

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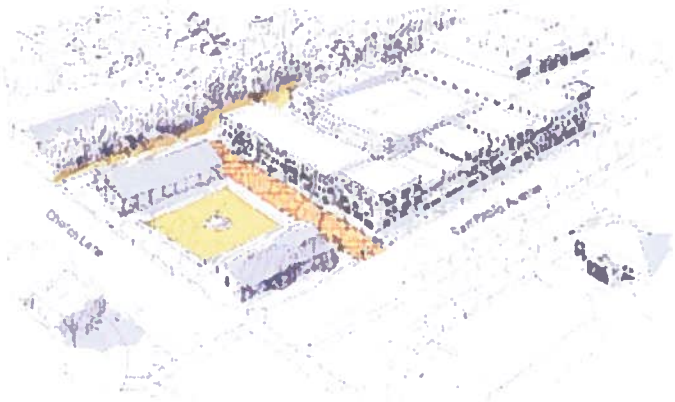
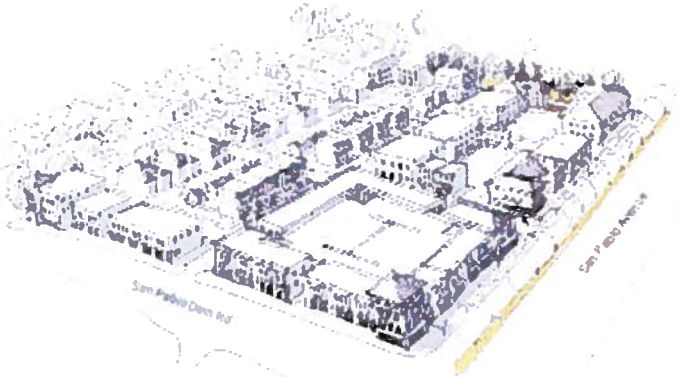
A Mission Plaza

B 23rd St. and San Pablo Ave.



C Church Ln. and San Pablo Ave.



D Big Lots/Food Max

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Opportunity Site 1: Mission Plaza

Overview

The San Pablo Ave. SP designated this site Mixed Use Center North, and explored the development of student housing with adjacent retail/services (see Specific Plan pages 4-8-4-11).

The analysis presented challenges the San Pablo Ave. SP's development approach in that the parcels will continue to be surrounded by auto-oriented streets with poor context, and it seems unlikely that the private market would invest in a walkable development without this supporting environment. With this in mind, the analysis looks at a scheme that:

- **A** Re-orients Rumrill to terminate at a 90 degree angle with San Pablo, creating a one block long "main street" and closing the southeast leg of Broadway.
- **B** This creates 2 new, L-shaped parcels oriented to the new main street and San Pablo.
- **C** In the illustration, the design is suggesting that Broadway and Rumrill can be resolved with a roundabout - this could help to transition the planned cycle track along Rumrill to the main street environment (currently illustrated with back-in angled parking and a Class II bike lane, but this could be a variety of approaches).
- **D** The "transit center" could also be formalized around the new Rumrill - San Pablo intersection, providing a direct connection to Contra Costa College.

Initial Implementation Considerations

In order to achieve this the City would need to enter into an agreement with the owner of the 99-cent store at Broadway and Rumrill. This could be to relocate to one of the new parcels created after the roadway reconfiguration, the City could purchase the property, or there could be another option. One initial thought is that if this hurdle could be cleared, the money to build the new block of Rumrill Rd. could come from complete streets or transit funding sources. The project would require utility relocation, but this should be fairly straightforward. In this and other options it seems safe to reduce the overall roadway capacity given the current and projected LOS in the General Plan.

Development Summary

The analysis shows about 50,000 sf/floor of development potential, with about 66 off-street surface parking spaces. The retail should be able to be largely parked on-street (although the Specific Plan is not explicit about allowing this). The volumetric study and depicted program summary illustrates a 3 story development, assuming only surface parking. The southern parcel however could accommodate a (freestanding or open to 2 sides) parking structure, so 4+ story development should be easily accommodated. This might be an opportunity for the City to subsidize/offset the cost of a garage to benefit the feasibility of the entire development.

Figure 3.1.1: Reconfiguration of intersection to allow for more easily developed parcels along San Pablo Ave. and Rumrill Rd. The volumetric diagram studies infrastructure improvements, possible scale variations and open space enclosure.

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Opportunity Site 2: 23rd Street and San Pablo Avenue

Overview

The 23rd Street Specific Plan looked at creating a right-angle intersection at 23rd and Brookside in order to encourage better development at the intersection. However, the plan assumed that new development would still be largely auto-oriented in this location. We looked at an option that would:

- **A** Re-route Brookside and 23rd through a central park or plaza (right now about one acre) that would encourage surrounding parcels to redevelop with street-facing mixed use and retail. The park/plaza could be seen as a continuation of the San Pablo Creek Park to the north and would "capture" through-traffic otherwise passing through the area.
- **B** The analysis currently shows 1 way movement around the park, with back-in angled parking.
- **C** The park/plaza could provide a north-south connection between the San Pablo and Wildcat creek corridors.

Branding and Gateway Feature

The central park or plaza presents a unique opportunity to reflect the historic culture and diversity from 23rd Street along San Pablo Avenue. As a potential gateway and branding opportunity, it could be beneficial to also show the northwest corner of the Mercado La Hacienda parking lot utilized to redirect 23rd to San Pablo at a right angle. This eliminates the 23rd - San Pablo through movement but expands the San Pablo Creek Park and humanizes the intersection. This scheme should be possible without the demolition of any existing buildings. The thought here is that a program to create new park space could be leveraged to build the infrastructure.

Development Summary

There is a lot of development potential here. The analysis shows about 90,000 sf/floor of development potential focusing on the four parcels around the square (Grocery Outlet, Mercado La Hacienda, Century 21/Insurance/ Chiropractor), US Post Office). The volumetric study and depicted program summary illustrates a 3 story development. The Grocery Outlet site could accommodate a parking structure. The garage could accommodate ≈240 cars, so this could easily also be a 4 - story development. The volumetric study and depicted program summary illustrates a three story development.

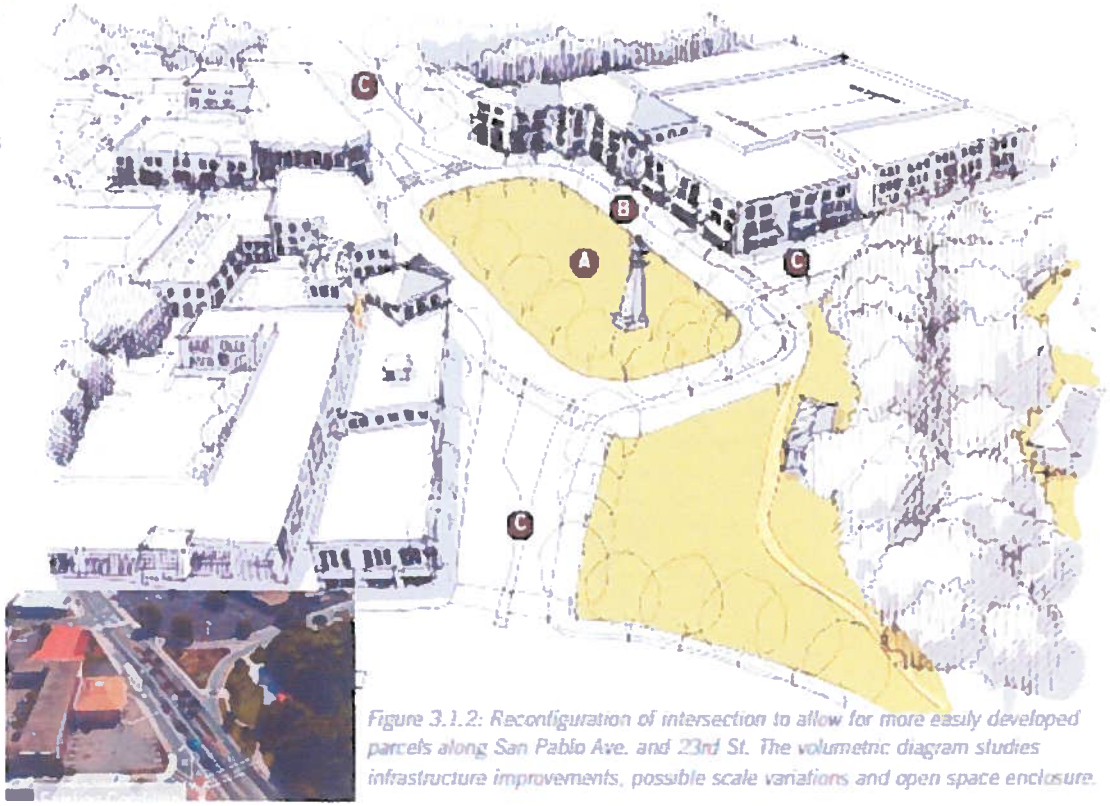

Figure 3.1.2: Reconfiguration of intersection to allow for more easily developed parcels along San Pablo Ave. and 23rd St. The volumetric diagram studies infrastructure improvements, possible scale variations and open space enclosure.

Opportunity Site 3: Church Ln. & San Pablo Ave.

Overview

The San Pablo Ave SP designated this site Public/Institutional. This designation is intended to serve a public purpose, including City administrative offices. Per our conversations with the City, the City's administrative offices will be moving to the Circle S site. It is also our understanding that it costs more to adaptively reuse the property than to simply build a new building. That being said, the analysis explores saving the historic buildings and civic spaces on the site and infilling the remainder of the site with potential development and infrastructure. From South to North, this creates:

- **A** A civic space anchored by a historic structure could be an opportunity for branding, community identity, and a further expansion of the network of civic spaces.
- **B** A shared space that is primarily hardscape which allows for a farmers market and provides an opportunity for convenience parking when the market is not operating.
- **C** A new block bounded by a 50' ROW street to the North and a 35' ROW street to the East. The 50' ROW street provides yield movement and parking. The 35' ROW street allows for yield movement and parking along the block face with newly proposed buildings.
- **D** The new block allows for buildings oriented toward the existing and proposed streets and civic spaces.

This scheme offsets the building footprints +30 feet off the property line. This allows for on-street convenience parking off San Pablo Ave. We also explored the mid-block configuration for parking and circulation in order to phase in a parking structure over time. In the phasing diagram, we are suggesting that half of the block along San Pablo Ave. and the proposed historic civic space to the south be initially developed with mid-block surface parking. The remaining half of the block fronting along the 50' ROW street and 35' ROW street could be built in a subsequent phase with a parking garage.

Branding

The preservation of historic buildings and celebration of Wildcat Creek presents an opportunity to reflect the historic culture of San Pablo. This site currently accommodates a number of public activities, including the farmer's market, therefore, continuing to think about this site as a "heart of town" for these kinds of activities and further connectivity to the historic buildings would tie into the City's branding and community identity goals.

Initial Implementation Thoughts

To incentivize this development pattern the City could put in the necessary infrastructure on the publicly owned land to set the stage for future development. In this instance, the convenience parking provided along the new roadways, San Pablo Ave. and shared plaza space would be important. The City would also need to enter into an agreement with the adjacent property owner to the north to center the 50' ROW street on the property line. This would allow for additional access for the adjacent property for a greater depth of their site, therefore potentially increasing the value of this lot and the adjacent lot. The creation of the civic space could be leveraged to build the infrastructure (shared play and 35' ROW street). Further, some of the improvements along

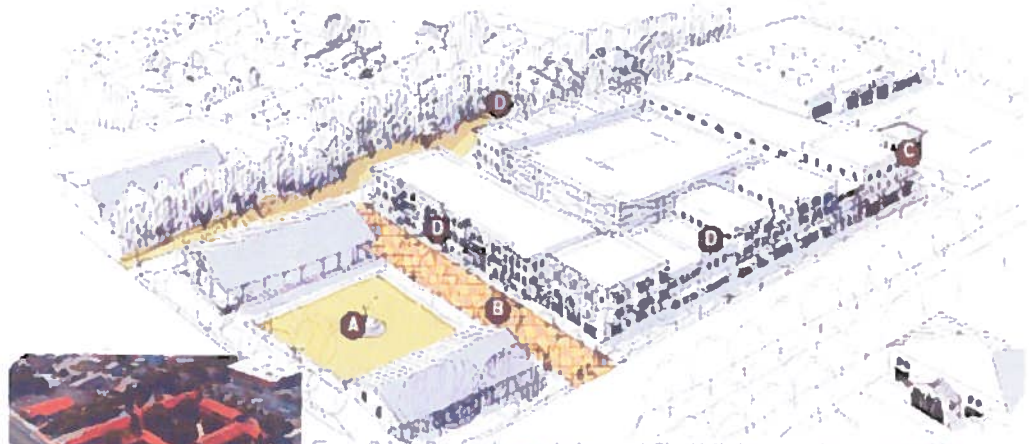

Figure 3.1.3: Re-development of current City Hall site as a mixed use neighborhood main street development, providing a variety of residential options. Open space is centered around the historic Alvarado Adobe Museum. The volumetric diagram studies infrastructure improvements, possible scale variations and open space enclosure.

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Opportunity Site IV: Big Lots/Food Max

Increased Development Intensity

- 52,000 square feet of ground floor commercial development potential
- 38,200 square feet of ground floor office/retail potential
- Potential parking structure at NW corner to accommodate 2-3 story development

Leverage near-term public realm improvements

- Streetscape improvements and daylight creek corridor in a linear green
- Creation of a walkable block structure to absorb value off of San Pablo into the site, transition building types and add value to lot and adjacent lots

Increase Residential Uses

- Focus ground floor within two blocks of the intersection to be built to commercial standards
- Residential and non-residential addresses on secondary and tertiary streets

Page 31 of Infill Development Strategy, Page 15 of Feasibility Analysis

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SCS by Strengthening Public Health Plan | Task 4 Deliverable

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3 Marketing and Branding

Marketing and Branding in San Pablo

Improvements Needed

-Place making (art, key entries, public spaces)

-Quality building design

-Vibrant Streetscapes

Implementation

-Attract developer interest

-Market to targeted industries

-Improve San Pablo's image.

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4 Conclusion and Next Steps

San Pablo, California

SCS by Strengthening Public Health Plan

Task 5 Deliverable: March 2016

OPTICOS

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Appendix A: Economic Positioning Study

Appendix B: Opportunity Sites Feasibility Analysis

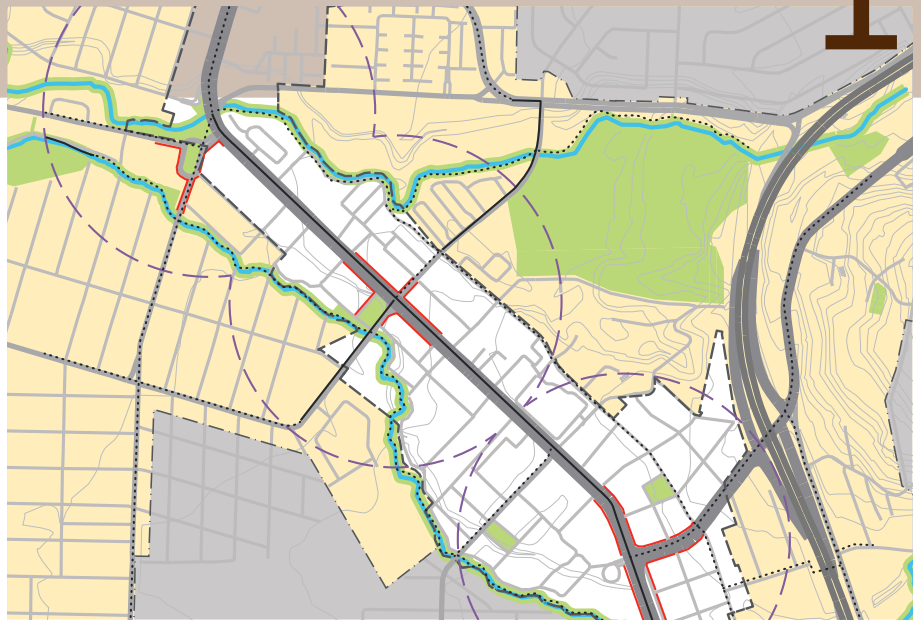
Appendix C: Marketing Strategy Memo

Appendix D: Guiding Principles

Contra Costa College
Helms Middle School
Dover
Elementary
School
100'
200'

Purpose

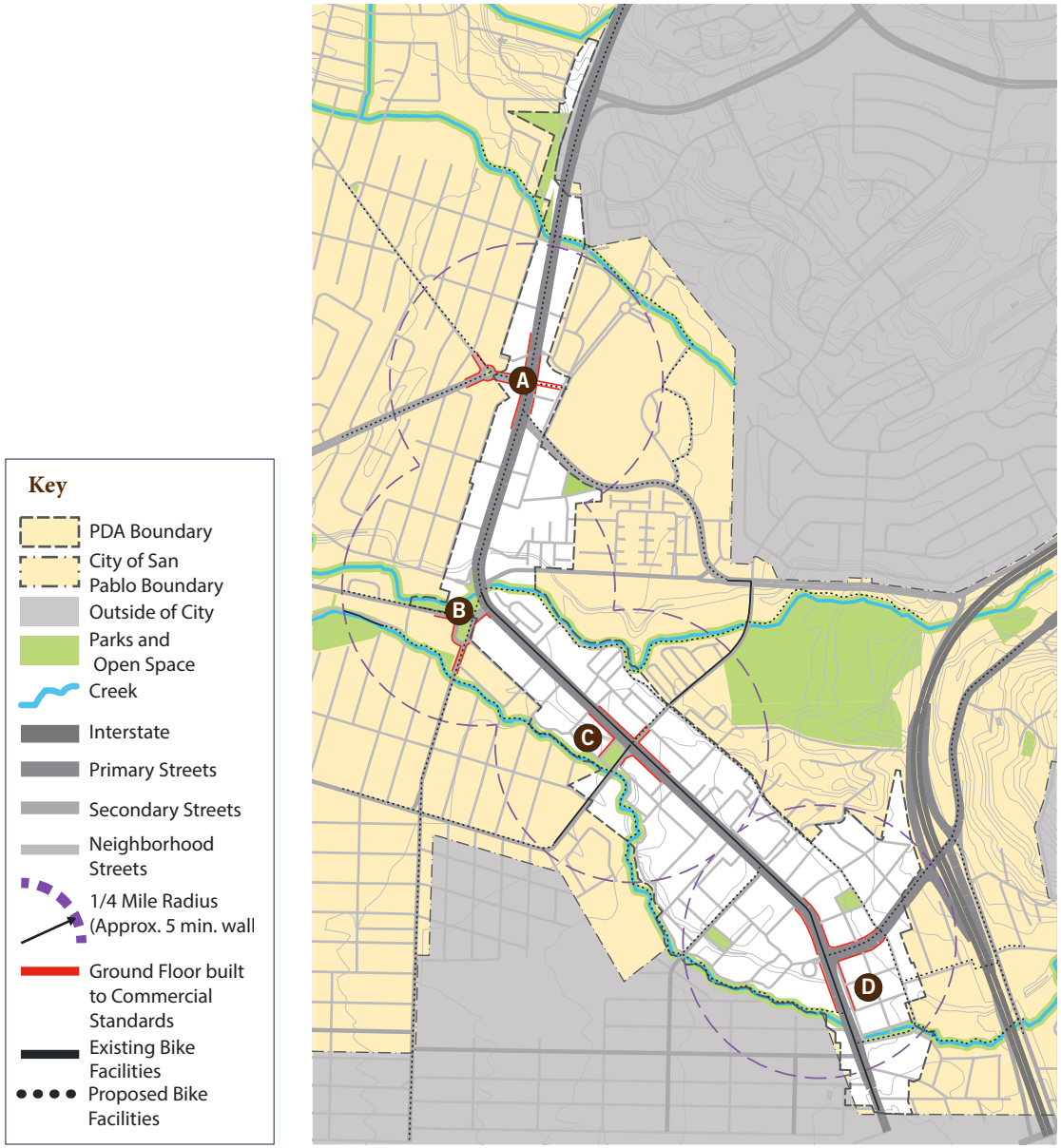
1 chapter

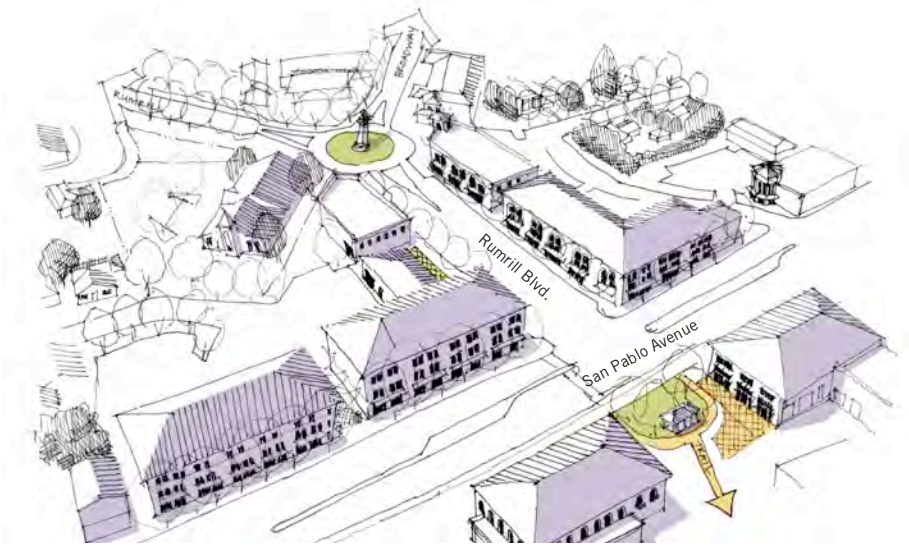


1.1 Infill Development Strategy Summary

This study focuses on the successful revitalization of four key opportunity sites that can be strategically positioned and marketed for new development. The infill development strategy for the four key opportunity sites builds upon the San Pablo Ave. Specific Plan's idea for an economically vibrant, visually attractive, mixed-use, walkable, complete street that is:

- San Pablo's most important north-south street which passes through the center of the City and is a major East Bay area thoroughfare;
- An important gateway to San Pablo's historic culture along 23rd Street; and
- An amenity-rich environment of distinct, appealing and livable places connected to many East Bay area destinations.





A *Mission Plaza*

B *23rd St. and San Pablo Ave.*

C *Church Ln. and San Pablo Ave.*

D *Big Lots/Food Max*

1.2 Purpose

OVERVIEW OF THE PROJECT AREA

Regional Context

With adoption of Plan Bay Area, ABAG and MTC along with partner agencies are emphasizing implementation. Over the next several years, ABAG will focus its planning efforts on four primary areas: Priority Development Area (PDA) Implementation, Housing Production and Affordability, Economic Development, and Open Space and Farmland Preservation.

The East Bay Corridor PDAs

The San Pablo PDA is part of a network of contiguous PDAs that extends from Downtown Oakland through West Contra Costa County to Vallejo. The PDAs are connected by BART and by San Pablo Avenue, which forms a continuous spine from Oakland to Hercules. In addition to Oakland's Regional Center, the corridor includes the residential and commercial district surrounding UCBerkeley and multiple clusters of shops, restaurants and entertainment along San Pablo Avenue in Alameda and Contra Costa County. Housing growth in these PDAs is anticipated to account for 7% of the regional total. The corridor is closely connected to San Francisco, with 20% of all workers commuting to jobs in the city.

The top five regional PDA Implementation Opportunities include:

- Financial and Regulatory Tools to Make Development Feasible
- Robust Provisions for Entitlement Efficiency
- Corridor PDA Coordination
- Strategies to Address Displacement and Retain Neighborhood Assets
- Continued Coordination with Regional and State Agencies

Local Development Context - San Pablo PDA

Land uses allowed in the San Pablo PDA generally consist of mixed and high-density residential uses, and are punctuated by large commercial or institutional nodes such as the Lytton Casino, City Hall, and Contra Costa College. Residential uses located directly adjacent to the mixed-use corridor along San Pablo Ave. are generally low-density in the north and multi-family in some locations. Along 23rd St., multi-family residential in the R3 zone generally transitions to lower densities in adjacent neighborhoods.

Development within the PDA is primarily governed by the San Pablo Avenue Specific Plan (SP) and 23rd Street SP, which either supplants or references the City's Zoning Code in the application of development standards. The City's 2030 General Plan, which establishes land uses and intensity maximums throughout the City, provides policy direction for both Specific Plan areas.

Key

- PDA Boundary
- San Pablo Ave Specific Plan
- 23rd Street Specific Plan
- Overlap of Specific Plans

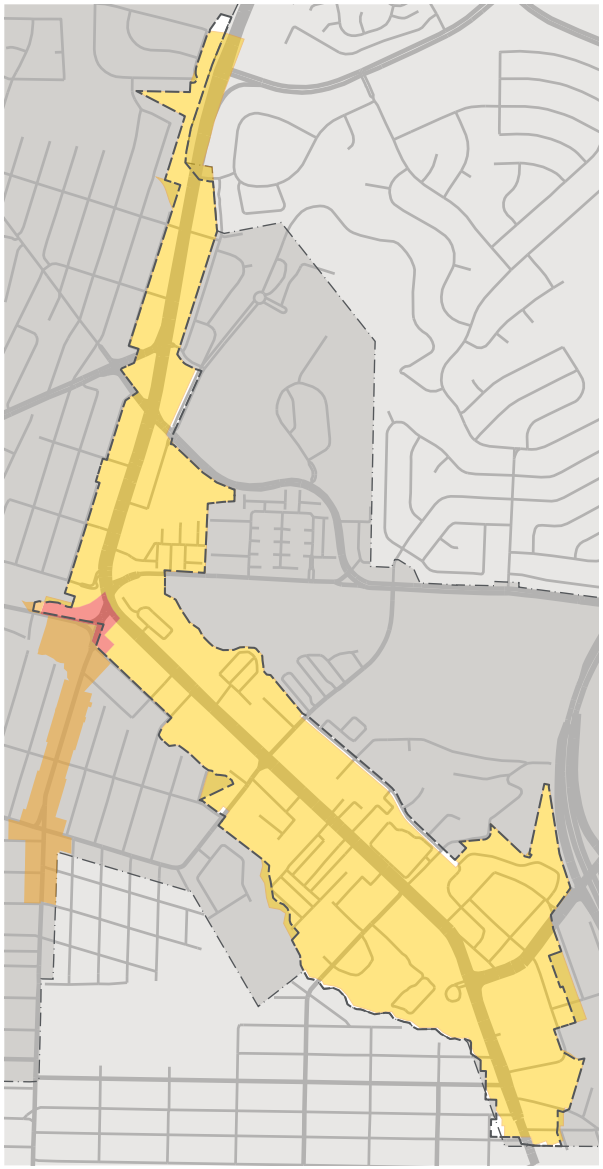


Figure above overlays past Specific Plan boundaries on current PDA boundary.

GUIDING PRINCIPLES

The purpose of these principles is to add context and focus to the economic development effort for San Pablo Avenue. They serve to guide the Economic Positioning Study (EPS), which lists businesses emphasized for recruitment, marketing and branding, as well as future implementation and necessary partnerships to implement the vision for the opportunity sites. For a full report on the Guiding Principles see Appendix D.

San Pablo community members, business people, service providers, and leaders are aware of, and participating in an effort to connect city planning with public health. As a result, the key themes for the General Plan Health Element included:

- Healthy Transportation and Physical Activity;
- Healthy Food Access and Equity;
- Access to Services and Planning for People First (Youth and Formerly Incarcerated); and
- Crime Reduction and Perception of Safety.

The key themes illustrated below have guided the design and implementation strategies for the opportunity sites included in this study. The inclusion of Sustainability as a key overlapping theme in this study is important for the reduction of greenhouse gas, improvement of natural systems and social equity.

ECONOMY

- **Housing Costs.** Housing costs in San Pablo have historically been affordable compared to the region, but are rising quickly due to the economic upturn making it difficult for a single family to afford. New housing construction can help to maintain affordable housing supply.
- **Low Income**. Resident income remains low, and many people work multiple jobs. New educational and economic opportunities are necessary to maintain an upwardly mobile workforce.
- **Leveraging Outside Opportunities**. Growth opportunities exist by leveraging growth from the region, state, and internationally.

ENVIRONMENT

- **Open Space & Landscaping.** San Pablo is significantly below the minimum parks and open space acreage. Green spaces improve air quality, reduce greenhouse gases, and create public gathering places.
- **Green Building.** San Pablo values improving the physical landscape and limiting the negative impacts of economic activity on the environment.
- **Regional Traffic.** Regional pass-thru traffic is a dominant feature in San Pablo which can be leveraged for businesses capture, goods movement.
- **Complete Streets.** Diversifying methods for getting to work, home, school, and service trips is required.

EQUITY

- **Socioeconomic Diversity.** The City places high value on socioeconomic diversity and economic sustainability. Commercial enterprises must incorporate equitable practices into their business activities.
- **Health Element Implementation.** Creating businesses which address health care, increase accessibility to health-related uses and minimize public health impacts are all important.

1.3 Key Issues

1 VISUAL QUALITY OF CORRIDOR

- Buildings fronting San Pablo Ave. lack pedestrian scaled frontages and orient toward internal parking lots rather than the corridor.
- The current public realm lacks qualities to make walking along San Pablo Ave. safe and comfortable for pedestrians: the current sidewalk is narrow; the building frontages are auto-oriented; the buildings are often set back behind a surface parking lot; there is a lack of shade due to street trees being spaced too far apart; and installed bike lanes are narrow and include the gutter pan.
- The current street design encourages fast moving traffic because of its high design speed due to wide travel lanes, lack of enclosure and lack of on-street parking.

2 PERCEIVED SAFETY

- Streets within the PDA are designed for high vehicular speeds, often with no buffering mechanism (street trees, eg) for other mobility choices.
- San Pablo Avenue currently lacks a continuous street wall which results in a scarcity of visual surveillance on the street.
- The San Pablo Ave. SP does not require orientation along all streets and open spaces, allows for a certain percentage of blank walls and does not require active uses within parking structures along all streets and open spaces.
- Frontages currently do not engage with the street resulting in a lack of social interaction.
- The above mentioned issues hinder a pedestrian's comfort to walk within the PDA, limiting the amount of foot traffic deemed necessary to support industry clusters in the EPS.

3 PHYSICALLY CONSTRAINED DEVELOPMENT SITES

- Due to the constrained nature of the sites and the high parking requirements, the FAR indicated for each zone is often unattainable.
- The height requirements in the zones to the south of the PDA limit development to two stories making it difficult to reach the intended FAR and to accommodate a variety of building types.
- Some opportunity sites along the northern half of San Pablo Ave. are shallow, making it difficult to generate developable, pedestrian-oriented blocks. Front-back and compatibility design should be studied to address these issues.

Key issues identified based on the project's guiding principles, existing Specific Plan and Economic Positioning Study analysis.

4 AUTO-CENTRIC INFRASTRUCTURE

- The San Pablo Ave. SP aims to achieve a walkable environment with a variety of redevelopment strategies to alleviate this issue. Within the key opportunity sites, connectivity and value-generation are also important pieces of this conversation. However, the SP focuses on redevelopment fronting along San Pablo Ave. without addressing block face dimensions and building orientation for new streets connecting to San Pablo Ave., leaving the balance of sites auto-centric. A focus on connectivity would encourage these sites to absorb the full value of San Pablo Avenue rather than stripping out the corridor.
- Streets lack convenience parking to support street-facing commercial activity and visitor parking for residential units.

5 LACK OF OPEN SPACE NETWORK

- Open spaces are important for generating value and building the healthy community theme within the PDA. The value capture for properties immediately adjacent to open space and within 800 feet of open space is quantifiable.
- Many lots and buildings currently back onto San Pablo and Wildcat Creeks rather than capturing their value as a natural amenity that should be publicly accessible.
- The PDA lacks a complete trail network, gateway features and a sequence of primary and secondary open spaces.
- The General Plan focuses on larger parks for the community, however in a walkable environment quality is more important than quantity, and small, high-quality civic spaces should be encouraged.

6 LACK OF PRIORITIZATION

- In the San Pablo Ave. SP, pedestrian priority zones are identified along a majority of the length of the corridor. This results in a lack of focus as to which areas would help to catalyze development along San Pablo Avenue. Such a system also implies that the other, non-designated areas should not be a pedestrian priority.
- The PDA standards require ground floor retail along over two-thirds of the length of San Pablo Avenue. The EPS and Financial Feasibility Analysis (FFA) both indicate that capturing non-residential uses is a long-term strategy. This amount of retail is likely not feasible for this community in the near future.

1.4 Urban Design Strategies

The urban design strategies provide physical context for the study and provide a foundation from which to base planning decisions. These strategies reflect universally recognized attributes of successful and sustainable places, as well as critical ideas rooted in the project's particular program. The strategies help ensure the overall study, subsequent short-term decisions and each phase of implementation are consistent with the long-term vision.

1 DISTINCT IDENTITY

Generate a distinctive medical and retail identity that draws upon regional institutions, builds on a health and sustainability theme and unifies the area.

Identify a distinct character at each pedestrian-oriented center (node):

- San Pablo and Rumrill: Transit-oriented specialty, niche retail and food services environment with supporting uses servin. Contra Costa Community College.
- San Pablo and 23rd: Gateway to the vibrant 23rd St. with specialty, niche retail and food services fronting a community gathering space.
- San Pablo and Church Ln: Neighborhood center with smaller medical and bio-tech office oriented around a historic park and building as well as supporting retail, food services and housing.
- San Pablo and San Pablo Dam Rd.: Community center with gaming support, potential secondary medical and bio-tech office as well as retail, food services and housing supporting an entertainment district.

Design Strategy Addresses the Following Guiding Principles

Economy | Environment | Equity

2 PEDESTRIAN-ORIENTED NODES

Create pedestrian-oriented centers (nodes) that will catalyze development along the corridor and have a broader sphere of focus within a quarter mile walking radius (also defined as pedestrian shed).

- Ensure that centers are well connected and accessible for pedestrians, cyclists, cars and transit
- Ensure connectivity in the design of streets and cross sections to aid in the reduction of vehicle miles traveled and greenhouse gas emissions
- Concentrate supportable ground floor retail activity at key nodes centered around transit hubs and major intersections.

Design Strategy Addresses the Following Guiding Principles

Economy | Environment | Equity

3 VIBRANT MIX OF USES

Provide an urban fabric of streets and blocks that can accommodate a broad range of land uses and building types within a walkable, mixed-use district.

- Expand and cluster medically oriented services
- Expand specialty, niche retail and food services
- Provide a range of housing and lifestyle opportunities along the corridor that caters to range of age groups and income levels
- Generate an engaging street wall and public realm to increase foot traffic and alleviate negative safety perceptions
- Provide opportunities for recreation and fitness
- Include office and research spaces for smaller bio-tech and medical related industry users

Design Strategy Addresses the Following Guiding Principles

Economy | Environment | Equity

Strategies generated based on the project's guiding principles, existing Specific Plan and Economic Positioning Study recommendations.

4 OPEN SPACE NETWORK

Incorporate public open space, natural features and trails into development to further the health and sustainability theme.

- Provide opportunities for exercise and non-motorized mobility (bike, walk, run, etc.)
- Create a greenway and open space network that showcases San Pablo and Wildcat creeks as publicly accessible amenities and provide community gathering spaces, rain gardens, healing gardens, pocket parks and plazas, etc. within the corridor
- Establish a system of alternative routes to San Pablo Avenue through the community that can connect key destinations associated with the healthy community theme
- Establish holistic strategies for stormwater management that can also become amenities for the community
- Preserve, enhance and ensure public accessibility to natural features

Design Strategy Addresses the Following Guiding Principles

Economy | Environment | Equity

5 PUBLIC REALM

Design streets, sites and buildings to contribute to the visual composition and sustainability of San Pablo Avenue.

- Provide streets that are interconnected, desirable for pedestrians, bicycles and drivers and serve as liner civic spaces
- Organize parking so that it supports and does not dominate the built environment
- Encourage presence of the artist community and civic design

Design Strategy Addresses the Following Guiding Principles

Economy | Environment | Equity

6 AUTHENTICITY

Reflect the historic culture and diversity of San Pablo to maintain and accentuate the community's authenticity. Coordinate these efforts with a comprehensive marketing and branding strategy.

- Turn historic sites, such as the Alvarado Adobe Museum on Church Ln. into public open spaces to be used for a variety of community events.
- Connect the historic and eclectic character of 23rd St. to San Pablo Ave. by creating a gateway at the intersection of the two primary thoroughfares.
- Provide opportunities for local artists to contribute to the streetscape furniture at pedestrian-oriented centers (nodes) throughout the corridor. This will encourage pedestrian traffic and in turn create an attractive pedestrian-oriented retail environment.
- Build upon the PDA's natural assets to generate a place that is unique and identifiable to San Pablo.

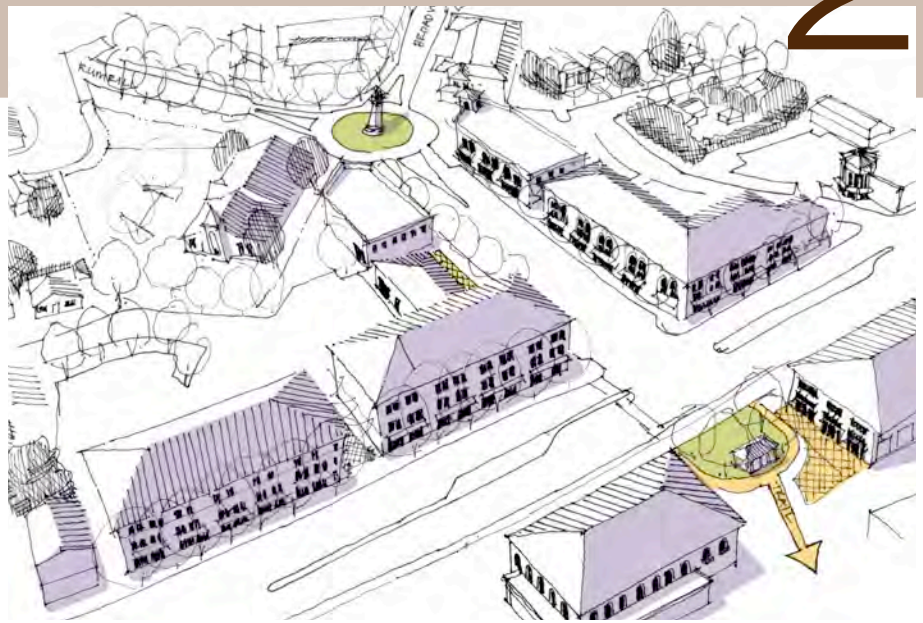
Design Strategy Addresses the Following Guiding Principles

Economy | Environment | Equity

Strategies generated based on the project's guiding principles, existing Specific Plan and Economic Positioning Study recommendations.

BROADWA
TRAIL

Chapter 2 Analysis



2.1 Physical Opportunities and Constraints Analysis

OVERVIEW

Physical opportunities and constraints along San Pablo Avenue were analyzed in order to understand how to best create a more distinctive, health-conscious wellness identity that enhances the corridor's economic viability, quality of life and sense of place. Analysis included the following:

- Existing uses
- Infrastructure
- Visual quality issues
- Safety issues
- Vacant and underutilized parcels
- Infill opportunities
- City owned parcels
- Land banking opportunities
- Currently active projects (Circle-S, DMC, etc.)
- Access
- Vehicular traffic patterns
- Walkability
- Surrounding land uses
- Topography
- Natural features
- Views and visibility
- Potential uses
- Parking

OPPORTUNITIES

A Redevelopment opportunities should be leveraged to introduce new civic spaces along the corridor.

B Infill development and adaptive re-use on physically constrained sites allows for buildings with frontages on the front and back of the building and compatibility transitions as appropriate.

C Building an open space and trail network around natural features, converging regional access points, and community assets allows for celebration of the corridor as a unique place that can add value to private development.

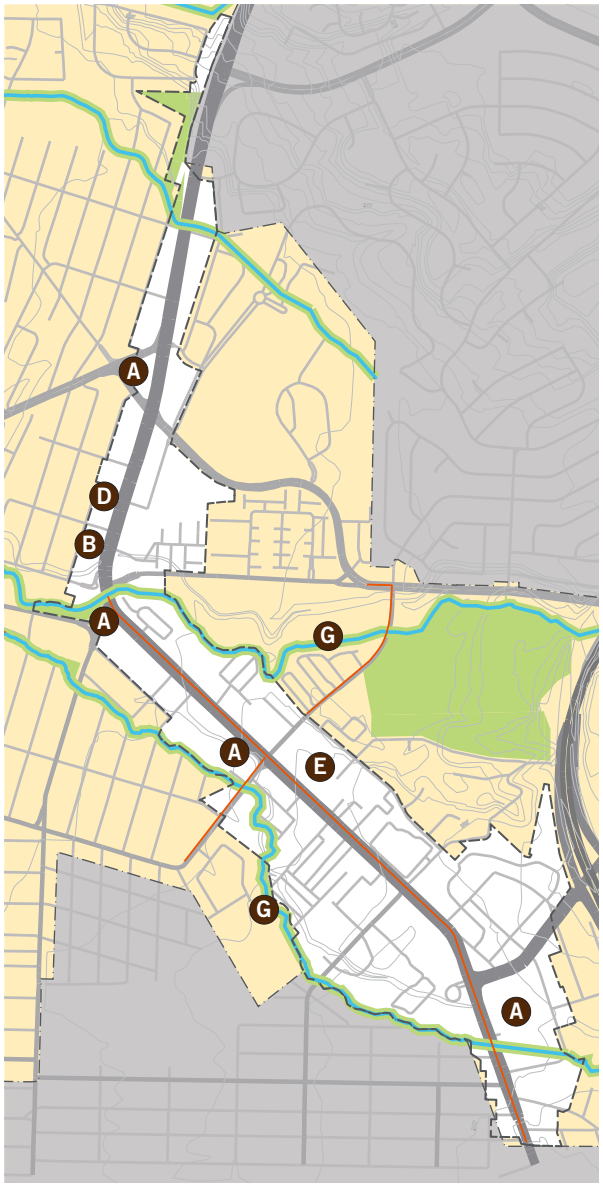
CONSTRAINTS

D The form of existing parcels and the character of San Pablo Avenue do not support the establishment of a walkable environment.

E There is a lack of access coming off of San Pablo Ave. using local commercial and residential streets.

F There are a limited amount of open spaces along the corridor as well as a lack of public realm and trail connectivity.

G Trails shown along San Pablo and Wildcat Creeks are proposed to be behind development rather than fronted by development and publicly accessible.



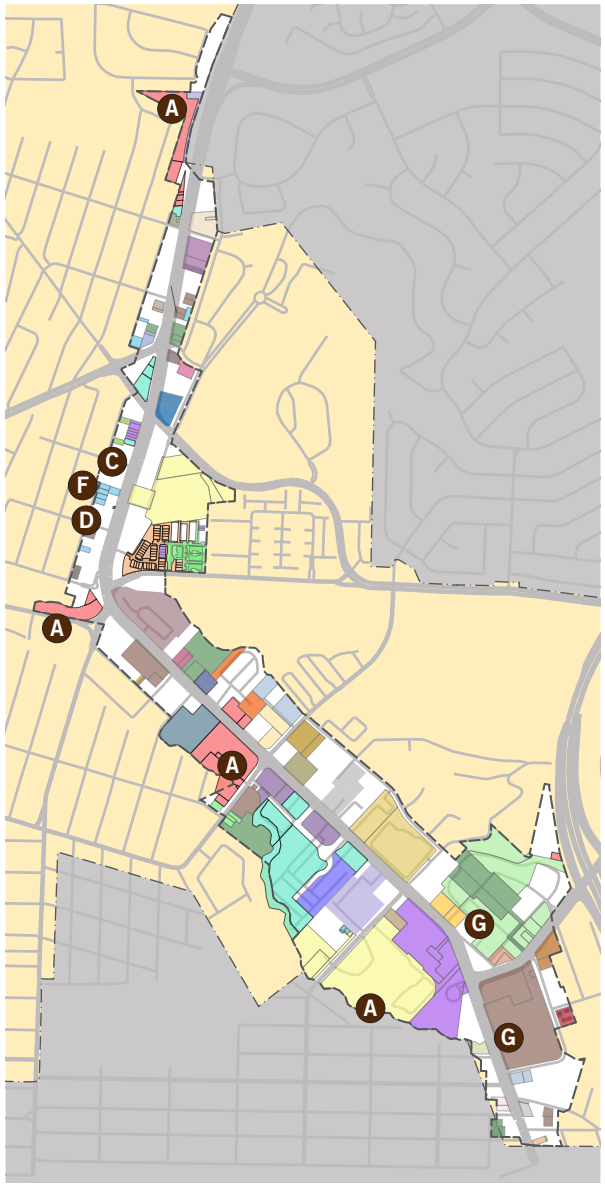
2.1 Physical Opportunities and Constraints Analysis

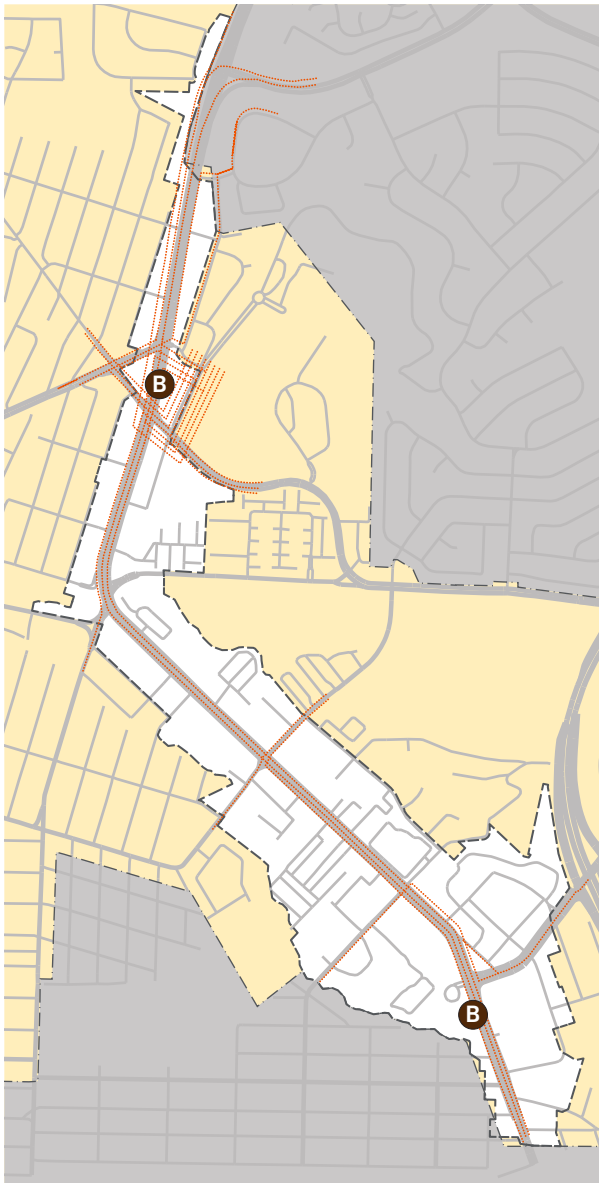
OPPORTUNITIES

- **A** There are large parcels along the corridor that are owned by the City.
- **B** Community serving pedestrian-oriented centers are well-supported by transit at the intersection of San Pablo Ave. and El Portal Dr. as well as San Pablo Ave. and San Pablo Dam Road.
- **C** Limited land banking options present the opportunity for incremental, small scale retail and medical office functions.
- **D** Small, physically constrained parcels could benefit from a parking management strategy.

CONSTRAINTS

- **E** The current environment supports the automobile versus transit.
- **F** Along the northern portion of the corridor, there are limited land banking opportunities due to the fact that there are a variety of owners on relatively small parcels.
- **G** Sites with big box retailers and strip shopping centers could be more difficult to redevelop due to private deed restrictions.





2.2 Economic Positioning Study

EXECUTIVE SUMMARY

This Study analyzes the economic position of the City in the context of recruiting new industry and expanding the business base of San Pablo. The purpose of the Study is to give the City a tool that will guide economic development efforts that aim to implement the intent and vision of the San Pablo Priority Development Area designation. Key findings presented below discuss constraints that can be addressed and opportunities that can be exploited to induce sustainable growth in San Pablo. While overcoming constraints may be difficult, the City is poised to revitalize its image, physical setting, and industry base if the community, private sector, and local government can pursue partnerships and lead change efforts outlined below. For the full Economic Positioning Study see Appendix A.

Constraint Findings

Demographic analysis, stakeholder feedback, and industry assessment identify the following key constraints that pose a challenge to San Pablo in its efforts to bring about economic growth in the City:

- Unbalanced multi-modal transportation access (car-centric);
- Lack of identity;
- Negative safety perceptions;
- Perception of City processes as unfriendly to business;
- Unattractive physical setting;
- Educational attainment (38% to 45% decline in healthcare sector degrees);
- Low household income ($42,708 San Pablo median household income versus $77,087 for Contra Costa County); and
- Commuter city (only 631 persons, or 3.7% of all workers, in San Pablo live and work in the City).

Opportunity Findings

The Study analyses identifies the following opportunities the City can exploit to expand the business base in San Pablo:

- Large amounts of pass-through trips;
- Access to the greater Bay Area;
- Existing industry clusters (Retail and Healthcare sectors present 2.19 and 2.21 location quotients that indicate strong clusters relative to the Bay Area);
- Underutilized sites and building opportunities in key industries;
- Nearby regional institutions (university, research, healthcare); and
- Young and racially diverse population that seek out complete, walkable neighborhoods (30% of San Pablo's population is under 20 years old and almost half of the population is age 20 to 49; 54.5% of the population is Hispanic or Latinos).

Recommendations to Induce Growth

San Pablo can pursue the following strategies to increase economic growth in and sustainability of the City:

- **Target four industries for retention and expansion:** Healthcare and Social Assistance; Retail Trade, Accommodation and Food Service; Gaming and Gaming Support; and Biotechnology business growth can bring jobs to area residents and increase the City revenue base. Incentivize development in these industries through predictable development standards, a streamlined permit processes, fee reductions, tax incentives, and infrastructure support (such as parking facilities). Support and grow the workforce that serves these industries. Market catalyst projects to these industries such as municipal broadband, re purposing of Doctor's Medical Center, transit improvements, and shovel-ready sites.
- **Capture pass-through travel.** Many people pass through San Pablo. Provide them a reason to stop and stay by generating a sense of place. Expand special events in San Pablo. Focus on temporary uses such as food-truck fairs to increase activity in the short term.
- **Draw upon regional institutions.** Pursue partnerships with a regional university, research, and healthcare institutions to capture new business formation. Partner with a regional medical school to re-introduce non-profit healthcare in the community to meet needs of under-served residents.
- **Increase foot traffic along San Pablo Avenue.** Pursue the addition of dense, walkable residential uses on underutilized lots that will in turn support area businesses. Undertake a diagnosis of the City's long-range plans, development standards and design guidelines to ensure they are not impeding high-intensity infill growth.
- **Marketing and Branding.** Draw upon San Pablo's history and diverse racial makeup to build and market a City identity.
- **Actively pursue outside funding sources to incentivize and, in certain cases, directly undertake physical improvements.** Funding sources might include: Business Improvement Districts; Enhanced Infrastructure Financing Districts; New Markets, Low Income Housing, and Historic tax credits; Cap and Trade funds; grants; Rule 20 program; crowd-funding; social impact bonds; and stream day-lighting funding sources.

Infill Strategy 3 chapter

3.1 Infill Development Strategy

SUMMARY

San Pablo Avenue can evolve into a distinctive medical and retail destination with a series of unique, appealing and memorable places for residents and visitors that draws upon regional institutions, builds on a healthy community theme and unifies the area.

KEY PEDESTRIAN-ORIENTED NODES

This strategic analysis explores a different methodology than the "pedestrian priority strategy" outlined in the San Pablo Ave. SP by clustering activities around key pedestrian oriented centers (nodes) rather than linearly along San Pablo Avenue. Key recommended nodes are identified along the corridor and a draft overall framework has been laid out based on San Pablo Avenue's physical opportunities and constraints, Specific Plan (adopted September, 2011), opportunity sites and land banking opportunities.

The key pedestrian-oriented centers (nodes) included an evaluation of:

- Intersections of major roadways that connect to other regional destinations with San Pablo Avenue;
- Potential infrastructure improvements that could leverage development potential from adjacent opportunity sites; and
- A broader sphere of focus within a quarter mile walking radius (also defined as: pedestrian shed).

The overall framework has been designed based on the recommended urban design strategies to aid in long-term value creation by attracting reinvestment in the corridor.

VIBRANT MIX OF USES

The Financial Feasibility Analysis conducted for each opportunity site revealed that absent increased population or job growth in San Pablo, a higher proportion of residential versus non-residential uses makes opportunity site development more feasible. With this in mind, focusing on residential density along the corridor in the near-term would be a recommended strategy in order to support long-term non-residential functions. It may make sense to focus ground floor commercial build out within a two block radius of key nodes in order to support future ground floor non-residential functions. In the near-term, any use should be able to occupy the ground floor.

AUTHENTICITY

The 23rd Street and San Pablo Avenue intersection presents a unique opportunity to extend the historic culture and diversity of 23rd Street along San Pablo Avenue. As a potential gateway and branding opportunity, it could be beneficial to articulate streets and open spaces with work from the local artist community.

3.2 Opportunity Sites

OVERVIEW

This study prioritizes the opportunity sites based on the key nodes and sphere of influence identified (also defined as: pedestrian shed) in the overall framework for the corridor. The opportunity sites diagram depicts those indicated in the Specific Plan, proposed in the Economic Positioning Study (off the map) and proposed based on the physical planning analysis.

STREETSCAPE IMPROVEMENTS

The design of San Pablo Ave is integral to considerations for the opportunity sites in order to attract the type of walkable development intended per the San Pablo Avenue Specific Plan, and achieve the suggested increase in foot traffic described in the EPS. This study proposes a few strategies for discussion to determine which makes the most sense in terms of implementation. We were careful not to change the number of travel lanes in order to maintain the current level of service, however in some cases the City could reduce the roadway capacity and further increase space for pedestrians and bicyclists based on the current and future level of service. This is something that could be studied further as an implementation strategy.

1 Mission Plaza

Realignment of Rumrill/ Broadway intersection with San Pablo Ave. to create a pedestrian-oriented environment near transit hub.

2 23rd St. and San Pablo Ave.

Realignment of 23rd St intersection to create gateway and retail fronting a green space.

3 Church Ln. and San Pablo Ave

New pedestrian oriented mixed-use development. Preservation of historic site as a civic space.

4 Big Lots/ Food Max

New walkable mixed-use environment along San Pablo Ave. transitions to house-scale form to interface with existing neighborhoods.

Financial Feasibility Analysis

APPROACH TO FEASIBILITY ANALYSIS

The following analysis assesses current market trends in the City of San Pablo (City) and surrounding region and focuses on affordability, job growth, interest rates, rents, home prices, availability of land, leases and vacancy rates, regional competitive climate and describes options which could support and incentivize development. Those options include:

- Site and parcel reconfiguration,
- Public right of way (ROW) improvements,
- Building type, and
- Intensity and placement.

The analysis also includes a detailed Development Feasibility Scenario Model, a tool which better enables decision makers to understand the variables which affect development feasibility, and how they may be adjusted to adapt to local and regional opportunities and constraints. For the full Opportunity Sites Feasibility Analysis see Appendix B.

SUMMARY OF FINDINGS

The Opportunity Sites Feasibility Analysis presents the following findings:

- **Development Incentives:** Incentives are likely needed to make opportunity site development more feasible.
- **Greater Intensity Increases Feasibility**: Opportunity site build-out scenarios that include greater development intensity (four stories) and a higher concentration of residential (95%) outperform other scenarios from a financial return perspective.
- **Residential Uses Increase Feasibility:** Absent increased population or job growth in San Pablo, a higher proportion of residential versus non-residential uses makes opportunity site development more feasible.
- **Reduce Parking Requirements to Increase Feasibility:** Parking facility costs impact opportunity site development feasibility. The City can incentivize development on the opportunity sites by minimizing parking requirements or by building publicly funded parking structures that would serve the larger community as well as opportunity site uses. Such parking structures, if placed within walking distance of existing retail clusters, could also replace or supplement surface parking.
- **Reduce Land Costs to Increase Feasibility**: Land costs also impact the feasibility of opportunity site development. Opportunity sites with City-owned property present an opportunity to reduce land costs to a private developer so as to render desired development more feasible.
- **Funding Strategies:** Emerging funding strategies such as Enhanced Infrastructure Financing Districts and crowd funding platforms present opportunities to fund public benefit components of opportunity site development (such as open space and complete street elements), parking amenities, and land cost write-downs.

Assumptions and Planning & Regulatory Recommendations

The following assumptions and recommended modifications to development regulations are aimed at better positioning the City of San Pablo to attract targeted industry development and expansion, and fostering economic revitalization within the PDA.

Increase Development Intensity at Nodes

Consider allowing higher-intensity development at strategic nodes throughout the San Pablo Avenue corridor.

Focusing development at key pedestrian-oriented nodes allows greater intensity in the near-term that will make ground floor commercial uses more viable. Frontage requirements can be kept flexible between the intensified nodes so as to not render development infeasible given current market dynamics. In the long-term the intensified nodes will serve to catalyze growth that would make ground floor commercial uses more viable throughout the San Pablo Avenue corridor.

Increase Residential Uses

Consider revising development regulations to allow residential uses throughout the San Pablo Avenue corridor and at ground level in most cases.

Financial analysis of the opportunity sites demonstrates that 100% residential projects may be more viable than those with commercial components. Increased residential uses throughout the San Pablo Avenue corridor will work to support a walkable and transit oriented development pattern in the long-term by increasing foot traffic that commercial uses require for success.

San Pablo Avenue and 23rd Street Specific Plans allow residential uses, but not in an optimal manner. Residential uses in the Specific Plans are generally limited in intensity and restricted at the ground level.

Temporary Uses

Consider modifying development standards to accommodate interim, event-based uses and structures throughout the San Pablo Avenue corridor. Expanded temporary uses serve to generate economic activity in the near-term and to catalyze growth in the long-term.

Reduce Parking Requirements

Consider making parking requirements more flexible throughout the PDA. A menu of options the City may consider include.

- Eliminate all parking minimums, and consider parking maximums;
- If parking minimums are not eliminated, consider aggressively revising parking minimums to .5 or .75 spaces per unit;
- Reduce parking demand by:
  a. Encouraging GreenTRIP certification along San Pablo Avenue;
  b. Identify effective strategies such as free transit passes for all residents;
  c. Require car sharing opportunities;
  d. Encourage "unbundling" the price of parking from rent;
  e. Issue shared parking reduction metrics;
  f. Establish parking reduction metrics if within a certain distance from transit;
  g. Allow adjacent on-street parking to factor into a project's parking calculations;
  h. Identify sites for shared, structured parking facilities;
  i. Create an in-lieu fee parking program parking for projects within the PDA; and
  j. Line parking structures with active uses along all streets and open spaces.

Current parking ratios likely render desirable development on opportunity sites infeasible. A reduction in the parking standards and publicly supported, shared parking structures would increase development feasibility of each opportunity site.

Nearby precedents exist for reducing parking requirements in Richmond and El Cerrito. Richmond established square footage thresholds that trigger a project's requirement to provide parking. El Cerrito allows aggressive parking reductions based on a menu of factors that allow a project to achieve a zero parking requirement. A reduction of parking along San Pablo Avenue can also be justified by the strong presence of transit along the corridor.

Streamlining Development Standards and Review

Consider streamlining the entitlements process to ensure flexibility and predictability for the developer and the community. Currently under the zoning ordinance, two overlays, two specific plans and design guidelines regulate the PDA. A key way the City could streamline the entitlement process would be to consolidate regulations that apply to the PDA into a single framework.

Opportunity Site 1: Mission Plaza

Overview

The San Pablo Ave. SP designated this site Mixed Use Center North, and explored the development of student housing with adjacent retail/services (see Specific Plan pages 4-8-4-11).

The analysis presented challenges the San Pablo Ave. SP's development approach in that the parcels will continue to be surrounded by auto-oriented streets with poor context, and it seems unlikely that the private market would invest in a walkable development without this supporting environment. With this in mind, the analysis looks at a scheme that:

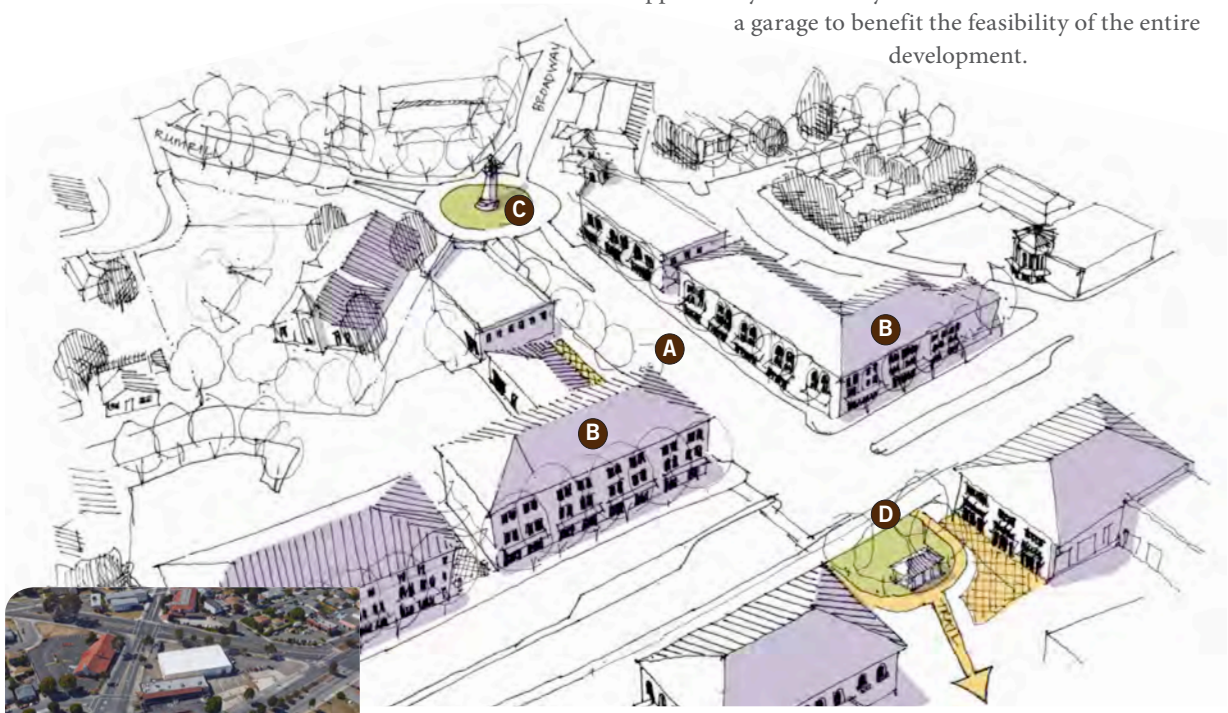
- **A** Re-orients Rumrill to terminate at a 90 degree angle with San Pablo, creating . one block long "main street" and closing the southeast leg of Broadway.
- **B** This creates 2 new, L-shaped parcels oriented to the new main street and San Pablo.
- **C** In the illustration, the design is suggesting that Broadway and Rumrill can be resolved with a roundabout - this could help to transition the planned cycle track along Rumrill to the main street environment (currently illustrated with back-in angled parking and a Class II bike lane, but this could be a variety of approaches).
- **D** The "transit center" could also be formalized around the new Rumrill - San Pablo intersection, providing a direct connection to Contra Costa College.

Initial Implementation Considerations

In order to achieve this the City would need to enter into an agreement with the owner of the 99-cent store at Broadway and Rumrill. This could be to relocate to one of the new parcels created after the roadway reconfiguration, the City could purchase the property, or there could be another option. One initial thought is that if this hurdle could be cleared, the money to build the new block of Rumrill Rd. could come from complete streets or transit funding sources. The project would require utility relocation, but this should be fairly straightforward. In this and other options it seems safe to reduce the overall roadway capacity given the current and projected LOS in the General Plan.

Development Summary

The analysis shows about 50,000 sf/floor of development potential, with about 66 off-street surface parking spaces. The retail should be able to be largely parked on-street (although the Specific Plan is not explicit about allowing this). The volumetric study and depicted program summary illustrates a 3 story development, assuming only surface parking. The southern parcel however could accommodate a (freestanding or open to 2 sides) parking structure, so 4+ story development should be easily accommodated. This might be an opportunity for the City to subsidize/offset the cost of a garage to benefit the feasibility of the entire development.



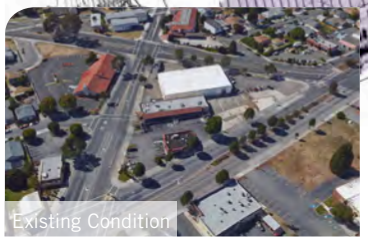


Figure 3.1.1: Reconfiguration of intersection to allow for more easily developed parcels along San Pablo Ave. and Rumrill Rd. The volumetric diagram studies infrastructure improvements, possible scale variations and open space enclosure.

Site 1: Program Summary	
Height (Stories)	3
Net/Gross Area:	
Commercial (ground floor)	50,000 sf
Residential (upper floors)	100,000 sf

Note: There are many variations as to what the development could be. This table summarizes the design option illustrated at left.

See page 7 of Financial Feasibility Analysis for further information on economic feasibility of various development options for Opportunity Site 1.

Opportunity Site 2: 23rd Street and San Pablo Avenue

Overview

The 23rd Street Specific Plan looked at creating a right-angle intersection at 23rd and Brookside in order to encourage better development at the intersection. However, the plan assumed that new development would still be largely auto-oriented in this location. We looked at an option that would:

- **A** Re-route Brookside and 23rd through a central park or plaza (right now about one acre) that would encourage surrounding parcels to redevelop with street-facing mixed use and retail. The park/plaza could be seen as a continuation of the San Pablo Creek Park to the north and would "capture" through-traffic otherwise passing through the area.
- **B** The analysis currently shows 1 way movement around the park, with back-in angled parking.
- **C** The park/plaza could provide a north-south connection between the San Pablo and Wildcat creek corridors.

Branding and Gateway Feature

The central park or plaza presents a unique opportunity to reflect the historic culture and diversity from 23rd Street along San Pablo Avenue. As a potential gateway and branding opportunity, it could be beneficial to also show the northwest corner of the Mercado La Hacienda parking lot utilized to redirect 23rd to San Pablo at a right angle. This eliminates the 23rd - San Pablo through movement but expands the San Pablo Creek Park and humanizes the intersection. This scheme should be possible without the demolition of any existing buildings. The thought here is that a program to create new park space could be leveraged to build the infrastructure.

Development Summary

There is a lot of development potential here. The analysis shows about 90,000 sf/floor of development potential focusing on the four parcels around the square (Grocery Outlet, Mercado La Hacienda, Century 21/Insurance/ Chiropractor), US Post Office). The volumetric study and depicted program summary illustrates a 3 story development. The Grocery Outlet site could accommodate a parking structure. The garage could accommodate ≈240 cars, so this could easily also be a 4+ story development. The volumetric study and depicted program summary illustrates a three story development.

Figure 3.1.2: Reconfiguration of intersection to allow for more easily developed parcels along San Pablo Ave. and 23rd St. The volumetric diagram studies infrastructure improvements, possible scale variations and open space enclosure.

Site 2: Program Summary	
Height (Stories)	3
Net/Gross Area:	
Commercial and office (ground floor)	90,000 sf
Residential (upper floors)	180,000 sf

Note: There are many variations as to what the development could be. This table summarizes the design option illustrated at left.

See page 9 of Financial Feasibility Analysis for further information on economic feasibility of various development options for Opportunity Site 2.

Opportunity Site 3: Church Ln. & San Pablo Ave.

Overview

The San Pablo Ave SP designated this site Public/ Institutional. This designation is intended to serve a public purpose, including City administrative offices. Per our conversations with the City, the City's administrative offices will be moving to the Circle-S site. It is also our understanding that it costs more to adaptively reuse the property than to simply build a new building. That being said, the analysis explores saving the historic buildings and civic spaces on the site and infilling the remainder of the site with potential development and infrastructure. From South to North, this creates:

- **A** A civic space anchored by a historic structure could be an opportunity for branding, community identity, and a further expansion of the network of civic spaces.
- **B** A shared space that is primarily hardscape which allows for a farmers market and provides an opportunity for convenience parking when the market is not operating.
- **C** A new block bounded by a 50' ROW street to the North and a 35' ROW street to the East. The 50' ROW street provides yield movement and parking. The 35' ROW street allows for yield movement and parking along the block face with newly proposed buildings.
- **D** The new block allows for buildings oriented toward the existing and proposed streets and civic spaces.

This scheme offsets the building footprints +30 feet off the property line. This allows for on-street convenience parking off San Pablo Ave. We also explored the mid-block configuration for parking and circulation in order to phase in a parking structure over time. In the phasing diagram, we are suggesting that half of the block along San Pablo Ave. and the proposed historic civic space to the south be initially developed with mid-block surface parking. The remaining half of the block fronting along the 50' ROW street and 35' ROW street could be built in a subsequent phase with a parking garage.

Branding

The preservation of historic bulidings and celebration of Wildcat Creek presents an opportunity to reflect the historic culture of San Pablo. This site currently accommodates a number of public activities, including the farmer's market, therefore. continuing to think about this site as a "heart of town" for these kinds of activities and further connectivity to the historic buildings would tie into the City's branding and community identity goals.

Initial Implementation Thoughts

To incentivize this development pattern the City could put in the necessary infrastructure on the publicly owned land to set the stage for future development. In this instance, the convenience parking provided along the new roadways, San Pablo Ave. and shared plaza space would be important. The City would also need to enter into an agreement with the adjacent property owner to the north to center the 50' ROW street on the property line. This would allow for additional access for the adjacent property for a greater depth of their site, therefore potentially increasing the value of this lot and the adjacent lot. The creation of the civic space could be leveraged to build the infrastructure (shared play and 35' ROW street). Further, some of the improvements along

Figure 3.1.3: Re-development of current City Hall site as a mixed-use neighborhood main street development, providing a variety of residential options. Open space is centered around the historic Alvarado Adobe Museum. The volumetric diagram studies infrastructure improvements, possible scale variations and open space enclosure.

Site 3: Program Summary	
Parcel Size	165,000 sf
Civic/Open Space	≈ 32,000 sf
Height (Stories)	2-3
Net/Gross Area:	
Residential (upper floors)	64,000 sf
Commercial/office (ground flr)	32,000 sf
Historic	2,400 sf

Note: There are many variations as to what the development could be. This table summarizes the design option illustrated at left.

See page 11 of Financial Feasibility Analysis for further information on economic feasibility of various development options for Opportunity Site 3.

San Pablo Ave. and the new 50' ROW street could come from Complete Streets funding sources.

Development Summary

The analysis shows about 30,000-32,000 sf/floor of development potential. The garage can accommodate about 72 cars per floor. The analysis currently assumes 2-3 story development for phasing and the ability to share the parking garage with other opportunity sites. The retail should be able to be largely parked on-street (although the Specific Plan is not explicit about allowing this). Phase 1 could probably support 1-2 additional stories of residential or office development, particularly as topography on site might be leveraged to incorporat. below-grade parking. Phase 2 could accommodate 3 story development with the addition of a parking garage. This may be an opportunity for the City to subsidize/offset the cost of a garage to benefit the development as well as the adjacent opportunity sites in this node.

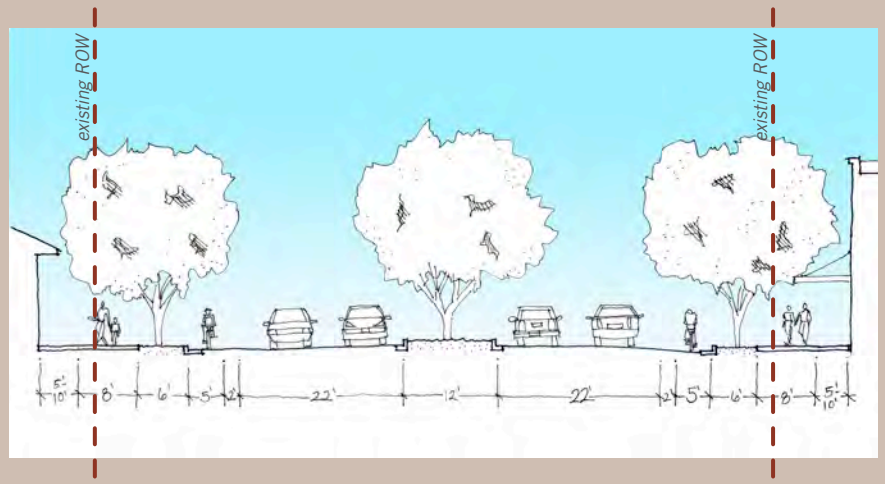
STREET SECTION ALTERNATIVES: SAN PABLO AVENUE FRONTAGE

Option 1:

- Keeps median with turn lane and four travel lanes;
- Modifies curb to move bike lane out of the road bed and places a cycle track (class i) within public realm;
- Allows for option of providing parallel parking (as an implementation strategy, it may make sense for the City to require parallel parking based on the lot depth so as to provide convenience parking);
- Provides a generous street tree and pedestrian furniture zone, sidewalk clear zone and facade zone for outdoor seating and encroachments.
- Under Option 1, the current street tree line would be altered and the cycle track within the public realm would meander.

Option 2:

- Keeps the median with turn lane and four travel lanes;
- Keeps the current curb line but modifies some of the median and travel lane dimensions to provide more space for the on-street bike lane (Class III) and buffer;
- Provides a generous street tree and pedestrian furniture zone, sidewalk clear zone and facade zone for outdoor seating and encroachments
- Under Option 2, the current street tree line would stay in tact and the bike lane would be linear, but there is no option for on-street parking which presents an issue for non-residential functions having convenience parking along San Pablo Avenue.



Opportunity Site 4: Big Lots/Food Max

Overview

The San Pablo Ave. SP designated this site Regional Commercial. The northwest corner of this site also has an Entertainment Overlay District designation. The San Pablo Ave. SP assumed San Pablo Ave. as the main thoroughfare to orient buildings while re-orienting parking to the rear of the block resulting in an auto-oriented treatment of the superblock. The analysis explores:

- **A** Increased connectivity by employing pedestrian-oriented block face dimensions and a transition of building types to provide quality frontage along San Pablo Avenue, internal to the site and facing existing residential building types fronting along Contra Costa Street and Kirk Lane.
- **B** The building type transition allows for increased foot traffic by generating housing density.

Initial Implementation Thoughts

The existing Big Lots/Food Max appears to be overparked. Reconfiguring the San Pablo Avenue frontage would take advantage of this underutilized parking and provide streetside parking in a configuration more conducive to pedestrian oriented retail.

The analysis studied various greening options to daylight Wildcat creek so as to add to the overall network of natural features and trails. The depicted option keeps the open space at a reasonable size (around .6 acres) for private maintenance and public accessibility. The City would need to enter into an agreement with the property owner to help with the installation of the green space and public realm improvements. Generating the green space and public realm improvements could help to incentivize the redevelopment of the property in the long-term, but would allow for a better network of civic spaces, connectivity and an improved public realm in the near term. The City could potentially use a greening grant or community improvement district funds to pay for the green space improvements and the Complete Streets fund for the improvements along San Pablo Ave.

Development Summary

There is quite a bit of development potential on this site and within this node, and the northwest corner of the site could accommodate a parking structure. The illustrated block configuration was selected to accommodate larger-footprint retail and office uses should they be economically viable. The analysis shows about 52,900 sf/floor of ground floor commercial development potential along San Pablo Dam Road and San Pablo Avenue. It also depicts 38,200 sf/floor of ground floor office or residential. And further, the analysis explores residential on the upper floors and a range of housing types. The analysis currently explores 2 stories for the majority of the site. The garage could accommodate about 54 cars per floor, so the northwest corner could be a 3 story development. This may be another opportunity for the City to subsidize/offset the cost of a garage to benefit the development as well as the adjacent opportunity sites in this node. The blocks to the south of the northwest corner, fronting San Pablo Ave. provide ≈54 surface parking spaces. The retail should be able to be largely parked on-street (although the Specific Plan is not explicit about allowing this). The residential units assume parking can be accommodated on-site providing 1 space per 850 sf.

Figure 3.1.4: Transformation of existing 'big box' site into a walkable context that supports retail, office, and residential uses and transitions into the existing neighborhoods. The volumetric diagram studies infrastructure improvements, possible scale, building type transitions and open space enclosure.

Site 4: Program Summary	
Parcel Size	660,000 sf
Open Space	27,000 sf
Number of Units	5 Commercial (G) office (2/3) A 16 TH B 3 Large Multiplexes (8-12 units) C 8 Small Multiplexes (3-6 units) D 6 Main Street (Comm./Office(G)/ res.(2)) E 2 Work/live F
Height (Stories)	2 (3 stories at corner lot)
Net/Gross Area:	
Residential (Ground Flr)	94,400 sf
Commercial (Ground Flr)	52,900 sf
Flex - Office o. Residential (Ground Flr)	38,200 sf
Flex - Office or Residential (Upper Flrs. . .	120,500 sf

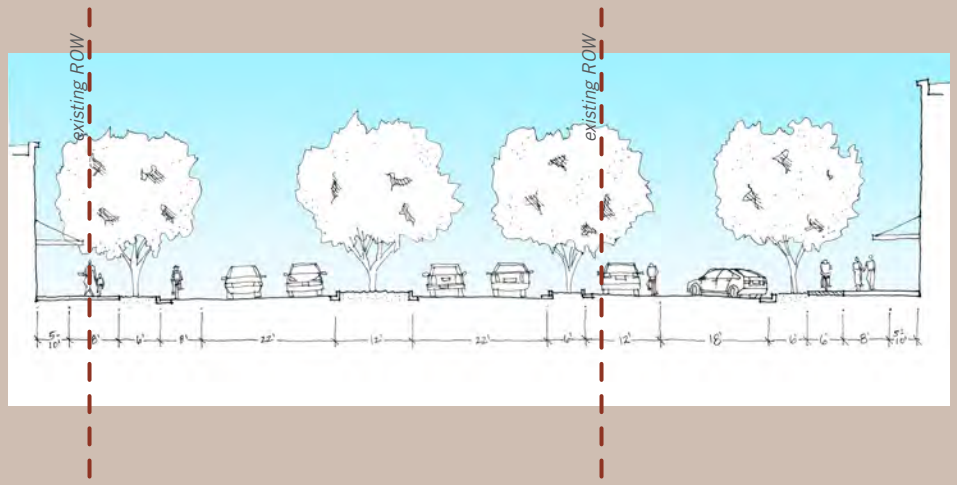
Note: There are many variations as to what the development could be. This table summarizes the design option illustrated at left.

See page 13 of Financial Feasibility Analysis for further information on economic feasibility of various development options for Opportunity Site 4.

STREET SECTION ALTERNATIVES

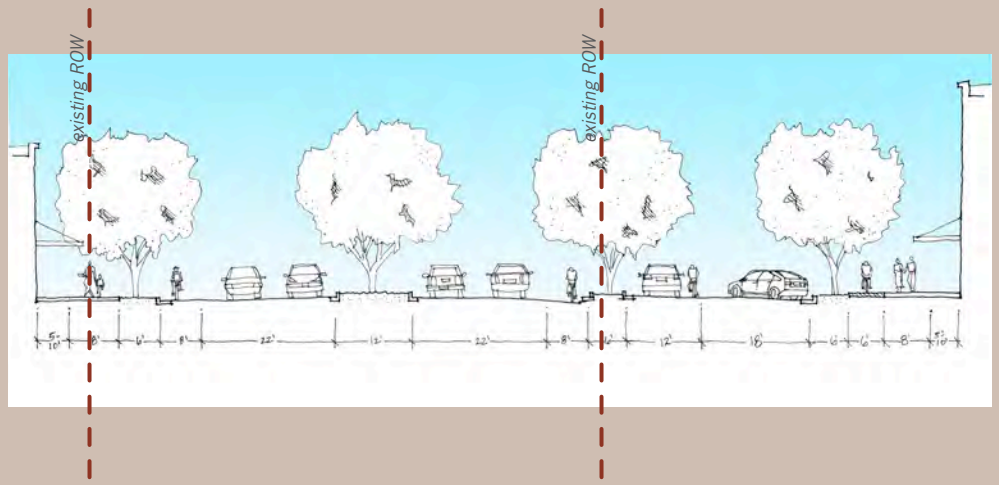
Option 1:

- Keeps the median with turn lane and four travel lanes;
- Modifies the curb to move the bike lane out of the road bed and places a cycle track (Class I) within the public realm.
- Allows for back-in angled parking.
- Provides a generous street tree and pedestrian furniture zone, sidewalk clear zone and build-to-zone for outdoor seating and encroachments.
- Introduces a boulevard slip road scheme along the Big Lots/Food Max site



Option 2:

- Keeps the median with turn lane and four travel lanes;
- Keeps the current curb line but modifies some of the median and travel lane dimensions to provide more space for the on-street bike lane (Class III) and buffer;
- Allows for back-in angled parking.
- Provides a generous street tree and pedestrian furniture zone, sidewalk clear zone and build-to-zone for outdoor seating and encroachments.
- Introduces a boulevard slip road scheme along the Big Lots/Food Max site



3.3 Transportation and Infrastructure

STREET NETWORK

This infill strategy sets forth a street network for the PDA that makes walking safe, enjoyable, comfortable and efficient to the degree that people desire to walk to multiple destinations by focusing on block face dimensions (min. and max.), block configuration, sidewalk and crosswalk design, shade, directional signage and public spaces.

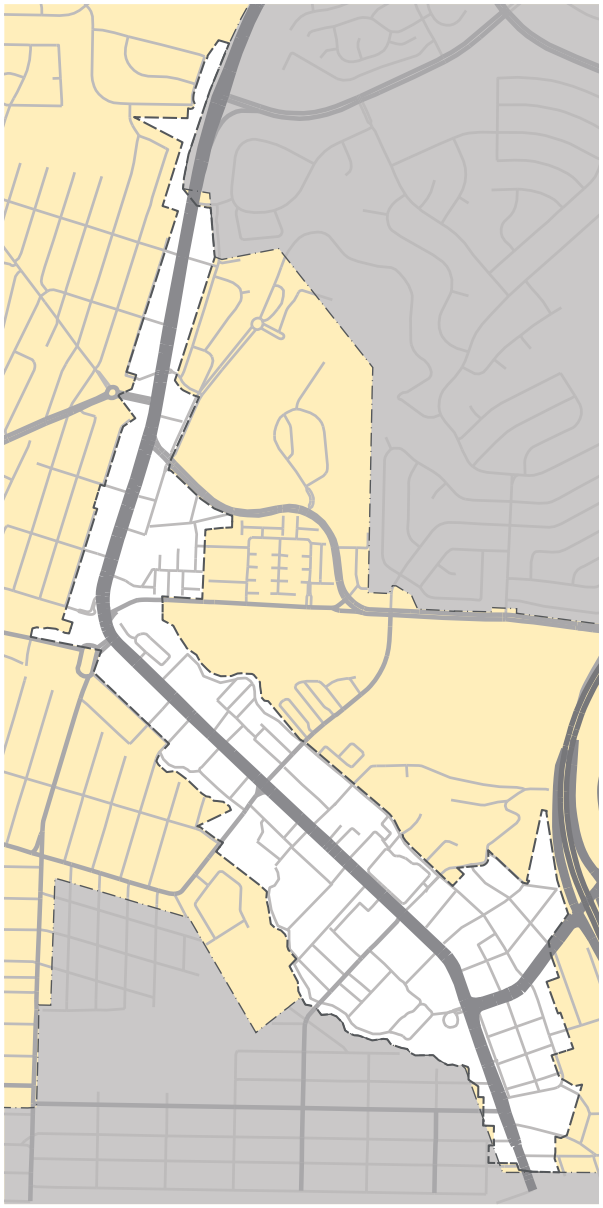
The block structure was designed to establish a gridded network of streets with continuous street walls that can absorb adjacent land uses. Such connectivity allows for:

- The efficient use of infrastructure by placing pavement and utilities within roadbeds of streets to access sites rather than haphazardly within driveways and cross-access easements;
- Deep parcels to capture value off of San Pablo Ave. and pull value deeper into the site;
- The creation of numerous residential and commercial addresses to support San Pablo Ave. if it's street design cannot achieve the desired pedestrian-oriented outcome;
- Sensitive integration with the adjacent residential fabric adjacent to San Pablo Ave.; and
- Multiple access points to aid in access and emergency response.

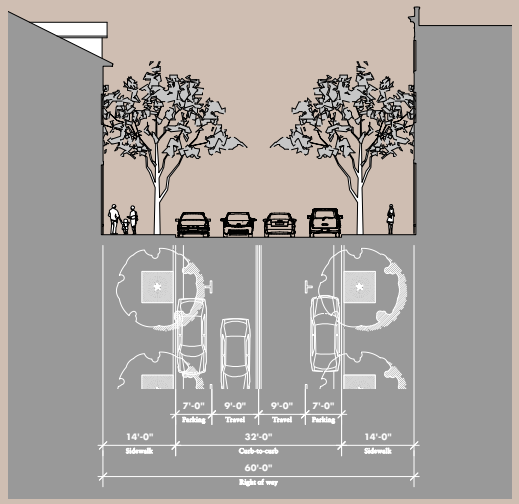
HIERARCHY OF STREETS

This infill strategy lays out a hierarchy of streets to establish a frontage priority system in the study area. Along primary and secondary streets, it would be appropriate to focus ground-floors built to commercial standards and non-residential frontages. Along tertiary streets, it would be appropriate to allow residential only frontages on the ground floor. The allowance of residential only frontages would require additional study as to how these frontages would be treated per building type. Well designed residential only frontages can result in ground floor premiums.

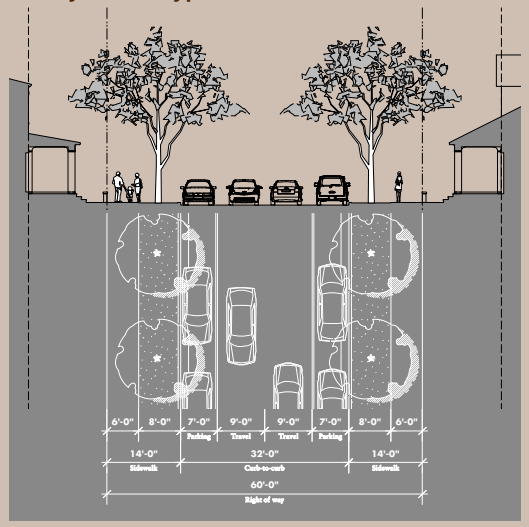
It may also be appropriate to set continuous building frontage percentages along primary (80%), secondary (60%) and tertiary (60%) streets to prioritize where access to supporting activities (parking) occurs.



Tertiary Street Type I: 60' ROW



Tertiary Street Type II: 60' ROW



STREET TYPES

This framework sets up the ability to allocate a variety of street types within the PDA. The depicted street cross sections to the left and in opportunity sites 3 and 4 consider design speed, on-street parking, wide sidewalks, pedestrian crossings, street trees, travel direction, lane widths, and amenities in a comprehensive fashion to balance the needs of many mobility options. Such street types consider streets as both vehicular thoroughfares and linear civic space. The "pedestrian priority zones" indicated in the San Pablo Ave. SP imply that certain streets are not intended to be pedestrian-oriented outside of these zones. This strategy recommends that all streets be designed to place the pedestrian and cyclist as the priority.

Street sections to the left are options as a starting point to illustrate typical tertiary streets. Streets with a tertiary denotation are typically residential neighborhood streets but may support some retail and flexible frontages (see Figure on page 35).

GIFTS TO THE STREET

It is important to provide enough space within the public realm to accommodate street trees and pedestrian furnishings, a sidewalk clear zone (min. 6'-8'), and an area for gifts to the street. Gifts to the street can be porches, stoops, bay windows, awnings, patios, outdoor seating, etc. The amount of space would vary based on the context.

Note: The proposed street framework and street sections should be reviewed and refined by a transportation specialist.

3.4 Open Space Network

During the development of the strategy, it became evident that an open space framework around San Pablo and Wildcat Creeks, key main open space opportunities, and community facilities was one of the critical components to address as part of the health-consciousness and wellness theme.

It was also evident that the San Pablo Ave. SP standards do not require development to front onto open space, natural features and trails. This is a critical component to capturing the value of the open space framework in terms of revitalizing the corridor as well as generating a safe and comfortable pedestrian environment.

OPEN SPACE NETWORK

The open space framework put forth in this analysis accommodates a wide range of uses and variety of spaces that focus on quality versus quantity. The framework also creates a series of branding and gateway opportunities to pull people into San Pablo Avenue as a distinct place.

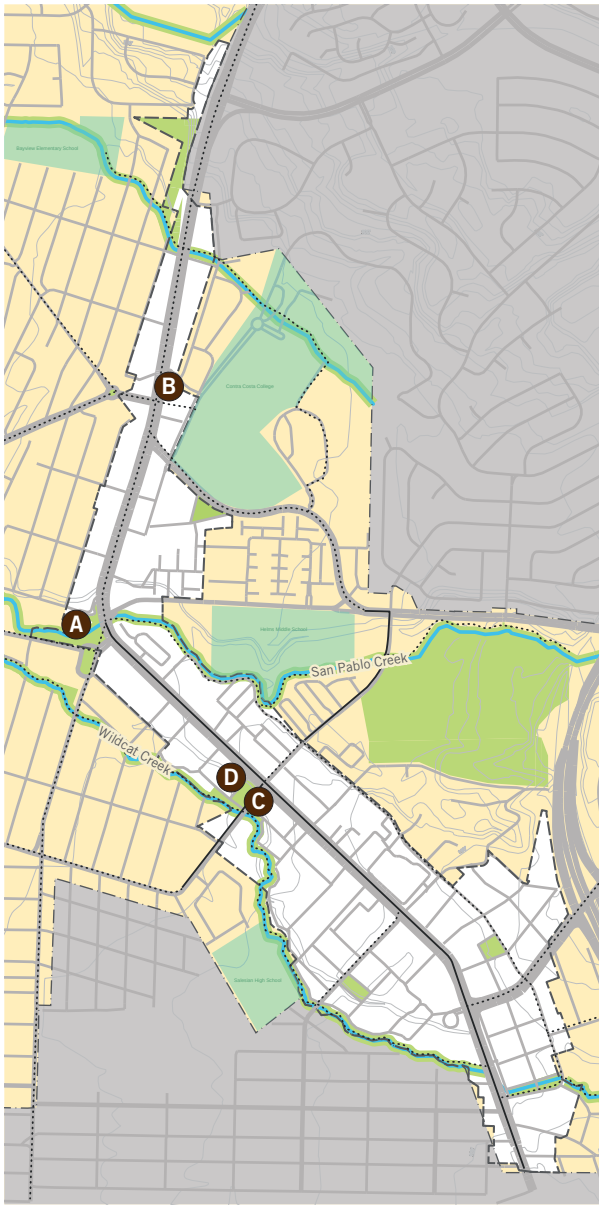
- By making strategic adjustments to existing infrastructure, each key pedestrian-oriented node is anchored by a main public open space to serve as a central, community gathering space.
- As the corridor is revitalized with infill development, main public open spaces are enhanced with a range of secondary public spaces - rain gardens, healing gardens, plazas, pocket plazas, pocket parks, and pedestrian paseos.
- Main and secondary public open spaces are linked with walkable, shaded streets and trails that are augmented with pedestrian amenities to generate a vibrant public realm.

BICYCLE AND PEDESTRIAN (TRAIL) NETWORK

Bicycle and pedestrian connections along San Pablo and Wildcat Creeks as well as San Pablo Ave. are proposed in the PDA. Through the analysis, it was evident that additional secondary routes could be created to better connect primary and secondary open spaces to community facilities (schools, parks, civic buildings, etc.)

ENVIRONMENTAL SENSITIVITY

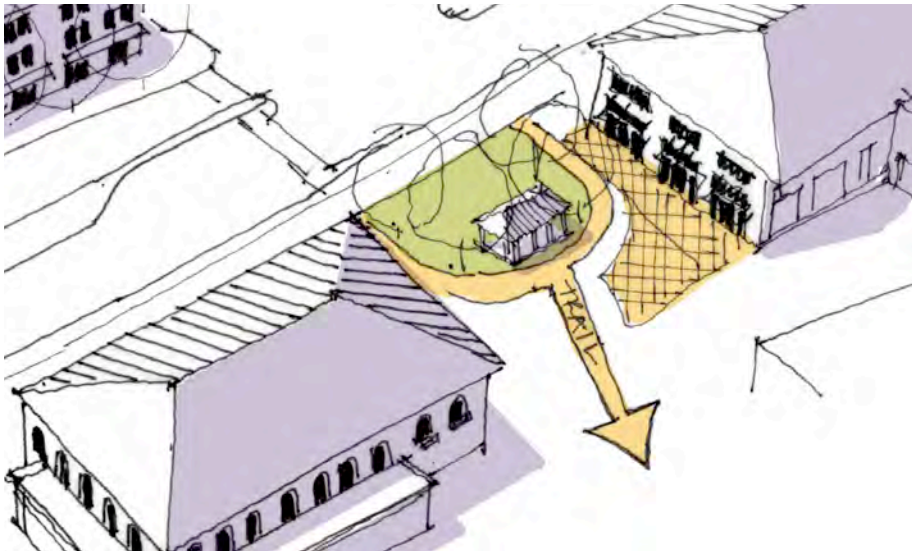
Low-impact storm water management strategies, such as bio-swales, rain gardens, water features, etc., should be evaluated in a holistic manner within the PDA and celebrated as community amenities. The San Pablo Ave. SP lays out numerous strategies regarding low-impact storm water management and drought tolerant landscaping. Just as open space, these amenities should be centralized and enclosed. They add long-term value to the community by allowing people to identify with them as a special place.



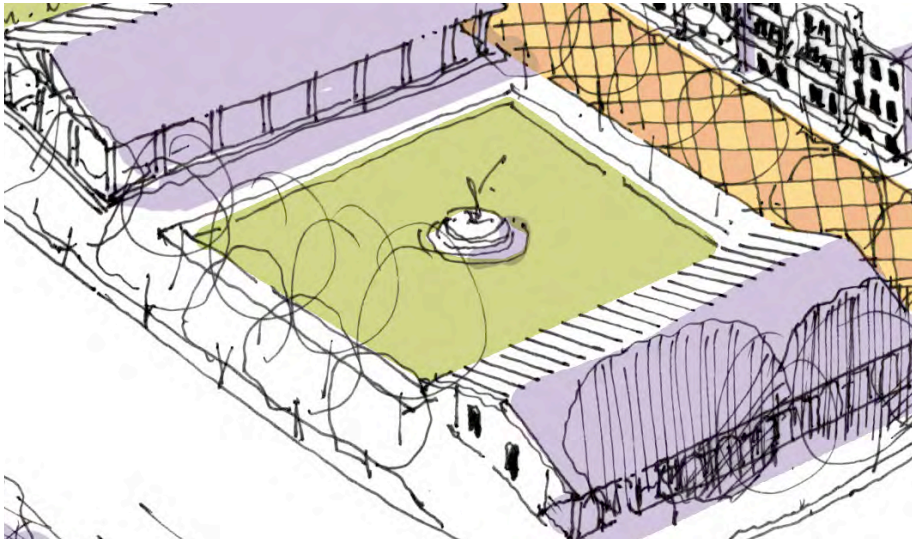
Key

- PDA Boundary
- City of San Pablo Boundary
- Outside of City
- Parks and Open Space
- Creek
- Schools

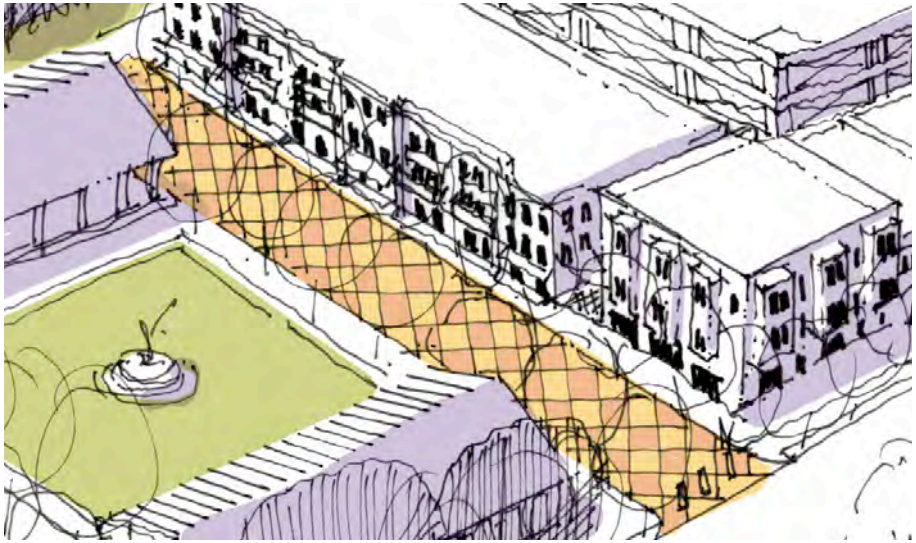
A *View from Pedestrian Bridge toward the new plaza*



B *Network of trails connect Civic and Open spaces throughout city to create a green network.*



C *Capitalize on historic amenities as a center for community events.*



D *Shared streets provide pedestrian friendly environments.*

Implementation 4 chapter

4.1 Implementation Strategy

Opportunity Site III: Church Ln. and San Pablo Ave.			
Implementing Actions	**Cost Estimate**	**Timeframe Estimates**	**Funding Estimates**
Acquisition and Pre-Entitlements			
Acquire or obtain site control for adjacent right of way. Enter into and agreement with the northern adjacent property owner to place a 50' ROW street along the property line to allow for additional access to both sites potentially increasing the value of each lot.	High [1]	Near-term [2]	Public Private Partnership[3]; City Funds[4]; Community Revitalization and Investment Authority[6]; Affordable
Establish skill and education needs of the below mentioned target industries and evaluate education and training programs for improvements.			
Site Plan and Entitlements			
Immediate Actions for Consideration:	Low [1]	Near-Term [2]	City Funds[5]; Affordable Housing and Sustainable Communities Program[7]
Complete programming and pro-forma analysis/due diligence for property			
Identify zoning changes and entitlement strategy for property			
Prepare a new parcel map that identifies a new block that is bounded by a 50' ROW street to the north and a 35' ROW street to the east. Generate additional addresses off of San Pablo Ave.			
Establish a policy for new projects in the PDA that will require maintenance funding in perpetuity for newly constructed public realm improvements.			
Create and approve a +.75 acre civic space and enhanced creek corridor that is anchored by historic buildings to reconfigure the site's infrastructure (35' ROW street, shared space, etc.)			
Create and approve a shared space [see pages 30 to 32] that is primarily hardscape which allows for a farmer's market and provides an opportunity for convenience parking when the market is not operating.			
Provide a new civic space [see pages 30 to 32] that is anchored by an existing historic structure.			
Provide an enhanced, Class I trail system [see pages 30 to 32] fronted by new buildings along the creek corridor.			
Require new buildings to be offset 30 feet from the San Pablo Ave. property line.			
Approve a project phasing plan. Consider providing a mid-block configuration for parking and circulation so as to phase in a parking structure over time. Develop half of the block along San Pablo Ave. and the proposed historic civic space to the south with mid-block surface parking.			
In an effort to identify future tenants of the built Opportunity Site development, market the project to the followin. targeted industries: medical office clustering, bio-tech, and ancillary office/commercial uses as well as support retail, food services and housing.			
Market the project to recruit high-intensity housing developers to consider the sites for housing on San Pablo Ave. at the neighborhood-serving, pedestrian-oriented node based on the site plan and entitlement package.			

Opportunity Site III: Church Ln. and San Pablo Ave.			
Implementing Actions	**Cost Estimate**	**Timeframe Estimates**	**Funding Estimates**
Construction			
Construct the following off-site improvements to add value and visibility to property	Medium (to City); High (to Developer)[1]	Mid- to Long-Term [2]	**Construction:** New Markets Tax Credits (NMTC)[8]; Active Transportation Program[9]; Affordable Housing and Sustainable Communities Program[7]; Historic Preservation Tax Credits (HPTC)[10]; Enhanced Infrastructure Finance District (EIFD)[11]; Community Revitalization and Investment Authority[6]; Crowdfunding[12;]
Enhanced Class I cycle track along San Pablo Ave. and Class III cycle routes along tertiary streets.			
Enhanced pedestrian crossings at Church Ln. and San Pablo Ave.			
Wayfinding program that uses buildings and their features as well as interesting streetscape elements			
Streetscape improvements within 1000 feet in all directions of the activity node to provide a safe and comfortable environment for pedestrians and cyclists and a prosperous environment for non-residential functions (Page 30).			
A phased parking structure to enable higher-intensity (4-story) development.			
Issue a Request for Proposals (RFP) to determine the appropriate development partner for this site.			
Enter into an Exclusive Right to Negotiate agreement with a selected developer. Negotiate and execute a Development Agreement with the selected developer partner to construct identified Opportunity Site improvements and to put in place a mechanism that will fund maintenance of public realm improvements in perpetuity.			
Post-Construction			
Utilize the new civic space as an opportunity for branding, community identity and further expanding the network of civic spaces.	Low [1]	Long-term [2]	Business Improvement District (BID)[13]; City Funds[5]

Opportunity Site IV: Big Lots/Food Max			
Implementing Actions	**Cost Estimate**	**Timeframe Estimates**	**Funding Estimates**
Acquisition and Pre-Entitlements			
Acquire open space and right of way to implement San Pablo Ave. streetscape improvements. Such public realm improvements add to the overall network of natural features and trails and incentivize redevelopment in the long-term.	High [1]	Near-term [2]	Public Private Partnership[3]; City Funds[4]; Community Revitalization and Investment Authority[6]; Affordable Housing and Sustainable Communities Program[7]
Establish skill and education needs of the below mentioned target industries and evaluate education and training programs for improvements.			
Site Plan and Entitlements			
Immediate Actions for Consideration:	Low [1]	Near-Term [2]	City Funds[5]; Affordable Housing and Sustainable Communities Program[7]
Complete programming and pro-forma analysis/due diligence for property			
Identify zoning changes and entitlement strategy for property			
Require new buildings to be offset 60 feet from the San Pablo Ave. property line.			
Adopt design standards or guidelines that set in place block face dimensions of 250' min. - 450' max. and require a range of building types that transition from the adjacent context. These efforts will serve to increase connectivity by making blocks more pedestrian in scale.			
Establish a policy for new projects in the PDA that will require maintenance funding in perpetuity for newly constructed public realm improvements.			
Design and approve a creek daylighting plan within a ±.6 acre open space to the south of the property. [see pages 33 to 35]			
Design and approve an enhanced Class I trail system fronted by new buildings along the creek corridor and Contra Costa Street. [see pages 33 to 35]			
In an effort to identify future tenants of the built Opportunity Site development, market the project to the following targeted industries: Gaming support; bio-tech offices; potential secondary office clustering location; and support retail, food services and housing.			
Market the project to recruit high-intensity and missing middle housing developers to consider sites for housing on San Pablo Ave. and San Pablo Dam Road at the community-serving, pedestrian-oriented node.			

Opportunity Site IV: Big Lots/Food Max			
Implementing Actions	**Cost Estimate**	**Timeframe Estimates**	**Funding Estimates**
Construction			
Construct the following off-site improvements to add value and visibility to property	Medium (to City); High (to Developer) [1]	Mid- to Long-Term [2]	**Construction:** New Markets Tax Credits (NMTC)[8]; Active Transportation Program[9]; Affordable Housing and Sustainable Communities Program[7]; Historic Preservation Tax Credits (HPTC)[10]; Enhanced Infrastructure Finance District (EIFD)[11]; Community Revitalization and Investment Authority[6]; Crowdfunding[12;] **Maintenance:** Business Improvement District (BID)[13]; Community Facilities District (CFD)[14]
Enhanced Class I cycle track along San Pablo Ave. and Contra Costa Street as well as Class III cycle routes along tertiary streets.			
Enhanced pedestrian crossings at San Pablo Dam Road and San Pablo Ave.			
Wayfinding program that uses buildings and their features as well as interesting streetscape elements			
Streetscape improvements within 1000 feet in all directions of the activity node to provide a safe and comfortable environment for pedestrians and cyclists and a prosperous environment for non-residential functions (Page 33)			
Issue a Request for Proposals (RFP) to determine the appropriate development partner for this site.			
Enter into an Exclusive Right to Negotiate agreement with a selected developer. Negotiate and execute a Development Agreement with the selected developer partner to construct identified Opportunity site improvements and to put in place a mechanism that will fund maintenance of public realm improvements in perpetuity.			
Recruit 'micro-enterprises/pop-up' businesses and street vendors to locate at the community-serving, pedestrian-oriented node and allow them by right.			
Post-Construction			
Utilize the new civic space as an opportunity for branding, community identity and further expanding the network of civic spaces.	Low [1]	Long-term [2]	Business Improvement District (BID)[13]; City Funds[5]

Opportunity Site II: 23rd St. and San Pablo Ave.			
Implementing Actions	**Cost Estimate**	**Timeframe Estimates**	**Funding Estimates**
Acquisition and Pre-Entitlements			
Acquire or obtain site control for adjacent right of way to use eastern portion of the Grocery Outlet parking lot at is currently underutilized, and to redirect 23rd to San Pablo at a right angle.	High [1]	Near-term [2]	Public Private Partnership[3]; City Funds[4]; Community Revitalization and Investment Authority[6]; Affordable Housing
Establish skill and education needs of the below mentioned target industries and evaluate education and training programs for improvements.			
Site Plan and Entitlements			
Immediate Actions for Consideration:	Low [1]	Near-Term [2]	City Funds[5]; Affordable Housing and Sustainable Communities Program[7]
Complete programming and pro-forma analysis/due diligence for property			
. Identify zoning changes and entitlement strategy for property			
Establish a policy for new projects in the PDA that will require maintenance funding in perpetuity for newly constructed public realm improvements.			
Design and approve a re-routing of Brookside and 23rd through a central park or plaza (+/- 1 acre) that would encourage surrounding parcels to redevelop with street facing mixed-use and retail.			
Plan for one-way movement around the new central park with back-in angled parking.			
Design and approve a Class 1 trail system fronted by new buildings along the creek corridor.			
In an effort to identify future tenants of the built Opportunity Site development, market the project to the following targeted industries: specialty, niche retail and food services			
Market the project to recruit high-intensity housing developers to consider the sites for housing on San Pablo Ave. at the neighborhood-serving, pedestrian-oriented node.			

Opportunity Site II: 23rd St. and San Pablo Ave.			
Implementing Actions	**Cost Estimate**	**Timeframe Estimates**	**Funding Estimates**
Construction			
Construct the following off-site improvements to add value and visibility to property	Medium (to City); High (to Developer) [1]	Mid- to Long-Term [2]	**Construction:** New Markets Tax Credits (NMTC)[8]; Active Transportation Program[9]; Affordable Housing and Sustainable Communities Program[7]; Historic Preservation Tax Credits (HPTC)[10]; Enhanced Infrastructure Finance District (EIFD)[11]; Community Revitalization and Investment Authority[6]; Crowdfunding[12;] **Maintenance:** Business Improvement District (BID)[13]; Community Facilities District (CFD)[14]
Enhanced Class I cycle track along San Pablo Ave. and around the new central park as well as Class III cycle routes along tertiary streets.			
Enhanced pedestrian crossings at the intersection of 23rd and San Pablo Ave. and around the newly formed open space.			
Wayfinding program that uses buildings and their features as well as interesting streetscape elements			
Streetscape improvements within 1000 feet in all directions of the activity node to provide a safe and comfortable environment for pedestrians and cyclists and a prosperous environment for non-residential functions (Page 30)			
A north-south connection between San Pablo and Wildcat creek corridors and through the new central park			
Local public art and wayfinding signage from 23rd Street along San Pablo Avenue and within the central park to reflect the area's historic culture and diversity.			
Issue a Request for Proposals (RFP) to determine the appropriate development partner for this site.			
Enter into an Exclusive Right to Negotiate agreement with a selected developer. Negotiate and execute a Development Agreement with the selected developer partner to construct identified Opportunity site improvements and to put in place a mechanism that will fund maintenance of public realm improvements in perpetuity.			
Recruit 'micro-enterprises/pop-up' businesses and street vendors to locate at the community-serving, pedestrian-oriented node and allow them by right.			
Post-Construction			
Utilize the new civic space as an opportunity for branding, community identity and further expanding the network of civic spaces.	Low [1]	Long-term [2]	Business Improvement District (BID)[13]; City Funds[5]

Opportunity Site I: Mission Plaza			
Implementing Actions	**Cost Estimate**	**Timeframe Estimates**	**Funding Estimates**
Acquisition and Pre-Entitlements			
Acquire or obtain site control for adjacent right of way to re-orient Rumrill Rd. to terminate at a 90 degree angle with San Pablo Ave. The agreement could entail relocating the 99-cent store to one of the new L-shaped parcels created after the roadway reconfiguration.	High [1]	Near-term [2]	Public Private Partnership[3]; City Funds[4]; Community Revitalization and Investment Authority[6]; Affordable Housing and Sustainable Communities Program[7]
Establish skill and education needs of the below mentioned target industries and evaluate education and training programs for improvements.			
Site Plan and Entitlements			
Immediate Actions for Consideration:	Low [1]	Near-Term [2]	City Funds[5]; Affordable Housing and Sustainable Communities Program[7]
Complete programming and pro-forma analysis/due diligence for property			
Identify zoning changes and entitlement strategy for property			
Establish a policy for new projects in the PDA that will require maintenance funding in perpetuity for newly constructed public realm improvements.			
Design and approve resolution of the convergence of Broadway and Rumrill Rd. to include a new roundabout.			
Design and approve a one block long main street (Rumrill Rd.) from the new roundabout to San Pablo Ave. with back-in angled parking and a Class II bike lane. Prepare a new parcel map if necessary.			
Plan and approve an enhanced, Class I trail system connecting from San Pablo Ave. & Rumrill Rd. intersection to Contra Costa College and beyond to middle school and San Pablo Creek.			
Plan and approve an enhanced Class I cycle track along San Pablo Ave. and along the new Main Street as well as Class III cycle routes along tertiary streets.			
Design and approve a transition from the planned cycle track on Rumrill Rd. to the new main street environment.			
In an effort to identify future tenants of the built Opportunity Site development, market the project to the following targeted industries: specialty, niche retail and food services; potential for student, faculty staff and visitor serving uses; and transit oriented development potential.			
Market the project to recruit high-intensity housing developers to consider the sites for housing on San Pablo Ave. at the community-serving, pedestrian-oriented node.			

Opportunity Site I: Mission Plaza			
Implementing Actions	**Cost Estimate**	**Timeframe Estimates**	**Funding Estimates**
Construction			
Construct the following off-site improvements to add value and visibility to property	Medium (to City); High (to Developer) [1]	Mid- to Long-Term [2]	**Construction:** New Markets Tax Credits (NMTC)[8]; Active Transportation Program[9]; Affordable Housing and Sustainable Communities Program[7]; Historic Preservation Tax Credits (HPTC)[10]; Enhanced Infrastructure Finance District (EIFD)[11]; Community Revitalization and Investment Authority[6]; Crowdfunding[12;] **Maintenance:** Business Improvement District (BID)[13]; Community Facilities District (CFD)[14]
Streetscape improvements within 1000 feet in all directions of the activity node.			
Intersection enhancements and pedestrian crossings at the new intersection of Rumrill Rd. and San Pablo Ave.			
Public realm improvements to create two (2) new, L-shaped parcels.			
Formalize a transit center around the new Rumrill Rd. - San Pablo Ave. intersection.			
Transit shelter enhancements at the new intersection of Rumrill Rd. and San Pablo Ave.			
Wayfinding program that uses buildings and their features as well as interesting streetscape elements.			
Issue a Request for Proposals (RFP) to determine the appropriate development partner for this site.			
Enter into an Exclusive Right to Negotiate agreement with a selected developer. Negotiate and execute a Development Agreement with the selected developer partner to construct identified Opportunity Site improvements and to put in place a mechanism that will fund maintenance of public realm improvements in perpetuity.			
Recruit 'micro-enterprises/pop-up' businesses and street vendors to locate at the community-serving, pedestrian-oriented node and allow them by right.			
Post-Construction			
Utilize the new transit center as an opportunity for branding, community identity and further expanding the network of transit oriented nodes.	Low [1]	Long-term [2]	Business Improvement District (BID)[13]; City Funds[5]

Additional Implementing Actions	Cost Estimate	Timeframe Estimates	Funding
Policy and Development Standards			
Work with existing and new buildings as well as interim structures to incorporate gifts-to-the-street (i.e. outdoor seating).	Low[1] (additional staff time required)[1]	Near-term	City Funds[5]; Affordable Housing and Sustainable Communities Program[7]
Prepare and adopt a street food vending ordinance.			
Require new development to provide underground utilities.			
Establish health and sustainability criteria based on the study's guiding principles as criteria for development. These could be absorbed in amendments to the General Plan and/or Specific Plan as well as in revised development regulations.			
Amend Specific Plan, General Plan and Zoning Ordinance to incentivize preferred development, and remove barriers to higher intensity infill and more walkable development.			
Prepare, adopt form-based zoning to address the need to streamline development standards in the PDA in order to ensure flexibility and predictability for the developer and the community. Work with property owners, real estate and development community to help them learn how to use the new zoning.			
Adjust the City's minimum park size to focus on the quality of the space rather than the quantity.			
Revise development regulations and/or enter into a development agreement to reduce parking requirements throughout the PDA. [see page 23]			
Revise development regulations and/or enter into a development agreement to provide a palette of comprehensive, tertiary street cross sections for additional residential and non-residential addresses off of San Pablo Ave. while maintaining block face lengths between 250' min - 450' max.			
Revise development regulations and/or enter into a development agreement to require the ground floor be built to commercial standards within a two (2) block radius of the neighborhood-serving, pedestrian-oriented node.			
Revise development regulations and/or enter into a development agreement to increase residential uses throughout the PDA and at the ground level.			
Revise development regulations and/or enter into a development agreement to allow for higher intensity development (4-story) at key-pedestrian-oriented nodes. Allow for more open/flexible frontages in-between nodes.			
Revise development regulations and/or enter into a development agreement to permit residential-only frontages at the ground floor that are well-designed to generate long-term value for the developer and the community.			
Revise development regulations and/or enter into a development agreement to reduce parking requirements throughout the PDA. [see page 23]			
Revise development regulations and/or enter into a development agreement to allow interim, event based uses and structures to activate the streetscape improvements and open space in the near-term.			
Have an urban development specialist(s) at the table to negotiate the best possible project for the community (particularly for near-term development agreements).			
Require public access easement for public realm elements and gifts-to-the-street between the ROW line and building face.			
Use drought tolerant street trees with roots that go down rather than out to reduce long-term maintenances costs.			

Additional Implementing Actions	Cost Estimate	Timeframe Estimates	Funding
Administration			
Revise development regulations and/or enter into a development agreement, to require public open space and trails be privately owned and maintained and publicly accessible.	Low [1] (additional staff time required)	Near- to Long- Term [2]	City Funds[5]; Community Development Block Grants[14]; PG&E Electric Undergrounding Program – Rule 20A[15]
Identify and allocate City Staff time and resources to the pursuit of outside funding for target industry projects at key pedestrian-oriented nodes.			
Work with owners of redevelopment sites to facilitate remediation and to ready sites for development.			
Provide a palette of development standards that are pre-approved by the City Council to aid in recruiting targeted industries, development feasibility and incentivizing predictable, high-quality development.			
Simplify the development review process.			
Strengthen relationships with local bike organizations and develop a program to promote bike awareness and safety.			
Develop a housing program that includes expedited review for vertically and horizontally integrated housing as well as Missing Middle Housing.			
Prioritize developments that offer jobs across a variety of skill and education levels.			
Coordinate the variety of development projects through consolidated project review by City Staff.			
Develop a permit procedures manual for distribution to potential developers.			
Encourage workforce housing as well as market-rate housing development.			
Prepare plans for San Pablo Avenue streetscape improvements			
Provide technical assistance to developers of compliant projects to provide early feedback and data to expedite the process and facilitate negotiations with property owners and lenders.			
Reduce permit fees for target industry projects.			
Install bike route signs along San Pablo Ave to connect to trail systems along creek corridors and other routes off of San Pablo Ave.			
Work with ABAG, MTC, CalTrans and AC Transit to incorporate transit, street and streetscape improvements into funding cycles for possible grant funds.			
Include undergrounding of utilities in City's Capital Improvement Program & coordinate with development to distribute costs			
Initiate relationships with Contra Costa Health Services, Contra Costa College, U.C. Berkeley, and other regional institutions.			
Evaluate all public-private partnership projects and projects at key pedestrian-oriented nodes using the City's fiscal data from a Return on Investment (ROI) perspective.			
Evaluate all projects based on how it adds value to the lot and adjacent lots from a per lot per acre perspective.			
Maintenance			
Revise development regulations and/or enter into a development agreement, to require public open space and trails be privately owned and maintained and publicly accessible.	Low (additional staff time required) [1]	Near- to Long- Term [2]	City Funds[5]

[1] COST ESTIMATES

Low. Up to $1 million. Generally reflects design, policy and regulatory changes that may be achieved in large part by professional contracts and increased City-staff resources.

Medium. Between $1 and 3 million. Generally reflects capital investment in right of way and infrastructure improvements, a portion of which could be financed by the developer and/or grants or other outside funding sources.

High. $3 million or greater. Generally reflects site acquisition and private construction, for which comparable land sales indicate purchase costs of up to $4.46 million per acre.

[2] TIMEFRAME ESTIMATES

Near term. Intended estimated timeframe is 0 to 2 years. Control of the right-of-way will need to be attained before entitlements go forward.

Mid-term. Intended estimated timeframe is 2 to 5 years.

Long term. Intended estimated timeframe is 5 to 10 years.

FUNDING (CONSTRUCTION)

[3] **Public Private Partnership.** The City could enter into a partnership with the adjacent property owner to undertake the opportunity site entitlements. As a term of the partnership, the property owner would commit land to the deal. The property owner would be compensated for the value of this land out of the agreed upon revenue waterfall that results at time of sale of the entitled land or developed property to another party (which could be the same property owner under as a different legal entity).

City Funds :

· The City could use its own funds to buy the right-of-way from the adjacent property owner. The City will likely have to use its own funding and staff resources to undertake economic development efforts involving partnerships with and recruiting of target industries and local institutions.

· The City may use its own time and resources to fund programming and regulatory updates (zoning, specific plan, or general plan) that need to take place before project execution.

[6] **Community Revitalization and Investment Authority.** In addition to EIFDs, "Community Revitalization Investment Authorities" (CRIAs) have been recently enabled to fund certain projects through bonds issued by the use of tax-increment financing. CRIA are allowed by Assembly Bill 2, which was signed into law in September 2015, and became effective on January 1, 2016. AB 2 allows specified disadvantaged areas of California to create a CRIA, which would use property taxes and other available funding to fund the rehabilitation, repair, upgrade or construction of infrastructure; provide low and moderate-income housing; acquire and transfer real property; issue bonds; and incur debt, among other activities.

[7] **Affordable Housing and Sustainable Communities Program.** The California Strategic Growth Council's Affordable Housing and Sustainable Communities Program (AHSC) awards funds, through a competitive application process, for land-use, housing, transportation and land-preservation projects to support infill and compact development that reduces greenhouse gas emissions. Funded by State cap-and-trade emissions-reduction auction proceeds, this program provides a major new source of funding for infill, mixed-use, transit-oriented development and multi modal-transportation infrastructure capital projects and programs. 2015-2016 program guidelines maintain funding can be used for land acquisition under certain circumstances.

[8] **New Markets Tax Credits (NMTC).** NMTC can finance businesses and economic development projects in low-income, economically distressed communities. The City of San Pablo already has successful experience attaining and implementing NMTC projects.

[9] **Active Transportation Program.** The Active Transportation Program (ATP) was created by the California Legislature (Senate Bill 99 and Assembly Bill 1010)) to encourage increased use of active modes of transportation, such as biking and walking. The ATP consolidates various federal and state transportation programs, including the Transportation Alternatives Program, Bicycle Transportation Account, and State Safe Routes to School, into a single program. Eligible items for funding include the development of bikeways and walkways, installation of traffic-control devices and lighting that improves safety for non-motorists, bike-share programs, bike-carrying facilities on public transit, bike parking and storage facilities, landscaping that improves bicycle-and-pedestrian safety and convenience, trails that serve a transportation purpose, projects that improve the safety of non-motorized students, and education programs to increase walking and biking.

[10] **Historic Preservation Tax Credits (HPTC).** HPTC can finance rehabilitation of historic or qualifying non-historic buildings.

[11] **Enhanced Infrastructure Finance District (EIFD).** Beginning in January 2015, California local governments have another tool to assist communities

with their economic-development efforts – Enhanced Infrastructure Financing Districts, or EIFDs (Senate Bill 628). Now part of the California Government Code (§53398.50-53398.88), EIFDs can help replace some of the billions of dollars that cities lost when redevelopment agencies were dissolved in 2012. An EIFD may be created by a city or county to collect tax increment revenues to finance improvements. Entities participating in an EIFD can include cities, counties and special districts, but not schools. Participating entities are critical to an EIFD's success as they must voluntarily agree to allocate their tax increment to the EIFD. One or more EIFDs may be created within a city or county, and an EIFD may include properties that are not contiguous. No vote is required to form an EIFD. However, issuance of bonds requires approval by a 55% majority of voters or landowners (if fewer than 12 persons are registered to vote, then the vote is by landowners). Infrastructure projects that can be financed through an EIFD include new construction and rehabilitation. Facilities don't need to be located within the EIFD boundaries, but they must have a tangible connection to the EIFD's work as detailed in its infrastructure-financing plan. An EIFD cannot be used to fund routine maintenance or operation costs.

[12] **Crowdfunding.** Crowdfunding is a means to collect monetary contributions from a large number of people or sources through an online platform to fund a project or venture. Crowdfunding methods can be based on rewards, debt, donations or equity ownership. Examples of civic-specific crowdfunding platforms include Ioby and Citizinvestor. A platform like Neighbor.ly facilitates individual investment in municipal bonds. Larger crowdfunding sites, such as Gofundme, Kickstarter and Indiegogo, also have "community" or "civic" categories for projects.

[13] **California Department of Water Resources Urban Stream Restoration Program.** The Urban Streams Restoration Program (USRP) provides grants in accordance with California Water Code Section 7048 to local communities for projects to reduce flooding and erosion and associated property damage; restore, enhance or protect the natural ecological values of streams; and promote community involvement, education and stewardship. Projects may include stream cleanups, bank stabilization projects, revegetation efforts, recontouring of channels to improve floodplain function and occasional acquisition of strategic floodplain properties or easements. Funding availability of the program varies from year to year.

[14] **Community Development Block Grants.** The CDBG program allocates annual grants to larger cities and urban counties to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities, principally for low- and moderate-income persons.

[15] **PG&E Electric Undergrounding Program – Rule 20A.** In 1968, the California Public Utilities Commission (CPUC) and utility companies established a program to underground utilities across the State. Under Rule 20A, PG&E allocates funds on a calendar year basis to underground existing overhead electrical facilities within the communities it serves. Rule 20A projects are typically in the areas of a community that are used most by the general public and are paid for by customers through future electric rates. To qualify, the County must consult with the community and PG&E and determine that the undergrounding project meets one or more of the following criteria:

1. Undergrounding will avoid or eliminate an unusually heavy concentration of overhead electric facilities,
2. The street, road, or right-of-way is extensively used by the general public and carries a heavy volume of pedestrian or vehicular traffic,
3. The street, road, or right-of-way adjoins or passes through a civic area, public recreation area, or an area of unusual scenic interest to the general public,
4. The street, road, or right-of-way is considered an arterial street or major collector as defined in the Governor's Office of Planning and Research General Plan Guidelines.

FUNDING (MAINTENANCE):

[16] **Business Improvement District (BID).** BIDs provide revenue for a variety of local improvements and services that supplement or enhance existing municipal services, such as marketing, public safety, enhanced sidewalk and landscape maintenance, signage, and parking management and improvements.

[17] **Community Facilities District (CFD).** The City may establish a Mello-Roos Community Facilities District (a "CFD") which could finance public improvements and services that include streets, sewer systems and other basic infrastructure, police protection, fire protection, ambulance services, schools, parks, libraries, museums and other cultural facilities. The CFD may also recover expenses incurred through CFD formation and through administration of annual special taxes and bonded debt.

Economic Positioning Study

A

Appendix

PDA Implementation Planning Grant

Economic Positioning Study | City of San Pablo

Lisa Wise Consulting, Inc.
March, 2016

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EXECUTIVE SUMMARY

The Economic Positioning Study (Study) assesses the City of San Pablo's potential in the context of recruiting new industry, expanding the number of businesses and provides a guide for economic development aimed at leveraging the intent and vision of the San Pablo Priority Development Area designation. Key findings presented in the Study address opportunities and constraints facing sustainable growth and economic vitality in San Pablo. Ultimately, under current regional market conditions, particularly affordability and lack of suitable land, the City is poised to revitalize its image, improve its built environment, and expand its industry base given the community, private sector, and local government can invest in partnerships and change efforts outlined below.

GUIDING PRINCIPLES

The City developed a set of guiding principles for the 2015 CCTA PDA Implementation Grant Project, which address economic, environmental, and social sustainability issues including:

- Socioeconomic diversification that supports the local workforce and provides opportunities for all income levels,
- Improving the balance of housing and jobs,
- Reducing traffic congestion, greenhouse gas emissions and improvements to environmental quality,
- Increasing transportation options, and
- Supporting the health and well-being of residents and workers.

These Guiding Principles informed the selection of target industries, Healthcare and Social Assistance, Retail Trade, Accommodation and Food Service, Gaming and Gaming Support, on which the City's will focus economic development efforts. Guiding principles and industry selection criteria are summarized as follows:

Guiding Principle	Industry Selection
Socioeconomic diversification that supports the local workforce and provides opportunities for all income levels.	• The City can build off of the existing jobs base in health care, retail and gaming industries, which include sub-industries of robust growth in the region. • The Bio-tech industry presents an opportunity for clustering and collaboration with the existing Health Care Industry, as well as partnerships with local and regional institutions. • All four target industries: 1) Health Care, 2) Retail, 3) Gaming and 4) Bio Technology, particularly bio-technology and health care, can leverage the City's moves toward municipal broadband. • All four industries provide a diverse array of jobs of varying skill sets, including those that match educational attainment levels and local educational programs, and provide opportunities for upward mobility for the local workforce.

	• Jobs in these four industries offer a diverse range and scale of participating businesses, from "mom and pop" restaurants to mid-sized start-up companies and larger-scale health care facilities. • The local niche retail and food service businesses can be leveraged to support the marketing and branding of the City, and enhance the ability to attract visitors from the region. • The Lytton Casino remains an important source of income for the City, and the gaming and gaming support subindustries provide a regional draw for visitors and potential patrons of local food service and retail businesses.
Improving the balance of housing and jobs.	• San Pablo is home to an aging population and young families that would benefit from proximity and access to health care – in turn supporting new jobs in the industry. • Job expansion in the existing health care, retail, and gaming industries would provide greater opportunity for current residents to live, work and improve their income in San Pablo. • New jobs, coupled with increased housing density within the PDA can attract new residents and increase business for local services and generate spending.
Reducing traffic congestion, greenhouse gas emissions and improve environmental quality.	• A transition into a more walkable environment on San Pablo Avenue can support a unique local retail and food service industry, distinguished from larger strip-mall and regional shopping centers. • In concert with improving the balance of housing and jobs, and the location of industries near transit, all four target industries could attract workers less reliant on the automobile for travel. • Some Bio-tech, health care and retail industry workers could operate in live-work and/or home based office locations.
Increasing transportation options.	• The four target industries will benefit from and contribute to viable transit options when located near AC Transit stops along San Pablo Avenue and with pedestrian and bike friendly amenities, improving access to potential labor markets in Berkeley, Oakland, and San Francisco. • Retail and food service businesses will have a greater potential to thrive in a transit oriented setting that encourages foot traffic.
Supporting the health and well-being of residents and workers.	• The health care Industry is important for job creation and for providing essential services to residents, including underserved communities. • Health care, social assistance, and bio-technology businesses are poised bring innovations to the City that improve the quality of life of residents, including promoting active living and cost-effective, technology-based health care delivery. • The retail industry will benefit from a more walkable urban setting with improved public spaces.

SAN PABLO CONSTRAINT FINDINGS

Demographic analysis, stakeholder feedback, and industry assessment identify the following key constraints as a challenge to San Pablo in its efforts to bring about economic growth:

- Unbalanced multi-modal transportation access (car-centric),
- Lack of identity, obscurity,
- Negative safety perceptions,
- Perception of City processes as unfriendly to business,
- Unattractive physical setting, and
- Educational attainment (38% to 45% decline in healthcare sector degrees),

- Low household income ($42,708 San Pablo median household income versus $77,087 for Contra Costa County), and
- Commuter city (only 631 persons, or 3.7% of all workers, in San Pablo live and work in the City).

SAN PABLO OPPORTUNITY FINDINGS

The Study identifies the following opportunities the City can leverage to expand the business base in San Pablo:

- Large amount of pass-through trips (potential for capture),
- Close proximity to the greater Bay Area, San Francisco, Berkeley and Oakland,
- Existing industry clusters (Retail and Healthcare sectors present 2.19 and 2.21 Location Quotients that indicate strong clusters relative to the Bay Area),
- Vacant and underutilized sites; building opportunities for key industries,
- Nearby regional institutions (university, research, healthcare), and
- Young and racially diverse population that seek out complete, walkable neighborhoods (30% of San Pablo's population is under 20 years old and almost half of the population is age 20 to 49; 54.5% of the population is Hispanic or Latino).

RECOMMENDATIONS TO INDUCE GROWTH

The following are strategies that mitigate for constraints and leverage opportunities to increase economic growth and sustainability for the City:

1. **Target industries for retention, expansion and establishment:** Expand the existing jobs base in Healthcare and Social Assistance; Retail Trade, Accommodation and Food Service; Gaming and Gaming Support; and incentivize the establishment of Bio-technology businesses to increase employment opportunities for residents, expand the City revenue base and generally increase economic activity. Incentivize development in these industries through predictable development standards, a streamlined permit processes, fee reductions, tax incentives, and infrastructure support (such as parking facilities). Attract and support the workforce that serves these industries. Market catalyst projects to these industries such as municipal broadband, repurposing of Doctor's Medical Center, transit improvements, and shovel-ready sites. Pursue opportunities for clustering and collaboration between the healthcare and bio-

MUNICIPAL BROADBAND

Municipal broadband addresses a critical need for affordable and reliable access to high speed broadband internet, essential to increasing access, encouraging competition, fostering consumer choice, and driving local and regional economic development.

- 2015 White House report on Community-Based Broadband Solutions

technology and assure support of their workforce in local food service and retail as well as assuring local accommodation options for visitors associated with these industries.

2. **Expand opportunities for upward mobility in local workforce.** Support workforce development programs in the four target industries that offer opportunities for lower skill or education levels to climb the job ladder through formal training and experience.
3. **Capture pass-through travel.** Many people pass through San Pablo. Provide a compelling reason to stop, visit and patronize local businesses by generating a sense of place. Expand special events in San Pablo (concerts, festivals, marathons and other sports events). Focus on temporary uses such as food-truck fairs to increase activity in the short-term.
4. **Draw upon regional institutions**. Pursue partnerships with regional university, research, and healthcare institutions to capture new business formation. Partner with a regional medical school to re-introduce non-profit healthcare in the community to meet needs of under-served residents and surrounding communities.
5. **Increase foot traffic along San Pablo Avenue**. Incentivize residential development on underutilized lots that will spur more foot traffic and support area businesses. Undertake a diagnosis of the City's long-range plans, development standards and design guidelines to ensure they are not impeding high-intensity infill growth.
6. **Marketing and Branding**. Draw upon San Pablo's history and cultural diversity to build and market a City identity. Market City-led economic development efforts, such as municipal broadband and permit streamlining.
7. **Actively pursue outside funding sources.** Seek funding from various sources: formation of special districts, grants, low-interest loans and revenue sharing agreements to incentivize and, in certain cases, implement physical improvements. Funding sources might include: Business Improvement Districts; Enhanced Infrastructure Financing Districts; New Markets, Low Income Housing, Historic tax credits; Cap and Trade funds; grants; Rule 20 program; crowd-funding; social impact bonds; and stream day-lighting funding sources.

IMPLEMENTATION SUMMARY

Strategy	Initial Steps	Long Term Efforts
1: Target Industry Expansion	• Reduce permit fees for target industry projects on key opportunity sites • Develop a permit procedures manual for distribution to potential developers • Identify and pursue funding for catalyst projects • Initiate relationship between Contra Costa College and representatives in targeted industries and identify opportunities for partnerships • Proceed with implantation of Municipal Broadband project	• Amend Specific Plan, General Plan and Zoning Ordinance to incentivize preferred development • Allocate and sustain staff and City resources to process target industry projects • Host/facilitate ongoing meetings between target industry representatives, potential investors, and local and regional partners
2: Local Workforce Mobility	• Identify existing and potential industry representatives for outreach. • Establish skill and education needs of target industries and evaluate education and training programs for improvements	• Maintain on-going dialogue between the San Pablo EDC, the CCC and industry representatives to identify development opportunities that match workforce training and education programs • Prioritize developments that offer jobs across a variety of skill and education levels
3: Pass Through Travel Capture	• Participate in discussions with ABAG, MTC, CalTrans and AC Transit regarding infrastructure improvements • Allow temporary uses on vacant or underutilized sites • Incorporate visitor attractions into marketing and branding strategy (see below)	• As the area transitions to more walkable and less auto-oriented development, implement shared parking strategy • Apply for grant funding to implement infrastructure and other support at key opportunity sites
4: Regional Institutions	• Initiate relationships with Contra Costa Health Services, Contra Costa College, U.C Berkeley, and other regional institutions.	• Develop possible location and public/private partnership structure with regional institutions to establish health care, bio-tech, and related industry catalyst project
5: Increase Foot Traffic	• Identify funding sources to implement Complete Streets Plan • Work with AC transit to support transit improvements on San Pablo Avenue	• Amend Specific Plan, General Plan and Zoning Ordinance to remove barriers to higher intensity infill and more walkable development • Actively pursue funding for transit projects
6: Marketing & Branding	• Develop RFP for outside consultant to develop Marketing and Branding Plan • Partner with SP EDC to oversee and manage marketing and branding efforts • Evaluate potential for a Business Improvement District to fund marketing & branding	• Fund and implement marketing and branding program • Actively market City at industry engagements and through various media channels • Implement improved wayfinding and signage • Incorporate Municipal Broadband and other projects into marketing program as they are implemented.
7: Outside Funding Sources	• Establish a timeline for pursuit of funding sources for major infrastructure and implementation of Complete Streets	• Identify and allocate staff time and resources to the pursuit of outside funding for target industry projects on opportunity sites

1 INTRODUCTION AND METHODOLOGY

The City of San Pablo (City) is surrounded by Richmond, CA along the I-80 Corridor, just inland from the San Francisco Bay waterway. San Pablo Avenue is an important transportation corridor that extends from Oakland to Hercules, and connects commercial, industrial, and residential areas throughout the East Bay.

The Association of Bay Area Governments (ABAG) and Metropolitan Transportation Commission (MTC) have identified San Pablo Avenue as a focus area for implementation of Plan Bay Area[1], the region's comprehensive land use and transportation plan. The Contra Costa Transportation Authority (CCTA) funded the Sustainable Community Strategy by Strengthening Public Health Plan project, of which this Economic Positioning Study (Study) is one component. The Study specifically evaluates land use and economic development opportunities for the PDA along San Pablo Avenue in the City of San Pablo (City).

This Study also identifies and analyzes industries which the City can target for economic growth that will contribute to environmental, social, and economic sustainability. Study components include:

1. Existing Industry Profile of the City including an assessment of existing industries, industry clusters, and relevant demographic information.
2. Industry Analysis, including a summary of ongoing economic development efforts, market trends, target industry analysis, and a summary of stakeholder input.
3. Case Study analysis of relevant economic development efforts in Cleveland, Ohio and San Leandro, California that provide "take aways" for the City of San Pablo.
4. Economic positioning findings for the five-year horizon, including catalyst projects, near term programs, and the connection between economic growth and sustainability.

[1] http://planbayarea.org/plan-bay-area.html

FIGURE 1-1 SAN PABLO PDA

Source: Graphic Created by LWC

1.1 SAN PABLO PDA

ABAG collaborates with regional agencies, business groups, and community-based organizations to support economic vitality in PDAs to increase job opportunities for Bay Area residents. A PDA is a transit-served location where future growth may be accommodated in a way that promotes Sustainable Communities Strategy goals required under SB 375. PDAs are initiated by local governments to target investment through transportation, housing, mixed-use, and other projects and services that meet residents' needs and stress pedestrian orientation, improve transit access, and strengthen the connection between housing and jobs.

The San Pablo PDA includes a portion of San Pablo Avenue and approximately one mile of the 23rd Street corridor, which are major commercial thoroughfares in the City. The City has begun to transform this area into a walkable, transit-friendly commercial district through the 23rd Street and San Pablo Avenue Specific Plans; however, there are still many vacant and underutilized parcels. The key goals of the San Pablo PDA are to create a transit and pedestrian-oriented, mixed-use destination and attract private investment.

1.1.1 THE EAST BAY CORRIDORS INITIATIVE

The East Bay Corridors Initiative (Initiative) is a collaboration among cities, counties, and regional agencies to create and support a network of thriving neighborhoods and downtowns in the inner East Bay. The Initiative focuses on PDAs and is a platform for prioritizing and funding housing, infrastructure, and community development projects. The Initiative is organized around the Oakland-Union City Corridor and the San Pablo Corridor. The San Pablo Corridor includes the San Pablo PDA and other PDAs between Downtown Oakland and Hercules.

Corridor PDAs (such as the San Pablo PDA) are projected to grow faster than the region as a whole. Corridor PDAs have lower household incomes, suffer from poorer air quality, and are subject to displacement from rising housing costs. However, Corridor PDAs are located in close proximity to jobs and economic clusters which appear to be growing in or near these PDAs. The Initiative precepts include working with cities to identify PDA catalyst projects, create partnerships, and pursue funding. This Study capitalizes on the intent of the Initiative to identify specific measures the City may consider to actualize the full economic development potential of the San Pablo PDA.

1.2 GUIDING PRINCIPLES

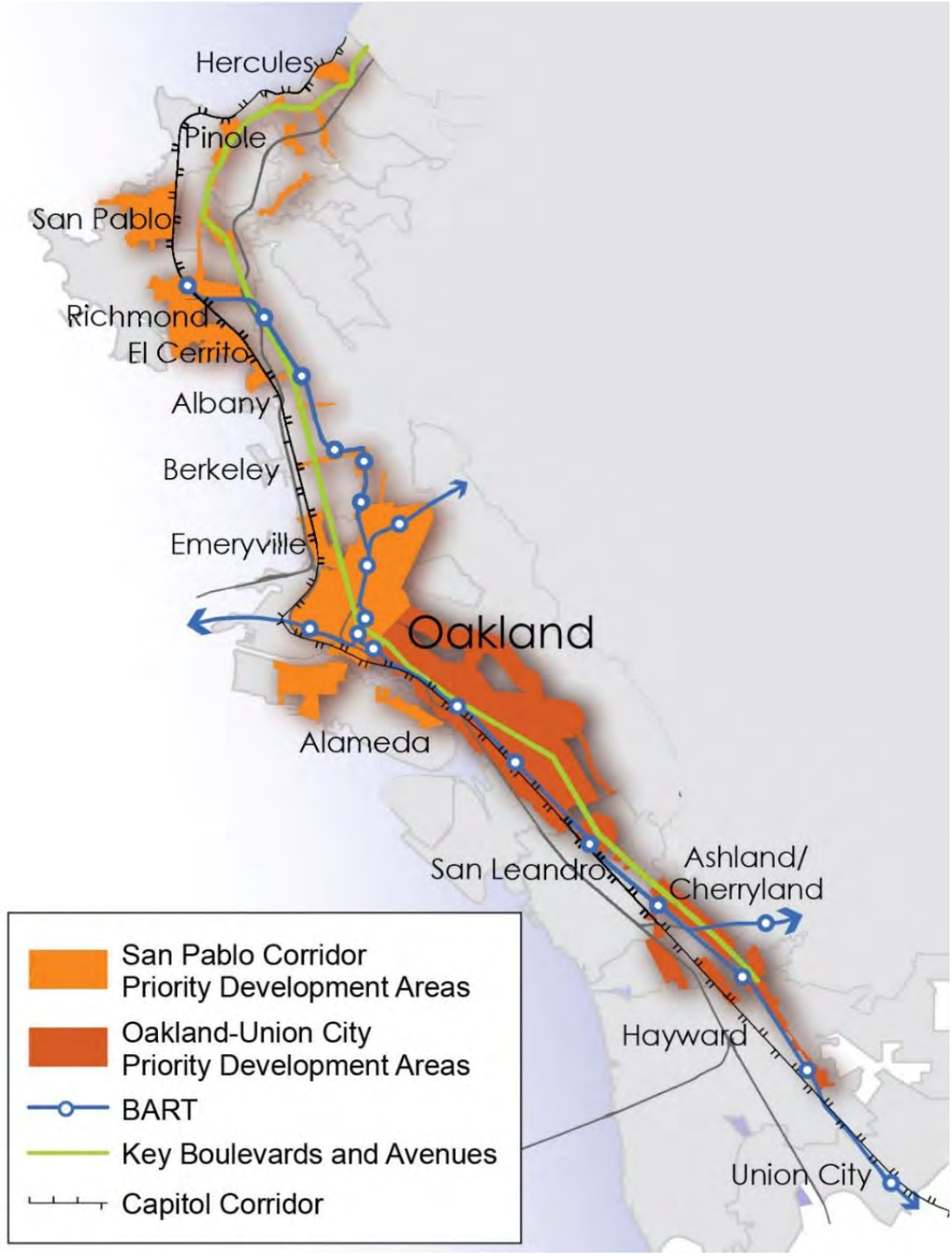
The City's Guiding Principles reflect a desire to address economic, environmental, and social sustainability including:

- Socioeconomic diversification that supports the local workforce and provides opportunities for all income levels,
- Improving the balance of housing and jobs,
- Reducing traffic congestion, greenhouse gas emissions and improvements to environmental quality,
- Increasing transportation options, and
- Supporting the health and well-being of residents and workers.

1.2.1 GUIDING PRINCIPLES AND TARGET INDUSTRY SELECTION

In concert with a quantitative analysis of industry trends in San Pablo and the county, region and state, the selection of target industries for further study was driven by the City's Guiding Principles, discussed further in Section 3.4 and Section 5.1.

FIGURE 1-2 EAST BAY CORRIDORS PDA MAP



Source: ABAG East Bay Corridors Initiative Memorandum of Understanding

1.3 COMMUNITY OUTREACH

A key component of this Study is an outreach process that sought feedback from local stakeholders on their perspective of the level and type of interest in development in the plan area and factors driving interest in the inclusion and expansion of select industries. The consultant team conducted personal interviews in-person and via phone with representatives from local employers and business owners, non-profit organizations, and City departments. Findings from the interviews comprise a valuable source of local market data and trends as well as insight from the community. The findings are summarized and analyzed in Chapter 3, and informed recommendations presented in Chapter 5.

2 EXISTING INDUSTRY PROFILE

This chapter provides a profile of San Pablo focusing on existing industries and a targeted review of demographics and economic makeup. The demographic characteristics presented in this chapter were selected and examined to yield findings regarding:

- San Pablo's employment pool for industries likely to expand or relocate to the City,
- San Pablo residents' spending habits that would support growth for select industries.

The seven demographic characteristics highlighted in the profile include:

- Population,
- Age distribution,
- Race and Cultural Diversity
- Income,
- Employee inflow/outflow,
- Employment, and
- Education.

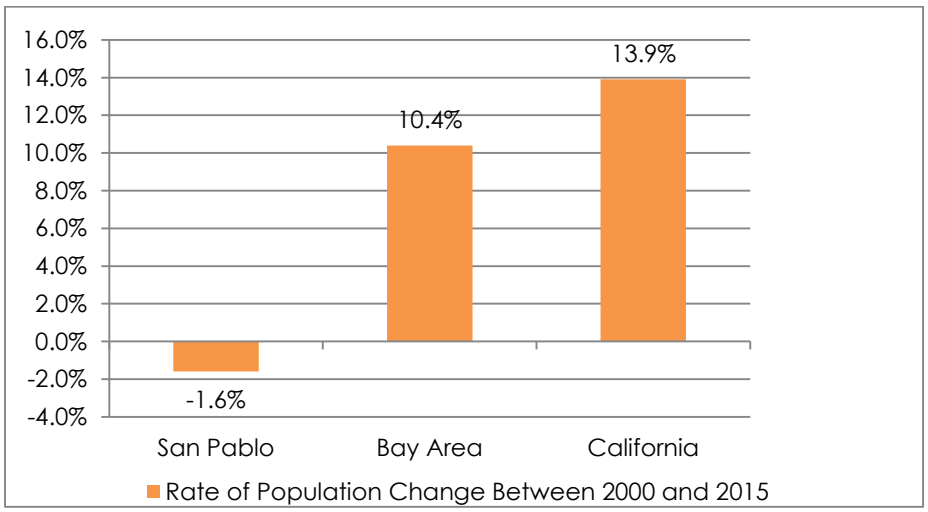
2.1 POPULATION

A city's population growth can convey important information about changes in demand for various land and industries uses. From 2000 to 2015, San Pablo experienced negative growth in population, which greatly deviated from the positive growth seen in the Bay Area and at the state level.

San Pablo's population decreased from 30,215 in 2000 to 29,730—a change of -1.6 percent. During the same period, the Bay Area's and California's populations increased by 10.4 percent and 13.9 percent, respectively. The City's population decline may be attributed, in part, to the economic recession, the closure of two mobile home parks in the mid-2000s, and more recent housing and cost of living increases pressuring existing residents to relocate to more affordable communities.

Since 2010, the Bay Area has experienced the fastest population growth in the State, led by the East Bay and Alameda County.[2] Over this period, Contra Costa County population growth ranked fifth in state. The portion of this growth experienced in the City and its immediate surroundings will influence demand for housing, jobs, and spending and services in key industries described in Chapter 3 below.

FIGURE 2-1 SAN PABLO POPULATION CHARACTERISTICS, 2000 AND 2015



Source: Report E-1, May 1, 2015, California Department of Research Demographic Research Unit http://www.dof.ca.gov/research/demographic/reports/estimates/e-1/view.php
E-6. Population Estimates and Components of Change by County with 2010 Census Benchmark — July 1, 2000–2010. http://www.dof.ca.gov/research/demographic/reports/estimates/e-6/2000-10/

2.2 AGE DISTRIBUTION

Age distribution describes the composition of City population by age cohort (e.g., percentage of the population five to 19 years, 20 to 49 years, and so on.). A city's age distribution provides insight into demand for land uses, services and availability of labor pool. For example, the higher percentage of "50 or Over" cohorts' will represent a higher demand for senior housing land uses and related support businesses. According to the 2013 US Census, the age cohorts in San Pablo, the Bay Area, and California follow similar trends.

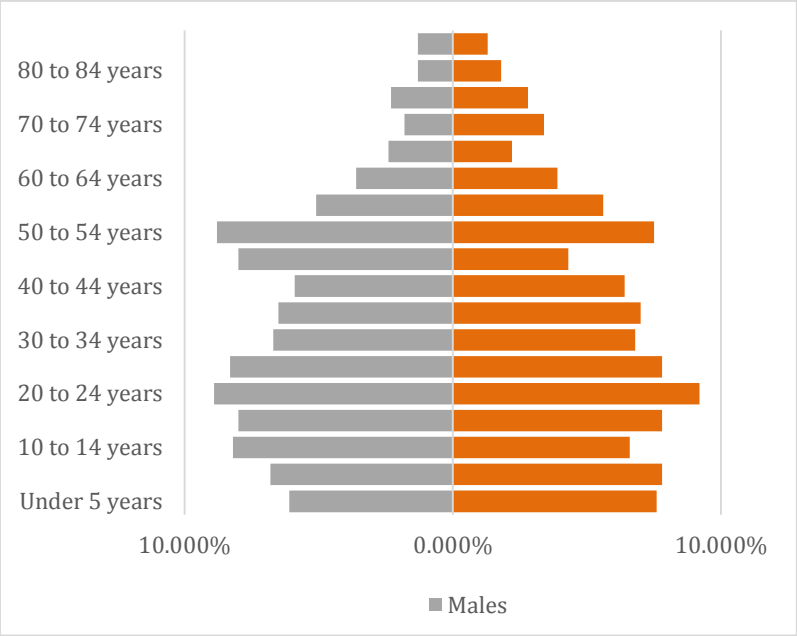
The age cohort with the largest percentage of San Pablo's population is 20 to 49 years at 43 percent, followed by five to 19 years at 20 percent. San Pablo's smallest age cohort is under five years at six percent. Approximately 30 percent of San Pablo's population is under 20 years.

The City is relatively young, with higher proportions of children and young persons of school age. While the proportion of the aging population in San Pablo is less than the region and State, the proportion of persons 50-54 years and above outpaces all other groups except 20-24 year

[2] U.S. Census Bureau 2010 Decennial Census and 2014 population estimates.

olds, which has implications for the growth in the health care industry discussed further in Chapter 3.

FIGURE 2-2 SAN PABLO AGE DISTRIBUTION BY GENDER, 2013



Source: U.S. Census Bureau, 2011-2013 3-Year American Community Survey

TABLE 2-1 SAN PABLO, BAY AREA, AND CALIFORNIA AGE DISTRIBUTION, 2013

Subject	San Pablo City, California			Bay Area, CA			California		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Total population	29,438	14,457	14,981	5,993,111	2,974,736	3,018,375	38,000,360	18,898,018	19,102,342
Age									
Under 5 years	6.90%	6.10%	7.60%	6.00%	6.18%	5.82%	6.60%	6.80%	6.50%
5 to 19 years	22.60%	23.00%	22.20%	17.46%	17.98%	16.90%	20.50%	21.20%	19.90%
20 to 49 years	43.00%	44.30%	41.50%	44.56%	45.50%	43.56%	42.60%	43.60%	41.60%
50 to 64 years	17.30%	17.50%	17.00%	19.26%	19.12%	19.40%	18.20%	17.90%	18.60%
Over 65 years	10.30%	9.10%	11.50%	12.78%	11.22%	14.38%	12.10%	10.70%	13.50%
Total population	100%	100%	100%	100%	100%	100%	100%	100%	100%

Source: U.S. Census Bureau, 2011-2013 3-Year American Community Survey

2.3 RACE AND CULTURAL DIVERSITY

A city's racial and ethnic composition provides insight into housing preferences, composition of neighborhoods[3] and potential for establishment and expansion of niche retail, restaurant and other market opportunities. There is an expanding argument in planning and economic literature that suggests the promotion of diversity, tolerance, and inclusive attitudes towards new ideas and different perspectives may support a City's ability to attract creative and talented individuals – an important quality for innovative businesses that may consider locating or expanding to one city versus another[4]. Other research suggests racial and cultural diversity presents challenges in generating social trust (with other groups, civic leaders, and elected officials), and achieving consensus for public investments[5,6]. Understanding race and cultural diversity can inform a more comprehensive approach for community engagements, assure all groups are represented in the planning process, and foster economic development that supports the needs of all groups in the community.

San Pablo's racial composition differs from Costa Contra County. According to 2013 US Census data shown in Table 2-2 on the following page, 54 percent of the San Pablo's population identify as Hispanic or Latino, 15 percent as Asian, and 15 percent as Black or African American. In Contra Costa County, 47 percent of the population identify as White, 25 percent as Hispanic or Latino, and 15 percent as Black or African American.

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[3] Realizing Racial and Ethnic Neighborhood Preferences? Exploring the Mismatches Between What People Want, Where They Search, and Where They Live. Havekes, Bader, Maria Krysan, *Population Research and Policy Review*, 2015.

[4] King, Karen, et.al., The Importance of Diversity to the Economic and Social Prosperity of Toronto (2010).

[5] Scott, John, The Difference: How the Power of Diversity Creates Better Groups, Firms, Schools, and Societies (2008).

[6] Putnam, Robert E Pluribus Unum: Diversity and Community in the 21st Century (2007).

TABLE 2-2 SAN PABLO RACIAL AND ETHNIC DISTRIBUTION, 2013

	San Pablo city, California		Contra Costa County, CA	
	Estimate	**% of Total**	**Estimate**	**% of Total**
Total	**29,324**	**100%**	**1,065,794**	**100%**
Hispanic or Latino	15,961	54.4%	261,427	24.5%
White alone	3,617	12.3%	503,167	47.2%
Black or African American alone	4,339	14.8%	93,777	8.8%
American Indian and Alaska Native alone	118	0.4%	2,869	0.3%
Asian alone	4,481	15.3%	154,869	14.5%
Native Hawaiian and Other Pacific Islander alone	129	0.4%	4,731	0.4%
Some other race alone	80	0.3%	3,133	0.3%
Two or more races:	599	2.0%	41,821	3.9%
Two races including Some other race	33	0.1%	1,793	0.2%
Two races excluding Some other race, and three or more races	566	1.9%	40,028	3.8%

Source: U.S. Census Bureau, 2011-2013 3-Year American Community Survey

2.4 INCOME

A City's income levels provide insight to expected consumption behavior and capability of local residents. In conjunction with education levels (discussed in Section 2.6), retailers and employers consider income levels as a factor in location decisions. Below is a discussion of household income characteristics, top earnings by industry and occupation, and a discretionary spending distribution analysis.

2.4.1 HOUSEHOLD INCOME

According to 2013 US Census data shown in Table 2-3, San Pablo is a middle class community with a median household income of $42,708.[7] Of the income cohorts listed in Table 2-3, the greatest percentage (20 percent) of residents earn $50,000 to $74,999 per year. San Pablo's median household income of $42,708 represents 55 percent of Contra Costa's of $77,087. The City's household income figure provides insight into the type of retail and restaurant establishments, and other businesses, that the City should target in its economic development efforts.

TABLE 2-3 SAN PABLO HOUSEHOLD INCOME, 2011-2013

Subject	San Pablo City, California
	Percent of Total Households
Less than $10,000	4.80%
$10,000 to $14,999	6.20%
$15,000 to $24,999	15.80%
$25,000 to $34,999	14.50%
$35,000 to $49,999	15.30%
$50,000 to $74,999	19.50%
$75,000 to $99,999	13.10%
$100,000 to $149,999	8.10%
$150,000 to $199,999	2.10%
$200,000 or more	0.60%
Total Number of Households	**8,863**
Median income (dollars)	**42,708**
Mean income (dollars)	**52,536**

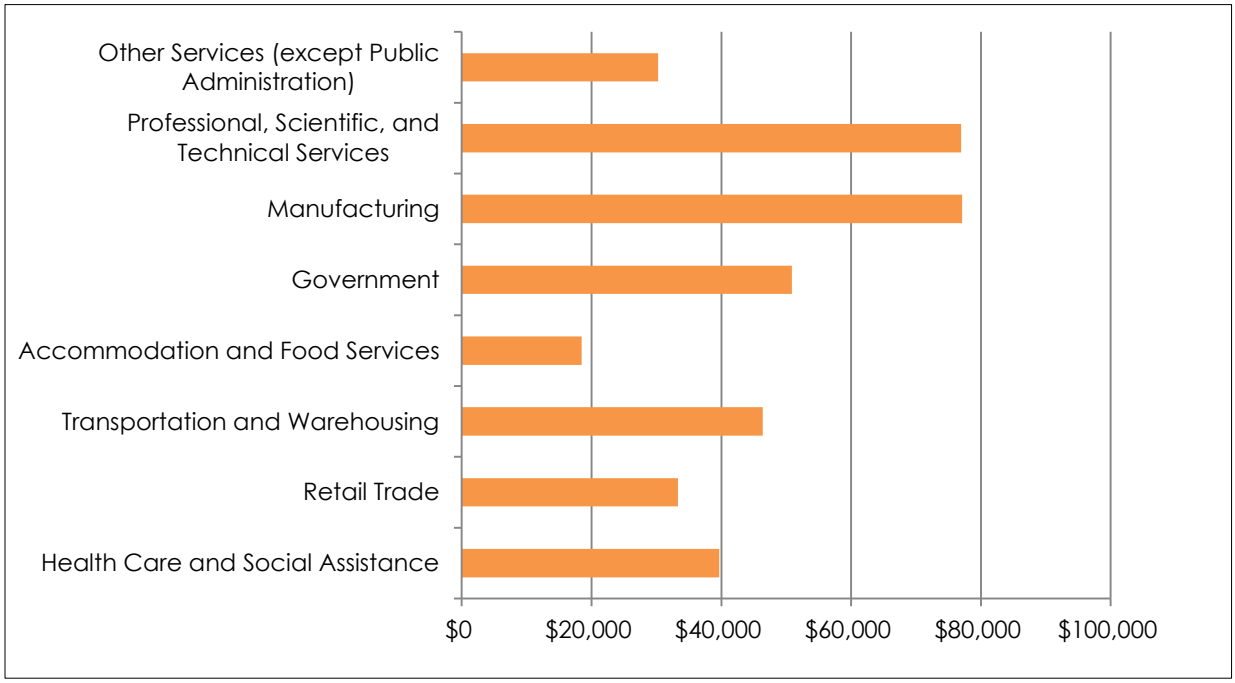
Source: U.S. Census Bureau, 2011-2013 3-Year American Community Survey

[7] Pew Charitable Trusts

2.4.2 TOP EARNINGS BY INDUSTRY AND OCCUPATION

Shown in Figure 2-3, the industries in the San Pablo area that offered the highest average wages in 2015 were manufacturing at $77,082, followed by professional, scientific and technical services at $76,955, government at $50,000, and transportation and warehousing at $46,382.

FIGURE 2-3 AVERAGE WAGES & EARNINGS IN SAN PABLO AREA BY INDUSTRY, Q2 2015

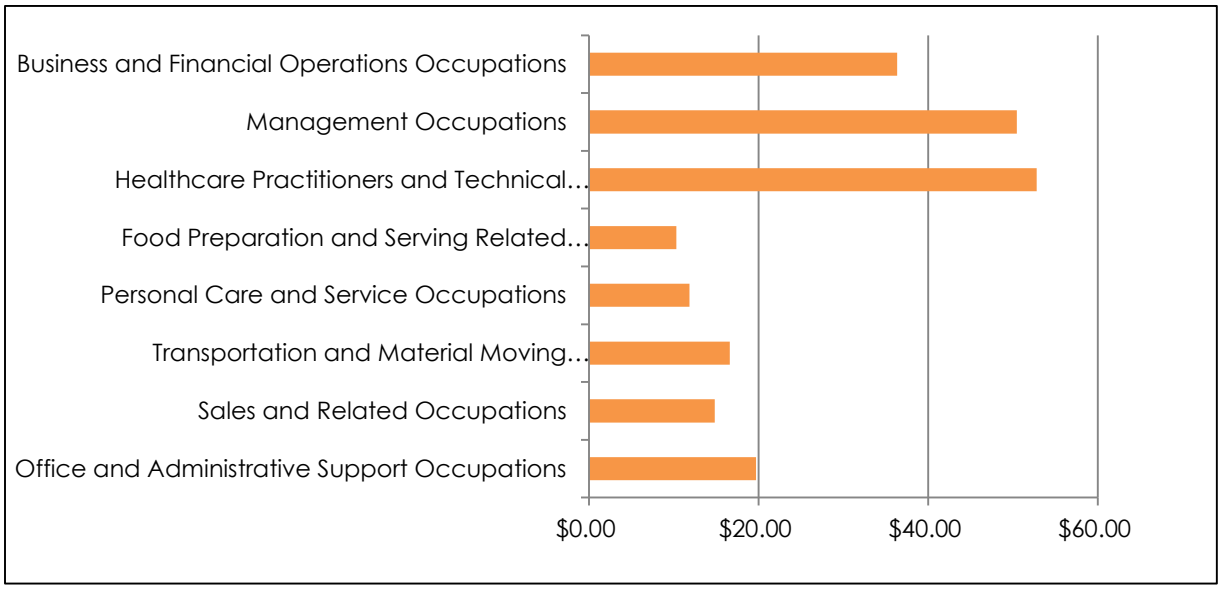


Source: *EMSI Industry Data for the San Pablo Area – Area Code 94806. Industries categories correspond to North American Industry Classification System (NAICS) codes. The North American Industry Classification System (NAICS) was developed by the federal Office of Management and Budget (OMB), and is the standard used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. Occupation categories correspond to the Standard Occupational Classification (SOC) system codes. The Standard Occupational Classification (SOC) System was created and is used by the federal government to collect occupational data and to enable comparison of occupations across data sets. The NAICS categorizes jobs by industry, while the SOC categorizes the type of occupations (jobs) held within those industries.*

Two industries dominate employment in San Pablo area: Health Care and Social Assistance and Retail Trade, providing nearly 6,000 jobs in the San Pablo area and comprising much of the San Pablo area's economic base (discussed further in Section 2.6).[8] Figure 2-4 shows hourly employee earnings for occupations in which 500 or more San Pablo residents work. Management, Healthcare, and Technical occupations offer the highest wages in San Pablo (over $50 per hour).

[8] *EMSI Industry Data for the San Pablo Area – Area Code 94806*

FIGURE 2-4 TOP OCCUPATION IN SAN PABLO AREA (> 500 JOBS) EARNINGS, Q2 2015



Source: *EMSI Industry Data for the San Pablo Area – Area Code 94806*

2.4.3 DISCRETIONARY SPENDING DISTRIBUTION ANALYSIS

A discretionary spending (D.S.) distribution analysis illustrates spending patterns of a city's population. The data generated from a D.S. distribution informs forecasts of spending per expenditure categories. These spending habits inform recommendations on the degree and type of commercial development a city may support and what industries may might be incentivized to establish a local presence.

Table 2-4 shows findings from a D.S. distribution analysis for San Pablo. Data for the "percentage of total income" was derived from the US Department of Labor Bureau of Labor Statistics' 2013 expenditure estimates for third-quartile income ($45,826 median income) households nation-wide. To arrive at the average annual expenditure per San Pablo household, San Pablo's 2013 median household income ($42,708) was multiplied by the household expenditure estimates.

TABLE 2-4 SAN PABLO DISCRETIONARY SPENDING

Expenditure Category	Percentage of total income	Per household D.S. for San Pablo[1]	Total D.S. for San Pablo[1]
Average Annual Expenditures:	**92.7%**	**$39,590**	**$350,886,170**
Housing:	32.3%	$13,795	$122,265,085
Transportation:	17.6%	$7,517	$66,623,171
Personal insurance:	7.6%	$3,246	$28,769,298
Food at home:	7.9%	$3,374	$29,903,762
Food away from home:	4.6%	$1,965	$17,415,795
Apparel and Services:	2.9%	$1,239	$10,981,257
Healthcare:	7.4%	$3,160	$28,007,080
Entertainment:	4.4%	$1,879	$16,653,577
Personal Care products and services:	1.1%	$470	$4,165,610

Source: *U.S. Census 2013 American Community Survey median household income of $42,708, total number of 8,863 San Pablo households, accessed September 1, 2015.http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=ACS_13_3YR_S1901&prodType=table*

BLS' Consumer Expenditures in 2013, third quintile, household income before taxes: $45,826, accessed September 1, 2015, http://www.bls.gov/cex/csxann13.pdf)

1) Based on median household income of $42,708 and 8,863 households.

Lower income levels in San Pablo relative to the County and State indicate how existing and new businesses within the City will be impacted. Input gathered in the community engagement process identified demand for certain retail and food establishments. Stakeholders also maintained that there is an opportunity to capture spending from visitors given San Pablo's location along the San Pablo Avenue corridor and other attractions such as the Lytton Casino. Growth in higher wage, in-demand jobs that match the skillset of the community's workforce is important to the diversification and sustainability of the City's economy.

Key industries that offer growth opportunities and more stable and higher earning potential for local workers and ways to benefit further from increased spending are discussed in Chapter 3. Chapter 5 also presents findings and approaches to facilitate growth in these industries.

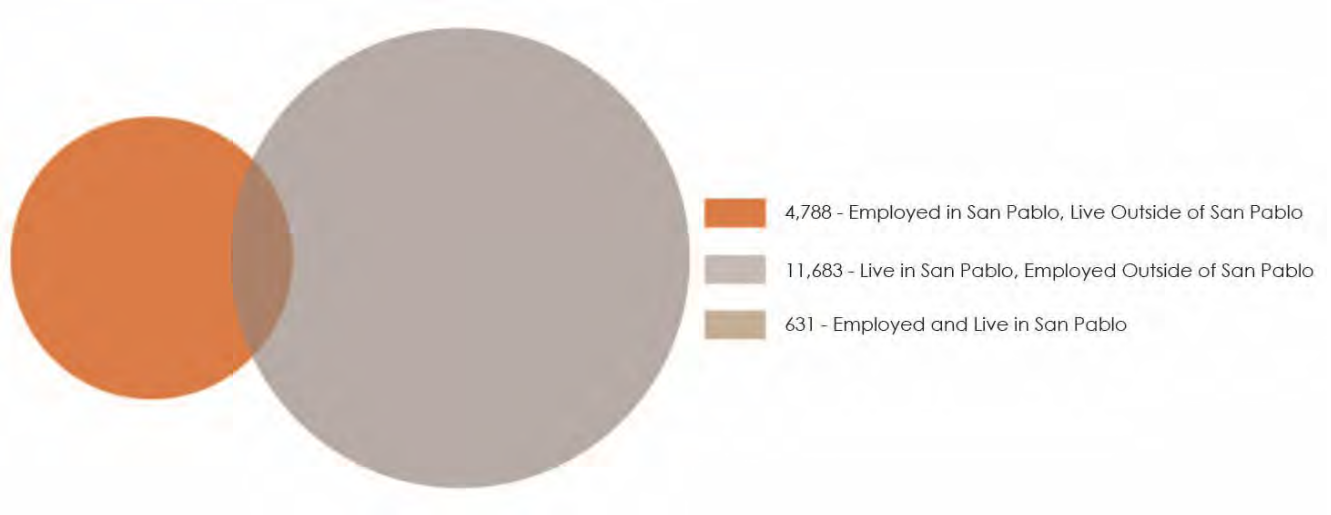
2.5 EMPLOYEE INFLOW / OUTFLOW

Employee inflow/outflow data tracks commute patterns of area residents. The data illustrates where residents work, highlights commute trends of City residents, and identifies daytime/nighttime population trends of the area.

The data shows that San Pablo is largely a commuter community with the majority of residents working outside of the jurisdiction. Similarly, most people working in San Pablo commute from elsewhere in the Bay Area. Shown in Figure 2-5, only 631 persons (3.7 percent of all workers in San Pablo) both live and work in the City.

Job creation in the City and improving the quality and availability of housing will promote a better balance of housing, reduce vehicle miles traveled and keep more earnings and spending in the community. These elements will directly support the City's environmental, social, and economic sustainability goals that are defined in the Guiding Principles and discussed further in Chapter 5.

FIGURE 2-5 EMPLOYEE INFLOWS AND OUTFLOWS DIAGRAM



Source: http://onthemap.ces.census.gov/ | Graphic Created by LWC

2.6 EMPLOYMENT

Employment data illustrates the types of jobs and earning levels and provide insight to daytime residents' consumer habits and latent opportunities. Employment data also provides insight into existing and potential cluster trends or the leveraging of human and physical resources to reduce costs and speed "production".[9] This section discusses the San Pablo area's major industries and occupations and major employers.

2.6.1 MAJOR INDUSTRIES AND OCCUPATIONS

An effective approach to understanding the concentration of key industries and occupations in San Pablo is to apply the Location Quotient (LQ). LQ is an approach (using ratios) of quantifying how concentrated a particular industry, cluster, occupation, or demographic group is in a region as compared to a larger region or the nation. It can reveal what makes a particular region "unique" in comparison to the national or greater regional average.[10] Specializations or concentrations of related industries are a widely recognized economic phenomenon and play an important role in "branding" cities, regions and states. Location quotients (LQ) are critical to understanding an area's economic strengths and weaknesses.[11]

As described in Section 3.4.2, Health Care and Social Assistance and Retail Trade are the largest sectors in the San Pablo area's economy. Shown in Table 2-5, these industries have an LQ over two when compared to the concentration of jobs in these sectors in the Bay Area and California. A higher LQ represents a higher percentage ratio of jobs relative to the Bay Area and the State. Location Quotients and industry clustering is discussed further in Section 3.1.3.

TABLE 2-5 TOP INDUSTRIES IN THE SAN PABLO AREA (> 500 JOBS), Q2 2015

Industry	2015 Jobs	LQ (Bay Area)	2015 LQ (CA)
Health Care and Social Assistance[1]	3,398	2.21	2.16
Retail Trade	2,482	2.19	2.00
Transportation and Warehousing	1,244	0.45	3.35
Accommodation and Food Services	967	0.84	0.88

[9] Clusters and the New Economics of Competition, Michael E. Porter, Harvard Business Review, November-December, 1998

[10] . Understanding Location Quotient - EMSI, www.economicmodelining .com/2011

[11] Location Quotients: A Tool for Comparing Regional Industry Compositions, Charles Baer, Terry Brown, Advanced Economic And Market Analysis Group, Strategic Research And Development, Indiana Department Of Workforce Development, March 2006.

Government	916	0.55	0.49
Manufacturing	748	1.14	0.81
Professional, Scientific, Technical Services	559	0.34	0.54
Other Services (except public administration)	507	0.78	0.81

Source: *EMSI Industry Data for the San Pablo Area – Area Code 94806. Due to disclosure restrictions limiting economic data available for the City of San Pablo, the most complete and recent industry data is at the zip code level, which includes parts of Northern Richmond, Bayview, and other neighborhoods along the San Pablo Avenue Corridor.*
1) Includes Doctors Medical Center Jobs, which closed in April of 2015 and is estimated to have lost 398 jobs in the Health Care and Social Assistance Industry.

Shown in Table 2-6, San Pablo area's percentage of service occupations (31.5 percent—greatest of all categories) and sales and office occupations (20.9 percent—second greatest) is a reflection of the dominance of the healthcare and retail industries. A significant portion of sales and office jobs in the City are health care and associated occupations. Over 50 percent of San Pablo residents are employed in Service and Sales and Office occupations; 31.5% and 20.9% respectively, which are generally lower paying in the region and compared to other sectors. Still, sales and office jobs may serve as a ladder to head of household, higher paying management positions, particularly in health care and related fields.

TABLE 2-6 SAN PABLO EMPLOYMENT DISTRIBUTION BY OCCUPATION, 2011-2013

Occupation Category	Total	Percent Of Total	Median Earnings
Management, business, science, and arts occupations:	2,367	19.6%	$38,034
Service occupations:	3,806	31.5%	$17,188
Sales and office occupations:	2,526	20.9%	$24,613
Natural resources, construction, and maintenance occupations:	1,598	13.2%	$28,228
Production, transportation, and material moving occupations:	1,803	14.9%	$22,181
Civilian employed population 16 years and over	**12,100**	**100%**	**$24,509**

Source: U.S. Census Bureau, 2011-2013 3-Year American Community Survey

2.6.2 MAJOR EMPLOYERS

Of the largest employers in the San Pablo area, the health care industry and education industry (i.e., Contra Costa College) provide the most jobs in the area, with 627 and 529 jobs, respectively. Gaming (Casino San Pablo), convenience retail (grocery stores), are the next largest employment categories in the San Pablo area, with 503, 404, and 166 jobs, respectively.

Table 2-7 below lists the major employers in the San Pablo area. If applicable, the table describes employer's opportunities for growth and opportunities for clustering with other San Pablo employers.

TABLE 2-7 MAJOR EMPLOYERS IN SAN PABLO, 2015

Business Logo	Major Employers	Number Of Employees	Business Description
	Contra Costa College*	599	A public community college serving West Contra Costa County and all others seeking a quality education, since 1949.
	San Pablo Lytton Casino	503	The San Pablo Lytton Casino is owned and operated by the Lytton Band of Pomo Indians, originally from the Lytton Rancheria of Healdsburg, California. What began as a card room has expanded to a full-fledged casino with Class II Gaming Machines, Poker, Black Jack, Pai Gow.
	Vale Care Center*	266	A private nursing home.
	Las Montanas Supermarket	198	Family-owned and operated, Las Montañas Supermarket provides a vast selection of fresh and authentic Mexican foods and specialty grocery items.
	City of San Pablo	166	The National Civic League has announced that the City of San Pablo is a winner of the 2014 All-America City Award, the country's most prestigious award for outstanding, community-based civic accomplishments.
	San Pablo Health Care and Wellness Center*	150	A private nursing home.
	Brookvue Care Center	116	Brookvue Care Center is an average sized, for profit, nursing home with 108 beds based in San Pablo, CA. At last check, the facility had 97 residents indicating that it is 90% occupied which is about average within the state of California.

	Creekside Health Care Center	95	Creekside Healthcare Center in San Pablo California has a 93% occupancy rate with 74 residents using its 80 beds. They are part of a multiple nursing home ownership and are a for-profit nursing home. This is the highest ranked center in the city.
	Food Maxx	87	Family-owned and operated "warehouse-style" grocer that does not require a membership and will match any ad price advertising a product at a lower price. Organizations that Food Maxx supports includes the United Way, the Muscular Dystrophy Association, and the Juvenile Diabetes Research Foundation.
	Raley's	65	Family-owned since 1935, Raley's, Bel Air and Nob Hill Foods have been proud to serve Northern California and Nevada with award-winning meats, produce and service.
	San Pablo Supermarket	54	Supermarket San Pablo on International Market Place in San Pablo, CA. a rapidly-growing Asian supermarket chain selling a wide range of imported grocery items from Asia, including from China, Taiwan, Japan, Thailand, and Vietnam.

Source: "San Pablo Finance Department," accessed September 1, 2015, http://sanpabloca.gov/index.aspx?NID=935
**Employment figure includes part-time employees, which may alter findings.*

Table 2-8 below provides a broader snapshot of the major employers in Contra Costa County. Because San Pablo is a relatively small city in a dense urban region, key employers throughout County represent job opportunities for San Pablo residents and clustering opportunities for current and future San Pablo employers.

Of employers with 500 or more employees in the County, 17,285 jobs (30.6 percent) are in the health care industry. Chevron (located in Richmond close to San Pablo) is the single largest employer in the County, with nearly 11,000 jobs. The Petroleum industry, not including bio-technology related research and development, provides 15,876 jobs (27.9 percent). Bio-technology, government and retail employers are the next largest employment categories in the County, with 9.4%, 7.7%, and 6.3%, respectively, of the jobs in the County. A complete table of employers with 500 or greater employees can be found in Appendix A.

TABLE 2-8: MAJOR EMPLOYERS IN CONTRA COSTA COUNTY (1000 OR GREATER JOBS)

Business Name	Industry Name	Employees
Chevron Corp	Petroleum Refineries	10,976
AAA Northern CA Nevada & Utah	All Other Travel Arrangement and Reservation Services	5,000
Chevron Technology Ventures	Research and Development in Bio-technology	4,751
Contra-costa Regional Med Ctr	Hospitals (Local Government)	3,500
John Muir Medical Ctr	General Medical and Surgical Hospitals	3,000
Chevron Global Downstream Llc	Petroleum and Petroleum Products Merchant Wholesalers (except Bulk Stations and Terminals)	3,000
Bart	Other Urban Transit Systems	3,000
La Raza Market	Supermarkets and Other Grocery (except Convenience) Stores	2,000
Kaiser Permanente	General Medical and Surgical Hospitals	1,800
Kaiser Permanente Antioch Med	General Medical and Surgical Hospitals	1,500
Bio-rad Laboratories Inc	Surgical and Medical Instrument Manufacturing	1,500
John Muir Medical Ctr	All Other Miscellaneous Ambulatory Health Care Services	1,200
Kaiser	Freestanding Ambulatory Surgical and Emergency Centers	1,100
St Mary's College	Colleges, Universities, and Professional Schools	1,000
Uss-posco Industries	Iron and Steel Mills and Ferroalloy Manufacturing	1,000

Source: EMSI Q2 2015 Business Listings Table for Contra Costa County

2.7 EDUCATION

A city's education levels provide insight to certain facets of expected consumer behavior of local residents. As mentioned in Section 2.4, retailers and employers consider area education levels in conjunction with area incomes as factors in home-buying location decisions. San Pablo's education levels fall below those of the Contra Costa County at-large.

Shown in Table 2-9, 61 percent of San Pablo's adults have earned a high school diploma or higher, 14 percent a bachelor's degree or higher, and four percent a graduate or professional degree. For the County population, 89 percent have earned a high school degree or higher, 39 percent a bachelor's degree or higher, and 14 percent a graduate or professional degree.

Education levels in San Pablo are lower than what might support many occupations in the largest industry in the City, Health Care and Social Assistance, but correspond with the other top industries of retail trade, transportation and warehousing, and accommodation and food services.

TABLE 2-9 EDUCATIONAL ATTAINMENT IN SAN PABLO, 2009-2013

Population Group	San Pablo	County
Population 18 to 24 years	**3,780**	**92,063**
Less than high school graduate	15.0%	13.1%
High school graduate (includes equivalency)	33.9%	30.8%
Some college or associate's degree	49.6%	46.2%
Bachelor's degree or higher	1.6%	9.9%
Population 25 years and over	**18,105**	**727,044**
Less than 9th grade	24.9%	5.8%
9th to 12th grade, no diploma	14.0%	5.6%
High school graduate (includes equivalency)	22.0%	18.9%
Some college, no degree	20.7%	22.3%
Associate's degree	4.5%	8.2%
Bachelor's degree	10.2%	24.9%
Graduate or professional degree	3.8%	14.2%
Percent high school graduate or higher	61.2%	88.6%
Percent bachelor's degree or higher	14.0%	39.1%

Source: U.S. Census Bureau, 2009-2013 5-Year American Community Survey

Table 2-10 below presents estimated completions of professional degree programs from Contra Costa College in 2009 and 2013. The purpose of this data is to illustrate the education profile of the local potential employee pool that may support future growth industries in the San Pablo area. Though representing a relatively small group, the table presents useful information in programs designed to educate the local workforce. The largest number of new degree completions came in the Liberal Arts and Sciences, possibly reflecting student's general field of study prior to pursuing more specialized training or education. A significant number of degree

completions came in programs related to health care and social assistance, including child care, nursing, medical assistance, sociology and health and human services. While degrees in Child Care Provider/Assistant and General Human Service degrees increased substantially, declines in Nursing and Medical/Clinical Assistant degrees are notable, given the prominence of the health care industry in the San Pablo area. These suggest a possible shift in local demand for these occupations. Meanwhile, substantial growth of degrees in Biological and Physical Sciences and Human Services programs may support entry into an expanding health care and bio-technology industry by the local workforce. An 87 percent jump in Cooking and Related Culinary Arts also presents opportunity for locally educated workers to enter the food service industry in San Pablo.

TABLE 2-10 SAN PABLO AREA DEGREE COMPLETIONS 2009 AND 2013

Program	Completions (2009)	Completions (2013)	% Change
Liberal Arts and Sciences/Liberal Studies	170	193	14%
Biological and Physical Sciences	15	143	853%
Child Care Provider/Assistant	47	117	149%
Business Administration and Management, General	57	82	44%
Human Services, General	2	65	3150%
Electrical/Electronics Equipment Installation and Repair, General	8	62	675%
Homeland Security	0	32	NA
Criminal Justice/Police Science	8	29	263%
Cooking and Related Culinary Arts, General	15	28	87%
Corrections	11	28	155%
Registered Nursing/Registered Nurse	49	27	-45%
Automobile/Automotive Mechanics Technology/Technician	3	24	700%
Medical/Clinical Assistant	32	20	-38%
Sociology	22	19	-14%
Psychology, General	12	16	33%
Health Services/Allied Health/Health Sciences, General	16	16	0%

Source: EMSI Industry Data for the San Pablo Area – Area Code 94806. Program categories correspond to classification codes of the Classification of Instructional Programs (CIP). The CIP is a classification system that was developed by the U.S. Department of Education to support accurate tracking and reporting of study fields and education program completion activity.

3 ANALYSIS

Chapter 3 assesses economic performance of San Pablo in comparison to the region and State, and identifies high growth industries that present opportunities for economic development in the City. In addition to industry analysis, this section discusses City assets and constraints that pertain to San Pablo economic growth and summarizes findings of the stakeholder outreach process that qualify industry trends and inform implementation measures.

3.1 INDUSTRY TRENDS

Job trends in the State and region described below identify industries with the greatest potential for investment, expansion and/or relocation in San Pablo. Tables 3.1 – 3.3 below present changes in jobs from 2005-2015 across geography, industries, and occupations.[12] The Great Recession occurred during the same time horizon, and trend analyses consider the impact of this important market cycle.

3.1.1 JOBS BY GEOGRAPHY

Job performance across City, region, and state geographic areas provides context for the assessment of growth or decline in a specific industry. Table 3-1 below shows job figures from 2005 to 2015 and the corresponding percentage growth for San Pablo, the region, and the State for comparative purposes. Job growth in the San Pablo area has exceeded the County and State and has kept pace with strong growth in the Bay Area overall.

TABLE 3-1: JOBS TREND COMPARISON ACROSS CITY, REGION, AND STATE

Geographic Area	2005 Jobs	2015 Jobs	Change	% Change
San Pablo Area[1]	11,824	13,038	1,214	10%
Contra Costa County, CA	394,485	401,401	6,916	2%
Bay Area MSA, CA	2,234,504	2,491,455	256,951	11%
California	17,461,509	18,465,118	1,003,609	6%

Source: EMSI 2015 Q2 Estimates; All Industries in San Pablo area (Zip Code 94806), Contra Costa County, Bay Area MSA, and California.

1)San Pablo data estimated based on Zip Codes and therefore includes jobs in northern Richmond, Hilltop/Bayview area and other immediate neighborhoods along the San Pablo Avenue/I-80 Corridor.

[12] Jobs are specific employment opportunities. An industry is a group of establishments that produce similar products or provide similar services. Occupations are a set of activities required of an employee in an industry. For example, all establishments that manufacture automobiles are in the same industry. An occupation is a set of activities or tasks that an employee is paid to perform. Employees that perform similar tasks are in the same occupation, whether or not they work in the same industry. Some occupations are concentrated in a few particular industries; other occupations are found in many industries. Accessed September 1, 2015, http://www.bls.gov/bls/glossary.htm#industry.

3.1.2 JOBS BY INDUSTRY

Growth in jobs across industries provides direct trending data from which target industries may be identified. Table 3-2 below presents job trends in major San Pablo area industries (those with more than 500 jobs) in the before and after the Great Recession time-frame of 2005 – 2015.

STRONG GROWTH: Notable growth occurred in the San Pablo area Health Care and Social Assistance (97.3%) and Accommodation and Food Services (28.4%) industry jobs from 2005 to 2015.

Health Care and Social Assistance industry job figures for the San Pablo area nearly doubled, from 1,722 to 3,398, in the 2005 to 2015 time period. However, the figures include jobs attributed to the Doctor's Medical Center (DMC) facility that closed in April of 2015. As described further in section 3.5.1, health care jobs ancillary to DMC have also been lost, while others have emerged in its place. The number of jobs estimated at DMC in 2010 was 982, and fell to 398 in 2014 before the facility completely closed in 2015. Still, adjusting Table 3-2 figures for the loss of 398 DMC jobs produces a robust 74.4% job growth rate for the Health Care and Social Assistance industry.

The 28.4% Accommodation and Food Services industry[13] job growth rate in the San Pablo area is consistent with region and State trends, as shown in Table 3-2 below.

MODERATE GROWTH: San Pablo area Professional, Scientific, and Technical Services and Manufacturing industry jobs grew moderately by 10.3% and 6.5% respectively.

DECLINE: Transportation and Warehousing industries in the San Pablo area experienced a notable decline of 22.7% jobs in the 2005 to 2015 time period, while Retail Trade[14] and Government industries contracted by 4.4% and 3.0%, respectively. Other Services (excluding public administration), which includes religious, civic and social organizations, various types of repair and maintenance and other personal services, lost 9.1% of jobs.

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[13] The Accommodation and Food Services industry is comprised of establishments that provide customers with lodging and/or prepared meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment. Bureau of Labor Statistics, *"Industries at a Glance"*. http://www.bls.gov/iag/tgs/iag72.htm.

[14] The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The retail trade sector consists of subsectors that include: motor vehicle and parts dealers; furniture and home furnishings stores; electronics and appliance stores; building material and garden equipment and supplies dealers; food and beverage stores; health and personal care stores; gasoline stations; clothing and clothing accessories stores; sporting goods, hobby, book, and music stores; general merchandise stores; miscellaneous store retailers; and non-store retailers. *Ibid. http://www.bls.gov/iag/tgs/iag44-45.htm.*

TABLE 3-2 TOP INDUSTRY TRENDS IN SAN PABLO AREA 2005-2015 (>500 TOTAL JOBS)

Industry	2005 Jobs	2010 Jobs	2015 Jobs	% Change	2020 Forecasted Jobs
Health Care and Social Assistance	1,722	1,796	3,398	97.3%	4,012
Retail Trade	2,596	2,451	2,482	-4.4%	2,563
Transportation and Warehousing	1,609	1,437	1,244	-22.7%	1,159
Accommodation and Food Services	753	760	967	28.4%	1,060
Government	944	961	916	-3.0%	912
Manufacturing	702	662	748	6.5%	707
Professional, Scientific, Technical Services	507	496	559	10.3%	594
Other Services (except public administration)	558	616	507	-9.1%	526

Source: EMSI 2015 Q2 Estimates for all Occupations, San Pablo Area (Zip Code 94806). Retail Trade, Health Care and Social Assistance; Transportation and Warehousing; Government; Accommodation and Food Services; Manufacturing; Other Services (except public administration); and Professional, Scientific, Technical Services categories correspond to NAICS codes 44, 62, 48, 90, 72,31, 81, and 54, respectively.

Table 3-3 below provides additional context to industry growth by comparing San Pablo area industry job growth trends to those of the County, region, and State. The comparison enables identification of San Pablo area industries that are under or over performing relative to the County, region, and State. Industries with fewer than 500 jobs in the San Pablo area are included in Table 3-3 to identify any industries of opportunity for the City.

TABLE 3-3: 2005-2015 INDUSTRY JOB GROWTH FOR CITY, REGION, AND STATE

Industry	2015 San Pablo Area Jobs	San Pablo Area	Contra Costa County	Bay Area MSA	CA
Health Care and Social Assistance[1]	3398	97.3%	49.5%	48.8%	52.4%
Retail Trade	2482	-4.4%	-6.2%	-1.4%	-1.1%
Transportation and Warehousing	1244	-22.7%	-6.7%	-1.6%	10.5%
Accommodation and Food Services	967	28.4%	22.6%	29.3%	23.1%
Government	916	-3.0%	-1.8%	2.9%	0.4%

Manufacturing	748	6.5%	-24.1%	-12.7%	-15.7%
Professional, Scientific, and Technical Services	559	10.3%	14.0%	42.6%	24.4%
Other Services (except Public Administration)	507	-9.1%	-10.3%	-4.2%	-14.0%
Administrative and Support and Waste Management and Remediation Services	429	-3.3%	16.3%	17.0%	11.5%
Finance and Insurance	283	-18.6%	-27.3%	-23.6%	-16.8%
Arts, Entertainment, and Recreation	279	-2.6%	6.9%	13.7%	14.7%
Educational Services	257	-5.6%	0.8%	27.9%	28.0%
Construction	257	-22.8%	-20.1%	-6.0%	-17.9%
Real Estate and Rental and Leasing	228	-15.2%	-14.2%	-5.8%	-7.2%
Wholesale Trade	225	22.9%	2.1%	-0.2%	7.0%
Information	139	-39.8%	-32.3%	12.9%	0.7%
Management of Companies and Enterprises	81	51.5%	50.3%	44.8%	3.3%

Source: EMSI 2015 Q2 Estimates for all Occupations, San Pablo Area (Zip Code 94806). Industry categories correspond to North American Industry Classification System codes.
1) These figures include the Doctor's Medical Center, which closed in April of 2015.

Industries with job growth patterns that differ notably from the County, region, and State include:

Health Care and Social Assistance: San Pablo area job growth for the industry clearly exceeds that of the County, region, or State, even with adjustments for the DMC closure.

Manufacturing: Manufacturing has decreased in the region and State, but increased in the San Pablo area. Data for the City of San Pablo may be altered by nearby manufacturing expansion in Richmond.

Management of Companies and Enterprises: Though this industry represents only 81 jobs in the San Pablo area, its rate of job growth in the City, County, and region are notable relative to the industry's job growth rate at the State level.

Retail Trade: The 4.4% decline in San Pablo area Retail Trade industry jobs is notable when compared to the 1.4% Bay Area and 1.1% State declines figures. Though the San Pablo area industry is out-performing the County, it is prudent for the City to target Retail and Trade as it presents one of the key employment sectors in the area. Consumer spending in the East Bay

remains strong; taxable sales has continued to increase in the majority of East Bay cities since 2009, growing approximately 35% by 2014. While taxable sales increased slightly less in the East Bay than in San Francisco and the South Bay, fourth quarter sales from 2013 to 2014 in the East Bay increased 5.1%, outpacing San Francisco (4.1%) and the South Bay (2.9%). Spending on autos and transportation, restaurants and hotels, and business and industry rose the fastest over that period, or 11.8%, 7.9% and 7.2% respectively.[15]

Transportation and Warehousing: The San Pablo area industry underperforms in job growth, at -22.7%, compared to the County, Bay Area, and notably the State at -6.7%, -1.4%, and 10.5% respectively. While San Pablo is relatively developed and these uses may not be well suited for the City, supporting businesses may be an important consideration given proximity to Richmond and other Cities with robust jobs in transportation and warehousing nearby.

Wholesale Trade: The San Pablo area has outperformed the County, region and State in this industry, which includes the sale of large, durable goods, equipment, manufacturing materials, and products for consumption. The industry has grown by 22.9% compared to 2.1% and 7.0% in the County and State, respectively. Meanwhile, the Bay Area has experienced a nominal loss (-0.2%) of jobs in this industry since 2005.

Professional Scientific and Technical Services, and Information: Bay Area growth in these two industry categories is closely associated with the remarkable growth of area high tech companies such as Facebook, Twitter, and Genentech. While the San Pablo area has shown an increase in Professional, Scientific and Technical Service jobs, the 10.3% rate of job growth is substantially less than Bay Area, State, and County at 42.6%, 24.4%, and 14.0%, respectively. Information industry job growth in the San Pablo area and County, at -39.8% and -32.3% respectively, have significantly underperformed the Bay Area and State at 12.9% and 0.7%. As development pressure for high tech company space continues to spill into the East Bay from San Francisco, the Peninsula, and the South Bay, these industries may present opportunities to City of San Pablo.

3.1.3 INDUSTRY CLUSTERING

Industry clustering is a key data point for consideration when targeting a specific industry for growth. Clusters develop when businesses in related industries choose to locate near each other to draw upon area advantages. By locating in close proximity, firms are able to benefit from the pool of expertise and skilled workers, easy access to component suppliers, and information channels (formal ones such as trade conferences and informal ones like chatter in daily gathering establishments).[16] As a result, firms that participate in clusters can be more efficient and profitable and provide more benefit to the local economy by hiring more local workers,

[15] East Bay Economic Development Alliance – East Bay Economic Outlook, 2015-2016.

[16] http://www.economist.com/node/14292202

providing more attractive compensation packages and generating a greater influence in the establishment of local support (services and supplies) businesses.

As described in section 2.6.1, a common metric used to analyze industry clusters is the Location Quotient (LQ). LQs are ratios that compare an area's distribution of employment by industry to a reference or base area's distribution. This Study uses three different base areas: Contra Costa County, the Bay Area, and California. If an LQ is equal to 1, then the industry has the same share of its area employment as it does in the reference area. An LQ greater than 1 indicates an industry comprises a greater share of the local jobs than in the reference area case.

LOCATION QUOTIENT (LQ)

The ratio between a smaller, local area and a larger reference area (e.g. San Pablo and Contra Costa County) that indicates an industry concentration.

LQ = 1.0 equals average industry concentration
LQ > 2.0 identifies a strong industry cluster
LQ < 0.5 identifies a weak industry cluster

Table 3-4 below identifies LQs for industries that occur in the San Pablo area, the County, the Bay Area, and the State. The key industry clusters to note in San Pablo relative to the County are Transportation and Warehousing and Retail Trade. The key industries in the County relative to the Region are Utilities with important but less considerable concentration in Finance and Insurance, and Management of Companies and Enterprises. The Bay Area's strongest clusters relative to the State are Professional, Scientific, and Technical Services, and Management of Companies and Enterprises, indicative of the robust technology and information sector, as well as corporate headquarters located in the region. Healthcare and Social Assistance and Arts, Entertainment, and Recreation clusters are on par with the County and Region. The weak cluster data for Accommodation and Food Services is important to note given recent job growth in the industry, and may present a business base expansion opportunity for the City. Compared to the County and region, the San Pablo area is also notably less concentrated in Construction, Information, Finance and Insurance, Professional, Scientific, and Technical Services, and Management of Companies and Enterprises, which indicates competition but the potential to attract jobs from these industries to the City.

TABLE 3-4: 2015 LOCATION QUOTIENTS FOR CITY, REGION, AND STATE

Industry	San Pablo Area (County)	Contra Costa County (Bay Area)	Bay Area MSA (State)	CA LQ (Nation)
Crop and Animal Production	NA	0.09	0.07	2.02
Mining, Quarrying, and Oil and Gas Extraction	NA	1.15	0.26	0.28
Utilities	NA	3.04	1.42	0.89
Construction	0.32	1.42	1.05	0.98
Manufacturing	0.72	0.55	0.71	0.88
Wholesale Trade	0.29	0.60	0.77	1.06
Retail Trade	1.97	1.16	0.91	0.91
Transportation and Warehousing	3.87	0.62	1.01	0.87
Information	0.50	0.86	1.25	1.47
Finance and Insurance	0.63	1.64	1.24	0.80
Real Estate and Rental and Leasing	0.84	1.22	1.05	1.19
Professional, Scientific, and Technical Services	0.48	1.08	1.60	1.26
Management of Companies and Enterprises	0.31	1.74	1.97	0.89
Administrative and Support and Waste Management and Remediation Services	0.54	0.97	0.90	1.06
Educational Services	0.86	0.83	1.08	0.96
Health Care and Social Assistance	1.14	1.22	0.98	0.97
Arts, Entertainment, and Recreation	1.10	1.08	1.04	1.20
Accommodation and Food Services	0.69	0.96	1.05	1.01
Other Services (except Public Administration)	0.99	1.09	1.04	1.01
Government	0.51	0.84	0.88	0.93
Unclassified Industry	0.62	0.82	0.97	2.31

Source: EMSI 2015 Q2 Estimates for all Industries, San Pablo Area - Zip Code 94806.

3.1.4 SUBINDUSTRY GROWTH

Subindustries that have been performing well in the Bay Area present a potential opportunity for clustering, investment and job expansion in the City. A subindustry is a group of goods and services providers, usually related in some way, that make up an industry. One example is how nursing and residential care facilities represent a subindustry of the medical industry. Table 3-5 below presents the fastest growing subindustries in the Bay Area (five percent job growth or greater since 2005) and the current concentration of jobs in San Pablo, expressed as location quotient relative to the Bay Area. Further subindustry analysis of the Health Care and Social Assistance, Retail, Bio-technology, and Gaming and Gaming Support industries is provided in Section 3.4 below.

Several subindustries that are currently contributing to employment in San Pablo are also experiencing considerable growth in the Bay Area. These include several Health Care and Social Assistance subindustries, such as Social Assistance, Ambulatory Health Care Services, and Nursing and Residential Care Facilities, which grew by 168.5, 44.8, and 19.9 percent, respectively. Of these subindustries, Social Assistance and Nursing and Residential Care Facilities are concentrated in the San Pablo Area, with an LQ of 3.40 and 2.28, respectively. Strong regional growth and an existing concentration of social related care and care for the elderly in San Pablo present investment and employment opportunities.

Jobs related to information technology, and associated industries that contribute to, or support health care and bio-technology companies, include: Other Information Services; Professional, Scientific, and Technical Services; and Data Processing, Hosting, and Related Services. The low LQ values in these industries reflect little or no presence in the San Pablo Area, however recent robust growth in these subindustries, and low land costs, proximity to existing health care facilities and regional institutions, and a capable labor pool may indicate that San Pablo should invest in attracting and retaining such businesses.

As part of the larger Retail Trade industry, Food Services and Drinking Places, General Merchandise Stores, Food and Beverage Stores also experienced substantial growth in the Bay Area over the last ten years. While there is a high concentration of jobs in the San Pablo Area in Food and Beverage and General Merchandise Stores, Food and Drinking Places present an LQ below 1.0, and an opportunity for growth in employment and investment.

TABLE 3-5 TOP SUB-INDUSTRY JOB GROWTH

Description	2015 Bay Area Jobs	% Change 2005 -2015	Projected Growth 2015-2020	LQ (San Pablo relative to Bay Area)
Health Care and Social Assistance				
Social Assistance	108,109	168.5%	22.0%	NA
Ambulatory Health Care Services	109,969	52.1%	13.2%	0.89
Nursing and Residential Care Facilities	33,906	19.9%	11.5%	2.28
Retail Trade				
Non-store Retailers	10,865	53.5%	16.3%	0.33
General Merchandise Stores	35,771	20.7%	12.1%	4.57
Food and Beverage Stores	48,491	6.0%	7.5%	2.11
Accommodation and Food Services				
Food Services and Drinking Places	187,847	34.8%	11.0%	0.90
Accommodation	33,423	5.2%	4.8%	0.47
Arts, Entertainment, and Recreation				
Museums, Historical Sites, and Similar Institutions	4,078	56.3%	18.4%	NA
Amusement, Gambling, and Recreation Industries	27,538	24.8%	6.8%	1.92
Information, Management, Scientific and Tech Related				
Other Information Services	22,167	648.4%	19.6%	1.41
Management of Companies and Enterprises	61,216	44.8%	4.2%	NA
Professional, Scientific, and Technical Services	317,842	42.6%	13.3%	0.15
Data Processing, Hosting, and Related Services	5,562	38.7%	5.4%	30.39
Motion Picture and Sound Recording Industries	10,365	14.6%	10.4%	0.52
Other Notable High Growth Industries				

Educational Services	64,623	27.9%	14.9%	2.53
Electrical Equipment, Appliance, and Component Manufacturing	3,122	27.4%	18.7%	NA
Administrative and Support Services	141,673	17.4%	7.5%	0.18
Beverage and Tobacco Product Manufacturing	2,599	5.8%	5.3%	NA

Source: EMSI 2015 Q2 Estimates for all Industries, San Pablo Area (Zip Code 94806) and the Bay Area MSA. Industry categories correspond to North American Industry Classification System codes at the 3-digit level.
1) These figures exclude industries in which there were fewer than 2000 jobs in the Bay Area and less than 10 jobs in San Pablo, including: Postal Service Scenic and Sightseeing Transportation Lessors of Nonfinancial Intangible Assets (except Copyrighted Works) Pipeline Transportation Support Activities for Agriculture and Forestry. Chemical Manufacturing, Merchant Wholesalers, Nondurable Goods, Transit and Ground Passenger Transportation, Waste Management and Remediation Services, Personal and Laundry Services, Religious, Grant making, Civic, Professional, and Similar Organizations, State Government are also excluded.

3.1.5 JOBS BY OCCUPATION

In addition to industry job data, trends in occupation job growth provide another key data point in the process of targeting specific industries for economic development activities. Occupations are important to consider when matching the education profile of local residents with potential job opportunities.

Table 3-6 below presents job growth in San Pablo area key occupations (with 500 or more jobs) over the 2005 to 2015 time period.

STRONG GROWTH: Personal Care and Service occupations[17] in the San Pablo area experienced an overwhelming job growth rate of 107.5%, more than doubling from 2005 to 2015. Food Preparation and Serving Related occupations also experienced substantial job growth of 26.5%. Growth in these two occupation categories corresponding with growth in the Accommodation and Foodservice industry growth described in Section 3.1.2 above[18]. San Pablo area Healthcare Practitioners and Technical Workers, Management occupations also experienced growth, expanding by 15.5% and 14.0% respectively.

MODERATE GROWTH: San Pablo area Business and Financial Operations occupations experienced a moderate 5.8% rate of job growth.

DECLINE: The Transportation and Material Moving occupations saw a jobs contraction of 16.5%, the largest job decline of top occupation categories in the San Pablo area.

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[18] The Bureau of Labor Statistics notes Personal Care and Service and Food Preparation and Serving Related occupations compose common cohorts of total jobs in the Accommodation and Food Services industry. *http://www.bls.gov/oes/current/naics2_72.htm.*

TABLE 3-6 TOP OCCUPATION TRENDS IN SAN PABLO AREA 2005-2015 (500 OR GREATER EMPLOYED)

Occupation[1]	2005 Jobs	2010 Jobs	2015 Jobs	% Change	2020 Forecasted Jobs
Office and Administrative Support Occupations	1,869	1,790	1,928	3.2%	1,965
Sales and Related Occupations	1,844	1,724	1,761	-4.5%	1,806
Transportation and Material Moving Occupations	1,714	1,522	1,432	-16.5%	1,385
Personal Care and Service Occupations[2]	561	629	1,165	107.5%	1,446
Food Preparation and Serving Related Occupations	813	829	1,029	26.5%	1,132
Healthcare Practitioner and Technical Occupations	678	665	782	15.5%	838
Management Occupations	623	585	710	14.0%	734
Business and Financial Operations Occupations	553	514	586	5.8%	606

Source: EMSI 2015 Q2 Estimates for all Occupations, San Pablo Area (Zip Code 94806).

1) Office and Administrative Support Occupations; Sales and Related Occupations; Transportation and Material Moving Occupations; Personal Care and Service Occupations; Food Preparation and Serving Related Occupations; Healthcare Practitioners and Technical Occupations; Management Occupations; Business and Financial Operations Occupations correspond to SOC codes 43, 41, 53, 39, 35, 29, 11, and 13, respectively.

2) According to the Bureau of Labor Statistics This major group comprises the following occupations: Gaming Supervisors; Slot Supervisors; First-Line Supervisors of Personal Service Workers; Animal Trainers; Nonfarm Animal Caretakers; Gaming Dealers; Gaming and Sports Book Writers and Runners; Gaming Service Workers, All Other; Motion Picture Projectionists; Ushers, Lobby Attendants, and Ticket Takers; Amusement and Recreation Attendants; Costume Attendants; Locker Room, Coatroom, and Dressing Room Attendants; Entertainment Attendants and Related Workers, All Other; Embalmers; Funeral Attendants; Morticians, Undertakers, and Funeral Directors; Barbers ; Hairdressers, Hairstylists, and Cosmetologists; Makeup Artists, Theatrical and Performance; Manicurists and Pedicurists; Shampooers; Skincare Specialists; Baggage Porters and Bellhops; Concierges; Tour Guides and Escorts; Travel Guides; Childcare Workers; Personal Care Aides; Fitness Trainers and Aerobics Instructors; Recreation Workers; Residential Advisors; Personal Care and Service Workers, All Other.

TABLE 3-7: 2005-2015 OCCUPATION JOB GROWTH FOR CITY, REGION, AND STATE

Occupation	2015 San Pablo Area Jobs	Median Hourly Earnings	San Pablo Area	Contra Costa County	Bay Area MSA	CA
Office and Administrative Support Occupations	1928	$19.69	3.2%	-5.3%	3.5%	2.8%
Sales and Related Occupations	1761	$14.85	-4.5%	-9.1%	-1.6%	-1.8%
Transportation and Material Moving Occupations	1432	$16.62	-16.5%	-4.6%	4.9%	5.4%
Personal Care and Service Occupations	1165	$11.87	107.5%	19.1%	27.2%	17.6%
Food Preparation and Serving Related Occupations	1029	$10.32	26.5%	22.1%	31.7%	24.2%
Healthcare Practitioners and Technical Occupations	782	$52.80	15.5%	25.6%	16.6%	20.5%
Management Occupations	710	$50.44	14.0%	1.0%	16.7%	6.0%
Business and Financial Operations Occupations	586	$36.34	5.8%	-0.7%	17.3%	7.5%
Healthcare Support Occupations	467	$17.10	60.1%	33.5%	37.0%	34.8%
Education, Training, and Library Occupations	462	$24.52	11.1%	7.5%	15.9%	6.5%
Production Occupations	408	$17.60	12.5%	-12.0%	-9.6%	-11.3%
Building and Grounds Cleaning and Maintenance Occupations	370	$13.76	10.2%	6.5%	7.8%	1.1%
Community and Social Service Occupations	369	$22.20	124.1%	31.6%	41.2%	38.2%
Installation, Maintenance, and Repair Occupations	343	$23.28	-2.3%	1.3%	0.7%	-0.3%
Architecture and Engineering Occupations	263	$45.08	-2.0%	-4.8%	9.2%	0.0%
Construction and Extraction Occupations	221	$23.96	-17.4%	-17.1%	-5.7%	-15.6%
Computer and Mathematical Occupations	204	$45.68	3.0%	4.9%	46.2%	22.5%
Arts, Design, Entertainment, Sports, and Media Occupations	165	$20.63	-4.5%	3.8%	14.7%	5.3%
Protective Service Occupations	150	$18.63	18.4%	15.6%	8.7%	9.6%
Life, Physical, and Social Science Occupations	100	$37.98	15.5%	6.5%	31.1%	19.7%
Legal Occupations	60	$43.99	-8.9%	-6.2%	-0.1%	0.8%
Military occupations	57	$15.86	6.1%	6.2%	8.5%	-4.4%

Source: EMSI 2015 Q2 Estimates for Occupations, San Pablo Area - Zip Code 94806. Excludes Occupation Categories: Unclassified Occupation, and Farming, Fishing, and Forestry Occupations.

3.1.6 JOB POSTINGS

Job postings in Contra Costa County identify the number of job opportunities in the region in various occupations and help identify the demand for jobs in their associated industries. Tables 3-8 and 3-9 below identify the unique job postings for occupations in Contra Costa County and are accompanied by a list of the employers that provided the largest number of job postings. All occupations with more than 350 unique job postings have seen substantial increases from June 2012. Most notably, job postings for Heavy and Tractor Trailer Truck Drivers, Pharmacists, Bartenders, and Paralegals and Legal Assistants have risen exponentially, though the transient nature of the businesses may influence the number of postings. In the Bay Area, two of the top job postings came from occupations associated with the tech industry: Software Developers, Applications and Computer Occupations, All Other. Three of the top job offering employers were major health care providers: Kaiser Permanente, Sutter Health, and Soliant Health, Inc.

The figures below are generally consistent with job growth figures in potential target industries for growth in San Pablo, namely in health care and related fields. Substantial growth in occupations supporting the retail and food service industries also reflect demand for workers in an important basic industry in the City.

TABLE 3-8: JOB POSTINGS 2012-2015 IN CONTRA COSTA COUNTY (350 OR GREATER UNIQUE POSTINGS, 2015)

Occupation	June 2012 Postings	Jun 2015 Postings	% Change
Heavy and Tractor-Trailer Truck Drivers	44	1,585	3502%
Pharmacists	25	781	3024%
Registered Nurses	336	736	119%
Retail Salespersons	359	730	103%
First-Line Supervisors of Retail Sales Workers	382	698	83%
Accountants and Auditors	89	696	682%
Computer Occupations, All Other	198	625	216%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	138	564	309%
Cashiers	39	557	1328%
Bartenders	8	425	5213%
Paralegals and Legal Assistants	11	413	3655%

Stock Clerks and Order Fillers	83	398	380%
Executive Secretaries and Executive Administrative Assistants	73	382	423%
Financial Managers	125	364	191%
Marketing Managers	171	354	107%

Company	Total (June 2015)
Robert Half International Inc.	913
Forte Vision Marketing	418
CRST Van Expedited, Inc.	308
Barton Associates	268
John Muir Health	260
Comtrak Logistics, Inc.	241
Safeway Inc.	219
Gordon Trucking Inc	213
Randstad Holding nv	210
CRST International, Inc.	203
CVS Caremark Corporation	197

Source: EMSI Q2 2015 Job Postings Table, Contra Costa County. In partnership with EMSI's parent company CareerBuilder and other third party aggregators, EMSI collects its job postings data by combing approximately 30,000 websites. EMSI then cleans the data and applies a two-step deduplication process to present an estimate of total unique postings. Normalization of data fields is performed using machine-learning technologies, which leverage not just job postings data but also CareerBuilder's extensive database of résumés and profiles.

TABLE 3-9: JOB POSTINGS 2012-2015 IN THE BAY AREA (2000 OR GREATER UNIQUE POSTINGS, 2015)

Occupation	June 2012 Postings	Jun 2015 Postings	% Change
Software Developers, Applications	3,124	6,736	116%
Marketing Managers	2,400	5,748	140%
Heavy and Tractor-Trailer Truck Drivers	395	5,371	1260%
Computer Occupations, All Other	2,500	4,952	98%
Registered Nurses	1,561	3,833	146%
Accountants and Auditors	1,168	3,643	212%
Retail Salespersons	1,409	2,956	110%
First-Line Supervisors of Retail Sales Workers	1,546	2,930	90%
Sales Managers	1,047	2,305	120%
Management Analysts	1,085	2,292	111%
Financial Managers	1,045	2,174	108%
Managers, All Other	1,101	2,071	88%
Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	614	2,064	236%

Company	Total (June 2015)
Oracle Corporation	5,106
Robert Half International Inc.	3,613
Randstad Holding nv	1,937
University of California	1,386
Kaiser Permanente	1,131
University of San Francisco	1,100
Accenture Ltd	1,094
Wells Fargo & Company	924

Sutter Health	821
Barton Associates	799
Soliant Health, Inc	787
Safeway Inc.	774
Visa Inc.	766
Salesforce.com, Inc.	760
Gilead Sciences, Inc.	731

Source: EMSI Q2 2015 Job Postings Table – Bay Area MSA. In partnership with EMSI's parent company CareerBuilder and other third party aggregators, EMSI collects its job postings data by combing approximately 30,000 websites. EMSI then cleans the data and applies a two-step deduplication process to present an estimate of total unique postings. Normalization of data fields is performed using machine-learning technologies, which leverage not just job postings data but also CareerBuilder's extensive database of résumés and profiles.

3.2 ASSETS AND RESOURCES

This section discusses the following key assets and resources the City of San Pablo possesses that could attract investment: Proximity to nearby Bay Area industry clusters, public transit, transportation corridors; and opportunity sites.

3.2.1 ACCESS AND TRANSPORTATION

Centrally located in the East Bay along the I-80 corridor, the City of San Pablo boasts quick access to a large portion of the Bay Area. Running parallel to the I-80, San Pablo Avenue connects commercial and retail centers from Downtown Oakland to the Carquinez Bridge and northward to Vallejo and Solano County. San Pablo's proximity to employment centers in Richmond, Berkeley, Oakland, and the greater Bay Area is a substantial contributor to its potential for growth.

As a regional thoroughfare, San Pablo Avenue serves local and regional vehicular traffic, and public transportation via by 2 AC Transit Routes (72 & 72R, 74). The City is also served by several additional AC Transit Routes (70, 71, 74, 76, and 376) and 3 transbay lines (L, LA, LC). Currently the 72R provides limited stop, rapid bus service from San Pablo to Downtown Oakland, starting at Contra Costa College and running through San Pablo Ave through the City. Today, the 72R, or the San Pablo Rapid, carries about 7,000 passengers each weekday, and complements numerous residential and commercial developments on the corridor between the City and Oakland.

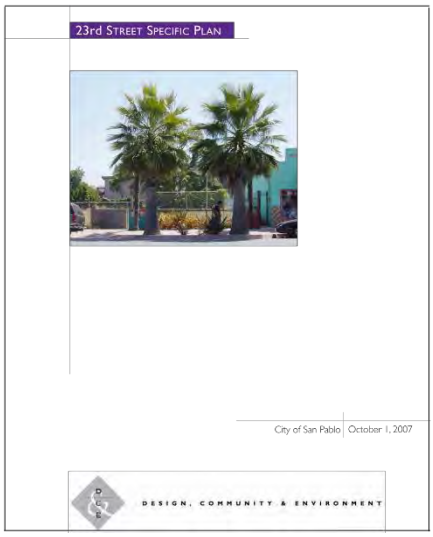
The closest BART station is in Richmond, 2.5 miles Southeast of the City, while the El Cerrito del Norte BART station, which includes large amounts of vehicular commuter parking, is

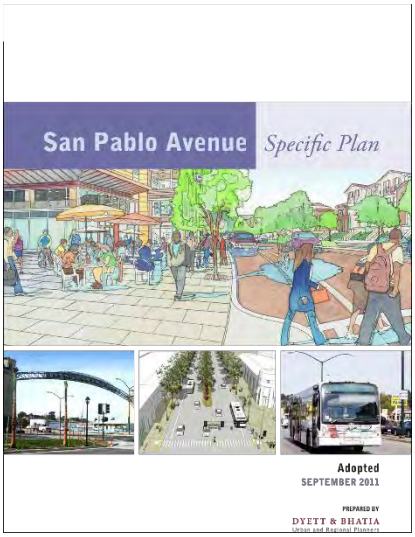
approximately 4 miles south of the City along the San Pablo Ave/I-80 corridor. Richmond also contains an Amtrak station, approximately 4 miles south of the City.

There are two freeway interchanges providing vehicular access to San Pablo from I-80: San Pablo Dam Road and El Portal Drive. The weekday average daily traffic (ADT) on San Pablo Dam Road approaching the freeway is approximately 28,000 (Eastbound and Westbound). The average weekday traffic count on El Portal Drive approaching the freeway is approximately 19,000 (East-Bound and West-Bound). Weekday average daily traffic (ADT) on San Pablo Avenue ranges from 16,000 to 26,000 (Northbound and Southbound).[19]

3.2.2 OPPORTUNITY SITES

Two existing Specific Plans guide development within the San Pablo PDA and aim to implement the goals and objectives of the City's General Plan: The San Pablo Avenue Specific Plan (2011) and the 23rd Street Specific Plan (2007).





The Specific Plans provide a regulatory framework to facilitate vibrant, mixed-use development along San Pablo Ave and in the 23rd Street Area. The 2011 San Pablo Avenue Specific Plan identifies major opportunity sites along San Pablo Avenue in the City, which include the following:

Circle S (The Avenue Project)

Originally purchased by the San Pablo Redevelopment Agency (RDA), the 18-acre Circle-S site occurs on a central section of San Pablo Avenue adjacent to major commercial and retail developments. The San Pablo Avenue Specific Plan identifies the site as a major mixed-use residential and commercial "node" in the heart of the commercial corridor. Current plans for the site, known as "The Avenue" project, propose a multi-level hospital with support buildings

[19] City of San Pablo, 2012 Traffic Counts. http://www.ci.san-pablo.ca.us/index.aspx?NID=1164

adjacent the Contra Costa County Health Center intended to serve the health care needs impacted by the Doctor's Medical Center closure. The plans also call for mixed-use professional office and retail buildings, a Walgreens pharmacy, and parking facilities (including garages) to serve new and existing development. This site offers the City an opportunity to cluster healthcare support industry businesses, retail establishments and residential units that serve local workers and the wider community.

Mission Plaza

Also a former RDA site, Mission Plaza is a 1.56-acre site located at the junction of San Pablo Avenue, Broadway Avenue, and Rumrill Boulevard near Contra Costa College. The site is highly visible and accessible. It is located just one block from Contra Costa College and the College Center retail shopping center.

West San Pablo Avenue

The San Pablo Avenue Specific Plan highlights the area along the west side of San Pablo Avenue immediately south of the Mission Plaza site as an opportunity for infill development. The area presents an opportunity for quality, integrated commercial and mixed use development, which could house businesses in the Retail Trade and Accommodation and Food Service industries.

Towne Center

Immediately adjacent to I-80 between the Casino and a hotel, the San Pablo Town Center offers high visibility and freeway accessibility for retail and other businesses, and considerable and underutilized parking. The retail cluster is anchored by a Ross Dress for Less store tenant. Multiple small retail spaces are currently available and range from approximately 1,000 to 7,000 square feet. A 120 room hotel project is under construction adjacent this site, intended to serve travelers along the I-80 corridor and visitors to the casino, potentially strengthening demand for retail businesses located and providing an opportunity to San Pablo's name recognition in the region.

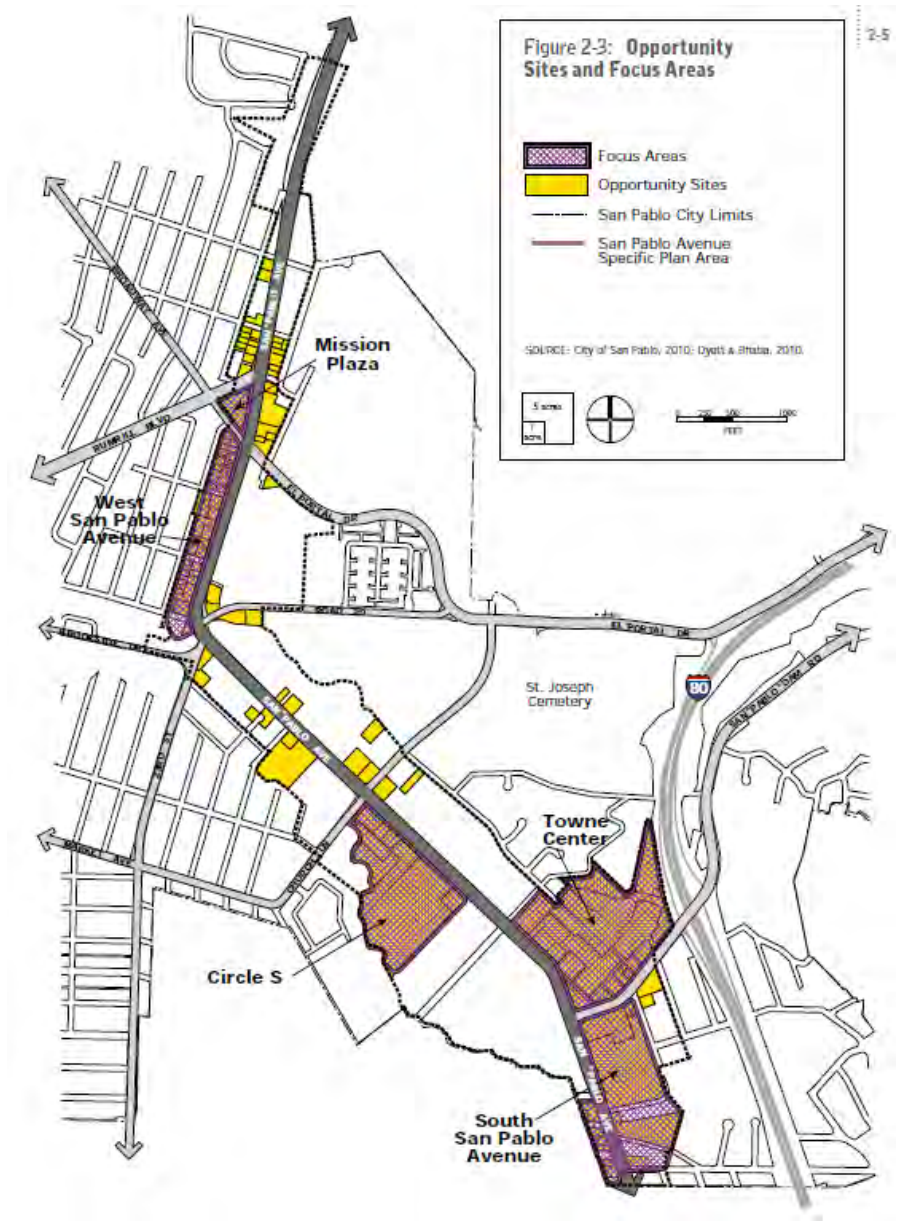
South San Pablo Avenue

The South San Pablo Avenue area, located near the heavily trafficked San Pablo Dam Road and I-80 entry and exit ramps, present a range of vacant and underutilized sites for retail or commercial development, including large retail spaces in the Big Lots/Food Maxx regional shopping center, as well as the Dias Plaza Shopping Center. This area is located at one of the City's major entry points, with very high visibility for potential users.

Doctor's Medical Center

The recent closure of the Doctor's Medical Center has left vacant a building designed specifically for the health care industry. The 7-story building includes the necessary electrical, plumbing, HVAC, waste disposal, parking and access infrastructure to serve a full-service hospital. The building's large floor plates present an opportunity to repurpose the building for new but similar uses in the health care industry. The building requires substantial investment, and seismic retrofitting, which may be a deterrent to future development.

FIGURE 3-1: CITY OF SAN PABLO OPPORTUNITY SITES



Source: City of San Pablo, San Pablo Avenue Specific Plan.

Other Opportunity Sites that have been identified by the San Pablo Economic Development Corporation include:

300 Giant Trade Center
While located out of the San Pablo PDA, the Giant Trade Center is a multi-tenant industrial building marketed as ideal for manufacturing or automotive uses. This fully-occupied, multi-tenant facility offers developers an income generating product that could continue to produce cash flow while the development entitlement process is pursued. This site is surrounded by existing townhouse and apartment residential neighborhoods, and presents an opportunity for compatible residential development.

Plaza Sobrante
Plaza Sobrante offers several vacant retail lease spaces, ranging from approximately 1,000 to 3,000 square feet.

A more detailed discussion of how assets and amenities may accommodate the spatial and infrastructure needs of key industries is presented in Section 3.4

3.3 SUMMARY OF STAKEHOLDER INPUT

In order to supplement and qualify economic data, the consultant team conducted interviews with key community stakeholders to obtain their local knowledge of specific industries and economic development potential in the City. The interviews were conducted via informal phone conversations aimed at fostering open, respondent-driven discourse. Overall, the input received from stakeholders is consistent with the PDA Implementation Project's Guiding principles, and is summarized as follows:

3.3.1 EXISTING CONDITIONS

Stakeholders maintain the physical character of San Pablo Avenue and the City lacks a sense of place that impacts the potential to attract new development and revitalize existing businesses. The stakeholders suggested the existing building stock is "old and tired," and that a revamping of buildings would go a long way towards improving perceptions of the City and attracting new development.

As San Pablo is small and mostly built-out, it is important to take full advantage of opportunity sites in the City. Development on opportunity sites should be of the highest and best use. Uses that add to the existing jobs base and support living wage positions should be encouraged, while public storage or similar uses should be avoided.

3.3.2 LOCATION AND ACCESS

San Pablo is strategically located within the Bay Area, and should continue to leverage its access to the wider region in economic development efforts. Stakeholder feedback described transportation access largely in terms of vehicular traffic on the I-80 corridor and San Pablo

Avenue as important to retail growth opportunities. Such retail uses could expand dining and shopping choices for local residents and visitors alike.

Some respondents believed congestion on and off the I-80 in the City was likely to have a strong impact on future business decisions to locate in San Pablo. Others suggested that from an industry perspective, transportation is not a significant barrier, and that labor pool and workforce characteristics such as educational attainment play a much larger and more important role in business location decisions.

3.3.3 INCENTIVISING DEVELOPMENT

San Pablo is not only competing for development with nearby Cities such as Richmond or Hercules, but also with the Bay Area, State of California, and even the Country. In an effort to make itself more competitive, the City is currently playing a key role in bringing about Economic Development by using its General Fund to make opportunity sites shovel-ready. Competitive real estate prices, reductions in infrastructure costs and a clearer path to entitlements can play roles in attracting development to the City. Stakeholders also noted the City needs to improve its responsiveness to potential development applicants by streamlining the permitting process and allocating adequate resources to provide timely service.

3.3.4 VIABLE INDUSTRIES

Several industries were identified and emphasized across stakeholder responses as the most viable for San Pablo: Health Care, Retail Trade, and Bio-technology and Life Sciences. Respondents also believed there to be potential for "back-end" or support users such as call centers, administrative and other office jobs that support health care, industrial, manufacturing, warehousing and transportation in the Richmond area as well as San Pablo.

3.3.5 WORKFORCE CHARACTERISTICS

The existing workforce is central to a given industry's decision to locate and invest in a community and San Pablo's workforce profile is potentially a deterrent to certain industries. As industries rely on demographic data such as educational attainment, it is vital that the City partner with Contra Costa College and other organizations to better market and connect the labor force to potential industries. This could minimize the possibility that San Pablo is overlooked based on simplified data that fails to fully profile the local employment pool. Education and workforce training programs in the area need to be responsive to industry needs.

Across industries, potential employers continue to stress the importance of "soft" skills in new hires, as a person's ability to communicate and collaborate with others, foster a positive work environment, and learn and adapt to new situations.

There is a marked demand for workers in Health Care, as recent graduates in nursing, health care technicians and assistants, and emergency medical technicians (EMTs) are seeing high job placement. Local graduates in these fields are generally finding work in local and regional

health care facilities in the East Bay, including Kaiser and Contra Costa County Health Centers. There is a specific demand for healthcare workers trained in navigating the increasingly complex health care system. Other workers in high demand are auto-motive technicians (with significant demand from the Hilltop auto-mall), and other skilled-labor positions in warehousing, transportation and logistics firms in the Richmond Area.

3.3.6 MARKETING

Currently, San Pablo's notoriety in the region is generally overshadowed by Richmond, and the City lacks a clear, coordinated marketing approach and brand. To distinguish itself, it is important for all parties supporting economic development efforts to understand and disseminate the City's message.

In addition to pursuing economic development through industry and job expansion, the City marketing approach should consider growth in and needs of the residential population. In the Bay Area, younger families are looking to raise children in a close-knit community yet within and urban context and proximate to major employment and culture centers. Safety has also improved in the City and San Pablo needs to shed the perception of being a rough area.

3.3.7 OPPORTUNITIES AND CONSTRAINTS IN THE HEALTH CARE INDUSTRY

The healthcare industry was emphasized by stakeholders as the most viable industry poised for growth in the San Pablo, however with key qualifying information. The recently closed Doctor's Medical Center site and building was noted as a significant opportunity, however the necessary seismic upgrades and factors leading to its closure persist. The existing socio-economic characteristics of the local market are such that a full service hospital will continue to require subsidy to survive. The DMC was serving much needed demand from underinsured, lower income patients. The Affordable Care Act, while increasing the number of insured persons in the state, has not changed reimbursement rates for Medi-Cal program users, which was a significant factor in the Hospital's closure. A full-scale hospital that would replace the DMC may not be viable in the near future, however, there may be potential interest from health-related fields, such as mental health care providers.

The aging population is also placing increased demand for health services in San Pablo. There has been an increase in requests for transportation services to nearby hospitals since the DMC closure, though it is likely that most people are relying on relatives/friends/neighbors to take them to medical facilities in Berkeley, Martinez and/or Oakland.

3.3.8 OPPORTUNITIES AND CONSTRAINTS IN THE RETAIL INDUSTRY

According to several stakeholders, retail is one of San Pablo's most important industries. "Mom and pop" shops that serve local population are doing relatively well, and there is demand for national and regional chain restaurants, shopping, and night-spots. Residents often travel relatively long distances (up to a 30 minute drive) to patronize these retail uses. The local

ethnic- serving businesses are also an opportunity for growth; Las Montanas Supermarket is very successful and serves the local population. As mentioned previously, San Pablo's lack of community character and undistinguished sense of place detracts from vibrant restaurant, night life, and shopping experiences.

3.3.9 HOUSING

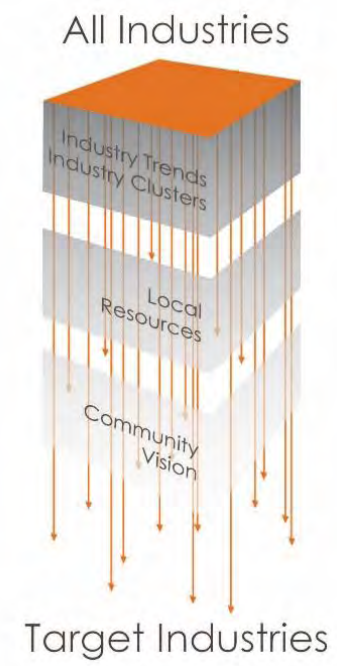
San Pablo needs more development in general, and development in housing was noted as important to the future of the community. There is little housing inventory for first-time home buyers (looking for affordable options in the East Bay), and aging households cannot downsize. Given the housing market in the rest of the Bay Area, significant demand for housing in San Pablo is expected to continue.

3.4 TARGETED INDUSTRY ANAYLSIS

This section explains the selection process for target industries and provides an overview of each target industry. Four industry sectors were selected for targeted economic development efforts: Health Care and Social Assistance, Bio-technology, Gaming and Gaming Support, and Retail.

3.4.1 TARGET INDUSTRY SELECTION PROCESS

To select target industries for the City of San Pablo, the team relied on a qualitative and quantitative process that matched community vision and assets with local, regional and State industry growth trends and clustering patterns. The starting point of the selection process was to identify key industries in San Pablo, the region, and the State (See Chapter 2 for additional detail). After analyzing the industry trends and cluster data, key industries were narrowed to match existing and proposed local resources in San Pablo and the region. The team further refined the list to select industries that fit well with the City's vision for future growth. Through this process the final four industry sectors were selected as targets to be addressed in the City's economic development activities and through land use policy that better facilitate and incentivize the attraction and retention of such industries.



OPPORTUNITIES FOR NEW INDUSTRY DEVELOPMENT BIO-TECHNOLOGY

The historic presence and concentration of health care jobs, proximity to regional institution and industry hubs, San Pablo could attract new development in the bio-technology sector.

Table 3-10 below evaluates how the Guiding Principles informed the selection of target industries for expansion and growth in the City.

TABLE 3-10: TARGET INDUSTRY SELECTION

Guiding Principle	Industry Selection
Socioeconomic diversification that supports the local workforce and provides opportunities for all income levels.	• The City can build off of the existing jobs base in health care, retail and gaming industries, which include sub-industries of robust growth in the region. • The Bio-tech industry presents an opportunity for clustering and collaboration with the existing Health Care Industry, as well as partnerships with local and regional institutions. • All four target industries: 1) Health Care, 2) Retail, 3) Gaming and 4) Bio Technology, particularly bio-technology and health care, can leverage the City's moves toward municipal broadband. • All four industries provide a diverse array of jobs of varying skill sets, including those that match educational attainment levels and local educational programs, and provide opportunities for upward mobility for the local workforce. • Jobs in these four industries offer a diverse range and scale of participating businesses, from "mom and pop" restaurants to mid-sized start-up companies and larger-scale health care facilities. • The local niche retail and food service businesses can be leveraged to support the marketing and branding of the City, and enhance the ability to attract visitors from the region. • The Lytton Casino remains an important source of income for the City, and the gaming and gaming support subindustries provide a regional draw for visitors and potential patrons of local food service and retail businesses.
Improving the balance of housing and jobs.	• San Pablo is home to an aging population and young families that would benefit from proximity and access to health care – in turn supporting new jobs in the industry. • Job expansion in the existing health care, retail, and gaming industries would provide greater opportunity for current residents to live, work and improve their income in San Pablo. • New jobs, coupled with increased housing density within the PDA can attract new residents and increase business for local services and generate spending.
Reducing traffic congestion, greenhouse gas emissions and improve environmental quality.	• A transition into a more walkable environment on San Pablo Avenue can support a unique local retail and food service industry, distinguished from larger strip-mall and regional shopping centers. • In concert with improving the balance of housing and jobs, and the location of industries near transit, all four target industries could attract workers less reliant on the automobile for travel. • Some Bio-tech, health care and retail industry workers could operate in live-work and/or home based office locations.
Increasing transportation options.	• The four target industries will benefit from and contribute to viable transit options when located near AC Transit stops along San Pablo Avenue and with pedestrian and bike friendly amenities, improving access to potential labor markets in Berkeley, Oakland, and San Francisco. • Retail and food service businesses will have a greater potential to thrive in a transit oriented setting that encourages foot traffic.
Supporting the health and well-being of residents and workers.	• The health care Industry is important for job creation and for providing essential services to residents, including underserved communities. • Health care, social assistance, and bio-technology businesses are poised bring innovations to the City that improve the quality of life of residents, including promoting active living and cost-effective, technology-based health care delivery. • The retail industry will benefit from a more walkable urban setting with improved public spaces.

FIGURE 3-2: CITY OF SAN PABLO KEY INDUSTRY MAP

3.4.2 HEALTH CARE AND SOCIAL ASSISTANCE INDUSTRY ANALYSIS

Heath care and its related industries have historically played a key role in the San Pablo area in providing jobs and essential services to lower income residents with less access to health care. Despite the closure of the Doctor's Medical Center, the San Pablo area has seen substantial growth of jobs in the industry overall since 2005 (see Section 3.1 above).

SUPPORT EXISTING HEALTH CARE AND SOCIAL ASSISTANCE EMPLOYERS AND SEEK TO CREATE NEW PARTNERSHIPS

Section 3.1 above identifies the Health Care and Social Assistance industry as a high-growth sector across the County, Bay Area region, and State. Continued demand for health care, especially after closure of the DMC, is currently being met by regional hospitals, and local and regional outpatient facilities, doctor's offices and urgent care centers such as the LifeLong Urgent Care Facility in San Pablo. There is opportunity to strengthen a health services industry cluster in the City.

The City of San Pablo boasts a comparatively young population relative to the region and State, however the aging population constitutes a substantial portion of the community, County, and region (approximately 30% of the population). Across the country, the aging population is projected to bolster increasing demand for medical services: The Bureau of Labor Statistics

projects jobs in and related to the healthcare industry to increase 10.8 percent between 2012 and 2022, reflecting in part, the demand for healthcare workers to address the needs of an aging population.[20] Over that time period, growth in this industry is expected to add the most jobs in the U.S., accounting for nearly one-third of the projected increase in jobs overall.

The growing health care industry is also becoming increasingly complex. In addition to jobs that provide direct care, there is an increasing need for jobs in services that support the industry, including jobs that manage and administer insurance reimbursements, accounting and finance, health records, and compliance with regulatory requirements, and jobs that help navigate patients through options and decisions in the medical care process. Coupled with technical training programs in the health care industry available at Contra Costa College, a relatively young workforce in San Pablo is well suited to fill positions that serve the needs of the local community.

As the health and social well-being continue to interface with technology based innovations, growth in this industry presents opportunities for partnerships and entrepreneurship in those bio-technology and related fields, which can benefit from co-locating with and established industry in the City.

Tables 3-11 and 3-12 present job growth information for the Health Care and Social Assistance industry subsectors in the San Pablo area and at the County, Bay Area, and State levels from 2005 to 2015.

SUBSTANTIAL GROWTH: Most subsector industries in the Health Care and Social Assistance Industry have experienced considerable growth in the last ten years. Individual Family Services has experienced notable growth, and has increased over six and a half fold since 2005. Outpatient Care Centers, Medical and Diagnostic Laboratories, Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly, and Offices of Physicians have all increased by over 50%, and outpatient care centers more than doubled from 80 to 187 jobs in the 2005 to 2015 time period. Offices of Other Health Practitioners has also grown substantially, at 23.2%. Generally, this substantial growth has occurred in industries that support the direct care and treatment of patients outside of a hospital setting. Considerable growth is also present in industries that serve the aging population.

MODERATE GROWTH: Jobs in Community Food and Housing, and Emergency and Other Relief Services, and Offices of Dentists have grown by 11.8% and 6.4%, respectively.

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[20] Bureau of Labor Statistics News Release, December 19, 2013 *Employment Projections--2012-2022*

DECLINE: Attributable to the closure of the DMC and ancillary health care services, General Medical and Surgical Hospitals jobs contracted by 16.2% from pre-recession levels. Child Day Care Service jobs declined slightly (3.9%), while Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities decreased by over half (53.2%).

TABLE 3-11: HEALTH CARE AND SOCIAL ASSISTANCE TRENDS IN SAN PABLO AREA

Health Care and Social Assistance Industry[1]	2005 Jobs	2010 Jobs	2015 Jobs	% Growth
Individual and Family Services	244	362	1,831	650.6%
Outpatient Care Centers	80	178	187	133.1%
Medical and Diagnostic Laboratories	15	28	28	82.2%
Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	105	122	163	56.0%
Offices of Physicians	89	123	135	51.3%
Nursing Care Facilities (Skilled Nursing Facilities)	107	147	155	44.2%
Offices of Other Health Practitioners	40	43	49	23.2%
Community Food and Housing, and Emergency and Other Relief Services	13	11	15	11.8%
Offices of Dentists	99	96	105	6.4%
Child Day Care Services	77	77	74	-3.9%
General Medical and Surgical Hospitals	656	494	550	-16.2%
Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	185	100	87	-53.2%

Source: EMSI 2015 Q2 Industry Table. Excludes Home Health Care Services, Other Ambulatory Health Care Services, Psychiatric and Substance Abuse Hospitals, Specialty (except Psychiatric and Substance Abuse) Hospitals, Other Residential Care Facilities, Vocational Rehabilitation Services, for which the San Pablo area had no jobs.

TABLE 3-12: HEALTH CARE AND SOCIAL ASSISTANCE JOB GROWTH COMPARISON 2005-2015

Description	San Pablo Area Growth	CC Growth	Bay Area Growth	CA Growth
Offices of Physicians	51.3%	50.5%	35.5%	28.7%
Offices of Dentists	6.4%	6.4%	9.8%	11.6%
Offices of Other Health Practitioners	23.2%	8.7%	14.5%	30.5%
Outpatient Care Centers	133.1%	239.7%	198.9%	143.9%
Medical and Diagnostic Laboratories	82.2%	95.8%	110.1%	36.6%
Home Health Care Services	NA	58.3%	72.6%	55.9%
Other Ambulatory Health Care Services	NA	198.8%	13.8%	22.1%
General Medical and Surgical Hospitals	-16.2%	-16.2%	-30.8%	-1.4%
Psychiatric and Substance Abuse Hospitals	NA	-23.9%	-24.1%	1.4%
Specialty (except Psychiatric and Substance Abuse) Hospitals	NA	240.8%	1401.7%	45.6%
Nursing Care Facilities (Skilled Nursing Facilities)	44.2%	44.2%	25.2%	33.2%
Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities	-53.2%	-46.7%	-17.8%	0.2%
Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly	56.0%	66.3%	52.3%	61.1%
Other Residential Care Facilities	NA	-48.4%	-44.0%	-24.5%
Individual and Family Services	650.6%	403.4%	407.7%	502.3%
Community Food and Housing, and Emergency and Other Relief Services	11.8%	33.4%	34.3%	22.7%
Vocational Rehabilitation Services	NA	29.1%	-0.7%	-2.8%
Child Day Care Services	-3.9%	-3.9%	12.5%	-4.3%

Source: EMSI 2015 Q2 Industry Table

A notable trend in the Health Care and Social Assistance industry is consistent across the San Pablo area, County, region and State: A decline in jobs in General Medical and Surgical Hospitals has been offset by growth in other direct care industries, including:

- Offices of Physicians
- Offices of Other Health Practitioners
- Outpatient Care Centers
- Medical and Diagnostic Laboratories
- Home Health Care Services
- Other Ambulatory Health Care Services
- Nursing Care Facilities (Skilled Nursing Facilities)
- Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly
- Individual and Family Services

Specific sub-sectors with notable and/or differing job growth patterns across the San Pablo area, County, region, and State include:

Individual and Family Services, which include Services for the Elderly and Persons with Disabilities, Child and Youth Services, and Other Individual and Family Services, has experienced high growth throughout the San Pablo area, County, region, and State. Increases ranged between approximately 400% for the County and Bay Area, to 500% in the state, to 650% in the San Pablo area.

Outpatient Care Centers also increased substantially, more than doubling in the San Pablo area and State (133.1% and 198.9%, respectively), while approximately tripling in the County and Bay Area.

Home Health Care Services. While no jobs for the San Pablo area are reported, this industry saw robust growth in the County, region and State, with increases of 58.3%, 72.6%, and 55.9%, respectively. There may be an opportunity for San Pablo to capitalize on demand for subsector services.

San Pablo also generally outperformed or kept pace with Bay Area and State growth in Offices of Physicians; Offices of Other Health Practitioners, Medical and Diagnostic Laboratories; Continuing Care Retirement Communities and Assisted Living Facilities for the Elderly.

Aside from a decline in General Medical and Surgical Hospitals, the only other subsectors to experience a decline in jobs in the San Pablo area, County, Region, State or combination thereof, were Psychiatric and Substance Abuse Hospitals; Residential Intellectual and Developmental Disability, Mental Health, and Substance Abuse Facilities; Other Residential Care Facilities, and

Day Care. Much needed services in mental health, disability, substance abuse and related care is an issue of growing attention across the country.[21]

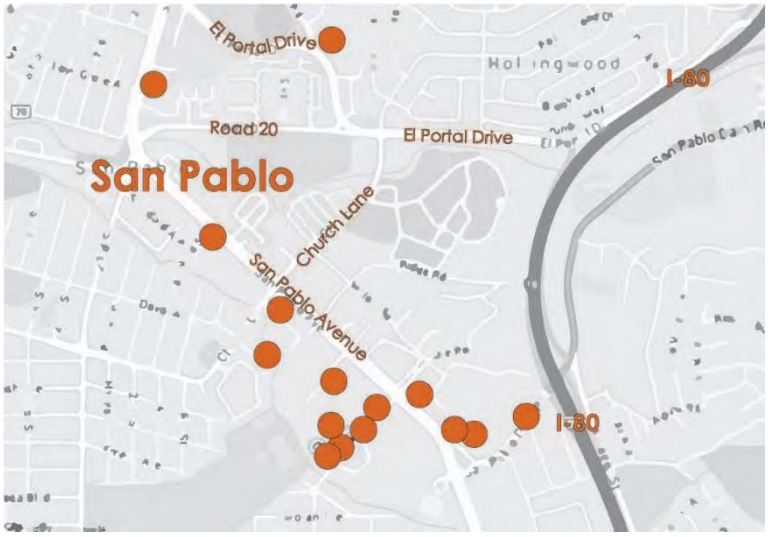
Other notable trends include the Other Ambulatory Health Care Services, and Vocational Rehabilitation Services industries, where the County significantly outperformed the Region and State in job growth.

Figure 3-3 below locates health care and social assistance facilities in San Pablo, and identifies the areas within the City where a local clustering of these services already exists. The facilities located on the map that serve jobs in the Health Care and Social Assistance Industry include:

1. West County Health Center
2. Alliance Medical Group
3. Brookside Community Health Center
4. LifeLong Urgent Care
5. Easy Bay Cardiology
6. San Pablo Healthcare Center
7. Vale Healthcare Center
8. Creekside Healthcare Center
9. Quest Diagnostics
10. San Pablo Dental Care
11. Contra Costa Mental Health
12. Walgreens
13. Sutter Medical Foundation

[21] *According to the National Alliance on Mental Health, "In recent years, the worst recession in the U.S. since the Great Depression has dramatically impacted an already inadequate public mental health system. … States have cut vital services for tens of thousands of youth and adults living with the most serious mental illness. These services include community and hospital based psychiatric care, housing and access to medications." State Mental Health Cuts: A National Crisis. Pg. 1.*

FIGURE 3-3: CITY OF SAN PABLO HEALTHCARE AND HEALTHCARE SUPPORT INDUSTRY MAP



3.4.2.1 LOCATION SELECTION

The health care industry inhabits a wide range of facilities to both provide direct care, as well as and administrative and ancillary services in support of that care. With the industry's inherent connection to people in various states of health, continual evolution and incorporation of new technology, and increasing cost and complexity, the physical buildings and infrastructure needed to serve the industry must include the following design considerations:

- Efficiency and Cost-Effectiveness
- Flexibility and Expandability
- Therapeutic Environment
- Cleanliness and Sanitation
- Accessibility
- Controlled Circulation
- Aesthetics
- Security and Safety
- Sustainability

Hospitals are the most complex of building types. Each hospital is comprised of a wide range of services and functional units. These include diagnostic and treatment functions, such as clinical laboratories, imaging, emergency rooms, and surgery; hospitality functions, such as food service and housekeeping; and the fundamental inpatient care or bed-related function[22]. While each project is unique, some common issues that may influence the design of a health facility include energy efficiency and sustainability, security design, specialized HVAC infrastructure,

[22] https://www.wbdg.org/design/health_care.php

hazardous waste disposal capabilities, building material durability, and 24-hour convenient access for all vehicle types, including emergency vehicles[23].

Outpatient and non-hospital care facilities are more flexible in size and scope of services provided, and are designed to respond to specific health care needs of a community in concert with other more specialized health care services. Doctor's offices and clinics, and outpatient, lab testing/diagnostic, and urgent care facilities can support a large health care networking providing more effective and efficient localized care. These facilities are generally less expensive to construct and operate, and range in size from a few thousand square feet with a handful of employees, to tens of thousands of square feet in multi-story complexes employing dozens of workers and serving a wide population. Depending on the capabilities of a smaller facility, specialized equipment and accommodating spaces typical of full service hospitals will vary, however convenient access and parking, specialized HVAC, hazardous waste disposal are likely required.

3.4.3 RETAIL INDUSTRY ANALYSIS

This section provides an overview of the retail industry sector that is recommended as a target in future City economic development efforts. The retail industry referred to in this section and hereafter in the Study is comprised of two key, inter-related industries: Accommodation and Food Services and Retail Trade.

3.4.3.1 ATTRACT NEW ESTABLISHMENTS, RETAIN AND EXPAND EXISTING ACCOMMODATION AND FOOD SERVICE ESTABLISHMENTS

Section 3.1 above identifies the Accommodation and Food Services industry as a high-growth sector (28.4% job growth in San Pablo over the 2005 – 2015 time period) in San Pablo, the Bay Area and the State. Accommodation and food services are directly tied to tourism (same-day to overnight visitors) activity that also attracts customers to the Retail Trade industries.[24] Destination attractions such as the growing San Pablo Lytton Casino provide opportunities for expansion of accommodation and -food service establishments. The casino operates 24 hours a day, 7 days a week, but does not have a hotel facility. There could be an opportunity to capitalize on potential demand for such accommodations near the casino (perhaps on the Doctors Medical Center site that is now underutilized and close to the casino).

Sub-sectors of the Accommodation and Food Service industry include[25]:

- Traveler Accommodation
- RV (Recreational Vehicle) Parks and Recreational Camps

[23] https://www.wbdg.org/design/hospital.php

[24] The City of San Pablo has historically served as a same-day visitor hub for people en route to long-trip destinations. *http://ca-sanpablo.civiccities.com/index.aspx?NID=959*

[25] Bureau of Labor Statistics

- Rooming and Boarding Houses
- Full-Service Restaurants
- Limited-Service Eating Places
- Special Food Services
- Drinking Places (Alcoholic Beverages)

Tables 3-13 and 3-14 show job growth information for Accommodation and Food Service subsectors in the San Pablo area and at the County, Bay Area, and State levels from 2005 to 2015. Strong growth is shown among most categories, and notably for RV Parks and Recreational Camps. San Pablo Accommodation and Food Service industries perform well or in-line with the County, Bay Area, and California in all areas except for Special Food Services. This Special Food Services subsector is comprised of establishments primarily engaged in providing food services at one or more of the following locations: (1) the customer's location; (2) a location designated by the customer; or (3) from motorized vehicles or non-motorized carts.[26] Growth in special food service uses such as food trucks could present an opportunity for the City

TABLE 3-13 ACCOMMODATION AND FOOD SERVICE INDUSTRY JOB GROWTH IN SAN PABLO AREA FROM 2005 TO 2015

Accommodation and Food Service Industry Subsector	2005 Jobs	2010 Jobs	2015 Jobs	% Growth	2015 Total Earnings
Accommodation	65	68	82	26.5%	$37,818
Traveler Accommodation	54	56	58	9.0%	$30,620
RV (Recreational Vehicle) Parks and Recreational Camps	11	12	24	109.1%	$55,538
Rooming and Boarding Houses	0	0	0	--	$0
Food Services and Drinking Places	688	692	885	28.6%	$20,226
Special Food Services	23	26	28	21.2%	$25,386
Drinking Places (Alcoholic Beverages)	<10	<10	<10	--	Insf. Data
Restaurants and Other Eating Places	660	662	852	29.1%	$20,066

Source: EMSI 2015 Q2 Industry Table

[26] http://siccode.com/en/naicscodes/7223/special-food-services

TABLE 3-14 ACCOMMODATION AND FOOD SERVICE INDUSTRY CITY, REGION, AND STATE JOB GROWTH FROM 2005 TO 2015

Accommodation and Food Service Industry Subsector	SP Growth	CC Growth	Bay Area Growth	CA Growth
Accommodation	26.5%	9.2%	5.2%	5.4%
Traveler Accommodation	9.0%	8.3%	4.7%	5.0%
RV (Recreational Vehicle) Parks and Recreational Camps	109.1%	55.4%	29.9%	15.2%
Rooming and Boarding Houses	--	-2.2%	25.9%	27.5%
Food Services and Drinking Places	28.6%	23.7%	34.8%	26.5%
Special Food Services	21.2%	27.7%	42.0%	19.4%
Drinking Places (Alcoholic Beverages)	--	-4.4%	36.1%	20.5%
Restaurants and Other Eating Places	29.1%	24.1%	34.1%	27.1%

Source: EMSI 2015 Q2 Industry Table

Niche industries in the Accommodation and Food Service industry that may fit well in the City include ethnic establishments that reflect the demographic profile of San Pablo. A "foodie" culture has emerged in the Bay Area and other cosmopolitan metros, filled with sophisticated and adventuresome diners who pride themselves on knowing the hidden (often ethnic) gems and who typically view otherwise nondescript suburban strips as fertile ground for such finds.

RETAIN AND EXPAND EXISTING RETAIL TRADE ESTABLISHMENTS

The Retail Trade industry itself experienced a decline in job growth in the San Pablo area (-4.4% job growth over the 2005 – 2015 time period) in line with similar declines at County, Bay Area, and State levels, as a tech-driven interruption of shopper habits persists.[27] However, the industry is considered a target for economic development, because it presents a significant job sector (19.8% of all jobs in the San Pablo area in 2015 are retail trade jobs). Given the declining trend of the established Retail Trade industry, the City should focus on retention and expansion of existing establishments, while not losing sight of recruitment activities for new, small mom-and-pop businesses that may find the City an attractive location.

[27] Costar. http://www.costar.com/News/Article/Market-Trend-East-Bay-Oaklands-Retail-Vacancy-Decreases-to-40/168643

Subsectors of the Retail Trade sector include[28]:

- Motor Vehicle and Parts Dealers
- Furniture and Home Furnishings Stores
- Electronics and Appliance Stores
- Building Material and Garden Equipment and Supplies Dealers
- Food and Beverage Stores
- Health and Personal Care Stores
- Gasoline Stations
- Clothing and Clothing Accessories Stores
- Sporting Goods, Hobby, Book, and Music Stores
- General Merchandise Stores
- Miscellaneous Store Retailers
- Non-Store Retailers

Tables 3-15 and 3-16 show job growth information for Retail Trade subsectors in the San Pablo area and at the County, Bay Area, and State levels from 2005 to 2015.

MODERATE GROWTH: Health and Personal Care Stores and Food and Beverage Stores subsector are the only growth subsectors in the San Pablo and jobs in these areas grew moderately by 10.0% and 7.2% respectively.

DECLINE: Electronics and Appliance Stores; Building Material and Garden Equipment and Supplies Dealers; and Gasoline Stations sub-sectors in the San Pablo area experienced a notable decline of 35.3%, 19.0%, and 14.5% of jobs in the 2005 to 2015 time period.

TABLE 3-15: RETAIL TRADE INDUSTRY JOB GROWTH IN SAN PABLO AREA FROM 2005 TO 2015

Retail Trade Industry Subsector	2005 Jobs	2010 Jobs	2015 Jobs	% Growth	2015 Earnings
Motor Vehicle and Parts Dealers	507	428	458	-9.8%	$68,879
Furniture and Home Furnishings Stores	12	11	12	-0.6%	$35,976
Electronics and Appliance Stores	112	90	72	-35.3%	$70,226
Building Material and Garden Equipment and Supplies Dealers	14	<10	11	-19.0%	$63,804
Food and Beverage Stores	499	534	535	7.2%	$37,608
Health and Personal Care Stores	147	143	162	10.0%	$44,988

[28] Bureau of Labor Statistics.

Gasoline Stations	64	60	55	-14.5%	$27,437
Clothing and Clothing Accessories Stores	253	232	226	-10.7%	$26,803
Sporting Goods, Hobby, Musical Instrument, and Book Stores	0	0	0	0.0%	$0
General Merchandise Stores	900	864	855	-4.9%	$28,405
Miscellaneous Store Retailers	80	70	77	-3.4%	$26,583
Nonstore Retailers	<10	<10	19	NA	$34,407

Source: EMSI 2015 Q2 Industry Table

Sub-sectors with job growth patterns that differ notably from the County, region, and State include:

Health and Personal Care Stores: The 10.0%% increase in San Pablo area Health and Personal Care store jobs is notable when compared to the 0.8%, 2.7%, and 5.2% County, Bay Area, and State job growth figures for the subsector.

Sporting Goods, Hobby, Musical Instrument, and Book Stores: The 0.0% job growth of this subsector in San Pablo outperforms the same figure for the County, Bay Area, and State, at -12.2%, -18.9%, and -6.1%, respectively.

General Merchandise Stores: The -4.9% job decline of this subsector in San Pablo notably underperforms the same figure for the County, Bay Area, and State, at 12.9%, 20.7%, and 14.2%, respectively.

Miscellaneous Store Retailers: The -3.4% jobs decline of this subsector in San Pablo outperforms the same figure for the County, Bay Area, and State, at -19.3%, -10.9%, and -8.6%, respectively.

TABLE 3-16: RETAIL TRADE INDUSTRY CITY, REGION, AND STATE JOB GROWTH FROM 2005 TO 2015

Retail Trade Industry Subsector	SP Growth	CC Growth	Bay Area Growth	CA Growth
Motor Vehicle and Parts Dealers	-9.8%	-11.8%	-3.6%	-11.6%
Furniture and Home Furnishings Stores	-0.6%	-9.1%	-4.4%	-20.9%
Electronics and Appliance Stores	-35.3%	-34.3%	-39.2%	-30.2%
Building Material and Garden Equipment and Supplies Dealers	-19.0%	-18.4%	-5.6%	-6.9%
Food and Beverage Stores	7.2%	5.6%	6.0%	7.7%
Health and Personal Care Stores	10.0%	0.8%	2.7%	5.2%
Gasoline Stations	-14.5%	-22.8%	-10.5%	3.1%
Clothing and Clothing Accessories Stores	-10.7%	-23.1%	-14.9%	-6.1%
Sporting Goods, Hobby, Musical Instrument, and Book Stores	0.0%	-12.2%	-18.9%	-6.1%
General Merchandise Stores	-4.9%	12.9%	20.7%	14.2%
Miscellaneous Store Retailers	-3.4%	-19.3%	-10.9%	-8.6%
Non-store Retailers	NA	22.4%	53.5%	26.5%

Source: EMSI 2015 Q2 Industry Table

Figures 3-4 through 3-6 below show key tenants at key retail clusters in the City of San Pablo. Key tenants include low-density clusters of branded eating establishments and discount retailers.

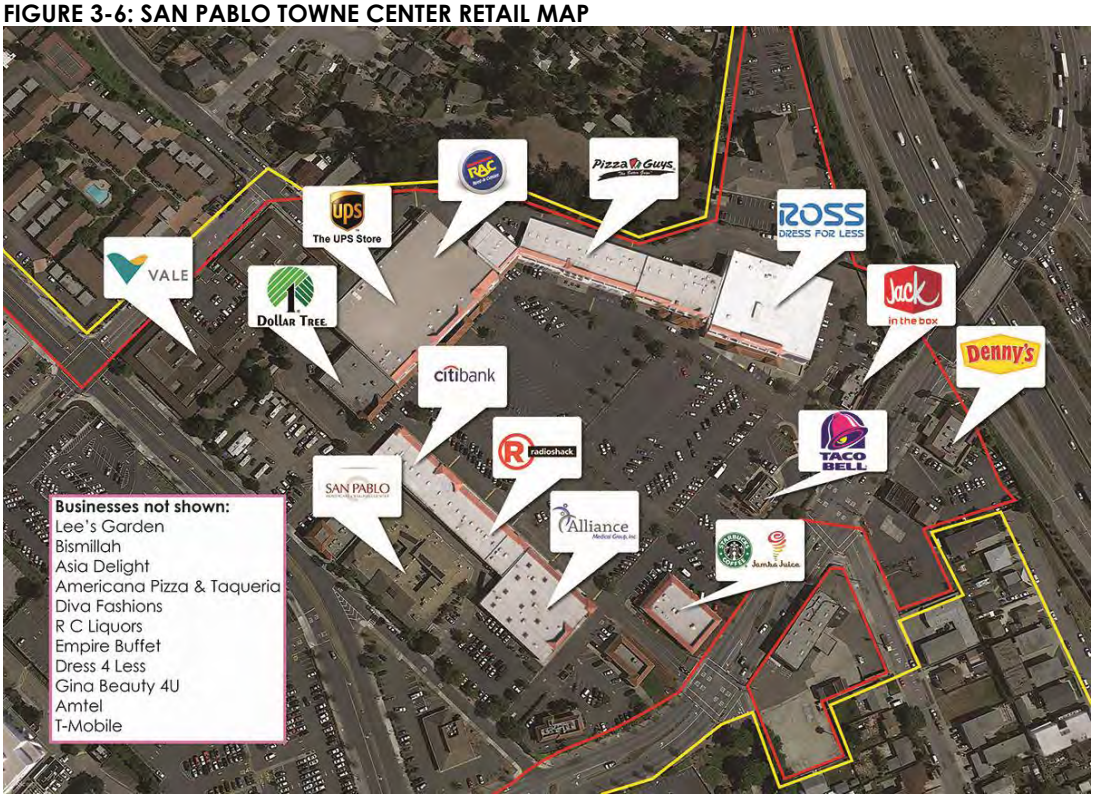
Nearby Hilltop Mall in Richmond presents a formidable branded retail cluster that may make the addition of a significant new branded retail cluster in San Pablo difficult. However, specialized mom-and-pop retail that draws customers to the area may do well in San Pablo. Ethnic retail that tiers off San Pablo heritage may present opportunity as organizations such as the San Pablo Historical Society and Los Cenzontles Mexican Art Center further multi-cultural interest in the City. 54.4% of the San Pablo population identifies as Hispanic or Latino. There is a growing body of research that presents the argument for untapped demand for specialized retail that targets the preferences of ethnic populations.[29]

FIGURE 3-4: COLLEGE CENTER RETAIL MAP

[29] According to the GMDC, "In order to adjust to the growing diverse population, ethnic retailers have created their own breakout segment of the industry which is outpacing regular retail. These retailers range in all types of ethnic specialties, targeting key ethnic shoppers. Their success depends on a number of circumstances such as targeting the right cultural calendar, selling home brands and maintaining the right local assortment." GMDC is a global trade association that serves Health Beauty Wellness and General Merchandise Retailers, Wholesalers and Suppliers. *https://www.gmdc.org/news/2015/02/rising-ethnic-markets-in-the-us-how-can-retailers-profit*

FIGURE 3-5: PRINCETON PLAZA RETAIL MAP

FIGURE 3-6: SAN PABLO TOWNE CENTER RETAIL MAP



3.4.3.2 LOCATION SELECTION

Retail uses will consider proximity to existing retail clusters and foot traffic as two primary factors in the location decision. While it may seem counter-intuitive, retail uses work best near other retail uses. All else held constant, consumers will gravitate towards large clusters of retail establishments that allow for variety and the potential for a one-stop outing.[30] A high level of foot-traffic is also an important factor in viability of retail uses, as foot traffic determines the number of potential purchasing opportunities a business faces. In other words, a higher volume of foot traffic translates to higher potential sales revenue. Retail establishments will need to see a certain amount of foot traffic before moving forward with opening a new location.

Food Service, Accommodation and Retail Trade businesses, particularly from national and regional chains, are looking for sites with convenient access, ample parking, and high visibility. Depending on the business, footprints can range from very small to very large, with generally open floor-plans for product display and/or customer patronage, and higher ceiling heights.

Given the current market conditions and existing land use and traffic patterns in San Pablo, parking, access and visibility requirements of retail uses feasible in the near term are more likely to favor auto-oriented development, presenting a tradeoff with walkability goals of the City. To foster growth in walkable retail developments, placing dense housing near underutilized shopping centers and commercial sites could generate the foot traffic and potential sale transactions necessary to attract hesitant developers in the industry. Smaller, niche retail businesses may work well in a walkable retail setting, as customers will be motivated to seek out the establishment instead of stopping spontaneously. Increased transit access and increasing wages are also necessary to support growth in walkable retail.

3.4.4 BIO-TECH INDUSTRY ANALYSIS

The Bay Area is known for its relationship with technology and related industries; home to Gilead, the largest stock in the biotech index with a market value at over $170 billion [31] and Genentech with over 13,000 employees as well as small high performers like Anacor Pharmaceuticals, BioMarin Pharmaceutical, and Ultragenyx. Table 3-17 shows growth in technology and scientific related industry clusters and orders the clusters by degree of

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[30] This theory of consumer behavior is coined "Reilly's Law of Retail Gravitation," and was developed in 1931 by William J. Reilly, a professor at University of Texas at Austin.

[31] What's behind the boom in biotech stocks, San Francisco Chronicle, Pender, July 2015

specialization or location quotient (LQ).[32] Jobs in these sectors continue to grow substantially, demonstrating a competitive advantage for the Bay Area and opportunities for San Pablo.

TABLE 3-17: INDUSTRY CLUSTERS – BAY AREA

Industry Cluster	2005 Jobs	2015 Jobs	% Change	Earnings Per Worker	Payrolled Business Locations	2015 LQ (State)
Professional, Scientific, & Tech. Services	222,912	317,842	42.6%	$133,148	21,077	2.14
Biomedical/Bio-technical (Life Sciences)	168,441	201,843	19.8%	$126,497	5,158	1.83
Info Technology & Telecommunications	167,536	224,935	34.3%	$165,867	8,512	1.30
Advanced Materials	81,383	90,504	11.2%	$176,332	2,333	0.93
Education and Knowledge Creation	49,346	72,017	45.9%	$198,271	2,437	0.95

Source: EMSI 2015 Q2 Industry Table. Industry Clusters established by Purdue University from *Unlocking Rural Competitiveness: The Role of Regional Clusters* (2007).

Bio-technology (bio-tech) has grown in the Bay Area as a result of its proximity to higher education institutions, venture capital funding, and highly skilled and experienced workforce. Another contributing element are payroll tax exclusions, which for example, was offered by the City of San Francisco from 2004-2014 as an incentive for bio-tech companies to locate within San Francisco. Bay Area bio-tech growth has resulted in 29.7 million square feet of biopharmaceutical lab space, which is the largest cluster in the U.S.[33]

With continued growth expected, bio-tech could play an important role in San Pablo. Business location decisions will be influenced by San Pablo's proximity to major bio-tech clusters in San Francisco and the East Bay, proximity to a skilled workforce and lower real estate costs. Lower real estate costs are attractive not only to fledgling bio-tech companies, but also to young professionals working in bio-tech.

Bio-technology based solutions are increasingly important in health care. Growth in the existing health care industry in San Pablo may also be a draw for bio-tech companies. The Biomedical/Biotechnical industry cluster (Life Sciences) consists of subindustries that support and/or overlap with the health care industry. Table 3-18 below presents current and projected growth in subindustries in this cluster in the Bay Area, which identifies specific sectors to which

[32] Center for Regional Development, Purdue University; Indiana Business Research Center, Kelley School of Business, Indiana University; Strategic Development Group, Inc. (2007). *Unlocking Rural Competitiveness: The Role of Regional Clustering*.

[33] Genetic Engineering & Bio-technology News (2014). Top 10 U.S. Biopharma Clusters: GEN's algorithm provides a unique basis for comparison. www.genengnews.com/insight-and-intelligenceand153/top-10-u-s-biopharma-clusters/77900061/ (accessed 9/14/15).

the City may target incentives. The majority of these subindustries experienced growth in the last 10 years, with Scientific Research and Development Services topping the list at 61.4 percent, and projected growth in 16.7% to 2020. Ambulatory Health Care Services, an industry which currently exists in the San Pablo Area, saw similar growth of over 52.1 percent. Other high growth industries involved bio-technology and medical-related manufacturing services, however the Surgical Appliance and Supplies Manufacturing, and Analytical Laboratory Instrument Manufacturing subindustries saw substantial declines of 19.5 and 22.4 percent, respectively.

TABLE 3-18: BAY AREA BIO-TECH SUBINDUSTRY GROWTH TRENDS

Bio-technology subindustry	2005 Jobs	2015 Jobs	% Change	Projected Growth 2015-2020
Scientific Research and Development Services	22,788	36,782	61.4%	16.7%
Ambulatory Health Care Services	72,277	109,969	52.1%	13.2%
Irradiation Apparatus Manufacturing	227	332	46.2%	33.9%
Optical Instrument and Lens Manufacturing	262	345	31.7%	16.8%
Pharmaceutical and Medicine Manufacturing	10,689	14,054	31.5%	19.0%
Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers	1,168	1,405	20.3%	-1.8%
Health and Personal Care Stores	14,112	14,498	2.7%	9.4%
Electromedical and Electrotherapeutic Apparatus Manufacturing	1,090	996	-8.6%	-1.8%
Surgical Appliance and Supplies Manufacturing	1,382	1,112	-19.5%	6.3%
Analytical Laboratory Instrument Manufacturing	3,406	2,644	-22.4%	-4.7%

Source: EMSI 2015 Q2 Industry Table. Subindustries presented range from the NAICS 3-digit to the 6-digit level. Industry Clusters established by Purdue University from *Unlocking Rural Competitiveness: The Role of Regional Clusters* (2007). Excludes Hazardous Waste Collection Hazardous Waste Treatment and Disposal.

San Pablo has systems in place to support bio-tech, for example a capable workforce and proximity to educational institutions. The Contra Costa College offers bio-tech certificate programs, including 'Bridge to Bio-technology' where students can earn a certificate as a Bio-technology Laboratory Assistant. San Pablo also has related and support industries nearby; JOINN Innovation Park, a bio-technology acceleration campus is just two miles outside of San Pablo and provides full service laboratories, offices, pre-clinical facilities, and clinical manufacturing facilities for life science companies. Also, Bio-Rad, a bio-tech company headquartered in nearby Hercules, serves life science research and clinical diagnostics

customers worldwide. Lastly, the Berkeley Global Campus at Richmond Bay is planned to be a "living laboratory" in partnership with public universities and private industry.[34] The project is led by U.C. Berkeley in partnership with Lawrence Berkeley National Laboratory and will be located fewer than five miles from San Pablo. These factors further indicate that San Pablo could successfully serve as a location for bio-tech companies.

3.4.4.1 LOCATION DECISION

Bio-tech is a knowledge-intensive industry that requires a highly skilled workforce and capital for research and development. Typically, these companies are clustered in urban or denser suburban centers, close to research universities, institutes, and/or hospitals, as well as in areas where there are large venture capital providers and entrepreneurial spirit.[35] I-80 and transit provide connectivity between San Pablo and major bio-tech clusters and universities.

Early funding stage bio-tech spaces generally need at least 5000 sf, new, Class A office with a mix of executive and staff office and "smart" conference and creative work space alongside substantial open lab space where they can create sterile environments for durable medical equipment.[36]

Bio-tech companies also generally require a sterile environment with lab and storage space. In 2012, most of the bio-tech leased space deals in the San Francisco Mid-Peninsula were within 10,000 to 25,000 square feet, and new development was over 170,000 square feet.[37] Additionally, bio-technology companies require a robust IT system that is fast, secure, reliable, and scalable. Lack of access to high-speed broadband connections could be considered a formidable competitive disadvantage for the City of San Pablo in recruiting bio-tech companies.

San Pablo has many characteristics of an attractive location for a biotechnology business:

- Highly educated and diverse workforce,
- Presence of an educational institution with a biotechnology technology focus,
- Proximity to other biotech companies and research programs,
- Suitable land,
- Lower than average regional land costs,
- Proximity to a major transit corridor, international airport and Silicon Valley, one of the most well-funded and storied tech locales in the world.

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[34] Berkeley News (2014). Berkeley Global Campus: a new, bolder vision for Richmond Bay. news.berkeley.edu/2014/10/30/berkeley-global-campus/ (accessed 9/16/15).

[35] Chen, Ke and Michael Marchioni. (2008). *Spatial Clustering of Venture Capital-Financed Bio-technology Firms in the U.S.* The Industrial Geographer, Volume 5, Issue 2, pages 19-30.

[36] San Pablo Economic Development Corporation.

[37] Jones Lang LaSalle. (2012). *Life Sciences Cluster Report, Global.*

3.4.5 GAMING AND GAMING SUPPORT INDUSTRY ANALYSIS

The gaming industry in San Pablo consists of one major employer, Lytton Casino San Pablo, which is owned and operated by the Lytton Band of the Pomo Native American tribe. Chairwoman of the Lytton Band, Margie Mejia put forth that the original casino compact[38] would have broad economic benefits for San Pablo and the Bay Area and boasted that the compact would guarantee no other casino would be allowed by the state within a 35-mile radius. In 2000, the casino was expected to generate about 2,000 jobs.[39] According to the San Pablo Finance Department, the gaming industry category is one of the largest employment categories in the City today employing nearly 503 employees.[40] With an expected 2,000 jobs, the Lytton Casino San Pablo presents opportunity to the City in terms of direct and indirect (in gaming support and inter-related industries) jobs.

Casino San Pablo revenue represents nearly 60% of General Fund Operating Revenue for the City's General Fund Budget.

Source: San Pablo FY 2013-2015 Operating Budget, pg. 7.

Tribal government spending, which is funded predominantly through gaming operations, generates jobs, tax revenues, and new spending throughout California, however such spending generates its greatest impacts locally (San Pablo). Casinos and many of their connected operations, such as hotels, restaurants, spas, and entertainment venues are service-heavy operations and tend to have very large staffs. These staffs are comprised predominantly of local residents, providing a crucial source of employment for some communities in which jobs are otherwise scarce[41].

3.4.6 LACK OF INDUSTRY EMPLOYMENT DATA

Although the number of casino employees is currently one quarter of the projected number of jobs, there is insufficient evidence to demonstrate whether there has been significant growth or reduction in this industry in the last decade. There are three reasons why tribal data, and therefore casino employment data, is often difficult to obtain. First, there is a recorded history of ethical and undesirable research practices that have led to distrust and conflict between Native populations and outside researchers. Second, there is a history of conflicting research on Native American issues that has been subject to hoarding and confidentiality issues.[42] Last, the U.S. Congress has employed a number of exemptions for tribal governments including Title VII of

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[38] A casino (or gaming) compact establishes a system between tribes and states for the authorization of certain Indian gaming establishment. A compact should foster a tribal relationship with local government jurisdictions.

[39] Murphy, Dean E. "California Deal Authorizes Casino Near Oakland." New York Times (August 20, 2014). Retrieved at http://www.nytimes.com/2004/08/20/national/20casino.html on September 10, 2015.

[40] San Pablo Finance Department http://sanpabloca.gov/index.aspx?NID=935.

[41] California Nations Indian Gaming Association, 2014 Impact Study.

[42] Whitener, Ron J. "Research in Native American Communities in the Genetics Age: Can the Federal Data Sharing Statute of General Applicability and Tribal Control of Research be Reconciled?." Journal Of Technology Law & Policy 15, no. 2 (December 2010): 217-274. Academic Search Premier, EBSCOhost (accessed September 10, 2015).

the Civil Rights Act of 1964 that exempts "an Indian Tribe" from the definition of "employers"[43] and has since been found to also exempt certain corporations wholly-owned by tribal governments.[44]

Table 3-19 below shows gaming and gaming support industry job data for the 2005 to 2015 time period. Indian gaming data is largely absent in the below data, consistent with the preceding narrative. As the only casino in San Pablo is an Indian gaming institution, there is no reliable gaming jobs data for the City, and no such data appears in the table below.

While the City may not seek to expand casino or other gaming operations in the City, the Amusement, Gambling, Recreation and Related industry provides opportunity to draw regional visitors, supporting other important industries such as retail stores, restaurants, and other service related businesses, contributing to economic diversity. Growth in this industry may come from non-gambling attractions and accommodations, supporting the Lytton Casino while increasing entertainment options that can help capture regional spending.

TABLE 3-19: AMUSEMENT, GAMBLING, RECREATION AND RELATED INDUSTRIES - JOB GROWTH COMPARISON 2005-2015

Description	Contra Costa County	Bay Area MSA	CA
Museums, Historical Sites, and Similar Institutions	-17.3%	56.3%	32.0%
Amusement Parks and Arcades	-18.1%	89.7%	30.9%
Gambling Industries	**25.5%**	**18.1%**	**9.5%**
Casinos (except Casino Hotels)	**34.5%**	**11.1%**	**-4.1%**
Other Gambling Industries	**-34.9%**	**56.3%**	**89.2%**
Other Amusement and Recreation Industries	9.6%	23.0%	17.6%
Traveler Accommodation	8.3%	4.7%	5.0%
Casino Hotels	**NA**	**91.1%**	**-82.6%**
RV (Recreational Vehicle) Parks and Recreational Camps	55.4%	29.9%	15.2%

[43] 42 U.S.C. 2000e(b).

[44] *Bales v. Chickasaw Nation Industries*, 606 F.Supp. 1299 (D.N.M. 2009) (Tribal corporation chartered under the Oklahoma Indian Welfare Act,25 U.S.C. 503, was entitled to immunity from suit under Title VII), see also, *Dawavendewa v. Salt River Project Agricultural Improvement and Power District*, 276 F.3d 1150 (9th Cir. 2002) (Title VII suit against a power district located wholly on the Navajo Reservation and which applied tribally-mandated Native American employment preferences could not go forward due to inability join the Nation as an indispensible party due to sovereign immunity.).

Rooming and Boarding Houses	-2.2%	25.9%	27.5%
Special Food Services	27.7%	42.0%	19.4%
Drinking Places (Alcoholic Beverages)	-4.4%	36.1%	20.5%
Restaurants and Other Eating Places	24.1%	34.1%	27.1%

Source: EMSI 2015 Q2 Industry Table

3.4.6.1 OTHER DATA SOURCES

Despite employment data limitations, regional and state trends in other data sources might shed some light on the gaming industry. Tribal casino revenue has increased precipitously in the last quarter of a century -- from $121 million in 1988 to more than $28 billion in 2012. Recently, however, the growth rate has flattened. After surging 148% in 1989, tribal casino revenue growth has sputtered, dropping below 10% each year since 2007[45]. The state's 69 tribal casinos generated $7 billion of revenue in 2013, up just 0.5% over 2012 revenue.[46]

3.4.6.2 COMMUNITY IMPACTS

Other gaming industry trends include the impact of the industry on surrounding businesses and communities. The impact of casinos on neighboring property values is "unambiguously negative," according to the economists at the National Association of Realtors. Casinos don't encourage non-gaming businesses to open nearby, because the people who most often visit casinos do not wander out to visit other shops and businesses.[47] Similarly, according to a report released by the East Bay Coalition Against Urban Casinos in 2006, a substantial increase in calls for emergency dispatches to Casino San Pablo, requests for ambulances to the casino, and trespassing calls in neighborhoods nearby the casino after the installation of slot machines. These changes brought to the San Pablo community by presence of the gaming industry have the potential to impact future economic and demographic growth patterns in the City.

3.4.6.3 LOCATION DECISION

As the Lytton San Pablo Casino is already located in the San Pablo area, and no other casino is likely to be built within 35 miles of the facility, this section will discuss expected space needs of the existing casino versus larger gaming industry location decisions. Casino expansion project applications and discussions have focused on parking and possible hotel uses on the adjacent, now vacant, Doctors Medical Center property. Construction of hotel uses that support the San Pablo Casino have the potential to present the City with an expanded tax revenue support, depending on agreements put into place between local and State government and the Lytton Band of Pomo Indians.

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[45] Los Angeles Times, Pfeifer, 2014.

[46] Press Democrat.

[47] The Atlantic, 2014.

4 CASE STUDIES

The following case studies evaluate two City-led infrastructure investment projects that have catalyzed economic growth. They provide findings that may inform future economic positioning strategies for the City of San Pablo.

4.1 CLEVELAND, OHIO

Transportation and economic development investment in the Cleveland Health Line brought industry growth to areas of Cleveland, Ohio, and focused on the revitalization of a key transit corridor that connects the City's two largest commercial and employment centers: Downtown and University Circle, which includes a collection of world-class medical facilities. Since opening in 2008, the $50 million Health Line project has generated $5.8 billion in transit-oriented development —$115 for each transit dollar invested.[48]

Source: Thom Sheridan, Creative Commons

Source: Thom Sheirdan, Creative Commons

The Health Line corridor is bus rapid transit (BRT) project that runs along a busy transportation corridor. The project features platform-level boarding and central median stations. The Euclid Avenue line was the most popular bus route in the Greater Cleveland Regional Transit Authority's (GCRTA) system. By locating the Health Line along Euclid Avenue, GCRTA was able to deliver the maximum level of mobility benefits to the Cleveland's predominantly low-income bus riders. Ridership on Euclid Avenue BRT has increased by 67% since the HealthLine opened in October 2008.[49]

The Health Line, along with strategic economic development efforts on part of a local community development corporation, MidTown, Cleveland, Inc. (MidTown Inc.), played an important role in bringing about economic revitalization not only in the Downtown and University Circle employment centers, but also in the struggling district between them that is known as MidTown. MidTown had been hard hit by decades of decline in the manufacturing sectors. Only a few businesses remained in Midtown, and the neighborhood was largely comprised of vacant, dilapidated buildings. MidTown, Inc. pursued a three-pronged approach to bring change to the area, referred to locally as "potholes,

[48] Hook, Lotshaw, Weinstock. More Development for Your Transit Dollar: An Analysis of 21 North American Transit Corridors. 2013.

[49] Ibid.

petunias, and prostitutes"[50], pressed for urban service improvements, invested in street improvements, and encouraged the police to crack down on illegal activities such as prostitution.

In addition to construction of the Health Line, and active leadership from MidTown, Inc., the City of Cleveland adopted aggressive, transit-oriented zoning code changes and pursed a new branding campaiagn to implement development in MidTown. The MidTown Mixed Use District 1 required the following of new development:

- Minimum three-floor building height
- Buildings must be built to the street line
- Buildings must fill at least 80% of the lot width
- Most buildings must include ground-level retail
- Maximum parking requirements (that replaced parking minimums)

Finally, the City undertook a branding campaign to market the MidTown area as a "Health Tech Corridor". The branding concept drew from noted, local medical institutions such as the Cleveland Clinic and university hospitals, to attract additional health-related development[51]. The built result is projects like the MidTown Tech Park and a strong healthcare cluster in a thriving urban corridor.

The Health Line project cost a total of $200 million, which included roughly $50 million for the BRT vehicles, stations, and platforms, and $150 million for the infrastructure and street-level enhancements. Of the total cost, $82 million was provided by the Federal Transit Administration New Starts grant; $75 million was provided by the State of Ohio Department of Transportation (ODOT) Transportation Review Advisory Council (TRAC); $21 million from GCRTA; $10 million from the Northeast Ohio Areawide Coordinating Agency; and $8 million from the City of Cleveland. Individual development projects have made use of State and Federal grant and tax credit sources such as the New Markets Tax Credits, Historic Preservation Tax Credits, Clean Ohio Brownfield Revitalization Fund, Ohio Job Ready Sites Program, and Community Development Block Grants. Local foundations such as The Cleveland Foundation, the Mandel Foundation, and The George Gund Foundation also financed new development by acting as intermediaries for hard-to-finance development activities like land acquisition and entitlements.[52]

The Health Line represents close, long-term collaboration and strong financial partnerships among community-led organizations, the public sector, and the private sector.

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[50] Ibid.

[51] Ibid.

[52] Ibid.

Health Line findings for San Pablo include:

- Community leadership plays an important role in economic revitalization.
- An aggressive transit-oriented zoning code can produce desirable development when combined with funding incentives and an effective area branding campaign that can begin to reduce developer risk.
- Brand the area as a unique community can induce development demand.

4.2 SAN LEANDRO, CALIFORNIA

Lit San Leandro is a communications infrastructure project that installed a new Fiber Loop (fiber optic cabling) that aims to attract new businesses, increase job opportunities for local residents, and add value to San Leandro communities. Lit San Leandro was conceived of by Dr. J. Patrick Kennedy, a San Leandro resident, and president and founder of OSIsoft, one of the City's largest employers. Through Lit San Leandro, the City of San Leandro looks to attract communications, media and entertainment, and green-tech manufacturing companies that may consider locating to the East Bay in place of high-cost Silicon Valley neighborhoods.

The Lit San Leandro fiber system is connected to the outside world via fiber lines that are leased by BART's Telecommunications Division. Businesses in San Leandro can tap into a direct fiber connection to most long haul carriers and telecom suppliers, and can connect to global data centers, hubs, other offices, at extremely high speeds.[53]

Funding for Lit San Leandro came from a variety of sources. Dr. Kennedy personally provided $3.0 million dollars as seed funding for the project.[54] In 2012, the San Leandro was awarded a $2.1 million federal grant to expand its public-private fiber network for businesses, which offers data transmission speeds of 10 gigabits per second (2,000 times faster than the average U.S. connection[55]). Funding from U.S. Economic Development Administration paid for 7.5 additional miles of new conduit, and expanded the Lit San Leandro fiber network to over 18 miles.

[53] Ibid.

[54] The Wall Street Journal, "In San Leandro, A Drive to Get Wired," by Rebecca Smith. March 14, 2012.

[55] sanleandro.org

Source: City of San Leandro.

The City operates Lit San Leandro through a 20-year renewable term agreement. Revenue to the City grows as the project becomes profitable, and gives the City eventual ownership of some new network capacity.[56]

San Leandro is changing the competitive landscape in terms of basic infrastructure amenities in the East Bay for recruitment of new businesses. Other cities, such as San Pablo, may need to pursue similar improvements to remain competitive.

[56] http://www.tellusventure.com/community/san_leandro/

5 ECONOMIC DEVELOPMENT FINDINGS

This section ascertains key findings from sections 2 – 4 to arrive at alternative approaches that San Pablo may consider in formulating economic development strategies that foster industry growth and generation new employment opportunities.

5.1 GUIDING PRINCIPLES AND IMPLEMENTATION

The following subsections further describe how the Guiding Principles are advanced through development in target industries identified in this Study.

5.1.1 WALKABLE ENVIRONMENTS AND JOBS-HOUSING BALANCE

Pedestrian, bicycle, and transit-friendly activity centers entice people out of their vehicles and into commercial retail and service areas. Improving the sense of place in public commercial areas, marketing the City's strong brand, and drawing development of attractive places to live and work will help to support local, community-oriented retailers, and other development. In concert with housing, increased transit access, and job clusters employing local workers, this type of development pattern will reduce auto-dependency in the area, thereby reducing greenhouse gas emissions, improving public health by promoting activity in everyday lives, and reducing economic and social costs associated with long commutes.

5.1.2 HEALTH CARE AND SOCIAL SERVICE INDUSTRY EXPANSION TO SERVE UNDERINSURED, LOWER INCOME AND UNDERREPRESENTED POPULATION

The existing Health Care and Social Service industry in San Pablo largely served an underinsured, underrepresented and lower income population. While larger trends in health care present opportunities for growth, it is vital that this population receive the care it needs. The aging population and growing number of families will increase demand for health care services in the area. In keeping with the City's desire to make use of the relatively little land available for new development, growth in this industry could be accommodated by infill development on vacant and underutilized sites, including the reuse of the existing Doctor's Medical Center. Lastly, jobs in these industries can employ the local workforce, affording residents the opportunity to live and work in the City, reducing commute times and auto-dependency.

5.1.3 ECONOMIC AND WORKFORCE DIVERSIFICATION

Growth in the target industries will serve to diversify San Pablo's economic base and local workforce, making the economy more sustainable and increasing the City's ability to successfully adapt to market fluctuations over time. The food service and retail industry offers essential low skill and transitional jobs, while the health care, bio-tech, and gaming industry presents greater opportunity for on-site experience and training, alongside growth in the targeted industries identified in this study, expanding and strengthening avenues for continued education and career development for the local workforce will reinforce revitalization of the

community from within. Workforce development programs and partnerships with Contra Costa College and U.C. Berkeley that are designed specifically to address the needs of these industries can help local workers climb the job ladder and move into higher paying and more stable positions without leaving the community.

5.2 SUMMARY OF ONGOING ECONOMIC DEVELOPMENT EFFORTS

The City of San Pablo is taking a proactive approach to economic development by seeking to capitalize on sustained growth in the Bay Area and by leveraging regional planning efforts of the Association of Bay Area Governments (ABAG). This section describes some of the San Pablo Economic Development Corporation's efforts to bring beneficial change to the City.

The San Pablo Economic Development Corporation (SPEDC) plays a key role in City efforts to bring growth to the area. SPEDC aims to stabilize, diversify, and develop the local economy through education and training of the San Pablo workforce and businesses. Services SPEDC provides to the area workforce include job readiness, skills training, and bilingual computer literacy programs. Services SPEDC provides to businesses include access to capital workshops, entrepreneurship education series, and compliance monitoring resources. SPEDC also undertakes business and customer awareness campaigns that include:

Small Business of the Year
SPEDC recognizes outstanding businesses in San Pablo's merchant community with a Small Business of the Year Award. The winning business receives benefits worth $10,000.

The Road to Rewards Program
The Road to Rewards campaign markets local businesses to area customers. Shoppers obtain a rewards map travel and shop at participating San Pablo establishment to collect stickers for a chance to win prizes.

San Pablo Local FIRST
Twice a year, the Local FIRST campaign challenges residents to shop or dine in San Pablo businesses and bring at least 3 receipts totaling $50 or more for a chance to win prizes.

5.2.1 STATE SPONSORED ECONOMIC DEVELOPMENT EFFORTS

Support at the state level can be found at the Governor's Office of Business and Economic Development (GO-Biz). Communities, like San Pablo, can utilize GO-Biz assistance such as Business Development (CalBIS), Permit Streamlining, Small Business Assistance, Innovation and Entrepreneurship programs like iHub, and International Affairs and Trade Development (business.ca.gov). Small Business Assistance may the most beneficial program for San Pablo and its economic vitality. The Office of the Small Business Advocate (OSBA) provides information

and assistance to small businesses so they can succeed in the California marketplace. OSBA hosts workshops and webinars on varying topics. In partnership with GO-Biz's Permit Assistance Unit, OSBA also convenes a State interagency working group to represent small business interests in the state's regulatory policies (business.ca.gov/Programs).

5.3 CATALYST PROJECTS GEARED TOWARD SPECIFIC INDUSTRIES

This section describes projects the City is or could undertake to bring about economic growth in San Pablo. The benefit of catalyst projects is two-fold: 1) They establish industry co-location and clustering opportunities; and 2) They prove the viability of an industry to the broader market, thereby improving the City's status in the competitive regional climate.

5.3.1 MUNICIPAL BROADBAND

With regional projects such as Lit San Leandro in the competitive context, cities such as San Pablo must provide similar broadband amenities to be able to attract new business.

The retail trade, food service, and accommodation industries increasingly rely on internet-driven sales, user interfaces/kiosks, and integration with smartphones and other connected "wearable" technology that enhances the customer experience. Technology-driven industries of bio-technology and the life sciences are becoming increasingly interconnected to health care and medicine. Meanwhile, healthcare providers are adopting models that deliver healthcare into the home or directly to the user via the internet. The municipal broadband project will signal the City's support for growth in these targeted industries.

> The 2015 White House report on Community-Based Broadband Solutions Over identifies "**affordable, reliable access to high speed broadband as critical to U.S. economic growth and competitiveness …**and a critical tool for increasing access, encouraging competition, fostering consumer choice, and driving local and regional economic development.

As the project intends to provide fast internet to residents and not just businesses, the improved connectivity will help local residents find and apply for jobs, and pursue online education, personal business and live/work opportunities, while providing small businesses better access to marketing tools and responsiveness to potential customers. The municipal broadband project could also improve the City's desirability for tech industry workers and attract companies that wish to co-locate with their workforce.

5.3.2 REPURPOSING OF THE DOCTOR'S MEDICAL CENTER

The recent closure of Doctor's Medical Center (DMC) presents an opportunity for a highly visible catalyst project in one of the City's target industries (discussed in section 3.5). While the building requires significant reinvestment to become viable, valuable building and site infrastructure exists that could serve any number of health care related services, including a

new hospital, medical or bio-technology /life sciences research facility, mental health care facility or other industry requiring substantial square footage, larger building floorplates and similar infrastructure. As suggested in Chapter 3, this site may also be suitable for accommodation uses due to its proximity to the Lytton Casino.

Repurposing the DMC may also present an opportunity for partnership with regional universities such as U.C. Berkeley or U.C. San Francisco that may seek to develop or expand community-based health care programs by creating a satellite teaching and/or research facility in San Pablo.

5.3.2.1 CITY – UNIVERSITY PARTNERSHIPS IN HEALTHCARE AND BIOTECH

Four City-University partnerships in healthcare and bio-technology are described below, which may serve as examples when pursuing a significant catalyst project in those industries.

The City of Baltimore & Johns Hopkins University. In 2002, in a non-profit partnership with the City of Baltimore and private developers, Johns Hopkins University created the East Baltimore Development Inc. (EBDI), a 501(c)3 which (controversially) has purchased and redeveloped a low-income neighborhood in East Baltimore, largely by razing houses, the majority of which were abandoned. The purpose has been to allow expansion of the University's medical campus, improve a crime-ridden and blighted neighborhood, and create private investment opportunities.

When completed, the project will include 2,100 units of mixed income housing, 1.7M square feet of university life sciences research and office space, a 7-acre community learning campus, an elementary school, retail space, and green spaces.

As of 2008, the charitable and educational functions of EBDI's mission are carried out by the separate East Baltimore Development Foundation, Inc., a 501(c)3.

The project is funded by grants from the U.S. Government, the State of Maryland, various foundations, and private developers.

The City of Portland & Oregon Health and science University (OHSU). In 1999 the City of Portland officially designated 409 acres along the City's waterfront as an urban renewal area, or the 'North Macadam Urban Renewal Area'. Working with public and private developers, the project is predicted to create approximately 6,000 jobs, 3,700 housing units and 2M square feet of office space. The area will also be home to a new OHSU science and technology research center, which will house many research programs poised to generate commercial applications.

The City of Portland will own and operate an aerial tramway running through the project area.

The project is funded by a mix of public and private investments. Of the $71 million in public funds used, $25 million will come from Tax Increment Financing investment.

The City of New York & Cornell University. In 2011 the New York City Mayor's Office and the New York Economic Development Corporation (a quasi-public arm of the City government) announced an RFP to build an "applied sciences" campus on Roosevelt Island. The City was prepared to offer up to $100 million in site infrastructure investment for the proposal yielding the most benefit to the City and the lowest commitment of City resources.

Cornell University, in partnership with the Technion-Israel Institute of Technology, won the 99-year lease to the site, and the new campus will house tech-oriented academic space, an executive education center/hotel, housing, publicly accessible open space, and a corporate co-location building for established and fledgling startups.

Over the next 35 years, the project is expected to generate an estimated $6 billion in overall economic activity across New York City, $1.2 billion in direct and indirect taxes for the City, and thousands of construction and permanent jobs.

The City of Richmond & Lawrence Berkeley National Lab. In early 2011, Lawrence Berkeley National Lab (LBNL) announced its intention to build a second campus where biofuels and industrial biotechnology-focused R&D would be housed. Twenty cities submitted applications to host the labsite, with the City of Richmond ultimately winning out. The City had made a point in its recent general plan to zone the area around Richmond Field Station (the future site of LBNL, which was already owned by UCB) to ease the process of development.

The LBNL is planned to have deep ties with the community through educational, public health, community outreach, labor, and transportation partnerships. The University Chancellor and LBNL Director appointed 20 Richmond community leaders to take part in a Community Working group, established to provide advice and recommendations on key aspects of development.

5.3.3 TRANSIT IMPROVEMENTS AND CONNECTIVITY TO TRANSIT

Other catalyst projects in San Pablo may focus on transportation infrastructure and connectivity improvements. The City's 2013 Complete Streets Study calls for improving multimodal access, safety and connections on the San Pablo corridor and prioritizes improvements that will facilitate pedestrian, bicycle and transit trips. Transit, pedestrian, and bike infrastructure improvements will help create a more attractive and vibrant retail shopping experience for patrons of smaller, local shops and restaurants. Coupled with incentives and programs to improve building façades and landscaping, the City can create a sense of place in the community.

Regional transit connections, such as BRT and improved service connections to BART could serve the existing commuter population while increase access to a broader labor market for potential employers, as well as make the City more attractive for new residents and expand and diversify its workforce. Increased ridership on the 72R line to downtown Oakland prompted

the addition of weekend service in 2015. The City can proactively engage AC Transit and facilitate collaboration with Contra Costa College (a major driver of ridership) and other major employers in the City to increase ridership and drive expanded service, and support improved BRT infrastructure for commuters and visitors to and from the City.

Vehicular access to the I-80 corridor will remain vital to all industries, and the City's major entry and exit points face considerable traffic issues. The California Department of Transportation (Caltrans), in cooperation with the Contra Costa Transportation Authority (CCTA) and the City of San Pablo, proposes to reconstruct the I-80/San Pablo Dam Road interchange. The proposed project would improve traffic operations, reduce traffic congestion, provide efficient and safe bicycle/pedestrian access at the interchange, and accommodate future traffic volumes on San Pablo Dam Road. Phase one of this project includes removal of the isolated El Portal Drive westbound on-ramp, with new construction further north at the El Portal Drive interchange. In addition, an auxiliary lane between the new westbound on-ramp and SPDR westbound off-ramp will be constructed, doubling the spacing between the two ramps and improving the weaving operations along westbound I-80.[57] While not under the City's jurisdiction, adjacent sites may offer an opportunity to improve wayfinding, streetscape, landscaping and aesthetic quality in an area that sees a vast number of users on their way to heart of the City's core.

5.3.4 WORKFORCE SUPPORT – CONTRA COSTA COMMUNITY COLLEGE

Contra Costa College (CCC) provides a significant opportunity to support growth in key industries and market the City overall while providing affordable education and job training to the local community. Collaboration between the City, EDC, and CCC to prepare and refine a coordinated marketing message to prospective businesses and employers would help drive job creation and expansion in the City while establishing a more direct line between the local workforce and jobs in the community. The message could highlight the skills and benefits of CCC students to targeted industries. Workforce development programs could target local residents as early as high school and include application assistance, linkages between curriculum, and campus visits and guest lectures.

Furthermore, the College is well known throughout the region as the feeder school to U.C. Berkeley, particularly in bio-tech and related fields. In collaboration with the CCC and EDC, the City could facilitate collaboration between U.C. Berkeley and its research and development efforts, the College, and existing and prospective businesses and entities in the health care and bio-technology industry in the City. In these efforts, San Pablo could bring shovel-ready opportunity sites and various incentives to the table.

[57] http://www.ccta.net/_resources/detail/38/2

5.4 IMPLEMENTATION PROGRAMS FOR CONSIDERATION

5.4.1 NEAR TERM STEPS TO FOSTER ECONOMIC GROWTH

The City could achieve economic development successes in the three to five-year horizon by implementing any number of the following items:

- **Streamline the permit process**
  - Streamline the permit process by ensuring staffing levels are sufficient and staff is adequately trained and allocated.
  - Create a permit procedures manual documenting processes and outlining required staff response times.
  - Establish an expedited permit process, available with an additional fee. The City may consider the use of contract staff to provide this service.
- **Assess and direct regulatory revisions, as necessary**
  - Conduct an assessment of the San Pablo Avenue and 23rd Street specific plans to determine if they are resulting in any unintended consequences, specifically unnecessary impediments to desirable new uses or development. Ensure development standards are clear and provide certainty to developers.
  - Complete such amendments to the specific plan(s) and related zoning, as needed.
- **Improve and expand information resources**
  - Coordinate with the EDC and real estate brokers to assess opportunities for improvement and expansion of the EDC's available retail space postings and retail vacancy map feature.
  - Include vacant, underutilized, and opportunity sites along with sales sheets and zoning information.
  - Explore linkage to City G.I.S.
  - Support the EDC on coordinated improvements and enhancements.
- **Expand special events**
  - Conduct community outreach to develop ideas for additional special events.
  - Consider arts and culture events in coordination with Los Cenzontles Mexican Arts Center (e.g., performances, Dia de los Muertos festivities, etc.).
  - Explore the use of vacant and/or underutilized parcels for special events.
  - Implement new special events.
- **Focus on temporary uses to increase short-term activity**
  - Explore temporary retail uses such as food truck parks to enliven underutilized areas until permanent development becomes viable.
  - Consider container retail on underutilized lots as a way to offer low-cost rental space to start-up businesses.
- **Develop a marketing/branding strategy**
  - Develop a clear, coordinated message to market the City that reflects the City's improved safety and assets.
  - Develop and pursue marketing efforts geared towards target industries.

5.4.2 INCENTIVES

The City may consider the provision of incentives to attract and retain targeted industries. While incentives alone do not typically influence a company's decision to locate, they can be an important factor in the decision-making process.[58] Incentives, especially financial incentives, should be carefully evaluated to understand and disclose potential fiscal impacts.

5.4.2.1 PROVIDE INCENTIVES TO TARGETED INDUSTRIES

The following is a list of potential incentives and actions the City could take to create incentives for targeted industries:

- Reduce fees temporarily, such as reductions in permit processing fees, building permit fees, and/or development impact fees for a limited duration.
- Create a standardized development agreement for desired projects to streamline the development agreement process and provide more certainty to developers. The standard form could be distributed with marketing materials.
- Prepare criteria to determine if/to what extent the City would consider providing nonfinancial support to desired projects (e.g., site infrastructure, grading, parking, landscaping, etc.).
- Prepare criteria to determine if/to what extent the City would consider providing cost-sharing and/or tax incentives to desired uses or projects.
- Consider land write-downs for City-owned sites or portions thereof for acquisition by targeted industries. Develop a clear City policy for how and when land write-downs would be used.
- Continue to make investments in shovel-ready opportunity sites.
- Update General Plan and Specific Plan EIRs to streamline CEQA process for new development.
- Develop a business facade improvement program that provides financial support for businesses to improve street frontages.

5.4.2.2 EVALUATE FEASIBILITY OF PARCEL CONSOLIDATION AND DEVELOP A PROGRAM FOR STREAMLINED APPROVALS.CONTINUE TO MAKE INVESTMENTS THAT BENEFIT THE COMMUNITY AND NEW DEVELOPMENT OF TARGET INDUSTRIES AND OPPORTUNITY SITES

The City has made infrastructure investments, such as those related to storm drain facilities, streets and directional signs, which reduce potential off-site improvement costs for new developments. The City is currently working on municipal broadband development, which will be critical in successfully attracting new businesses and residents. The City should continue to make these types of investments while strategically considering community needs, opportunity

[58] Koven, Steven G. and Thomas S. Lyons. (2010). *Economic Development: Strategies for State and Local Practice*. 2nd edition, ICMA Press.

sites, and target industries. The following are additional activities and projects the City may consider:

- Prioritize capital improvement projects that would benefit target industries and facilitate the development of opportunity sites.
- Install a larger diameter pipe under 23rd Street for sanitary sewer service, which the 23rd Street Specific Plan states "new development may require."
- Obtain funding and conduct investigation and remediation activities for contaminated sites, focusing on sites within the PDA (e.g., 14250 San Pablo Avenue).
- Collaborate with Contra Costa College to assess ways in which the City could support the College's programs that could provide qualified employees for target industries (e.g., expand/enhance the bio-technology program).

5.4.2.3 FUNDING MECHANISMS

Various funding mechanisms are available to assist the City with implementation or offset costs of these types of programs and projects.

- **Business Improvement Districts (BIDs**) – BIDs provide revenue for local improvements and services that supplement or enhance existing municipal services. BIDs are self-imposed by businesses and self-governed by a board of directors. Funds collected through a BID can be used for enhanced maintenance, public safety, public art, street furniture, special events, marketing, and other projects and services.
- **Enhanced Infrastructure Financing Districts (EIFDs)** – EIFDs allow the collection of tax increment revenues to finance improvements such as transit facilities, parking facilities, brownfield restoration, water and sewer facilities, and childcare facilities. EIFDs were established in January 2015 to replaced funds lost when redevelopment agencies were eliminated. The City has successfully used tax increment financing for streetscape and façade improvements.
- **Tax Credits**
    - New Markets Tax Credits (NMTC) – This competitive program offers gap financing for projects in low-income communities. The City's recently opened Rumrill Sports Park received over $2 million in NMTC. Although the NMTC program is currently expired, two bills have been introduced, H.R. 855 and S. 591, which, if passed, would extend NMTC indefinitely.
    - Low-Income Housing Tax Credits (LIHTC) – LIHTCs are available to developers and investors of affordable rental housing projects.
    - Historic Preservation Tax Credits – These tax credits are available for the rehabilitation of historic buildings, such as the Blume House and Alvarado Adobe.
- **Cap and Trade Funds** – These Funds are proceeds from the sale of State-owned greenhouse gas emissions allowances for projects that reduce greenhouse gas emissions. These Funds may be available for specific projects within the PDA, and the City could pursue them with the assistance of the East Bay Corridors Initiative and ABAG.

- **Grants –** Numerous Federal and State grant programs can be utilized for various projects. Grant funding sources and programs include CDBG, MAP-21, STIP, EDA grants, and others.
- **Rule 20 Program –** The City has successfully used the Rule 20 Program to underground overhead utilities along 23rd Street. The City should look for opportunities to partner with private property owners and/or Contra Costa County to accelerate the City's eligibility for utilizing this Program again.
- **Crowdfunding –** Crowdfunding entails collecting monetary contributions from a large number of people through an online platform to fund a project or venture. Civic-specific crowdfunding platforms include Ioby and Citizinvestor. Crowdfunding is flexible in what it can fund, but it has typically funded smaller projects or provided gap funding.
- **Social Impact Bonds –** Social Impact Bonds allow private investors to invest and manage public projects aimed at improving social outcomes and reducing government spending. Private investors front the costs and receive a return only if social outcomes are improved based on a predetermined threshold. This is an innovative financing model, and the City would need to evaluate service area(s) where this mechanism may be effective.
- **Funding for Daylighting of Streams –** The San Pablo Avenue Specific Plan identifies the daylighting of Wildcat Creek. Potential funding sources to daylight creeks include the California Department of Water Resources Urban Stream Restoration Program, Clean Water Act 319 Funding, Five Star Restoration Program Funding, and Federal Emergency Management Agency Hazard Mitigation Assistance.

5.4.2.4 SUPPORT FOR LOCAL/SMALL BUSINESSES

The City should strengthen support for local/small businesses, which will be an important component to the creation of vibrant, mixed-use districts. As noted in this study, there are opportunities for 'mom and pop' retail and food and beverage establishments, especially local ethnic serving businesses. These are desirable complements to commercial districts because the business owners are vested in the community and revenues are more likely to be recirculated within the community. The City should continue to work with the EDC and consider establishing an incubator program for these types of businesses. As previously mentioned, the formation of a BID and an expanded role of the EDC would also provide support to and resources for local/small businesses.

5.4.3 MARKETING/BRANDING STRATEGY

Increased competition between territories for attracting investment, development, and people, especially in the Bay Area, has led cities to focus on marketing and branding strategies. The strategies should be tailored to fit the image the city wants to develop and its individual needs, and consequently city decision makers and planners must be knowledgeable about those strategies. Currently, San Pablo lacks a clear, coordinated message to market the City. In the Bay Area, younger families are looking to raise children in a close knit community yet within and urban context with proximity and access to major urban centers. This section will provide

multiple marketing and branding suggestions specific to San Pablo and based on the research and analysis presented in the previous chapters and San Pablo's unique image.

5.4.3.1 SAN PABLO'S CITY IMAGE

City image refers to how the city is seen or perceived by its target markets and audiences, and the mental associations people make with the city. Many of San Pablo's existing attributes provide the framework for the positive image the City seeks as the "City of New Directions"[59] including its general age of residents, its cultural diversity, its Bay Area location, and its rich history. These factors should be highlighted and improved upon to further contribute to San Pablo's city image.

The factors contributing to San Pablo's image are different from surrounding areas in the Bay Area making it unique. About 30 percent of San Pablo's population is under 20 years old and almost half of the population is age 20 to 49 suggesting that the City should cater activities and land uses to a young audience.

San Pablo's cultural diversity is made up of three main groups. The largest racial group in the City identifies as Hispanic or Latino and represents more than half of the City's population. The second and third largest groups identify with being Asian and Black or African American. Together the three racial groups make up 70 percent of the City's population. The City's cultural composition provides insight on demand for commercial industry opportunities catering to the larger racial and ethnic groups.

One of San Pablo's defining image characteristics should be its history and culture. California is rich with Spanish history and San Pablo's dates back to the 1700s when the Spanish government first sent explorers, then missionaries and settlers into this area. Settlers found the land in San Francisco infertile and so established Rancho San Pablo in 1815 on the Bay's opposite coast— "contra costa" in Spanish — to raise cattle and food for the mission. Rancho San Pablo was the first permanent non-Indian settlement in all of what is now Contra Costa County.[60]

Being situated on the east bay, San Pablo has opportunities that other cities do not. San Pablo Avenue provides direct connections to neighboring cities and additional transportation options, such as BART, provide connections to larger cities in the Bay Area region. The Richmond BART station is located three miles south of San Pablo and is a ten-minute drive or a twenty-minute bus ride away. The location and ease of access is a selling point for people or investors considering locating or relocating to San Pablo.

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[59] City of San Pablo website (http://ca-sanpablo.civiccities.com)

[60] Ibid.

5.4.3.2 BUSINESS FRIENDLY, A NEW DIRECTION

Land comes at a high cost anywhere in the Bay Area. Regional public transportation offers visitors and residents accessibility from east bay to west bay. It has become more evident that cities in this region must market incentives and their development process convenience to better position themselves for investment. San Pablo could take a number of actions to add "business friendly" to their perceived image:

- Expedite the permitting and entitlement process.
- Offer land and tax incentives on City owned opportunity sites.
- Market the support and education offered by the San Pablo Economic Development Corporation.
- Implement a temporary use permit allowing pop-up (temporary) spaces or kiosks for small start-up companies (e.g., food trucks, flower and produce stands).
- Bring "business friendly" approach to regional partners.

5.4.3.3 BUILDING AND MARKETING A STRONG BRAND

Branding a city offers many advantages in a marketing strategy. A place brand can behave just like a manufacture's brand, providing a guarantee of quality, which kick-starts the entry of its new "sub-brands" on the marketplace such as specific industry and residential incentives. This is the reason why city brands must be coherent and clear and try to the maximum to avoid big changes over time.[61] A few marketing strategies to incorporate once a brand has been solidified may include:

- Develop a new landmark, flagship, or catalyst project as discussed in Section 5.2.
- Market city image on a grassroots and national level.
- Market infrastructure and tax incentive support.
- Host and piggy back on large Bay Area events such as Small Business Week, and development and industry conferences.
- Advertise City brand in national and global online blogs and magazines such as San Francisco Magazine, New York and Los Angeles Times.
- Introduce a strong social media presence.
- Create partnerships between San Pablo Economic Development Corporation and non-profits such as SPUR and Bay Area Council Economic Institute.
- Refresh the City website catering to young and technically savvy Internet users with a large emphasis on a more mobile- and user-friendly version.

[61] Anholt, S. (2004). Nation-brands and the value of provenance. In N. Morgan, A. Pritchard, R. Pride, *Destination branding*. Burlington: Elsevier Butterworth-Heinemann. pp. 26-39.

Opportunity Sites Feasibility Analysis

B Appendix

PDA Implementation Planning Grant

Opportunity Sites Feasibility Analysis | City of San Pablo

Lisa Wise Consulting, Inc.
March, 2016

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Summary of Findings

The Opportunity Sites Feasibility Analysis presents the following findings:

- **Development Incentives**: Incentives are likely needed to make opportunity site development more feasible.
- **Greater Intensity Increases Feasibility**: Opportunity site build-out scenarios that include greater development intensity (four stories) and a higher concentration of residential (95 percent) outperform other scenarios from a financial return perspective.
- **Residential Uses Increase Feasibility**: Absent increased population or job growth in San Pablo, a higher proportion of residential versus non-residential uses makes opportunity site development more feasible.
- **Reduce Parking Requirements to Increase Feasibility**. Parking facility costs impact opportunity site development feasibility. The City can incentivize development on the opportunity sites by minimizing parking requirements or by building publicly funded parking structures that would serve the larger community as well as opportunity site uses. Such parking structures, if placed within walking distance of existing retail clusters, could also replace or supplement surface parking.
- **Reduce Land Costs to Increase Feasibility**: Land costs also impact the feasibility of opportunity site development. Opportunity sites with City-owned property present an opportunity to reduce land costs to a private developer so as to render desired development more feasible.
- **Funding Strategies**: Emerging funding strategies such as Enhanced Infrastructure Financing Districts and crowdfunding platforms present opportunities to fund public benefit components of opportunity site development (such as open space and complete street elements), parking amenities, and land cost write-downs.

Approach to Feasibility Analysis

The following analysis assesses current market trends in the City of San Pablo (City) and surrounding region and focuses on affordability, job growth, interest rates, rents, home prices, availability of land, leases and vacancy rates, regional competitive climate and describes options which could support and incentivize development. Those options include:

- Site and parcel reconfiguration,
- Public right of way (ROW) improvements,
- Building type, and
- Intensity and placement.

The analysis also includes a detailed Development Feasibility Scenario Model, a tool which better enables decision makers to understand the variables which affect development feasibility, and how they may be adjusted to adapt to local and regional opportunities and constraints. The

analysis concludes with a discussion of potential funding options and other incentives which could lead to an improved development climate for four (4) specific opportunity sites:

Site 1 - Mission Plaza, at Broadway, Rumrill, and San Pablo Ave

Site 2 - San Pablo Ave, Brookside Drive, and 23rd Street at San Pablo Creek

Site 3 - Old City Hall site and environs at San Pablo Ave and Church Lane

Site 4 - Big Lots/Food Max at San Pablo Ave and San Pablo Dam Road

1 Current Market Trends

The near term feasibility of development on the four proposed opportunity sites will hinge on local and regional demand for residential, office and retail/commercial uses. Currently, demand for housing, office, and commercial space in San Francisco, the Peninsula, and San Jose continue to drive home buyers, renters, businesses and other employers to more affordable communities in the East Bay. As a result, employment, real estate prices, and other economic indicators throughout the East Bay continue to rise and are expected to remain strong through 2016.[1] An overview of market trends for residential, office and retail use is discussed below.

1.1 RESIDENTIAL MARKET

Demand for homes in the Bay Area region outpaces supply (San Francisco Bay Area, State of the Region, Economy, Population, Housing, 2015, ABAG). The City presents an affordable housing option relative to other Bay Area communities, and is positioned to capture growing regional demand. According to the California Association of Realtors, 2016 California Housing Market Forecast, key factors that affect the residential market include job growth and interest rates.

Affordability: *The San Francisco Business Times* found San Pablo the 5th least expensive city in the Bay Area for renters behind Antioch, Vallejo, Fairfield and Vacaville (The Most and Least Expensive Bay Area Cities for Renters, January 23, 2014).

Job Growth: The housing market can generally be said to track job growth. Job growth in the Bay Area region is robust. Economists at University of California Los Angeles believe the Bay Area region has recently reached full employment.[2] East Bay employment growth lags behind the rest of the region, with a 4.3 percent unemployment rate compared to 3.1 percent and 3.7 percent for the San Francisco/Peninsula and San Jose metropolitan areas.[3] The unemployment rate in the City of San Pablo is currently 6.8 percent.[4]

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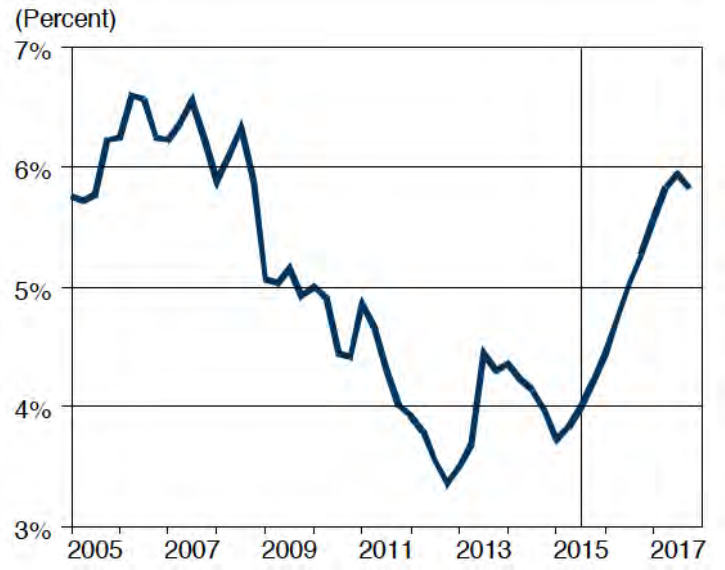
[1] East Bay Economic Development Alliance East Bay Economic Outlook 2015-2016
[2] http://www.mercurynews.com/business/ci_28889406/bay-area-reaches-full-employment-ucla-anderson-forecast
[3] State of California Employment Development Department, September 2015
[4] Ibid.

Interest Rates: Mortgage interest rates influence consumer decisions to buy or rent. According to a 2014 report by the real estate data firm Trulia, buying is on average 38 percent less expensive than renting in America's largest metropolitan areas, due in large part to low interest rates and rising rents.[5] In San Francisco and San Jose, where buying was only slightly less expensive than renting in 2013, (9 percent and 4 percent respectively), the rapid increase in rents in cities throughout the Bay Area have likely widened the gap in favor of buying; the report estimates that mortgage interest rates would need to climb to at or near 7 percent to make renting the more affordable option.[6] Rising interest rates can play a part in sometimes opposing forces that affect the for-sale housing market: decreasing home sale prices and rising apartment demand. Affordability, regional job growth, and low interest rates indicate that San Pablo is in an attractive position for growth under current market conditions.

FIGURE 1-1 30-YEAR CONVENTIONAL MORTGAGE RATES



Source: University of California Los Angeles Anderson Forecast, September 2015

1.1.1 SAN PABLO HOME PRICES AND RENTS

Relative to the rest of the Bay Area region, San Pablo and Contra Costa represent more affordable housing options. Contra Costa County has seen a 20 percent increase in house sales in the last year, while San Francisco and San Mateo Counties have seen 11.1 percent and 3.1 percent decreases respectively.[7]

[5] Trulia. Buying Cheaper Than Renting, But Some Mortgages Make It a Closer Call. Retreived from: http://www.trulia.com/blog/trends/rent-vs-buy-q3-2014/#sthash.Aw77jbHk.dpuf
[6] Ibid.
[7] http://www.mercurynews.com/business/ci_28996349/september-home-sales-brisk-9-county-bay-area

Home Prices[8]: The median home value in San Pablo is $327,700. The median home value in Contra Costa and Alameda Counties are $507,300 and $684,000, respectively; and the median home values in San Francisco and San Mateo Counties are $1,100,000 and $1,022,000, respectively.

Recently constructed 2-3 bedroom townhome units in nearby Richmond (The Anchorage at Marina Bay) are currently priced between $475,000 and $582,000, or $295 and $362 per square foot, while two 2 bedroom condo units in El Cerrito are currently available for $379,000 or $519,000 at $358 and $419 per square foot, respectively.[9]

Home values in San Pablo are expected to rise 4.1 percent in the next year.

Apartment Rents: San Pablo's rents are generally lower compared to the region. Zillow estimates the median rental value of all unit types, including single-family homes, is $2,045 per month in City of San Pablo, compared to $3,348 for the San Francisco metropolitan area.

1.2 RETAIL MARKET

The retail market in San Pablo consists primarily of neighborhood community and strip retail establishments. Despite sustained growth in retail uses in San Pablo, available retail space remains underutilized with higher vacancy rates and lower rents than elsewhere in the region. Retail uses in San Pablo suffer from negative perceptions, lack of foot-traffic, established regional competitors, and streetscapes that are visually inferior. Factors that impact retail viability include availability of land, lease and vacancy rates, and potential consumer base as described below.

Availability of Land: While most lots are developed to some extent in the City, there exist large, commercial-zoned lots that do not maximize build-out potential. These underutilized lots present redevelopment opportunities for potential commercial uses such as retail and office. Four such lots are identified as opportunity sites 1 through 4, and are described in detail in this Opportunity Sites Analysis.

Lease & Vacancy Rates: Retail lease rates in San Pablo range from $0.60/sf/month to $4.00/sf/month ($7.00/sf/year to $48.00/sf/year). The average asking rent in the North 80 Corridor area of the region is $1.91/sf/month ($22.93/sf/year)[10]. San Pablo area asking rents are in the middle range of other East Bay sub-markets which range from a low of $1.49/sf/month ($17.85/sf/year) to a high of $2.32/sf/month ($27.88/sf/year) for the Highway 4 (Pittsburg, Antioch) and South-80 Corridor (Oakland, Emeryville, Berkeley) areas respectively.[11]

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[8] Zillow.com data.
[9] Trulia.com data, November 2015
[10] "Second Quarter 2015 East Bay Retail Snapshot" by DTZ
[11] Ibid.

Vacancy rates for the area, at 6.1 percent, are higher than other East Bay locations except the Highway 4 sub-market, at 7.6 percent vacancy rate. Other East Bay retail sub-market vacancy rates range from 1.1 percent to 6.0 percent (representing the South-80 Corridor and 580 Corridor respectively).

Mid-range lease rates and relatively high vacancy rates allude to a possible over-supply of retail space. As discussed further below, a potential alternative is to expand the consumer base.

Nearby Competition, Potential Consumer Base & Complete Streets: San Pablo is surrounded by established retail clusters that span regional power centers to prolific strip malls in Richmond (Hilltop Mall), El Cerrito, and El Sobrante. A retailer will consider the nearby competing clusters when looking at San Pablo. As such, without increasing the City's consumer base, it may be difficult to expect significant retail growth.

One potential approach for the City is to increase its potential consumer base by capturing residents and consumer traffic from other higher cost areas of the region. The City can do so by allowing, promoting, and incentivizing increased housing production. Increased residential units near retail establishments would provide additional foot-traffic that would make more viable existing and future retail uses in the City.[12]

As there is no pedestrian oriented, village-centric shopping district in San Pablo or the surrounding cities, another option to increase the consumer base would be to retrofit the San Pablo Avenue corridor into an attractive, complete, walkable district. This type of development could serve as a catalyst for retail and other economic activity.

1.3 OFFICE MARKET

The City's office market is comprised mostly of Class B and C properties that feature smaller, older spaces. Currently, available properties range from 1,296 square feet to 45,010 square feet. Medical office uses play a large role in the City's office market. The closure of Doctors Medical Center represents uncertainty to medical office uses in the City.

As discussed below, San Pablo office rental rates present an affordable option compared to other Bay Area locations. In addition to rental rates, job growth and industry performance are key determinants of office market health. A detailed review of industry performance and job growth information for City of San Pablo, can be found in the Draft Economic Positioning Study of September 2015 by Lisa Wise Consulting, Inc.

Rental Rates: San Pablo office asking rents average $1.47/sf/month ($17.64/sf/year)[13], and are below West Contra Costa County rents that average $1.53/sf/month ($18.63/sf/year)[14]. Other

[12] Foot-traffic is a vital component of retail success. Each trip that goes past a storefront represents a possible sale transaction. Retailers will require a minimum level of foot traffic in the location decision.
[13] loopnet.com
[14] "East Bay Office Real Estate Market Review 3rd Quarter 2015" by Kidder Matthews

East Bay rents range from $1.58/sf/month ($18.96/sf/year) in Union City to $2.90/sf/month ($34.80/sf/year) in Emeryville. To provide context, average asking rents for Class A, B, and C office properties in San Francisco command $5.38/sf/month ($64.60/sf/year), $4.17/sf/month ($50.04/sf/year), and $4.30/sf/month ($51.65/sf/year), respectively.

2 Opportunity Sites Discussion

The sections below analyze the development feasibility of opportunity sites 1 through 4, as outlined in the Opportunity Sites - Internal Strategy Memo:

Site 1 - Mission Plaza, at Broadway, Rumrill, and San Pablo Ave

Site 2 - San Pablo Ave, Brookside Drive, and 23rd Street at San Pablo Creek

Site 3 - Old City Hall site and environs at San Pablo Ave and Church Lane

Site 4 - Big Lots/Food Max at San Pablo and San Pablo Dam Road

2.1 DEVELOPMENT FEASIBILITY SCENARIO MODEL

This analysis relies on a development feasibility scenario model designed to identify characteristics that may influence project feasibility and to differentiate project performance in varying scenarios. The model was developed with basic financial estimation methods and assumptions. The model's inputs for revenues and costs were based on local market research, industry benchmarks, and LWC's professional experience. Inputs may be affected by project-specific details, timing, market changes, or other unforeseen factors. The model is not intended to evaluate an individual project's feasibility or performance, but to assess which factors (e.g., intensity, parking, uses, etc.) may be adjusted to alter development outcomes. The model presents feasibility in terms of the unleveraged internal rate of return (IRR) over a 10 year operating horizon.[15] A development would be considered feasible if the project IRR exceeds an investor's hurdle rate. The hurdle rate varies per investor and project profile. Generally, a project needs to show an IRR in excess of 15 – 18 percent to recruit capital, unless a financial

[15] Without loan financing. Use of debt capital would have an effect on the expected IRR of a development. Terms and type of debt would depend on the state of the capital markets which still have not fully recovered from the Great Recession. In the Mid-Year 2015 report by Commercial Real Estate Direct authors state "Loan growth is well below the 2004-2008 pace. Some of that deceleration has been driven by regulations that have made it more difficult for banks to lend." At the same time the report goes on to say, "U.S. lenders have loosened their credit standards, citing aggressive competition from bank and nonbank [such as crowdfunding platforms] lenders, as well as a more certain outlook for real estate market fundamentals." According to the report pre-Great Recession commercial real estate loan growth was 11% and 13% in years 2004 and 2006, respectively. Loan growth in 2014 was 5%, up from 0% in 2013.

entity is investing to meet its Community Revitalization Act requirements or is in existence to achieve a social good objective.[16]

There are six development scenarios included in the model, described as follows:

TABLE 2-1 DEVELOPMENT SCENARIOS

Scenario	Intensity - # of Stories	% Residential	Rental or For-Sale
1 (2S;95%)	2	95%	100% Rental
2 (2S;50%)	2	50%	100% Rental
3 (4S;95%)	4	95%	100% Rental
4 (4S;50%)	4	50%	100% Rental
5 (2S;95%C)	2	95%	Residential Condos for Sale
6 (4S;95%C)	4	95%	Residential Condos for Sale

Key assumptions of the model include:

- Revenues are based on expected rents for new residential and non-residential buildings, or $3.00 and $2.50 per square foot per month, respectively. For sale condo/townhome units are assumed to sell for $350 per square foot, or $420,000 per unit.
- Per square foot construction cost estimates are conservative and assume an approximate 10 percent premium for four story construction versus two story construction. Residential construction costs are assumed to be $175 and $195 per square foot for two story and four story development, respectively. Non-residential construction costs are assumed to be $205 and $225 per square foot for two and four story development, respectively.
- Land acquisition and site development costs are assumed constant across all scenarios and are assumed to be $2 million and $500,000 per acre, respectively.[17]
- The total site area (used in calculating land acquisition and site development costs) was estimated based on the design parameters of each opportunity site.
- Operating expenses and entitlements and other soft costs are based on project size, and therefore scale with the size and intensity of each scenario and at each opportunity site.
- Parking garage facility costs are based on the design parameters at each opportunity site and are assumed to be $30,000 per space.

[16] The Community Reinvestment Act encourages financial institutions to help meet credit needs of the communities in which they operate, including low- and moderate-income neighborhoods. It was enacted by the Congress in 1977, and was substantially revised in May 1995 and updated again in August 2005.

[17] Recent sale transactions such as the sale of Moeser Square at 10572 San Pablo Avenue in El Cerrito suggest the land cost could be much higher. Moeser Square is a strip retail center with approximately 19,000 square feet of retail space in four buildings spread across 1.34 acres. According to "The East Bay Retail Snapshot, Second Quarter 2015" by DTZ Retail Terranomics, the property sold for $6,050,000, or $4,514,925 per acre. Sale transactions for San Pablo properties on San Pablo Avenue or within a comparable urban context are not readily available, however listings for 3 vacant properties for sale in San Pablo vary between $580,000 and $2.6 million per acre.

- Costs for ROW and public infrastructure improvements are excluded.

The complete breakdown of the model, including all assumptions, can be found in Appendix A.

The findings from the model are discussed for each opportunity site in the sections below. Key takeaways applicable across all opportunity sites include:

- Though inputs such as financing and fluctuations in unit costs, property values and construction costs may influence expected returns, generally modest IRRs suggest incentives are likely needed to make development at these sites more feasible.
- Scenario 3, with both a greater intensity (four stories) and higher concentration of residential (95 percent) outperforms other scenarios, by varying degrees.
- With lower costs and higher revenues, a higher proportion of residential versus non-residential uses makes development more feasible.
- As described above, strong demand in the residential market, possible over-supply of retail, and regional competition for retail/office users support the notion that an increase of residential uses would improve development feasibility. Furthermore, unless foot traffic, area population, or job growth can be increased, higher concentrations of retail and office space may present elevated vacancy rates that would further reduce development feasibility.
- Land and parking facility costs are significant and therefore greatly impact the feasibility of development. Specifically, parking costs required for higher intensity development (4 stories, Scenarios 3, 4 & 6) offset the revenue gains achieved by higher intensity development.
- The for-sale condo development scenarios are the most sensitive to land and parking facility costs.

2.1.1 OPPORTUNITY SITE 1 - MISSION PLAZA, AT BROADWAY, RUMRILL, & SAN PABLO AVENUES

The proposed development at Opportunity Site 1, located adjacent to Contra Costa College at the intersection of Broadway, Rumrill and San Pablo Avenues, is currently zoned as a Mixed Use Center North in San Pablo Specific Plan and includes the following:

- 50,000 sf per floor of development potential,
- 66 off-street surface parking spaces and on street parking to support 1 story residential/office development,
- A proposed parking structure on southern parcel to accommodate 4 story development,
- New roundabout and realignment and streetscape improvements,
- Linkage to Bus Rapid Transit on San Pablo Avenue with potential for Transit Oriented Design, and
- Potential reduction in roadway capacity.

DEVELOPMENT INTENSITY AND FEASIBILITY

Table 1 below presents a comparison of IRRs when including write-downs for land or parking costs at Opportunity Site 1. See Appendix A for detailed calculations.

Land Write-Down shown in Table 1 refers to when the cost of land for the opportunity sites is zero. A zero-land cost scenario would only be possible if special acquisition funding (grant or other) could be attained or if the City were to purchase land and transfer it to the developer at minimal cost.

Parking Reduction shown in Table 1 refers to the removal of structured parking costs from the development pro forma. This would be possible if the City or another entity were to construct structured parking that would serve the opportunity site development.

The Land Write-Down and Parking Reduction IRRs present bookend approaches for increasing feasibility of development on the opportunity sites. There exist middle-ground scenarios in which land and structured parking costs are reduced, not removed, which would produce IRRs between the bookend IRRs shown in Table 1.

TABLE 1: DEVELOPMENT SCENARIO FEASIBILITY - OPPORTUNITY SITE 1

Opportunity Site 1	Development Scenarios					
	1 (2S;95%)	2 (2S;50%)	3 (4S;95%)	4 (4S;50%)	5 (2S;95%C)	6 (4S;95%C)
IRR	8.1%	7.1%	8.2%	5.6%	-0.7%	2.2%
IRR with Land Write-Down	11.5%	9.6%	9.4%	6.6%	11.2%	5.2%
IRR with Parking Reduction	-	-	10.1%	7.2%	-	6.9%

Key findings of the analysis include:

- Scenario 1.3, with a higher intensity and proportion of residential uses make the development more feasible across all scenarios, as revenues increase relative to constant (and significant) land and site development costs.
- Excluding land costs incentivizes lower intensity development, making Scenarios 1.1 and 1.5 the most feasible scenarios.
- When excluding land and parking facility costs, development feasibility increases substantially for all scenarios, and most substantially for for-sale condo development scenarios (1.5 and 1.6).
- Though higher intensity development improves development feasibility for the 4-story development scenarios, this is offset by parking facility costs.

2.1.2 OPPORTUNITY SITE 2 - SAN PABLO AVENUE, BROOKSIDE DRIVE, AND 23RD STREET AT SAN PABLO CREEK

Included in the 23rd Street Specific Plan, Opportunity Site 2 is located at the intersection of San Pablo Avenue, Brookside Drive, and 23rd Street along San Pablo Creek. Proposed development for the site includes:

- 90,000 sf/floor of development potential,
- Parking garage to accommodate 4-story development (~240 spaces),
- Preservation of existing structures,
- Daylighting of San Pablo Creek,
- Realignment of intersection at 23rd and Brookside and elimination of 23rd – San Pablo Ave through movement with general auto-oriented environment to remain, and
- Requires agreement with Grocery Outlet to utilize eastern portion of store parking lot and NW corner of Mercado La Hacienda.

DEVELOPMENT INTENSITY AND FEASIBILITY

Table 2 below presents a comparison of IRRs when including write-downs for land or parking costs at Opportunity Site 2. See Appendix A for detailed calculations. See Section 2.1.1 for an account of the Land-Write-Down and Parking Reduction scenarios.

TABLE 2-1: DEVELOPMENT SCENARIO FEASIBILITY - OPPORTUNITY SITE 2

Opportunity Site 2	Development Scenarios					
	1 (2S;95%)	2 (2S;50%)	3 (4S;95%)	4 (4S;50%)	5 (2S;95%C)	6 (4S;95%C)
IRR	7.5%	6.6%	8.5%	5.9%	-2.4%	3.1%
IRR with Land Write-Down	11.3%	9.5%	10.0%	7.1%	11.2%	6.9%
IRR with Parking Reduction	-	-	9.8%	6.9%	-	6.3%

Key findings of the analysis include:

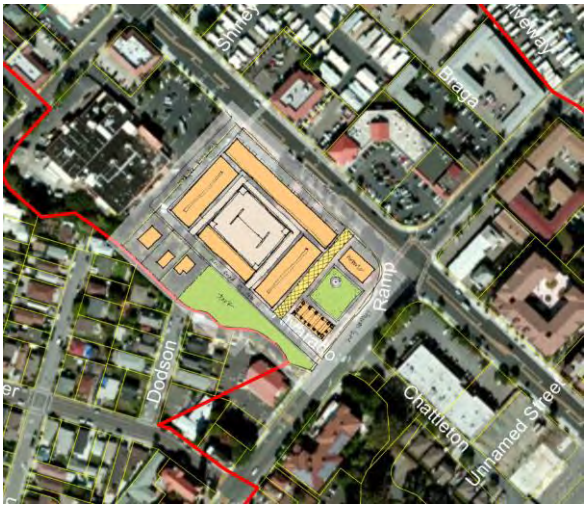
- Consistent with analyses for other opportunity sites, Scenario 2.3 is estimated to be more feasible for development, with higher intensity and proportion of residential uses.
- Though this opportunity site provides more square feet of overall development (90,000 per floor), greater land and parking costs result in estimated IRRs slightly less in comparison to other opportunity sites.
- Excluding land costs incentivizes lower intensity development, making Scenarios 2.1 and 2.5 the most feasible scenarios for 100 percent rental and for sale condo scenarios, respectively.

- When excluding land and parking facility costs, development feasibility increases substantially for all scenarios, and most significantly for condo (for-sale) development scenarios (2.5 and 2.6).
- Though higher intensity development improves development feasibility for the 4-story development scenarios, this is offset by parking facility costs.

2.1.3 OPPORTUNITY SITE 3 - OLD CITY HALL SITE AND ENVIRONS AT SAN PABLO AVENUE AND CHURCH LANE

Opportunity Site 3 is located at the site of the Old City Hall within the San Pablo Avenue Specific Plan area, and includes:

- 30,000-32,000 sf per floor of development potential,
- 2-3 story development,
- Old City Hall – Historic Structure,
- Shared Civic-Space – Farmers Market,
- New block bounded by 50′ ROW street to the north and 35′ ROW street to the east,
- New buildings oriented toward existing and proposed streets and civic spaces,
- Retail parked on street (not currently allowed in Specific Plan),
- Parking garage shared by other opportunity sites, and
- Requires agreement with adjacent property owner (north) to center the 50′ ROW street on the property line.



DEVELOPMENT INTENSITY AND FEASIBILITY

Table 3 below presents a comparison of IRRs when including write-downs for land or parking costs at Opportunity Site 3. See Appendix A for detailed calculations. See Section 2.1.1 for an account of the Land-Write-Down and Parking Reduction scenarios. As the City owns portions of the Opportunity Site 3 land, the Land Write-Down scenario may be more viable than in other instances.

TABLE 3-1 DEVELOPMENT SCENARIO FEASIBILITY - OPPORTUNITY SITE 3

Opportunity Site 3	Development Scenarios					
	1 (2S;95%)	2 (2S;50%)	3 (4S;95%)	4 (4S;50%)	5 (2S;95%C)	6 (4S;95%C)
IRR	6.3%	5.6%	6.5%	4.1%	-7.2%	-2.2%
IRR with Land Write-Down	10.9%	9.2%	8.0%	5.5%	9.3%	1.8%
IRR with Parking Reduction	-	-	9.2%	6.4%	-	4.7%

Key findings of the analysis include:

- Consistent with analyses for other Opportunity Sites, Scenario 3.3 is estimated to be more feasible for development, with higher intensity and proportion of residential uses, however by very small margin.
- As it is developed at a lower intensity than the other opportunity sites, estimated returns are relatively low overall.
- Parking costs are high relative to revenues and as a proportion of overall costs.
- Excluding land costs incentivizes lower intensity development, making Scenarios 3.1 and 3.5 the most feasible scenarios for 100 percent rental and for-sale condo scenarios, respectively.

2.1.4 OPPORTUNITY SITE 4 - BIG LOTS/FOOD MAX AT SAN PABLO AVENUE AND SAN PABLO DAM ROAD

Opportunity Site 4 is part of the San Pablo Avenue Specific Plan and is located at the large shopping anchored by Big Lots and Food Max across the street from the Lytton Casino at the intersection of San Pablo Avenue and San Pablo Dam Road, and includes:

- NW corner includes Entertainment Overlay District
- 52,900 sf/floor ground floor commercial development potential
- 38,200 sf/floor ground floor office/retail potential
- 2 stories across majority of site, 3 stories at NW corner with parking garage
- Auto-oriented super-block reconfigured to include pedestrian oriented connectivity, block face dimensions, building types and frontage types

- Modifies curb/bike lane but maintains median and travel lanes on San Pablo Ave,
- Angled back in parking
- Generous setback/street tree/pedestrian furniture zone along San Pablo Ave
- Requires agreement with property owner for installation of green space and public realm improvements
- Near term improvements reduce number of parking spaces; with angled parking
- Angled parking could be used to increase surface parking capacity, and
- Options to daylight creek.

DEVELOPMENT INTENSITY AND FEASIBILITY

Table 4 below presents annual revenues, development costs and IRRs for Opportunity Site 4. See Appendix A for detailed calculations. See Section 2.1.1 for an account of the Land-Write-Down and Parking Reduction scenarios.

TABLE 4-1: DEVELOPMENT SCENARIO FEASIBILITY - OPPORTUNITY SITE

Opportunity Site 4	Development Scenarios					
	1 (2S;95%)	2 (2S;50%)	3 (4S;95%)	4 (4S;50%)	5 (2S;95%C)	6 (4S;95%C)
IRR	2.9%	2.8%	6.7%	4.3%	-17.9%	-1.8%
IRR with Land Write-Down	9.8%	8.4%	9.9%	7.0%	5.6%	6.5%
IRR with Parking Reduction	-	-	7.3%	4.9%	-	-0.1%

Key findings of the analysis include:

- Consistent with analyses for other opportunity sites, Scenario 4.3 is estimated to be more feasible for development, with higher intensity and proportion of residential uses.
- Though this opportunity site provides more square feet of overall development (90,000 per floor), greater land and parking costs result in estimated IRRs slightly less in comparison to other opportunity sites.
- Though higher intensity development improves development feasibility for the 4-story development scenarios, this is offset by parking facility costs.

3 Implementation - Funding Sources and Other Incentives

The following discusses funding sources and other incentives that may be used to increase the viability of development at the opportunity sites. Most directly, the City could use these measures to take on portions of development costs, including the purchase of property and funding of public and shared infrastructure such as new streets, utilities, civic spaces, and parking facilities. Investments in the public realm of the opportunity sites could also create an environment which supports higher rents, and thereby making development more feasible than presented in the model presented above.

Enhanced Infrastructure Financing Districts: Recently formalized in the California Government Code, the City could create an EIFD, with participation of the affected properties, to fund new construction and/or rehabilitation of public infrastructure on site, including open space, new streets and parking facilities.

The City could use the EIFDs to purchase land, reconfigure right of ways, parking garages, and civic spaces. EIFD funds could also enable the City to pay for utilities and other infrastructure, reducing the need for developer impact fees and making the development more attractive for private investment.

Though EIFDs are new and enabling legislation presents challenges to implementation,[18] EIFDs have the ability to provide funding for infrastructure and larger-scale projects. The distribution of property-tax revenue between county, city, schools and special districts is one such challenge communities may face in considering EIFD funding (schools cannot participate in EIFDs). This distribution impacts the viability and level of bonding capacity. As the City of San Pablo receives approximately 8 percent[19] of property taxes collected in the area, tax revenue distribution may be an issue, though not insurmountable, in EIFD formation.

[18] As evidenced by the lack of EIFDs that have been formed to date.
[19] http://boe.ca.gov/annual/2013-14/table_14/table15_2013-14.pdf

Active Transportation Program Grants. Created by California Legislature Senate Bill 99 and Assembly Bill 101, the Active Street Grant Program provides funding for infrastructure and non-infrastructure projects that promote "Active Transportation", which focuses on biking and pedestrian facilities that incentivize use and improve safety and health.

Proposed development at all four opportunity sites seeks to improve the pedestrian environment, incorporate bike lanes, and generally transition from an auto-oriented to a walkable development pattern as desired in the Specific Plan. ATP Grants could be used to fund bike and pedestrian improvements, as well as civic and park spaces.

Though competitive, the ATP program will distribute $360 million in funds over the next 3 years, and previously made awards for infrastructure of over $10 million.

Historic Preservation Tax Credits: Specifically regarding Opportunity Site 3 including the Old City Hall, the City may enter into a public private partnership to pursue Historic Preservation Tax Credits supporting the adaptive reuse of the building and surrounding site. To be eligible for the 20 percent tax credit, buildings must be a certified historic structure and used for an income-producing purpose for at least five years[20]. Historic Preservation Tax Credits can be paired with the recently expired New Markets Tax Credit Program, which Congress is currently considering for indefinite extension under 2 separate bills.

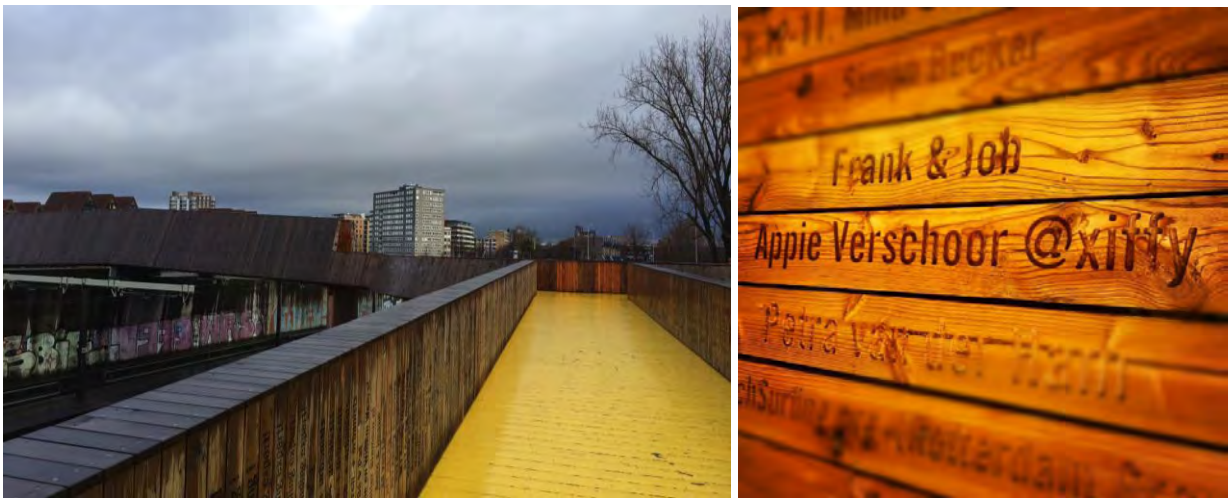
Crowdfunding: Crowdfunding is a means to collect monetary contributions from a large number of people or sources through an online platform to fund a project or venture. The rewards-based model offers a tangible or intangible reward for a contribution. The debt-based model provides unsecured loans that are later paid back with interest (peer-to-peer lending and municipal bonds). The donation-based model simply allows for donations to fund a project or cause. The equity-based model allows investors to receive partial ownership in the business.

Examples of civic-specific crowdfunding platforms include Ioby and Citizinvestor. Larger crowdfunding sites, such as Gofundme, Kickstarter and Indiegogo, also have "community" or "civic" categories for projects.

One of the key advantages of civic crowdfunding is flexibility in the projects that can be funded. Such projects might include bike racks, community gardens, dog parks, playgrounds, renovation projects, neighborhood markets, cultural facilities, parks and recreation facilities, social services and conservation-easement purchases. For example, Gofundme has allowed more than $1 billion to be raised from 16 million donors since it launched in 2010. Another example is Ioby, which has recorded donations totaling more than $2 million – with approximately 600 civic projects successfully funded. The average fundraising goal for active project is about $7,000, with an average donor living within two miles of their project. Ioby also

[20] Owner-occupied residential properties do not qualify for the federal rehabilitation tax credit. National Park Service – Department of the Interior. Retrieved from http://www.nps.gov/tps/tax-incentives/before-apply/eligibility-requirements.htm

has an 87 percent funding success rate, which is much higher than non-civic crowdfunding projects. While usually geared toward raising relatively small sums, crowdfunding platforms can help generate substantial amounts of capital.



Luchtsingel pedestrian bridge, Rotterdam, Netherlands | *Source*: Kars Alfrink, and Appie Verschoor, Creative Commons.

Recent case studies in crowdfunding include the Luchtsingel pedestrian bridge in Rotterdam, the Kansas City B-Cycle bike share system, Car-Free Sundays and endangered flora in San Mateo County, and public art restoration in Hercules, California.[21]

A platform like Neighbor.ly facilitates individual investment in municipal bonds. Neighborly.com is a newly qualified securities broker that is seeking to open muni-bond purchases to the general public.[22]

Other Incentives: Other incentives could be regulatory in nature, particularly those that improve financial performance from a development perspective, such as reduced parking standards, fee-waivers, increased residential density and height allowances. Development certainty and a streamlined process will also serve to make development more attractive, and will be considered as part of future tasks of this project.

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[21] The Luchtsingel bridge was funded using the campaign, ""the more you donate, the longer the bridge". Individuals could contribute in amounts of 25, 125, or 1250 euros. Each amount funded a module of the bridge. *http://www.cecilgroup.com/news/crowdfunding-municipal-projects-a-look-at-the-impact-of-crowdfunded-infrastructure-in-rotterdam/*

[22] In June 2015, new Securities and Exchange Commission rules related to equity crowdfunding went into effect. Known as Regulation A+, these rules loosened restrictions related to non-accredited investors buying securities (equity, debt, or convertible debt) from issuers online. Regulation A+ opens the door for the general public to more easily invest directly in their communities through purchase of muni-bonds or other securities. Issuers may raise up to $50 million of capital under Regulation A+ from non-accredited investors. With the new rules, crowdfunding may be considered a viable option in funding large-scale public improvements.

4 Public Right of Way Improvements

Development and roadway configurations in general do not decrease the number of travel lanes on San Pablo Avenue. However, in some instances roadway capacity is decreased as is feasible given the current traffic counts and levels of service prescribed in the General Plan. Still, the City may consider reducing roadway capacity to accommodate other modes of travel and gain benefits in public safety, health and economic vibrancy for retail and services.

With the 72R line celebrating its 10-year anniversary of introducing Bus Rapid Transit in the Bay Area, Bus Rapid Transit is expanding in the East Bay. AC Transit recently completed the design of a major BRT project between downtown Oakland and San Leandro BART and will invest $178 million in traffic improvements, parking and beautification efforts to dramatically enhance the densely populated, well-worn corridor.[23] All improvements in San Pablo should be coordinated with AC Transit plans for transit, including Bus Rapid Transit, and in conformance with the preferred concept established in the San Pablo Avenue Complete Streets Study.

In concert with an increased concentration of residences and biking and transit improvements, the proposed development creates a more walkable environment, which would serve to incentivize increased foot traffic and support growth in retail and economic development overall.

[23] http://www.actransit.org/overview-richmondsan-pabloel-cerrito-proposed-improvements/

APPENDIX A

ASSUMPTIONS - Opportunity Site 1

	Development Scenarios					
	1.1 (2S;95%)	1.2 (2S;50%)	1.3 (4S;95%)	1.4 (4S;50%)	1.5 (2S;95%C)	1.6 (4S;95%C)
Year 1 Revenues and Expenses						
Residential Rents	$ 2,188,800	$ 1,440,000	$ 5,472,000	$ 2,880,000	$ -	$ -
Residential Sales	$ -	$ -	$ -	$ -	$ 10,500,000	$ 17,640,000
Non-Residential Rents	$ 121,500	$ 1,215,000	$ 243,000	$ 2,430,000	$ 121,500	$ 243,000
Total	**$ 2,310,300**	**$ 2,655,000**	**$ 5,715,000**	**$ 5,310,000**	**$ 10,621,500**	**$ 17,883,000**
Operating / Sales Expense	$ 693,090	$ 796,500	$ 1,714,500	$ 1,593,000	$ 876,450	$ 5,364,900
Year 1 NOI	**$ 1,617,210**	**$ 1,858,500**	**$ 4,000,500**	**$ 3,717,000**	**$ 9,745,050**	**$ 12,518,100**
Development Costs						
Construction	$ 14,325,000	$ 19,000,000	$ 35,500,000	$ 42,000,000	$ 14,325,000	$ 35,500,000
Site Development	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Land Acquisition	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000
Parking Garage	$ -	$ -	$ 6,000,000	$ 6,000,000	$ -	$ 6,000,000
Entitlements & Other Soft Costs	$ 1,932,500	$ 2,400,000	$ 4,650,000	$ 5,300,000	$ 1,932,500	$ 4,650,000
Total	**$ 21,257,500**	**$ 26,400,000**	**$ 51,150,000**	**$ 58,300,000**	**$ 21,257,500**	**$ 51,150,000**

Scenarios 1-4 Rental Apartments

Developed Land Area (Acres)	2
SF per Floor	50,000

Structure Size/Area Assumptions	Stories	% Res	Res SF	Rental Res Units	For Sale Res Units	Non Res SF	Garage Spaces
Scenario 1 (2 Story)	2	95.0%	76,000	76		5,000	0
Scenario 2 (2 Story)	2	50.0%	50,000	50		50,000	0
Scenario 3 (4 Story)	4	95.0%	190,000	190		10,000	200
Scenario 4 (4 Story)	4	50.0%	100,000	100		100,000	200
Scenario 5 (2 Story)	2	95.0%	95,000		50	5,000	0
Scenario 6 (4 Story)	4	95.0%	190,000		126	10,000	200

Rents	Per Month	Per Year
Residential (per unit)	$ 2,400	$ 28,800
Non-Residential (per sf)	$ 2.25	$ 27.00

Condo Sale Price	Sale $/SF
Year 2	$ 350
Year 3	$ 361
Year 4	$ 371

Other	
Residential SF per Rental Unit	800.00
Residential SF [er for Sale Unit	1,200.00
Entitlements (% of Construction)	10%
Operating Cost (% or Revenue)	30.0%
Non-Commercial Vacancy	10.0%
Land Cost Per Acre	$ 2,000,000
Land Acquisition	$ 4,000,000
Site Development	$ 1,000,000
Parking Garage Total Cost	$ 6,000,000
Revenue Escalation	2.0%
Condo Cap Rate	8.0%
Apartment Cap Rate	9.0%
Scenarios 1-4 Sale Costs	4.0%
Scenario 5 & 6 Sale Costs	8.0%

Construction Cost per Square Foot	
Residential 2 Story	$ 175.00
Residential 4 Story	$ 195.00
Non-Residential 2 Story	$ 205.00
Non-Residential 4 Story	$ 225.00
Garage Spaces (per space)	$ 30,000

APPENDIX A

Opportunity Site 1: Apartment Rental Scenarios

Scenario 1.1

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (10,628,750)	$ (10,628,750)												
Annual NOI			$ 1,682,545	$ 1,716,196	$ 1,750,520	$ 1,785,531	$ 1,821,241	$ 1,857,666	$ 1,894,819	$ 1,932,716	$ 1,971,370	$ 2,010,797	$ 2,051,013	
Going-Out Sale Value												$ 21,877,475		
Before Tax Cash Flow	$ (10,628,750)	$ (10,628,750)	$ 1,682,545	$ 1,716,196	$ 1,750,520	$ 1,785,531	$ 1,821,241	$ 1,857,666	$ 1,894,819	$ 1,932,716	$ 1,971,370	$ 23,888,273		
IRR	**8.1%**													

Scenario 1.2

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (13,200,000)	$ (13,200,000)												
Annual NOI			$ 1,933,583	$ 1,972,255	$ 2,011,700	$ 2,051,934	$ 2,092,973	$ 2,134,832	$ 2,177,529	$ 2,221,080	$ 2,265,501	$ 2,310,811	$ 2,357,027	
Going-Out Sale Value												$ 25,141,625		
Before Tax Cash Flow	$ (13,200,000)	$ (13,200,000)	$ 1,933,583	$ 1,972,255	$ 2,011,700	$ 2,051,934	$ 2,092,973	$ 2,134,832	$ 2,177,529	$ 2,221,080	$ 2,265,501	$ 27,452,436		
IRR	**7.1%**													

Scenario 1.3

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (17,050,000)	$ (17,050,000)	$ (17,050,000)											
Annual NOI				$ 4,245,363	$ 4,330,270	$ 4,416,875	$ 4,505,213	$ 4,595,317	$ 4,687,223	$ 4,780,968	$ 4,876,587	$ 4,974,119	$ 5,073,601	$ 5,175,073
Going-Out Sale Value													$ 55,200,782	
Before Tax Cash Flow	$ (17,050,000)	$ (17,050,000)	$ (17,050,000)	$ 4,245,363	$ 4,330,270	$ 4,416,875	$ 4,505,213	$ 4,595,317	$ 4,687,223	$ 4,780,968	$ 4,876,587	$ 4,974,119	$ 60,274,383	
IRR	**8.2%**													

Scenario 1.4

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (19,433,333)	$ (19,433,333)	$ (19,433,333)											
Annual NOI				$ 3,944,510	$ 4,023,400	$ 4,103,868	$ 4,185,946	$ 4,269,665	$ 4,355,058	$ 4,442,159	$ 4,531,002	$ 4,621,622	$ 4,714,055	$ 4,808,336
Going-Out Sale Value													$ 51,288,916	
Before Tax Cash Flow	$ (19,433,333)	$ (19,433,333)	$ (19,433,333)	$ 3,944,510	$ 4,023,400	$ 4,103,868	$ 4,185,946	$ 4,269,665	$ 4,355,058	$ 4,442,159	$ 4,531,002	$ 4,621,622	$ 56,002,970	
IRR	**5.6%**													

Opportunity Site 1: Condo Scenarios

Scenario 1.5

Year	0	1	2	3	4	5	6
Development Costs	$ (10,628,750)	$ (10,628,750)					
Residential Sales			$ 9,660,000	$ 9,949,800			
Non Residential Rent			$ 88,486	$ 90,256	$ 92,061		
Non Residential Sale				$ 1,150,761			
Annual NOI	$ (10,628,750)	$ (10,628,750)	$ 9,748,486	$ 11,190,816			
IRR	**-0.7%**						

Scenario 1.6

Year	0	1	2	3	4	5	6
Development Costs	$ (17,050,000)	$ (17,050,000)	$ (17,050,000)				
Residential Sales				$ 16,228,800	$ 16,715,664	$ 17,217,134	
Non Residential Rent			$ 252,817	$ 257,874	$ 263,031	$ 268,292	$ 273,657
Non Residential Sale						$ 3,420,718	
Annual NOI	$ (17,050,000)	$ (17,050,000)	$ (16,797,183)	$ 16,486,674	$ 16,978,695	$ 20,906,144	
IRR	**2.2%**						

APPENDIX A

ASSUMPTIONS - Opportunity Site 2

	Development Scenarios					
	2.1 (2S;95%)	2.2 (2S;50%)	2.3 (4S;95%)	2.4 (4S;50%)	2.5 (2S;95%C)	2.6 (4S;95%C)
Year 1 Revenues and Expenses						
Residential Rents	$ 3,939,840	$ 2,592,000	$ 9,849,600	$ 5,184,000	$ -	$ -
Residential Sales	$ -	$ -	$ -	$ -	$ 19,110,000	$ 31,920,000
Non-Residential Rents	$ 218,700	$ 2,187,000	$ 437,400	$ 4,374,000	$ 218,700	$ 437,400
Total	**$ 4,158,540**	**$ 4,779,000**	**$ 10,287,000**	**$ 9,558,000**	**$ 19,328,700**	**$ 32,357,400**
Operating / Sales Expense	$ 1,247,562	$ 1,433,700	$ 3,086,100	$ 2,867,400	$ 1,594,410	$ 9,707,220
Year 1 NOI	**$ 2,910,978**	**$ 3,345,300**	**$ 7,200,900**	**$ 6,690,600**	**$ 17,734,290**	**$ 22,650,180**
Development Costs						
Construction	$ 25,785,000	$ 34,200,000	$ 63,900,000	$ 75,600,000	$ 25,785,000	$ 63,900,000
Site Development	$ 2,125,000	$ 2,125,000	$ 2,125,000	$ 2,125,000	$ 2,125,000	$ 2,125,000
Land Acquisition	$ 8,500,000	$ 8,500,000	$ 8,500,000	$ 8,500,000	$ 8,500,000	$ 8,500,000
Parking Garage	$ -	$ -	$ 7,200,000	$ 7,200,000	$ -	$ 7,200,000
Entitlements & Other Soft Costs	$ 3,641,000	$ 4,482,500	$ 8,172,500	$ 9,342,500	$ 3,641,000	$ 8,172,500
Total	**$ 40,051,000**	**$ 49,307,500**	**$ 89,897,500**	**$ 102,767,500**	**$ 40,051,000**	**$ 89,897,500**

Scenarios 1-4 Rental Apartments

Developed Land Area (Acres)	4.25
SF per Floor	90,000

Structure Size / Area Assumptions	Stories	% Res	Res SF	Rental Res Units	For Sale Res Units	Non Res SF	Garage Spaces
Scenario 1 (2 Story)	2	95.0%	136,800	137		9,000	0
Scenario 2 (2 Story)	2	50.0%	90,000	90		90,000	0
Scenario 3 (4 Story)	4	95.0%	342,000	342		18,000	240
Scenario 4 (4 Story)	4	50.0%	180,000	180		180,000	240
Scenario 5 (2 Story)	2	95.0%	171,000		91	9,000	0
Scenario 6 (4 Story)	4	95.0%	342,000		228	18,000	240

Rents	Per Month	Per Year
Residential (per unit)	$ 2,400	$ 28,800
Non-Residential (per sf)	$ 2.25	$ 27.00

Condo Sale Price	Sale $/SF
Year 2	$ 350
Year 3	$ 361
Year 4	$ 371

Other	
Residential SF per Rental Unit	800.00
Residential SF [er for Sale Unit	1,200.00
Entitlements (% of Construction)	10%
Operating Cost (% or Revenue)	30.0%
Non-Commercial Vacancy	10.0%
Land Cost Per Acre	$ 2,000,000
Land Acquisition	$ 8,500,000
Site Development	$ 2,125,000
Parking Garage Total Cost	$ 7,200,000
Revenue Escalation	2.0%
Condo Cap Rate	8.0%
Apartment Cap Rate	9.0%
Scenarios 1-4 Sale Costs	4.0%
Scenario 5 & 6 Sale Costs	8.0%

Construction Cost per Square Foot	
Residential 2 Story	$ 175.00
Residential 4 Story	$ 195.00
Non-Residential 2 Story	$ 205.00
Non-Residential 4 Story	$ 225.00
Garage Spaces (per space)	$ 30,000

APPENDIX A

Opportunity Site 2: Apartment Rental Scenarios

Scenario 2.1

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (20,025,500)	$ (20,025,500)												
Annual NOI			$ 3,028,582	$ 3,089,153	$ 3,150,936	$ 3,213,955	$ 3,278,234	$ 3,343,799	$ 3,410,675	$ 3,478,888	$ 3,548,466	$ 3,619,435	$ 3,691,824	
Going-Out Sale Value												$ 39,379,456		
Before Tax Cash Flow	$ (20,025,500)	$ (20,025,500)	$ 3,028,582	$ 3,089,153	$ 3,150,936	$ 3,213,955	$ 3,278,234	$ 3,343,799	$ 3,410,675	$ 3,478,888	$ 3,548,466	$ 42,998,891		
IRR	**7.5%**													

Scenario 2.2

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (24,653,750)	$ (24,653,750)												
Annual NOI			$ 3,480,450	$ 3,550,059	$ 3,621,060	$ 3,693,482	$ 3,767,351	$ 3,842,698	$ 3,919,552	$ 3,997,943	$ 4,077,902	$ 4,159,460	$ 4,242,649	
Going-Out Sale Value												$ 45,254,926		
Before Tax Cash Flow	$ (24,653,750)	$ (24,653,750)	$ 3,480,450	$ 3,550,059	$ 3,621,060	$ 3,693,482	$ 3,767,351	$ 3,842,698	$ 3,919,552	$ 3,997,943	$ 4,077,902	$ 49,414,386		
IRR	**6.6%**													

Scenario 2.3

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (29,965,833)	$ (29,965,833)	$ (29,965,833)											
Annual NOI				$ 7,641,653	$ 7,794,486	$ 7,950,375	$ 8,109,383	$ 8,271,571	$ 8,437,002	$ 8,605,742	$ 8,777,857	$ 8,953,414	$ 9,132,482	$ 9,315,132
Going-Out Sale Value													$ 99,361,408	
Before Tax Cash Flow	$ (29,965,833)	$ (29,965,833)	$ (29,965,833)	$ 7,641,653	$ 7,794,486	$ 7,950,375	$ 8,109,383	$ 8,271,571	$ 8,437,002	$ 8,605,742	$ 8,777,857	$ 8,953,414	$ 108,493,890	
IRR	**8.5%**													

Scenario 2.4

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (34,255,833)	$ (34,255,833)	$ (34,255,833)											
Annual NOI				$ 7,100,118	$ 7,242,121	$ 7,386,963	$ 7,534,702	$ 7,685,396	$ 7,839,104	$ 7,995,886	$ 8,155,804	$ 8,318,920	$ 8,485,299	$ 8,655,005
Going-Out Sale Value													$ 92,320,048	
Before Tax Cash Flow	$ (34,255,833)	$ (34,255,833)	$ (34,255,833)	$ 7,100,118	$ 7,242,121	$ 7,386,963	$ 7,534,702	$ 7,685,396	$ 7,839,104	$ 7,995,886	$ 8,155,804	$ 8,318,920	$ 100,805,347	
IRR	**5.9%**													

Opportunity Site 2: Condo Scenarios

Scenario 2.5

Year	0	1	2	3	4	5	6
Development Costs	$ (20,025,500)	$ (20,025,500)					
Residential Sales			$ 17,581,200	$ 18,108,636			
Non Residential Rent			$ 159,275	$ 162,460	$ 165,710		
Non Residential Sale				$ 2,071,369			
Annual NOI	$ (20,025,500)	$ (20,025,500)	$ 17,740,475	$ 20,342,466			
IRR	**-2.4%**						

Scenario 2.6

Year	0	1	2	3	4	5	6
Development Costs	$ (29,965,833)	$ (29,965,833)	$ (29,965,833)				
Residential Sales				$ 29,366,400	$ 30,247,392	$ 31,154,814	
Non Residential Rent			$ 455,071	$ 464,172	$ 473,456	$ 482,925	$ 492,583
Non Residential Sale						$ 6,157,293	
Annual NOI	$ (29,965,833)	$ (29,965,833)	$ (29,510,762)	$ 29,830,572	$ 30,720,848	$ 37,795,032	
IRR	**3.1%**						

APPENDIX A

ASSUMPTIONS - Opportunity Site 3

	Development Scenarios					
	3.1 (2S;95%)	3.2 (2S;50%)	3.3 (4S;95%)	3.4 (4S;50%)	3.5 (2S;95%C)	3.6 (4S;95%C)
Year 1 Revenues and Expenses						
Residential Rents	$ 1,400,832	$ 921,600	$ 3,502,080	$ 1,843,200	$ -	$ -
Residential Sales	$ -	$ -	$ -	$ -	$ 6,720,000	$ 11,340,000
Non-Residential Rents	$ 77,760	$ 777,600	$ 155,520	$ 1,555,200	$ 77,760	$ 155,520
Total	**$ 1,478,592**	**$ 1,699,200**	**$ 3,657,600**	**$ 3,398,400**	**$ 6,797,760**	**$ 11,495,520**
Operating / Sales Expense	$ 443,578	$ 509,760	$ 1,097,280	$ 1,019,520	$ 560,928	$ 3,448,656
Year 1 NOI	**$ 1,035,014**	**$ 1,189,440**	**$ 2,560,320**	**$ 2,378,880**	**$ 6,236,832**	**$ 8,046,864**
Development Costs						
Construction	$ 9,168,000	$ 12,160,000	$ 22,720,000	$ 26,880,000	$ 9,168,000	$ 22,720,000
Site Development	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000	$ 1,000,000
Land Acquisition	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000	$ 4,000,000
Parking Garage	$ -	$ -	$ 6,480,000	$ 6,480,000	$ -	$ 6,480,000
Entitlements & Other Soft Costs	$ 1,416,800	$ 1,716,000	$ 3,420,000	$ 3,836,000	$ 1,416,800	$ 3,420,000
Total	**$ 15,584,800**	**$ 18,876,000**	**$ 37,620,000**	**$ 42,196,000**	**$ 15,584,800**	**$ 37,620,000**

Scenarios 1-4 Rental Apartments

Developed Land Area (Acres)	2
SF per Floor	32,000

Structure Size/Area Assumptions	Stories	% Res	Res SF	Rental Res Units	For Sale Res Units	Non Res SF	Garage Spaces
Scenario 1 (2 Story)	2	95.0%	48,640	49		3,200	0
Scenario 2 (2 Story)	2	50.0%	32,000	32		32,000	0
Scenario 3 (4 Story)	4	95.0%	121,600	122		6,400	216
Scenario 4 (4 Story)	4	50.0%	64,000	64		64,000	216
Scenario 5 (2 Story)	2	95.0%	60,800		32	3,200	0
Scenario 6 (4 Story)	4	95.0%	121,600		81	6,400	216

Rents	Per Month	Per Year
Residential (per unit)	$ 2,400	$ 28,800
Non-Residential (per sf)	$ 2.25	$ 27.00

Condo Sale Price	Sale $/SF
Year 2	$ 350
Year 3	$ 361
Year 4	$ 371

Other	
Residential SF per Rental Unit	800.00
Residential SF [er for Sale Unit	1,200.00
Entitlements (% of Construction)	10%
Operating Cost (% or Revenue)	30.0%
Non-Commercial Vacancy	10.0%
Land Cost Per Acre	$ 2,000,000
Land Acquisition	$ 4,000,000
Site Development	$ 1,000,000
Parking Garage Total Cost	$ 6,480,000
Revenue Escalation	2.0%
Condo Cap Rate	8.0%
Apartment Cap Rate	9.0%
Scenarios 1-4 Sale Costs	4.0%
Scenario 5 & 6 Sale Costs	8.0%

Construction Cost per Square Foot	
Residential 2 Story	$ 175.00
Residential 4 Story	$ 195.00
Non-Residential 2 Story	$ 205.00
Non-Residential 4 Story	$ 225.00
Garage Spaces (per space)	$ 30,000

APPENDIX A

Opportunity Site 3: Apartment Rental Scenarios

Scenario 3.1

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (7,792,400)	$ (7,792,400)												
Annual NOI			$ 1,076,829	$ 1,098,366	$ 1,120,333	$ 1,142,740	$ 1,165,594	$ 1,188,906	$ 1,212,684	$ 1,236,938	$ 1,261,677	$ 1,286,910	$ 1,312,649	
Going-Out Sale Value												$ 14,001,584		
Before Tax Cash Flow	$ (7,792,400)	$ (7,792,400)	$ 1,076,829	$ 1,098,366	$ 1,120,333	$ 1,142,740	$ 1,165,594	$ 1,188,906	$ 1,212,684	$ 1,236,938	$ 1,261,677	$ 15,288,495		
IRR	**6.3%**													

Scenario 3.2

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (9,438,000)	$ (9,438,000)												
Annual NOI			$ 1,237,493	$ 1,262,243	$ 1,287,488	$ 1,313,238	$ 1,339,503	$ 1,366,293	$ 1,393,619	$ 1,421,491	$ 1,449,921	$ 1,478,919	$ 1,508,498	
Going-Out Sale Value												$ 16,090,640		
Before Tax Cash Flow	$ (9,438,000)	$ (9,438,000)	$ 1,237,493	$ 1,262,243	$ 1,287,488	$ 1,313,238	$ 1,339,503	$ 1,366,293	$ 1,393,619	$ 1,421,491	$ 1,449,921	$ 17,569,559		
IRR	**5.6%**													

Scenario 3.3

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (12,540,000)	$ (12,540,000)	$ (12,540,000)											
Annual NOI				$ 2,717,032	$ 2,771,373	$ 2,826,800	$ 2,883,336	$ 2,941,003	$ 2,999,823	$ 3,059,819	$ 3,121,016	$ 3,183,436	$ 3,247,105	$ 3,312,047
Going-Out Sale Value													$ 35,328,501	
Before Tax Cash Flow	$ (12,540,000)	$ (12,540,000)	$ (12,540,000)	$ 2,717,032	$ 2,771,373	$ 2,826,800	$ 2,883,336	$ 2,941,003	$ 2,999,823	$ 3,059,819	$ 3,121,016	$ 3,183,436	$ 38,575,605	
IRR	**6.5%**													

Scenario 3.4

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (14,065,333)	$ (14,065,333)	$ (14,065,333)											
Annual NOI				$ 2,524,486	$ 2,574,976	$ 2,626,476	$ 2,679,005	$ 2,732,585	$ 2,787,237	$ 2,842,982	$ 2,899,841	$ 2,957,838	$ 3,016,995	$ 3,077,335
Going-Out Sale Value													$ 32,824,906	
Before Tax Cash Flow	$ (14,065,333)	$ (14,065,333)	$ (14,065,333)	$ 2,524,486	$ 2,574,976	$ 2,626,476	$ 2,679,005	$ 2,732,585	$ 2,787,237	$ 2,842,982	$ 2,899,841	$ 2,957,838	$ 35,841,901	
IRR	**4.1%**													

Opportunity Site 3: Condo Scenarios

Scenario 3.5

Year	0	1	2	3	4	5	6
Development Costs	$ (7,792,400)	$ (7,792,400)					
Residential Sales			$ 6,182,400	$ 6,367,872			
Non Residential Rent			$ 56,631	$ 57,764	$ 58,919		
Non Residential Sale				$ 736,487			
Annual NOI	$ (7,792,400)	$ (7,792,400)	$ 6,239,031	$ 7,162,123			
IRR	**-7.2%**						

Scenario 3.6

Year	0	1	2	3	4	5	6
Development Costs	$ (12,540,000)	$ (12,540,000)	$ (12,540,000)				
Residential Sales				$ 10,432,800	$ 10,745,784	$ 11,068,158	
Non Residential Rent			$ 161,803	$ 165,039	$ 168,340	$ 171,707	$ 175,141
Non Residential Sale						$ 2,189,260	
Annual NOI	$ (12,540,000)	$ (12,540,000)	$ (12,378,197)	$ 10,597,839	$ 10,914,124	$ 13,429,124	
IRR	**-2.2%**						

APPENDIX A

ASSUMPTIONS - Opportunity Site 4

	Development Scenarios					
	4.1 (2S;95%)	4.2 (2S;50%)	4.3 (4S;95%)	4.4 (4S;50%)	4.5 (2S;95%C)	4.6 (4S;95%C)
Year 1 Revenues and Expenses						
Residential Rents	$ 3,983,616	$ 2,620,800	$ 9,959,040	$ 5,241,600	$ -	$ -
Residential Sales	$ -	$ -	$ -	$ -	$ 19,320,000	$ 32,200,000
Non-Residential Rents	$ 221,130	$ 2,211,300	$ 442,260	$ 4,422,600	$ 221,130	$ 442,260
Total	**$ 4,204,746**	**$ 4,832,100**	**$ 10,401,300**	**$ 9,664,200**	**$ 19,541,130**	**$ 32,642,260**
Operating / Sales Expense	$ 1,261,424	$ 1,449,630	$ 3,120,390	$ 2,899,260	$ 1,611,939	$ 9,792,678
Year 1 NOI	**$ 2,943,322**	**$ 3,382,470**	**$ 7,280,910**	**$ 6,764,940**	**$ 17,929,191**	**$ 22,849,582**
Development Costs						
Construction	$ 26,071,500	$ 34,580,000	$ 64,610,000	$ 76,440,000	$ 26,071,500	$ 64,610,000
Site Development	$ 5,250,000	$ 5,250,000	$ 5,250,000	$ 5,250,000	$ 5,250,000	$ 5,250,000
Land Acquisition	$ 21,000,000	$ 21,000,000	$ 21,000,000	$ 21,000,000	$ 21,000,000	$ 21,000,000
Parking Garage	$ -	$ -	$ 4,860,000	$ 4,860,000	$ -	$ 4,860,000
Entitlements & Other Soft Costs	$ 5,232,150	$ 6,083,000	$ 9,572,000	$ 10,755,000	$ 5,232,150	$ 9,572,000
Total	**$ 57,553,650**	**$ 66,913,000**	**$ 105,292,000**	**$ 118,305,000**	**$ 57,553,650**	**$ 105,292,000**

Scenarios 1-4 Rental Apartments

Developed Land Area (Acres)	10.5
SF per Floor	91,000

Structure Size/Area Assumptions	Stories	% Res	Res SF	Rental Res Units	For Sale Res Units	Non Res SF	Garage Spaces
Scenario 1 (2 Story)	2	95.0%	138,320	138		9,100	0
Scenario 2 (2 Story)	2	50.0%	91,000	91		91,000	0
Scenario 3 (4 Story)	4	95.0%	345,800	346		18,200	162
Scenario 4 (4 Story)	4	50.0%	182,000	182		182,000	162
Scenario 5 (2 Story)	2	95.0%	172,900		92	9,100	0
Scenario 6 (4 Story)	4	95.0%	345,800		230	18,200	162

Rents	Per Month	Per Year
Residential (per unit)	$ 2,400	$ 28,800
Non-Residential (per sf)	$ 2.25	$ 27.00

Condo Sale Price	Sale $/SF
Year 2	$ 350
Year 3	$ 361
Year 4	$ 371

Other	
Residential SF per Rental Unit	800.00
Residential SF [er for Sale Unit	1,200.00
Entitlements (% of Construction)	10%
Operating Cost (% or Revenue)	30.0%
Non-Commercial Vacancy	10.0%
Land Cost Per Acre	$ 2,000,000
Land Acquisition	$ 21,000,000
Site Development	$ 5,250,000
Parking Garage Total Cost	$ 4,860,000
Revenue Escalation	2.0%
Condo Cap Rate	8.0%
Apartment Cap Rate	9.0%
Scenarios 1-4 Sale Costs	4.0%
Scenario 5 & 6 Sale Costs	8.0%

Construction Cost per Square Foot	
Residential 2 Story	$ 175.00
Residential 4 Story	$ 195.00
Non-Residential 2 Story	$ 205.00
Non-Residential 4 Story	$ 225.00
Garage Spaces (per space)	$ 30,000

APPENDIX A

Opportunity Site 4: Apartment Rental Scenarios

Scenario 4.1

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (28,776,825)	$ (28,776,825)												
Annual NOI			$ 3,062,232	$ 3,123,477	$ 3,185,947	$ 3,249,666	$ 3,314,659	$ 3,380,952	$ 3,448,571	$ 3,517,542	$ 3,587,893	$ 3,659,651	$ 3,732,844	
Going-Out Sale Value												$ 39,817,005		
Before Tax Cash Flow	$ (28,776,825)	$ (28,776,825)	$ 3,062,232	$ 3,123,477	$ 3,185,947	$ 3,249,666	$ 3,314,659	$ 3,380,952	$ 3,448,571	$ 3,517,542	$ 3,587,893	$ 43,476,656		
IRR	**2.9%**													

Scenario 4.2

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (33,456,500)	$ (33,456,500)												
Annual NOI			$ 3,519,122	$ 3,589,504	$ 3,661,294	$ 3,734,520	$ 3,809,211	$ 3,885,395	$ 3,963,103	$ 4,042,365	$ 4,123,212	$ 4,205,676	$ 4,289,790	
Going-Out Sale Value												$ 45,757,758		
Before Tax Cash Flow	$ (33,456,500)	$ (33,456,500)	$ 3,519,122	$ 3,589,504	$ 3,661,294	$ 3,734,520	$ 3,809,211	$ 3,885,395	$ 3,963,103	$ 4,042,365	$ 4,123,212	$ 49,963,434		
IRR	**2.8%**													

Scenario 4.3

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (35,097,333)	$ (35,097,333)	$ (35,097,333)											
Annual NOI				$ 7,726,560	$ 7,881,091	$ 8,038,713	$ 8,199,487	$ 8,363,477	$ 8,530,747	$ 8,701,361	$ 8,875,389	$ 9,052,896	$ 9,233,954	$ 9,418,633
Going-Out Sale Value													$ 100,465,423	
Before Tax Cash Flow	$ (35,097,333)	$ (35,097,333)	$ (35,097,333)	$ 7,726,560	$ 7,881,091	$ 8,038,713	$ 8,199,487	$ 8,363,477	$ 8,530,747	$ 8,701,361	$ 8,875,389	$ 9,052,896	$ 109,699,378	
IRR	**6.7%**													

Scenario 4.4

Year	0	1	2	3	4	5	6	7	8	9	10	11	12	13
Development Costs	$ (39,435,000)	$ (39,435,000)	$ (39,435,000)											
Annual NOI				$ 7,179,008	$ 7,322,589	$ 7,469,040	$ 7,618,421	$ 7,770,790	$ 7,926,205	$ 8,084,730	$ 8,246,424	$ 8,411,353	$ 8,579,580	$ 8,751,171
Going-Out Sale Value													$ 93,345,827	
Before Tax Cash Flow	$ (39,435,000)	$ (39,435,000)	$ (39,435,000)	$ 7,179,008	$ 7,322,589	$ 7,469,040	$ 7,618,421	$ 7,770,790	$ 7,926,205	$ 8,084,730	$ 8,246,424	$ 8,411,353	$ 101,925,406	
IRR	**4.3%**													

Opportunity Site 4: Condo Scenarios

Scenario 4.5

Year	0	1	2	3	4	5	6
Development Costs	$ (28,776,825)	$ (28,776,825)					
Residential Sales			$ 17,774,400	$ 18,307,632			
Non Residential Rent			$ 161,045	$ 164,265	$ 167,551		
Non Residential Sale				$ 2,094,384			
Annual NOI	$ (28,776,825)	$ (28,776,825)	$ 17,935,445	$ 20,566,282			
IRR	**-17.9%**						

Scenario 4.6

Year	0	1	2	3	4	5	6
Development Costs	$ (35,097,333)	$ (35,097,333)	$ (35,097,333)				
Residential Sales				$ 29,624,000	$ 30,512,720	$ 31,428,102	
Non Residential Rent			$ 460,127	$ 469,330	$ 478,716	$ 488,291	$ 498,057
Non Residential Sale						$ 6,225,707	
Annual NOI	$ (35,097,333)	$ (35,097,333)	$ (34,637,206)	$ 30,093,330	$ 30,991,436	$ 38,142,100	
IRR	**-1.8%**						

Marketing Strategy

C Appendix

PDA Implementation Planning Grant
City of San Pablo

Marketing and Branding Strategy Memo

LWC
Lisa Wise Consulting, Inc.
March, 2016

1 MARKETING AND BRANDING STRATEGY

1.1 PURPOSE OF THE MARKETING AND BRANDING STRATEGY

There are a variety of potential marketing and branding strategies which the City could adopt considering community priorities, market opportunities and the attributes the City intends to promote. In San Pablo, an effective marketing and branding strategy will be comprised of 3 approaches:

- **Attracting** interest and investment to key opportunity sites,
- **Supporting** the expansion and establishment of target industries, and
- **Promoting** unique amenities and quality of life to draw new residents.

The aim of this memo is to outline a successful approach to marketing and branding that leverages findings of the Economic Positioning Study and Opportunity Sites Analysis, and provides guidance for the City in achieving its economic development goals in the San Pablo Avenue Priority Development Area (PDA).

1.2 DISTINCTION BETWEEN MARKETING & BRANDING

"Branding is strategic, marketing is tactical."[1] Marketing promotes the City's brand through action while a brand captures the message which highlights its most valuable and attractive attributes. Marketing and branding are the key elements to assuring that the City realize its full economic potential by harnessing demand for housing, commercial space and goods and services.

Branding. Effective branding is developed before marketing efforts can begin, and is most powerful when it relies on community input. A constituent-driven approach ensures that the branding message incorporates the community's values and vision. The intent of a community branding effort is to effectively inform the broadest audience what makes San Pablo, "San Pablo". Branding establishes and reinforces how the City wishes to and should be perceived. The City has begun the foundation of the branding process by crafting the PDA Guiding Principles on which this PDA Planning Grant project is based.

> The City has already begun the branding process by crafting the PDA Guiding Principles.

Marketing. Marketing of Cities is about identifying target markets and convincing them to invest in the community. More specifically, marketing is a deliberate effort to identify key industries, investors, institutions, residents and potential residents, and how to move them to establish their business, spend money or relocate their home to the City's priority areas.

[1] Tronvig Group, 2016 Retrieved from: http://www.tronviggroup.com/the-difference-between-marketing-and-branding/

1.3 WHAT CONSTITUTES A SUCCESSFUL BRANDING STRATEGY?

Successful branding strategies are well-researched, simple, unifying, and leave a lasting impression. For the City of San Pablo, branding should:

- Reflect community insight, and resonate with its character and values,
- Accentuate the most valuable and attractive attributes,
- Draw from key planning documents, such as the City's General Plan and Guiding Principles for this PDA Planning Grant Project,
- Avoid significant changes over time to the extent possible[2], and
- Support and strengthen marketing efforts (see below).

1.4 WHAT CONSTITUTES A SUCCESSFUL MARKETING STRATEGY?

A successful marketing strategy should:

- Reach the target audience in a bold and timely manner,
- Coordinate with and promote the City's branding efforts,
- Build on and be consistent with the City's planning and regulatory documents,
- Focus on the highest concentration(s) of potential new businesses, investors and/or residents,
- Support and bring value to existing businesses, investments and residents, and
- Generally, establish and strengthen the City's attractive image.

1.5 MARKETING AND BRANDING IN SAN PABLO

Ultimately, it is actions, not words, that really affect a City's reputation.[3] Place-making, quality building design and attractive, vibrant streetscapes enable the City's public realm to speak for itself, lending weight to marketing and branding efforts. Diversity in housing types, good schools, attractive public places such as parks, and proximity to vibrant employment centers also add to a City's reputation and forms the basis of an effective branding and marketing effort. More specifically, in order to increase interest and economic vibrancy in the PDA, draw on the findings of the Economic Positioning Study and adhere to the guidelines of effective branding and marketing, the City of San Pablo should:

- Attracting Developer Interest,
- Marketing to Target Industries, and
- Improving San Pablo's image.

"Placemaking is the **process of creating quality places** that people want to live, work, play and learn in." Definition of Placemaking: Four Different Types, Mark A. Wyckoff, FAICP, Professor, MSU Land Policy Institute

[2] Anholt, S. (2004). Nation-brands and the value of provenance. In N. Morgan, A. Pritchard, R. Pride, *Destination branding*. Burlington: Elsevier Butterworth-Heinemann. pp. 26-39.

[3] City Metric. August 21, 2014. Retrieved from: http://www.citymetric.com/business/why-do-most-city-branding-campaigns-fail

1.5.1 ATTRACT DEVELOPER INTEREST

To attract developer interest in Opportunity Sites and San Pablo overall, the City should:

- Market tax incentives, support for infrastructure improvements, and a cost effective, streamlined entitlements process,
- Project a business-friendly environment,
- Host and coordinate with Bay Area events such as Small Business Week, and development and industry conferences,
- Engage real estate and developer oriented promotion of development opportunities through web-based tools such as Opp Sites (http://www.oppsites.com/) and Bay Area real estate media such as The Registry (http://news.theregistrysf.com/),
- Introduce and maintain a strong social media presence, and
- Create partnerships among the San Pablo Economic Development Corporation and non-profits such as SPUR and the Bay Area Council Economic Institute.

The Registry and Opp Sites are examples of resources that cater to developers and real-estate investors in which the City could market key sites. They would allow the City to present important project aspects, including regulatory incentives and associated infrastructure improvements.

1.5.2 MARKET TO TARGET INDUSTRIES

To market San Pablo as an attractive and viable location for businesses in target industries identified in the Economic Positioning Study, the City should:

- Highlight updates to technology infrastructure such as Municipal Broadband to IT, healthcare and bio-technology industries,
- Refresh the City website to cater to young and technically savvy businesses and venture capitalists,
- Advertise in regional, national and global publications such as San Francisco Magazine, New York and Los Angeles Times and the ULI's Urban Land Magazine, and
- Introduce target industry leaders to the workforce and vocational programs at Contra Costa Community College.

1.5.3 IMPROVE SAN PABLO'S CITY IMAGE

To improve perceptions of the City and attract new residents, supporting new and existing businesses, the City's marketing and branding efforts should:

- Celebrate San Pablo's diversity, history, and culture,
- Stress the City's affordability and public amenities,
- Ensure San Pablo's close proximity and connectivity to global business and financial centers in San Francisco, Oakland and the South Bay, and to stunning rural settings in Marin County are clear, and
- Promote messaging that includes a profile of San Pablo residents, focusing on diversity, youth and active individuals and families.

1.6 MARKETING OPPORTUNITY SITES 3 AND 4

1.6.1 SITE ACQUISITION/CONTROL

Opportunity Site 3 presents unique development potential on City-owned property at Church Lane and San Pablo Avenue. As the current property owner, the City may undertake strategic infrastructure improvements and entitlements, consistent with the City's Guiding Principles and PDA Implementation strategies, to make the site "shovel ready". However, prior to engaging a developer, the City must first secure new right-of-way control with the Las Montana's Supermarket property owner to enable new road alignments.

Opportunity Site 4, home of the Big Lots and Food Max retailers, presents underutilized lot area at a key San Pablo location. As with Opportunity Site 3, the City must first acquire the site or enter into an agreement with the current property owner prior to making right of way or infrastructure improvements or marketing the site to a developer partner.

1.6.2 TARGET CURRENT OPPORTUNITY SITE PROPERTY OWNERS

Current Opportunity Site 3 and 4 property owners should be the focus of initial marketing efforts. The City could highlight expected property value increases that will result from new rooftops, increased foot traffic, improved streetscape and infrastructure, and amenities that will increase area attractiveness (civic spaces, creeks, etc.).

1.6.3 DEVELOPER RFQ

Once the City obtains site control discussed above, it may undertake a request for proposals (RFP) process to identify suitable developers. With potential for mixed-use and higher density residential uses, the City should market the project to a broad and national array of mixed-use and residential developers. Marketing efforts for these sites should highlight the following:

- Proximity and access to major job centers in the Bay Area and along the I-80 corridor,
- High site visibility,
- Completed infrastructure improvements or expected commitments from the City,
- Proximity to destination locations such as the Lytton Casino and expected new hotels,
- Amenities, such as civic spaces, historic structures and Wildcat Creek,
- Outside Funding Sources and collaborative grant opportunities,
- Regulatory incentives such as reduced parking and streamlined permitting, and flexibility in project phasing and development timelines, and
- Information and contacts of potential partners in key industries for commercial spaces.

1.7 GUIDING PRINCIPLES AND URBAN DESIGN

Urban design strategies and marketing efforts can work in concert to advance the City's Guiding Principles for economic development within the PDA. Reconfigured parcels and rights of way, streetscape improvements, increased access, and parking can become focal points for marketing materials, while emphasizing the City's commitment to socio-economic diversity, health and well-being and environmental sustainability. The table below presents the City's Guiding Principles and corresponding urban design elements proposed to work in tandem.

Guiding Principle	Key Takeaway	Example Imagery	Urban Design Elements
Economy & Equity			
Enable socio-economic diversification that supports the local workforce.	Balance of jobs by concentrating targeted industries at key pedestrian-oriented nodes and providing opportunities for all income levels.		Non-residential addresses off of San Pablo Ave.; Intensification at key pedestrian-oriented nodes; Flexible frontages in between nodes; Efficient parking that supports and does not dominate the public realm.
Improve the balance of housing.	Access to quality housing for all age groups and income levels.		Residential addresses off of San Pablo Ave.; Intensification at key pedestrian-oriented nodes; Flexible frontages in between nodes; Parking that supports and does not dominate the public realm; Ability to provide 100% residential buildings in mixed use environments.

Support a healthy community for residents and workers.	Access to high quality health care, technology, and non-motorized exercise.		Preservation and enhancement of natural amenities; Intensification and clustering of targeted industries at key pedestrian-oriented nodes; Streetscape; Wayfinding program; Trail and bike routes; Public open space network;
Support a sustainable community for residents and workers.	Ability to live and work within the sphere of influence of key pedestrian-oriented nodes.		Intensification at key pedestrian-oriented nodes allows for the preservation of natural features and open space; Gateway opportunities; Wayfinding program; Local public art in streetscape and public open spaces.
Enhance the built environment through quality building fabric.	Access to a safe, comfortable, walkable environment to alleviate negative safety perceptions and increase foot traffic.		Engaging and welcoming street wall and public realm; Creative building signage as wayfinding & public art.
Environment			
Reduce traffic congestion, greenhouse gas emissions and improve environmental quality.	Access to safe, comfortable, walkable environment for pedestrians and cyclists.		Well-connected nodes that are accessible for pedestrians, cyclists, cars and transit; Multi-modal design of streets and cross sections that are safe for all users.
Maximize transportation options through complete, multi-modal streets.	Ability to access daily goods, services and recreation by way of transit, walking and biking in addition to the automobile.		Complete, multi-modal streets; Streetscape improvements; Off-street and on-street trail and cycle networks; Building fabric that supports transit; Authentic design of transit stops; Wayfinding program.
Enhance the built environment through quality community gathering spaces.	Safe access to a network of main open spaces, secondary open spaces and natural features supporting the health and well-being of residents and workers		Front natural features and quality public open space with building fabric; Preservation of natural amenities; Link natural amenities and quality open space through walkable, shaded streets, trails and bike routes; Authentic trail heads; Historic sites in open space; Gateway opportunities; Wayfinding program; Local public art in streetscape and public open spaces.

Guiding Principles

D

Appendix

Principles for CCTA Medical Grant

The purpose of these Principles is to add context and focus to the economic development effort for San Pablo Avenue, its targeted industries study, the list of businesses emphasized for recruitment, the marketing and branding, and to future implementation and necessary partnerships.

Regional Context

With adoption of Plan Bay Area (Plan), ABAG and MTC along with partner agencies are now emphasizing implementation of the Plan. Over the next several years, ABAG will focus its planning efforts on four primary areas: Priority Development Area (PDA) Implementation, Housing Production and Affordability, Economic Development, and Open Space and Farmland Preservation.

The PDA Implementation effort is structured around geographic clusters of PDAs. The first phase focuses on the Inner Bay Area Corridors, which stretch between San Francisco, San José, Oakland, and West Contra Costa County, including the San Pablo Avenue Corridor.

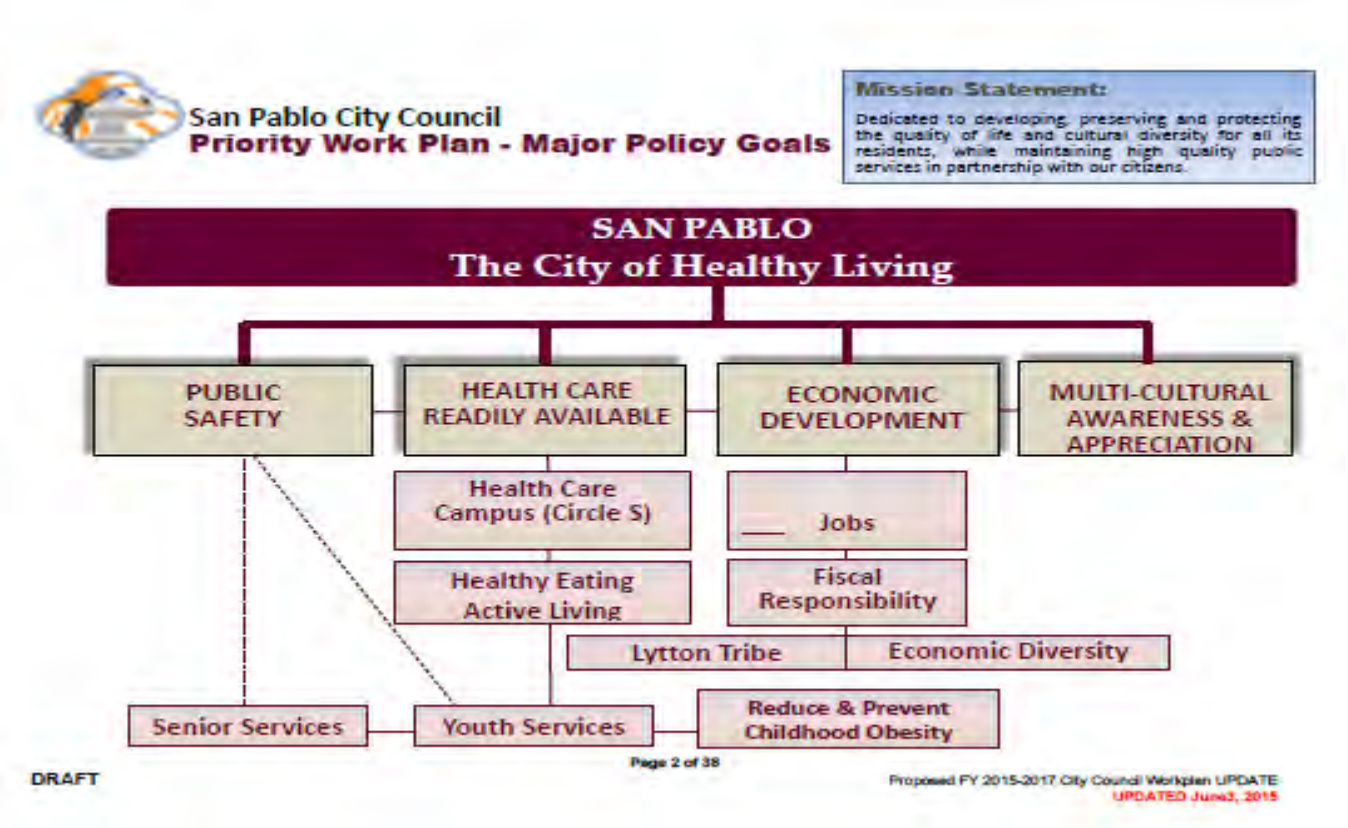
The San Pablo Avenue Corridor: These PDAs extend from Downtown Oakland through West Contra Costa County to Vallejo. The corridor's PDAs are connected by BART and by San Pablo Avenue, which forms a continuous spine from Oakland to Hercules. In addition to Oakland's Regional Center, the corridor includes the residential and commercial district surrounding UCBerkeley and multiple clusters of shops, restaurants and entertainment along San Pablo Avenue in Alameda and Contra Costa County. Housing growth in these PDAs is anticipated to account for 7% of the regional total. The corridor is closely connected to San Francisco, with 20% of all workers commuting to jobs in the city.

The top five regional PDA Implementation Opportunities include:

- Financial and Regulatory Tools to Make Development Feasible
- Robust Provisions for Entitlement Efficiency
- Corridor PDA Coordination
- Strategies to Address Displacement and Retain Neighborhood Assets
- Continued Coordination with Regional and State Agencies

Local Context

The City Council 2015-2017 Priority Work Plan – Major Policy Goals



The City Council adopts a list of projects aligned with these major policy goals for assignment of staffing and resources. Future recommended efforts should be aligned with and referenced to these major policy goals.

General Plan Health Element Key Themes (City Council adopted April 2011):

San Pablo community members, business people, service providers, and leaders are aware of, and participating in an effort to connect city planning with public health. As a result, the key themes for the Health Element include:

- Healthy Transportation and Physical Activity;
- Healthy Food Access and Equity;
- Access to Services and Planning for People First (Youth and Formerly Incarcerated); and
- Crime Reduction and Perception of Safety.

These key themes can help with the topic areas being considered for inclusion in the economic development study.

The inclusion of Sustainability as a key overlapping theme in the Study is important for the reduction of greenhouse gas, improvement of natural systems and social equity. The following are the Targeted Industries Selection Criteria:

Issues		Industries Targeted for the County should…
Economy	**Jobs/Housing Costs**. Housing costs in San Pablo have historically been affordable compared to the region, but are rising quickly due to the economic upturn making it difficult for a single family to afford. **Low Income.** Resident income remains low, and many people work multiple jobs to make ends. **Levering Outside Opportunities**. Growth opportunities exist by leveraging growth from the region, state, and internationally.	▪ Create above-average wages opportunities. ▪ Be profitable and highly productive. ▪ Place an emphasis regional value-added activities (e.g., Doctor's Medical, Casino, Napa, and San Francisco). ▪ Leverage fiber optic technology for expansion of business opportunity and services. ▪ Have labor force requirements that match the demographics of San Pablo working residents (e.g., educational attainment, age of worker, family support needs). ▪ Consider international joint venture opportunities for incubators, manufacturing of product entries, or final product development. ▪ Create economic improvements for dominant existing mom-pop stores, and for recruitment of new firms. ▪ Construction and land costs remain lower compared to the region. ▪ Create a larger variety of business sizes, but no bigger than the largest firms currently operating in San Pablo. ▪ Do not create dependence (more than 50%) for labor or other inputs coming from other regions. ▪ Create and market housing to support employee and business needs. ▪ Improve the educational attainment of residents to ensure increased salary levels.

Environment	**Regional Traffic**. Regional pass-thru traffic is a dominant feature in San Pablo which can be leveraged for businesses capture, goods movement. **Complete Streets**. Diversifying methods for getting to work, home, school, and service trips is required.	▪ Employ local residents to minimize commute times. ▪ Have the potential to implement flexible schedules for employees and offer non-peak hour commute opportunities. ▪ Be housed locally, or in home office locations or work/live spaces. ▪ Be transit-friendly (able to locate near transit hubs; not requiring large parking fields). ▪ Create business opportunities and conditions for walking, bicycling, and access to public transportation.
	Green Building. San Pablo has a strong socioeconomic and cultural tie to the land, the environment, and improving the quality of life for its people. We value improving the physical landscape and limiting the negative impacts of economic activity on the environment.	▪ Recognize green business practices as defined by the Bay Area Green Business Program. ▪ Improve the existing environmental attributes of San Pablo. ▪ Reduce the use of water, waste, energy; and increase green space, native plants, green building materials.
	Open Space and Landscaping. San Pablo residents are significantly below the minimum parks and open space acreage. Green spaces improve air quality, help reduce greenhouse gases, and create public gathering places.	▪ Emphasize businesses that value public gathering, and green spaces, air quality enhancements, food production, and public beautification through open space, landscaping, and art.
Equity	**Socioeconomic Diversity**. The City places high value on socioeconomic diversity and economic sustainability. Commercial enterprises must incorporate equitable practices into their business activities.	▪ Offer a range of occupations and the potential for upward mobility. ▪ Represent a diverse mix of activity in terms of firm size and occupations. ▪ Youth and formerly incarcerated pathways. ▪ Create stepping stones for increased educational attainment and job salary. ▪ Create jobs that emphasize employee pathways from skill certifications and education degrees.
	Health Element Implementation. Creating businesses which address health care, accessibility to health-related uses and doesn't impact the public health is important.	▪ Create businesses that positively contribute to our health and social equity goals. ▪ Provide fair compensation, employee health insurance, childcare and other benefits.

FINAL ADOPTED: 05/02/16
Resolution 2016-162

CITY OF SAN PABLO
PROFESSIONAL CODE OF CONDUCT FOR MEMBERS OF THE CITY COUNCIL, BOARDS AND COMMISSIONS AND COMMITTEES

Preamble

The residents of the City of San Pablo are entitled to have fair, ethical, and accountable local government that has earned the public's full confidence for integrity. The effective functioning of democratic government therefore requires that:

- Public officials, both elected and appointed, comply with both the letter and spirit of the laws and policies affecting the operations of municipal government; and
- Public officials be independent, impartial and fair in their judgement and actions; and
- Public office be used for the public good, not for personal gain; and
- Public deliberations and processes be conducted openly, unless legally confidential, in an atmosphere of respect and civility.

To this end, the San Pablo City Council has adopted a revised Code of Conduct for members[1] of the City Council and the City's commissions to assure public confidence in the integrity of local government and its effective and fair operation.

[1] For ease of reference in the Code of Conduct and unless the context indicates otherwise, the term "Council Member" or "member" refers to any member of the San Pablo City Council or any of the City's boards, commissions or committees established by the City Council.

This Code of Conduct describes the manner in which Members should treat one another, City staff, constituents, and others with whom they come in contact when representing the City of San Pablo.

The constant and consistent theme is "respect." Members experience huge workloads and tremendous stress in making decisions that could impact thousands of lives. Even when not "on duty" members may be viewed as perceived the City. For these reasons, Members are called upon to exhibit appropriate professional behavior at all times.

It is also recognized that Members have the duty to conduct official City affairs in a business-like manner, assuring timely consideration of matters before them and thoughtful expeditious decision-making.

Official City of San Pablo Professional Code of Conduct

1. **Acts in the Public Interest**
   Recognizing that stewardship of the public interest must be their primary concern, members will work for the common good of the people of San Pablo, and not for any private or personal interest or gain, and they will assure fair treatment of all persons and matters coming before the City Council and the City's official Commissions[2].

2. **Compliance with the Law**
   Members shall comply with the laws of the federal government, the State of California, and the City of San Pablo in the performance of their official public duties. These laws include, but are not limited to: the United States and California Constitutions, Federal and State laws and regulations, the City's Adopted Municipal Code, and City ordinances, resolutions, and policies. The subject of these laws include but are not limited to: conflict of interests, elections and campaigns, financial disclosures, employer responsibilities, and open processes of government such as the Brown Act and Public Records Act.

3. **Avoiding Even Appearance of Impropriety**
   The professional and personal conduct of members must be above reproach and avoid even the appearance of impropriety.

4. **Respect for Individuals**
   Members shall refrain from abusive conduct, personal charges or verbal attacks upon the character or motives of other members of the Council and Commissions, City staff or the public.

[2] For ease of reference in the Code of Conduct and unless the context indicates otherwise, the term "Commissions" refers to any of the City's commissions, boards or committees established by the City Council.

5. **Respect for Process**

Members shall perform their duties in accordance with State law and the processes and rules of order established by the City Council and Commissions governing the deliberation of public policy issues, the involvement of the public, and the implementation of policy decisions of the City Council by City Manager and staff. Members shall publicly share substantive information that is relevant to a matter under consideration by the City Council or Commission, which they may have received from sources outside of the public decision-making process.

Respecting the process is also recognizing that the Council or Commission acts as a body by majority vote even if a Member personally disagrees with that action.

6. **Conduct at Public Meetings**

Members shall comply with the Brown Act.

Members shall make every effort to attend meetings of their board and to prepare themselves for those meetings; listen courteously and attentively to all public discussions before the body; and focus on the business at hand. They shall refrain from interrupting other speakers; making personal comments not germane to the business of the body; or otherwise interfering with the orderly conduct of the meetings. Members shall commit to practice civility and decorum in discussions and debates. Members shall avoid debate and argument with the public. Members shall not engage in personal attacks under any circumstance.

Members shall commit to honoring the role of the Chair in maintaining order, keeping discussion on-track, and focusing discussion on agenda items at hand.

7. **Decisions Based on Merit**

Members shall keep an open mind when considering information presented during a meeting, consider alternative viewpoints, weigh the pros and cons of each alternative, and base their decision on the merits and substance of the matter at hand, rather than on unrelated considerations.

8. **Conflict of Interests**

In addition to complying with State laws governing conflict of interests, to assure their independence and impartiality on behalf of the common good, Members shall not use their official positions to influence government decisions in which they may have a material financial interest.

9. **Gifts and Favors**

In addition to State laws governing gifts, honoraria and travel expenses, Members shall not take any special advantage of services or opportunities for personal gain, by virtue of their public office, which are not available to the public in general. They shall refrain from accepting any gifts, favors or promises of future benefits which

might compromise their independence of judgement or action or give the appearance of being compromised.

10. **Confidential Information**
Members shall maintain the confidentiality of information provided under the attorney-client or other privilege or in closed session including property negotiations, litigation, and personnel affairs of the City. They shall neither disclose confidential information without proper legal authorization, nor use such information to advance their personal, financial or other private interests.

11. **Use of Public Resources**
Members shall not use public resources that are not available to the public in general, such as City staff time, equipment, supplies or facilities, for private gain or personal purposes. In particular, without express authorization, Member shall not use the City's seals, logos or letterhead or mock-ups of the City's seals, logos or letterhead intended to make the viewer believe that it is an official City seal, logo or letterhead. Any authorized communications with the City's seal, logo or letterhead shall be copied to the City Manager and City Clerk.

12. **Representation of Private Interests**
In keeping with their role as stewards of the public interest, Members of the City Council shall not appear on behalf of the private interests of third parties before the City Council or any commissions or proceedings of the City. Members of Commissions shall not appear before their own bodies or before the City Council on behalf of the private interests of third parties on matters related to the areas of services of their bodies.

13. **Official Representation**
If a Member has been given the authority to represent the City officially before another entity, the Member shall represent the official policies of the City and shall clearly indicate that they are present in their official capacity. When presenting their individual opinions and positions, Members shall explicitly state they do not represent the City of San Pablo, nor will they allow the inference that they do. Members shall recognize that even when not representing the City, their comments will reflect on the City and as a result care must be taken in all interactions.

14. **Policy Role of Members**
Members shall respect and adhere to the Council-Manager structure of City government as provided by state law and City Municipal Code. In this structure, the City Council determines the policies of the City with the professional advice, information and analysis provided by the City Manager, staff, public and City Commissions.

When Members receive requests or complaints from the public, Members need to recognize that they are not in a position to "fix" most things as an individual, but should refer the matter to the appropriate staff members through the City Manager. Policy issues need to be considered by the entire body.

In addition, the City Manager serves as the City's Public Information Officer (PIO) and media inquiries and responses regarding City matters should be coordinated through him or her (SPMC Sections 2.04.140 and 2.36.060)

15. **Independence of Boards and Commissions**

Because of the value of the independent advice of Commissions to the public decision-making process, as well as the possibility of an appeal to the Council, members of the City Council shall refrain from using their position to influence the deliberations or outcomes of Commission proceedings.

16. **Work Place Environment**

Members shall support the maintenance of a positive and constructive work place environment for City employees and for residents and businesses dealing with the City. Members shall in no way create the perception of providing direction to staff (2.04.110 SPMC). Members recognize that the City Manager provides appropriate direction to City staff pursuant to the City's Municipal Code.

Members therefore shall not interfere with the administrative functions or services of the City, or the professional duties of the City Manager unless for purposes of informational inquiry in accordance with Section 2.04.110 of the San Pablo Municipal Code. Generally, all members should refrain from:

- Disrupting or interfering with City employees in the conduct of their jobs
- Disruption or involvement in any City administrative functions or services
- Attending any staff meetings unless requested by the City Manager

If a Member has a complaint or concern regarding the behavior of a specific City staff member, the Member shall raise the matter with the City Manager in a private manner.

Members shall not solicit political support from City staff (i.e. financial contributions, display of signs, name on support list, personal endorsements, etc.)

17. **Implementation & Enforcement**

As an expression of the standards of conduct for members expected by the City, this Professional Code of Conduct is intended to be self-enforcing. It, therefore, becomes most effective when Members are thoroughly familiar with it and embrace its provisions. Members themselves have the primary responsibility to assure that ethical standards are understood and met, and that the public can continue to have full confidence in the integrity of government.

For this reason, ethical standards shall be included in the regular orientation for candidates for City Council, applicants to commissions, and newly elected and appointed officials. Members entering office shall sign a statement affirming they have read and understand the Professional Code of Conduct.

To ensure adherence to the Code, the San Pablo City Council establishes the following procedures for compliance and violations of the Code, as follows:

A. Commendation -- The San Pablo City Council Code of Conduct allows for two (2) types of commendation:

   1. *Verbal (Casual)* – Verbal acknowledgement that an individual has exemplified our shared ethics. Verbal commendations can be made either during official meetings, or in the process of daily business.

   2. *Written (Official)* – Superior examples of ethical behavior by an individual or group deserve official acknowledgement. Such acknowledgement could be accomplished by a letter signed by the Mayor, or by obtaining Council consensus to adopt a resolution of commendation.

B. Censure

   1. *Complaint Process* – Members are encouraged to resolve issues with other Members at the lowest level. Therefore, if a Member has an issue with another Member, then the two Members should discuss the issue between them only.

      In order to discuss a complaint publicly at a public meeting, at least a majority of the body must vote to place the matter on a future agenda for discussion. The Member who is the subject of the complaint shall be provided the opportunity to speak in his or her defense.

   2. *Levels of Censure*: The San Pablo City Council Code of Conduct allows for two (2) types of censure:

      a. *Admonishment* -- This is the least severe form of action and is generally more of a reminder or warning that a particular type of behavior is in violation of law or City adopted policy, and that if it occurs or is found to have occurred, could make an individual member subject to censure.

         An admonishment may be issued in response to a particular alleged action or actions; although, it would not necessarily have to be triggered by such allegations. An admonition can be made either during official meetings, or in the process of daily business.

b. *Censure* -- Censure is the most severe form of action contemplated in this Code of Conduct policy. Censure is a formal statement by the San Pablo City Council officially reprimanding one of its members, but it carries no fine or suspension of the rights of the member as an elected official. Censure should be used for cases in which the City Council determines that the violation of policy is a serious offense.

3. *Protection of First Amendment* -In order to protect the overriding principles of freedom of speech, the San Pablo City Council shall not impose censure of any of its members for the exercise of his or her First Amendment rights, no matter how distasteful the expression was to the Council and City. However, nothing herein shall be construed to prohibit the City Council from collectively condemning and expressing their strong dislike of such remarks.

ACKNOWLEDGEMENT:

I affirm that I have read and understand the City of San Pablo Professional Code of Conduct.

_____ _____

Signature Date

_____

Print Name

RESOLUTION 2016–162

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN PABLO ADOPTING A NEW PROFESSIONAL CODE OF CONDUCT AND ETHICAL STANDARDS FOR ALL ELECTED OFFICIALS, BOARDS AND COMMISSIONS

WHEREAS, in 1992, the City Council adopted Resolution 1992-93 which adopted a Code of Ethics for members of the City Council and all City Board and Commissions;

WHEREAS, in 2002, the City Council adopted Resolution 2002-006 which adopted a revised Code of Conduct for all members of the City Council and all City Boards and Commissions;

WHEREAS, the City Council recognizes there are ethics laws that require a minimum level of ethical behavior such as disclosure of personal economic interests; receipt of loans, gifts, travel payments and honoraria; campaign contributions; conflict of interest, dual office-holding and incompatible offices; and criminal misconduct in office. Further, the City Council acknowledges that such laws are enforced by legal authorities such as the District Attorney and Attorney General and regulated by the State of California Fair Political Practices Commission;

WHEREAS, on March 7, 2016, the City Council established (by minute order) a Temporary Ad Hoc SubCommittee (Calloway/Morris) to revise and update a professional code of conduct and ethics for all members of the City Council and all City Boards and Commissions;

WHEREAS, the City Council chooses to establish a higher level of conduct and has participated in a process to revise and update the Code of Conduct periodically to emphasize core values, to create an environment in which ethics are routinely considered, and to increase public confidence in San Pablo's municipal government to create a positive public identity for all City officials; and

WHEREAS, the San Pablo City Council should periodically update its professional code of conduct and ethical standards for all members of the City Council, and all City Boards and Commissions so that there is a clear understanding that local public service requires that:

- Public officials, both elected and appointed, comply with both the letter and spirit of the laws and policies affecting the operations of municipal government; and
- Public officials be independent, impartial and fair in their judgement and actions; and
- Public office be used for the public good, not for personal gain; and
- Public deliberations and processes be conducted openly, unless legally confidential, in an atmosphere of respect and civility.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of San Pablo does hereby authorize as follows:

1) Resolutions 1992-93 and 2002-006, which initially adopted a Code of Conduct and professional ethical standards for all members of the City Council, City Boards and Commissions, are hereby repealed;

2) The updated Professional Code of Conduct for all members of the City Council and Boards and Commissions, attached as "Exhibit A," and incorporated herein is hereby adopted; and

3) The Temporary Ad Hoc Subcommittee tasked with reviewing and recommending the updated Professional Code of Conduct is disbanded now that its task has been completed.

* * * * * *

ADOPTED this 2nd day of May, 2016, by the following vote:

AYES:	COUNCILMEMBERS:	Morris, Calloway, Valdez and Kinney
NOES:	COUNCILMEMBERS:	None
ABSENT:	COUNCILMEMBERS:	Chao Rothberg
ABSTAIN:	COUNCILMEMBERS:	None

ATTEST:

/s/ Ted J. Denney
Ted J. Denney, City Clerk

APPROVED:

/s/ Rich Kinney
Rich Kinney, Mayor