



City of San Rafael Economic Development Department Economic Vitality Workplan 2009

Purpose of the Workplan

San Rafael's outstanding quality of life is maintained by a healthy economy. The City's beautiful natural setting, sense of community, public safety, recreation facilities, and efficient government is supported by municipal revenues. To develop and expand these services, the City must continually strive to increase its economic base. Uncertain economic times today demand that we take all actions possible at the local level to preserve and enhance San Rafael's economy, to attain the goals of the Redevelopment Agency's Implementation Plan, and the City's General Plan 2020. In summary, these include:

- Stimulate business growth through retention, expansion, and business attraction.
- Improve the fiscal condition of the City by expanding the tax base.
- Remove blight, enhance visual characteristics, and improve circulation and parking infrastructure to encourage business growth and private investment.
- Create local employment opportunities.
- Keep San Rafael "Business Friendly".
- Partner with the Chamber of Commerce, Business Improvement District, local brokers, property owners, and business owners to stimulate business development.

This Workplan describes 2009 priority programs and tasks of Economic Development Department staff to pursue the above goals. It does not, however, include activities related to affordable housing, a key issue closely linked to a successful economy, as housing programs and tasks are established in detail in the Housing Element of the General Plan.

The structure of the Workplan is as follows:

- I. New Development Projects
- II. Reuse, Re-tenanting and Rehabilitation
- III. Sustainability Measures
- IV. Promotion and Events
- V. Fiscal Strategies
- VI. Communication, Education and Outreach

I. NEW DEVELOPMENT

In 2009, Economic Development (ED) staff will be proactively involved in several development projects to facilitate new business on the City's few key sites with development potential. In a down economy, we continue to aggressively pursue City approvals for these projects so that the developers/owners can be ready to move quickly when the markets are suitable for more commercial development.

- a) **West Francisco Boulevard (WFB).** This freeway-visible area continues to be one of the key locations for improving the City's tax base and providing employment. ED Staff is assisting existing WFB auto dealers in obtaining City approvals for additional sales facilities. This includes the Mercedes dealership plans for a pre-owned auto facility at 540 WFB, and new facilities for VW and Audi at 700 WFB. In addition, a Nissan dealership is planned to replace VW/Audi in their current space at 740 WFB.
- b) **East Francisco Boulevard (EFB).** Staff is also focused on retaining and attracting auto dealerships to this area to provide jobs and bring much needed revenues to the City. We have worked with Chrysler Realty for many years and recently helped extend permits for a new dealership at 1075 EFB. Given the national economic uncertainties for this property owner, they are considering selling the site. Should they do so, ED staff will work actively with the broker to find a replacement use for this site.
- c) **Shoreline Center Completion.** This key site is one of the last undeveloped locations feasible for a large sales tax generating retailer. Staff is working directly with Calpox, the property owner, to discuss strategies for a Target store or similar retailer. Calpox is currently in the EIR process.
- d) **Marin Square Area Redevelopment.** Sutter Health has purchased the Marin Square shopping center and several adjacent properties along Gary Place but has not yet submitted an application or proposal for the redevelopment of the area. ED staff is coordinating City Council Subcommittee meetings and cross departmental work such as the traffic connector feasibility study that is underway. Additional work will be taking place in 2009 to assess any land use proposals submitted by Sutter.
- e) **Completion of the San Rafael Corporate Center.** Once occupied, the final phase of this significant office complex (at Lincoln and Second) will add substantial activity to the Downtown. Construction is underway and the first building is scheduled to be completed by mid-2009. ED staff serves as a liaison with Seagate, the property owner and developer. Staff continues to assist Seagate to resolve any issues that could hinder prompt completion of the remainder of this project. The next step is to assist Seagate with filing for permits for the final office building and last parking structure, later this year.



San Rafael Corporate Center

- f) **Reuse of PG&E's 999 Third Street Site.** This vacant site has the potential for a cineplex, hotel or other activity (once the economy picks up again) that complements the Downtown revitalization effort. PG&E is currently testing the soil on this property and has agreed to a meeting after the reports are completed to discuss the redevelopment possibilities for the site. Staff will pursue with PG&E the sale and development of this property, and in 2009 we plan to initiate these discussions.
- g) **Caltrans Remnant Properties.** ED staff has been working with Caltrans staff and will be coordinating with TAM and Public Works to identify and analyze the potential commercial opportunities from any remnant parcels from the Highway 101 project.

II. REUSE, RE-TENANTING AND REHABILITATION

In our built out City, staff will continue to work with commercial property owners, developers, and brokers to make the most of our existing buildings in achieving our economic goals.

- a) **Economic Study.** With the help of a college level intern we have commenced a study on San Rafael's economy. The intern will interview key stakeholders and report on the types of industries, jobs and business development to attract or nurture in the future, to help solidify our tax base and employment. This will include looking at the feasibility of green businesses as well as an assessment of the future of retail, particularly the auto sector as well as the medical office sector. The study will be completed by May.
- b) **Re-tenanting Vacancies.** Staff has begun to track retail space vacancies, a task traditionally left to our local real estate brokers. The purpose for ED staff's involvement at this time is not to provide statistics or regular reports, but instead actively assist in re-tenanting the spaces. We provide the information quickly to potential tenants, along with a contact name and phone number for each space. Staff regularly keeps in contact with brokers and property owners to find replacement tenants for key sites such as the former Ford space at 619 East Francisco Blvd, the former Chevrolet at Shoreline Center, and the existing Infiniti space at 620 Du Bois Street.
- c) **Rehabilitation of Northgate Mall.** ED staff currently has a limited role now that this project is significantly proceeding with construction. We are assisting by meeting with or talking to key potential tenants embarking on the tenant improvement permit process.
- d) **"Marin Rocks" Exhibition.** Because this project will be a new draw to the Downtown, ED staff expedited the application for the new Marin Historical Exhibit called *Marin Rocks* (to be located at the Mason's building at Fourth and Lootens). Staff will continue to work with the Marin History Museum and the building owner to get the application submitted for building permits. The Exhibition is tentatively scheduled to open in the Fall.



Northgate Mall

- e) **General Plan Update.** ED staff will participate in the update of the General Plan, with an eye to what actions can be taken to amend San Rafael zoning or land use restrictions to better assist in business recruitment. We will be encouraging zoning that will allow more creative uses, given the current business climate.

III. SUSTAINABILITY MEASURES

Economic Development staff is working on several fronts to make a “greener” Downtown as well as other San Rafael commercial areas. This includes the following:



- a) **Green Businesses.** A part of the Economic Study mentioned on page 3 we will consider which green businesses may be feasible to pursue for our community for either sales, manufacturing, and/or green workforce development.
- b) **Climate Change Action Plan Implementation.** ED staff will be involved in the business or economic related implementing programs from the Climate Change Action plan, once it is adopted by the City Council.
- c) **SMART.** With the passage of the tax measure last November, ED staff is now coordinating the cross-departmental work necessary for this project, including the Andersen Drive crossing and the two stations planned in our City. Issues include land use, impacts on local businesses, parking, traffic, as well as financial and legal.
- d) **Energy Efficient Decorative Lights.** Working with Public Works, ED staff is investigating the most appropriate energy efficient “twinkle” lights for the year-round tree lighting along Fourth Street. This requires electrical engineering and light designer’s assistance. New lights will be installed in 2009.
- e) **Pedestrian and Bicycle Improvements and Linkages.** ED staff is currently involved in outreach efforts for pedestrian and bike improvements in Downtown and East Francisco Boulevard. We are also participating in the Canalfront Conceptual Design Plan.
- f) **“Greening” of Community Events.** As part of the promotion of the Downtown, staff coordinates more than 35 events in the area, drawing thousands of visitors. In cooperation with event producers and the City’s Volunteer Coordinator, staff has added recycling containers to many of the City’s events and is pursuing a voluntary program for eliminating styrofoam containers and encouraging the use of “nature-based” containers.



Downtown Fourth Street

IV. PROMOTIONS AND EVENTS

Especially during this “down” economy, it is critical that the ED staff continue to promote the Downtown and Redevelopment Project Area to encourage visitors to shop and dine locally. In addition to the regular calendar of events to promote the Redevelopment Project Area, staff will focus on several new initiatives in 2009 including:

- a) **10th Anniversary of the re-opening of the Smith Rafael Film Center.** ED staff has met with the California Film Institute to plan a public celebration in the Fall for the anniversary of this major draw to the Downtown. In concept, this event is to be combined with a Downtown Dine Around and free outdoor movie.
- b) **West End Village Event.** ED staff is planning with the West End businesses to hold at least one event in the West End of Fourth Street this year, to continue to draw visitors to the newly refurbished area of the Downtown.
- c) **Medway/Canal Grand Opening Event.** After the Medway Road power poles are removed, a community event will be held to celebrate the improved look of this entryway to the Canal Neighborhood.
- d) **Public Arts Installation Program.** In cooperation with Artisans and Art Works Downtown, ED staff has initiated a program to install art in the storefront windows of vacant Fourth Street retail spaces. We will continue to promote this effort to all local brokers and property owners with vacant spaces.
- e) **“Marin Rocks” Opening.** Staff will be promoting the opening of the new Exhibit as an exciting draw to the Downtown. We will be planning a public event, in coordination with the Business Improvement District and the Marin History Museum.



Street Painting Festival

V. FISCAL STRATEGIES

Staff will be involved in a variety of fiscal issues in 2009, many of which will continue into 2010.

- a) **Redevelopment Bonds.** Staff has contracts in place with all necessary consultants to be ready to issue tax increment bonds. Given the economic times and the state of our fellow taxing agencies, it is difficult to estimate when we might be able to issue new bonds.
- b) **Business Improvement District (BID) Strategy.** ED and BID staff are working side by side to analyze possible new structures for a BID to be able to raise additional funds to promote and hold events Downtown. This project includes establishing draft goals, boundaries, programs, and assessments, and the analysis includes looking at business-based as well as property-based BIDs.

- c) **Financial Resource Development.** ED staff continues to be involved in fundraising. We will head up a citywide committee to analyze and pursue appropriate federal job stimulus monies, seeking opportunities to take on capital projects and obtain grants to create jobs.
- d) **Emergency Preparedness/Business Recovery Plan.** Working with the Office of Emergency Services staff, our first step this year is to hold a Get Ready for Businesses. Following that, staff hopes to begin to discuss with the Chamber and BID how they might work with the City to establish recovery steps should a disaster occur that disrupts commercial activity. Given the harsh economic issues before us, it may be difficult to make this a priority project for some of our businesses.
- e) **Real Property Management.** In 2009, staff will be supporting citywide efforts with real estate issues such as Critical Facilities, possible acquisition of 1309 Fifth Avenue, possible disposal of Joseph Court Fire Station, and the GASB 49 reporting on environmental liability on City or Agency properties. In addition, we are completing environmental testing of 519 Fourth Street, the City's storage facility.

VI. COMMUNICATION, EDUCATION & OUTREACH

Staff will continue to connect with various segments of the community, to provide information about the status of the economy and local issues.

- a) **Communication to the Community.** ED staff will continue to participate in San Rafael Connects. In addition, we will regularly meet, beyond Business Issues Committee meetings, with the Chamber of Commerce and Business Improvement District, to partner and strategize about the local economy.
- b) **Managers of Vacant Property.** Staff will continue to contact those who manage commercial properties that may be vacant for an extended time period to be sure they take steps to keep their properties in good visual appearance and to protect their properties to avoid fires and/or vandalism.
- c) **Re-Leasing Assistance.** To facilitate expediting new business permits, ED staff is partnering with Building Division staff to explore ways to better explain codes and ADA compliance issues to building owners and brokers. The intent is to let them know what to look for and what will be expected in building permits long before a lease is signed.

Workplan Amendments and Progress. This plan will be amended as necessary for additional items identified upon completion of the Economic Study, and upon review of goals and objectives each six months. Progress reports will be prepared as part of the City's regular updates on goals and objectives, or upon request.

For comments or more information contact the Economic Development Department at:
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