

City of Brisbane

Agenda Report

To: City Council via City Manager

From: Economic Development Sub-Committee

Subject: Economic Development Sub-Committee Progress Report

Date: December 20, 2011

Purpose:

To inform the City Council of the sub-committee's work in addressing the continuing loss of sales tax generators and increasing number of vacant commercial properties.

Recommendation:

The Economic Development Sub-committee recommends reaffirming General Plan Chapter IV. Local Economic Development and supporting efforts to achieve its goals.

Background:

The Economic Development Sub-committee of the City Council was formed in 2010. The sub-committee stepped up its efforts in the Summer of 2011 as a result of the pending loss of VWR which brings in 16% of the overall general fund budget. The attached report summarizes the sub-committee's work and recommended action steps.

Discussion:

The General Plan's Local Economic Development policy was visionary for its time and is still relevant today. Had the goal of having an economic development program that stabilizes and diversifies the tax base been achieved, the impact of losing VWR would not be as significant. Staffing and resources need to be allocated to advance Economic Development initiatives, particularly now when the large volume of commercial property vacancies affords the City a first-time opportunity to be involved in shaping its business community.

Fiscal Impact:

There is no direct fiscal impact to the City by the City Council receiving and accepting this report. However, the whole purpose of an Economic Development Strategy is to have a positive impact on the revenues of the City and the services the community receives. There will be costs for certain aspects of the Committee's recommendations (hiring of Economic Development Director and Tours of the Business Park with Brokers). It is anticipated that these costs will be offset by either new businesses moving into town or retention of businesses that may have left the town.

Measure of Success

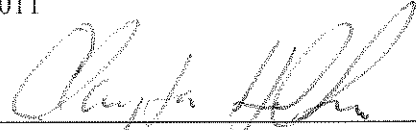
Success for economic development programs is difficult to measure. One measure is the additional amount of business license brought in from one year to the next. A second measure would be the number of jobs created or kept within the City. A third measure would be the amount of Sales Tax collected within the City.

Attachments:

City of Brisbane Local Economic Development Sub-committee of the City Council, 12/20/2011
SWOT Analysis and Economic Development Action Plan, 12/20/2011



Administrative Services Director



City Manager

**City of Brisbane
Local Economic Development
Sub-Committee of the City Council
December 20, 2011**

The Challenge

Of the Top 25 Sales Producers in 2000-2001, only nine remained in the Top 25 in 2010-2011. The other companies have (a) left the City; (b) are no longer in business; or (c) remain in the City but are no longer top revenue generators.

The City receives approximately \$4.3M in sales tax revenue. Its largest tax revenue producer has been VWR at \$2.1M and the next largest is at \$400,000. In 2011, the City lost two more Top 25 companies—Champion and Freeman. And in 2012, it is expected to lose VWR. These economic forces and absence of a “close second” highlights the City’s vulnerability, lack of stability, and lack of a diversified tax base.

Brisbane’s Chamber of Commerce estimates a loss of close to 50 businesses in the past 3.5 to 4 years. And while most of the businesses lost are not Top 25 sales tax revenue producers, the City lost its largest tenant, Walmart.com, over these recent months.

The vacancy rates in the City’s commercial real estate market have also been rising. As of the third quarter 2011, Brisbane has vacancy rates of 16% in industrial and 39% in office space. High vacancy rates may not directly equate to less tax revenue generation; however, an empty business park or industrial park can result in a loss of business for local establishments, neglected properties, and a loss of opportunities for community/business partnerships particularly with good corporate neighbors. High vacancy rates can also make spaces harder to fill as desirable businesses opt for a vibrant marketplace.

The Hope...The Risk

The City is pursuing an expansion of Recology into Brisbane which would bring in revenues to exceed the pending loss of VWR’s tax revenue. However, should efforts prove unsuccessful, the City faces the possibility of draconian cuts. Declining revenue, even stagnating revenue, means a declining ability to provide City services. And a loss of revenue will force the City to redefine its purpose and delivery methods.

What would a loss of more than \$2.1M mean to Brisbane? As an example, the net cost to provide a Parks & Recreation Department is \$1.1 million. City staffing levels have already been reduced from 82 to 62 over the past seven years. Further service level cuts would be eminent as a community’s services are directly tied to their revenue generators.

The Search for a Strategy

The Economic Development sub-committee of the City Council was created in 2010 to create an economic development strategy to bring businesses into the City while safeguarding the Community's interests. Discussions with the community and developers for both the Baylands and Sierra Point are ongoing and are expected to have an impact in the long-term so particular focus for the strategy has been placed on Crocker Industrial Park which can address the more immediate need for revenue generation.

In the Summer of 2011, graduate students of the Presidio School of Management studied Crocker Industrial Park and proposed Brisbane position itself as a hub of new and innovative green businesses—a “premiere Emerald City”.

The students' “Brisbane Green Business Attraction Plan” was presented at a Council meeting and was eagerly embraced by many members of the community. While, admittedly, the definition and criteria for what it means to be a “green” business has yet to be decided, the overall vision was consistent with the culture and beliefs of the Brisbane community.

While the Emerald City would be ideal, there are a number of questions regarding its feasibility, as well as, immediate challenges such as: lack of staff and resources to pursue many of the efforts put forth in the Green Marketing Plan; lack of staff and resources to compete with the many cities who have already dedicated staff and resources to pursue green industry; multiple and absentee property owners in the Park; an emerging technology industry where standards are still developing; a domestic market that has seen many green companies fail; a weak US economy; difficulty in obtaining capital loans; and competition in a global marketplace where Asian companies are receiving credit subsidies and incentives from their governments.

The sub-committee wanted to find a balance between the vision, economic feasibility, and market reality. For economic feasibility and market reality, the sub-committee conducted a series of interviews to help them assess the City's commercial real estate market situation and develop a SWOT analysis. The sub-committee met with:

- commercial real estate brokers with current listings in the Park;
- property owners/managers; and
- a developer who participates in a similar committee with another city.

The commercial real estate brokers were given a standard set of questions in advance to offer them the opportunity to contemplate and prepare their thoughts before the meetings. Discussions with the property owners/managers were designed to explore their experiences, challenges and thoughts on the Park, as well as, their future plans.

Back to Basics

After the series of meetings and discussions, the sub-committee concluded that the City needs to:

- (1) stabilize and diversify its tax base;
- (2) encourage commercial development to serve the community and employees of the business community;
- (3) be proactive in bringing in businesses that will create sufficient revenues to fund City services,
- (4) work with commercial brokers and reach out to existing businesses to foster a mutually beneficial business relationship;
- (5) attract companies with environmentally responsible business practices; and
- (6) work with existing businesses to reduce their carbon footprint.

What the sub-committee found is that these goals closely match those in the 1994 General Plan.

Brisbane will be a place where economic development...

- *Stabilizes and diversifies the tax base;*
- *Serves the community by encouraging convenient and beneficial commercial development;*
- *Provides sufficient revenues for necessary City services;*
- *Facilitates employment of residents; and*
- *Sees sustainable growth as depending on preservation and replenishment of natural resources.*

The sub-committee commended the General Plan as forward thinking for its time. However, it noted that many policies and programs in Chapter IV. Local Economic Development were not implemented. Certain businesses had become so successful and brought in sufficient revenue that the City did not need to look at diversification or retail. Financial conditions have changed and the City's finances and ability to provide services to its citizens is threatened. It is time to revisit the Local Economic Development plan and take appropriate action.

1994 General Plan

The General Plan is the City's basic planning development document. It has been in a process of a general plan update for several years and is slated to be completed after the Baylands Environmental Impact Report (EIR) is released in 2012. The 2010 census data will be incorporated into the update at that time.

During the 2006-2009 comprehensive review process, it was found that much of the General Plan was as relevant then as it was when it was adopted in 1994. They noted

issues in the voluminous number of programs, the feasibility of being able to implement all of the programs, and the need to prioritize policies and programs for implementation.

Through the sub-committee's work in 2011, it reaffirmed that the basic tenants in Chapter IV. Local Economic Development in the General Plan remain relevant. It also reaffirmed the need to review and prioritize specific policies and programs for implementation.

Points discussed in the sub-committee meetings which are already reflected in the General Plan include:

- Policy 8. *Maintain and diversify the City's tax base, consistent with community character, in order to generate adequate revenues for City government and sustain a healthy local economy.*
- *...the City will seek to generate needed revenues through increased retail activity without losing sight of the need to maintain a retail presence that is in keeping with Brisbane's small size and character.*
- Program 8j: *Consider mixed-used zoning, which would encourage a combination of business and commercial uses, making sites more responsive to market conditions.* (The committee discussed how residential has also been added into the mix.)
- *"As a City, and as a community that is greatly influenced and defined by its surrounding physicality, such as San Bruno Mountain and the San Francisco Bay, Brisbane is keenly aware of the need to respect and preserve the natural environment."*

A Call to Action

In light of the current challenge, it is recommended that the sub-committee take the immediate steps possible to attract businesses to Brisbane. For the longer term, it is recommended that the sub-committee develop a plan towards reaching the strategic goals stated in Chapter IV. Local Economic Development in the General Plan.

Local Economic Development Goals	Action Steps
<i>Stabilizes and diversifies the tax base;</i>	<ol style="list-style-type: none"> 1. Evaluate Current Business Climate— review regulations to streamline and ensure they reflect the community’s values without unduly deflecting businesses from coming in and staying in Brisbane. 2. Conduct a charrette to study land use and design for Crocker Industrial Park and Brisbane Village. (April/May 2012) 3. Study viability to employ a full-time or part-time Economic Development professional. 4. Create and adopt an Economic Development Action Plan (EDAPt) that reflects the General Plans and results of the sub-committee’s work and the charrette. <ol style="list-style-type: none"> a. Build Form Base Codes to support EDAPt (Fall 2012). b. Update the relevant sections in the General Plan in preparation for the adoption of the General Plan.
<i>Serves the community by encouraging convenient and beneficial commercial development;</i>	
<i>Provides sufficient revenues for necessary City services;</i>	
<i>Facilitates employment of residents; and</i>	
<i>Sees sustainable growth as depending on preservation and replenishment of natural resources.</i>	

1. Current Business Climate

During the series of discussions, the sub-committee heard various forms of “*Brisbane is hard to deal with, so why bother?*” The first action step the sub-committee can undertake is to review the process to bring in business into the City. Data should be collected on recent new businesses and attempts to bring in businesses and study why businesses do or don’t come into Brisbane.

More importantly, the sub-committee needs to review current policies to ensure they support rather than hinder the mission and vision of Chapter IV. Local Economic Development of the General Plan. Over the years, new policies can be added without a “big picture” or strategic look at how they can interact with other policies or without being cognizant of their practical effect. The sub-committee can:

- review use permits, conditional uses, performance standards, parking and other regulations;

- reevaluate whether they are needed or “nice to have’s” and whether they truly reflect the values of the community today; and
- balance the needs of the community, property owners and businesses to make sure regulations are not unduly prohibitive and do not reflect “*anti-business*.”

Brisbane has been unable to compete with other cities on a number of levels when it comes to business attraction and retention. It is important to work from a business’ perspective to understand how to make Brisbane a special place for business. Further, the sub-committee has an understanding of what businesses and business clusters would fit the community. Examples include a design showroom cluster in the industrial park and incubators at Sierra Point. The sub-committee can engage its Chamber of Commerce to assist them in taking immediate steps towards making Brisbane attractive to these businesses.

2. Charrette

Community input and involvement is vital to Brisbane. However, what is often neglected is the input of other stakeholders (e.g., property owners, businesses) and of subject matter experts. The sub-committee recommends the use of a charrette to pursue a balanced approach under the guidance of design professionals who work with cities on design and land use. The charrette can also provide a vehicle through which the City can incorporate and advance the visions expressed by the community during the 2006 Place Making Workshops. The San Mateo County Chapter of the American Institute of Architects (SMAIA) has served Peninsula communities over the past 25 years by utilizing their expertise to help communities define and achieve their goals through charrettes.

A charrette involves participation by stakeholders from different perspectives to create multiple visions to address complex design and development issues. The charrette process can harness these visions and tie them into a coherent vision for land use and design for Crocker Industrial Park and the Brisbane Village.

The charrette process typically involves six to nine months of study and preparation leading up to an intense one-day workshop of creative problem-solving, participatory design and planning activities with its stakeholders. During the preparation stages, the design professionals work with the City to obtain maps, demographics, transportation routes, and a multitude of other pertinent data; they will walk the site, study it, and take photos; and they will talk with residents.

Stakeholders and the public are invited to participate in the charrette, creating a diverse group with varying levels of expertise and varying experience to push “outside the box” creative thinking. The design professionals serve as team leaders. On the day of the charrette, the team leaders facilitate the brainstorming session and use their professional expertise to translate ideas into drawings. Teams present their idea(s) which may be in the form of short-term, medium-term and long-term goals.

The work product is in the form of a written document which the City can use as a basis from which to build an Economic Development action plan, including form based codes, and update the General Plan.

Goals for the Crocker Industrial Park Charrette:

- Increase the diversity of businesses within the Crocker Park.
- Explore whether Crocker Park lends itself to the creation of sub-districts for land use, marketing and business clusters; and how these sub-districts might be differentiated (i.e., niches).
- Strengthen linkages/connections between Crocker Park and the remainder of Brisbane.
- Explore creating a linkage between Central Brisbane and the Ridge.
- Identify strategies for integrating new mixed use at the edge of Crocker Park with adjacent Brisbane Village and the community park.
- Identify short-term strategies to increase business occupancy in Crocker Park.
- Identify long-term land use options for Crocker Park.
- Identify long-term land use for the Quarry.
- Create an entrance into Central Brisbane at Tunnel/Old County Road and Bayshore that represents Brisbane's desired image to the rest of the Peninsula.
- Design city welcome signs for Brisbane's gateway roads.

3. Economic Development Staffing and Resources

Up until this point, the City has not had the financial impetus to dedicate any staffing or resources towards economic development. Consequently, the City has been accessing the aid of interns, students (Presidio School of Management) and Management Talent Exchange Program (MTEP) participants to advance its economic development efforts. As a result, each effort becomes a new project, projects left with staff members are easily derailed due to competing priorities, and relationships with businesses are not formed. Economic Development plans have no continuity and they remain just that—plans.

For the City to help mold the business districts the community desires, it needs a dedicated economic development professional on staff. This staff member can work with commercial brokers, attend conferences, foster business relationships, keep abreast of incentive and subsidy programs for businesses, lead existing businesses towards sustainability practices, etc. More importantly, he/she can advance the community's overall local economic development goals and values.

With economic pressures, it can be difficult to allocate precious resources and money to fund economic development efforts. However, the City needs to allocate resources if it wants to take the lead and build the business community it desires. The City must be careful not to apply traditional metrics to justify the position. An effective economic

development professional may spend years developing relationships without any tangible financial results. However, it is the relationships that could bring in a Zynga for a Salesforce. Even more difficult to measure, it is the relationships that may help the City foresee a departure of a VWR or mitigate the departure of a WalMart.com. An economic development professional on staff who is active and engaged can help foster a business community that would be difficult for businesses to leave even when leases may be slightly more attractive somewhere else.

4. Economic Development Action Plan (EDAPt)

Create an Economic Development Action Plan (EDAPt) that would reflect the General Plan, the results of the charrette, and the SWOT (strengths, weaknesses, opportunities, threats) analysis, with an understanding that a number of projects are currently underway that will impact the EDAPt. These projects are the finalization of the Sierra Point Guidelines, the Environmental Impact Report for the Baylands, and the development of a Sustainability Action Plan. Further, it is expected that a Citywide Survey will commence after the EIR. As a result, EDAPt will need to be revisited at several key points to ensure the plan remains consistent with the community's needs.

Window of Opportunity

Although the impending financial crisis is a driver of the current effort to create an economic development strategy, the City and its community needs to follow its own 1994 General Plan's lead on taking a long-term view. Even if the crisis is averted by Recology's expansion into Brisbane, the City's economic health remains vulnerable as it stands on a one-legged stool. The General Plan speaks to the need of a well-maintained (financial) infrastructure. Further, the significant number of commercial property vacancies provides a first-time window of opportunity for the City to be involved in filling those vacancies, allowing it to mold an identity for itself and foster diversity by shaping business districts and encouraging clusters.

**City of Brisbane
Local Economic Development**

**SWOT Analysis and
Economic Development Action Plan (EDAPT) Items**

December 20, 2011

Community Profile (sources: 2010 Census; 2005-2009 American Community Survey 5-Year Estimates):

- Population: 4,282
- 18 and over: 3,457
- Total Housing Units: 1,934
- Owner Occupied: 1,169
- Educated Pool of Workers: higher percentage of Bachelor's degree or higher (47%) and high school (94%) graduates compared to the County (44% bachelor's or higher and 88% high school) and State (30% bachelor's or higher and 80% high school).
- High owner-occupancy (60%) than County (56%)
- High unemployment rate (14.3% versus County's 8.3%, EDD August 2011)
- City of Brisbane Total Budget (expenditures): \$12.8M
- Sales Tax Revenue: \$4.3M. (VWR = \$2.1M) Of the Top 25 Sales Producers in 2000-2001, only 9 remained in the Top 25 in 2010-2011. Further deterioration as VWR International, Freeman and Champion are or will no longer be in Brisbane.
- Overall Vacancy rates as of Q3 2011 are: 38.63% Office and 15.75% Industrial (may not reflect recent and/or staggered departures by Walmart.com, Freeman and Champion). VWR vacancy expected in 2012.

Subareas

There are 13 subareas in Brisbane. For the purposes of the economic development strategy, the sub-committee's discussion focused on Central Brisbane, Crocker Park, and Sierra Point with some brief discussion of the Baylands, the Quarry and along Bayshore.

SWOT Analysis

The following is a summary of Strengths, Weaknesses, Opportunities, and Threats (SWOT) identified during the series of sub-committee interviews and discussions.

A. Overall

SWOT: Brisbane Business Districts (overall)	
Strengths	<ul style="list-style-type: none"> • Location: near SF, Biotech hub, and SFO; half hour away from Silicon Valley; and centered between world renowned universities. • Near SF without having to be in SF (i.e., ability to service SF market without having to do business with City and County of SF). • No Payroll Tax. • Small city government wherein staff is accessible and easy to work with.
Weaknesses	<ul style="list-style-type: none"> • Lack of City staffing and resources for economic development. • Lack of revenue diversification (loss of VWR will result in a revenue loss of \$2.1M which is 16% of overall general fund budget; second largest revenue generator brings in approximately \$400K). • Lack of visibility/presence in the Bay Area. Not a destination. Businesses are either in SSF so they are close to SFO or in SF because that's where they need to be. • Accessibility: <ul style="list-style-type: none"> ○ For the majority of the City's business districts, access to major transit corridors (101, El Camino Real) is not direct or convenient. ○ Most business districts are too far off the freeway. ○ Too far from SFO for businesses that need to be near SFO. ○ Limited public transportation options for employees and residents. • Business Reputation: <ul style="list-style-type: none"> ○ Community's history of setting up roadblocks for businesses – <i>"It's more hassle than it's worth to come into Brisbane."</i> Examples cited were Baylands Project, DHL, FedEx, and <i>"Us against the Hill Group"</i>. ○ Difficulty and length of time to get approval from Planning and Fire, historically. ○ Lack of clarity on issues. (e.g., Purpose of freight forwarding cap? Community doesn't like freight forwarders but appears to be tolerant of businesses who transport their own products even when both business types have similar truck traffic, and although a freight forwarder may use ecologically friendly trucks.) • Lack of basic services such as gas stations, pharmacy, and grocery retail services. No medical facility within the City.

	<p>Limited number of restaurants and other amenities. <i>“You have to get in the car for everything.”</i></p> <ul style="list-style-type: none"> • Lack of downtown presence or identity. • Insufficient population, even with daytime population, to support the requirements of desired businesses (e.g., Trader Joe’s).
<p>Opportunities</p>	<ul style="list-style-type: none"> • Location: Don’t have to be SF, Biotech, SFO, Silicon Valley, but can attract businesses that can supplement their businesses (e.g., VWR for biotech). • Large number of vacancies offers an opportunity for the City to be involved in filling vacancies, allowing it to mold an identity for itself and foster diversity by shaping business districts and encouraging clusters. • Pursue more point-of-sale, revenue generating businesses. • Vacancy rate in SF is down and Mountain View is in high demand so could push demand for space to Peninsula. In particular, when economy begins growing again, more businesses will be pushed out of SF and looking for new locations. • Industrial market is shrinking. • Aesthetics: Beauty of the Mountain and the Bay. While most businesses are bottom-line oriented and aesthetics are not factors in where they choose to locate their businesses, developing access to Mountain and Bay trails can create a niche market for Crocker Park and Sierra Point. Identify those unique businesses that would value aesthetics (e.g., artist studios, design centers, home furnishings warehouse retail showrooms) and/or attract water, hiking and biking enthusiasts (e.g., app developers, clean tech, incubators). • Significant number of vacancies allow for a re-envisioning of the business districts. • Designation of San Mateo County as an International Free Trade Zone • 34th America’s Cup World Series in 2012 & 2013 (Aug-Sep 2012; Jul-Sep 2013) – 45 to 58 days of racing with 300,000 spectators (Golden Gate to Bay Bridge) • Planned high-growth in SF’s Eastern Neighborhoods (anticipate 11,000 new households and 13,000 new jobs over the next 25 years) and impending need for a Geneva Muni Extension. • Baylands Development - opportunity to create a model of sustainable development.
<p>Threats</p>	<ul style="list-style-type: none"> • Lack of understanding by community of role and importance of business within the community, beyond revenue. • Conflicting community priorities:

	<ul style="list-style-type: none">○ zero carbon emission vs. need to drive for basic services;○ desire for walkable services (zero carbon) vs. lack of community appetite for additional development to support those services (limit new housing to maintain population below 5,000; little to no tolerance for anything that will bring traffic into town).● Community seems dismissive of difficulty for property owners—both large and small—to lease space or develop their land.● Fears that any corporate models of retail or restaurant will erode Brisbane’<ul style="list-style-type: none">○ Tendency to create blanket moratoriums or bans on businesses.○ Anti-chain store sentiment which:<ul style="list-style-type: none">▪ prevents proven, successful businesses from coming to the City because of their past success; and▪ does not recognize franchises as locally owned businesses.○ Blanket anti-“Big Box” retail store sentiment which fails to recognize:<ul style="list-style-type: none">▪ the City’s varying business districts wherein “Big Box” retail may be appropriate; and▪ that there are “Big Box” retailers that are strong supporters of the communities they are located in; and▪ that in many communities, “Big Box” are the main generators of City revenue which allow the City to provide services to its community.● Community’s concept of sustainability appears to focus on the environment without regard for and at the expense of its economy and social well-being.<ul style="list-style-type: none">○ Requiring businesses to comply with highest possible building standards (e.g., requiring LEED Gold when requirement is LEED Silver). Deters new businesses and remodels, and hurts property owners with vacancies.● Possible loss of County’s tax advantage over SF in the event the SF Payroll Tax is eliminated.● High Speed Rail – potential loss of private land development opportunity and related revenue generation.
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B. Central Brisbane

SWOT: Central Brisbane (includes Brisbane Village)	
Strengths	<ul style="list-style-type: none"> • Good “bones”.
Weaknesses	<ul style="list-style-type: none"> • Underutilized assets • Insufficient population to support desired businesses. • Long time property owners lack incentive to invest or have the financial means to upgrade their buildings.
Opportunities	<ul style="list-style-type: none"> • Charm and potential of street.
Threats	<ul style="list-style-type: none"> • Declining day-time population.

C. Crocker Industrial Park

SWOT: Crocker Industrial Park & Technology Park	
Strengths	<ul style="list-style-type: none"> • Buildings: <ul style="list-style-type: none"> ○ Newer, larger and cleaner buildings (relative to immediate neighboring cities and not East Bay). ○ Variety of shapes and sizes. ○ Many have sprinkler systems. ○ Good office space that’s separate from the building. • Beautiful setting and landscape design. • Safe environment and well-lit streets.
Weaknesses	<ul style="list-style-type: none"> • Visibility/Presence. Far removed from El Camino Real and 101. • Buildings were built for specific uses, primarily warehousing and distribution facilities. Today’s buildings are built for different uses so they are easily adaptable to industrial space, R&D, or office space. <p>Buildings are outdated for their original purpose which, in general, was for freight forwarding and distribution. Park buildings no longer meet needs for today’s freight forwarders and distributors. For example, buildings are:</p> <ul style="list-style-type: none"> ○ Old (40 to 50 years old). Hayward has newer buildings with sprinkler systems, 30-ft heights, and ample doors. Large distribution services are going to district hubs such as in Stockton/Modesto where buildings are over 200K SF. ○ Lack clear height. Need at least 24 feet. Park has mostly 20-22 ft heights. ○ Small. Buildings are 70-100K SF when Hayward has 16 buildings over 100K SF and space for larger trucks. ○ Limited truck parking and turning radius (120 ft minimum and most distances are shallow). ○ Insufficient parking for other uses (e.g., wholesale/retail,

	<p>public assemblies).</p> <ul style="list-style-type: none"> • Price. Not competitive with East Bay. Significant number of buildings were bought high so leasing low would cut NOI (net operating income). Property owners would rather leave vacant than accept a lowball offer. • Absentee property owners. Involvement of owners is difficult. • Near residential homes so 24/7 use can be a problem. • Lack of connectivity (i.e., high speed fiber network)
Opportunities	<ul style="list-style-type: none"> • No longer appropriate for freight forwarding or large distribution centers, Valley has more distribution buildings. • Outdated buildings allow for a re-envisioning of building/land use.
Threats	<ul style="list-style-type: none"> • Competition. SSF and SF have staff and resources to attract, pursue and retain desired businesses. • Replacement costs

D. Sierra Point Business Park and Brisbane Marina

SWOT: Sierra Point Business Park and Brisbane Marina	
Strengths	<ul style="list-style-type: none"> • Brisbane Marina
Weaknesses	<ul style="list-style-type: none"> • Lack of Identity; confusion with Oyster Point and South San Francisco (part of Sierra Point is in South San Francisco) • Perceived lack of Accessibility • Lack of easy access to Southbound 101 Freeway • Association with Candlestick traffic • High vacancy rate/unoccupied buildings • Lands slated for development that are left undeveloped
Opportunities	<ul style="list-style-type: none"> • SSF-Oakland Ferry service is anticipated to begin in March 2012. • Bay Access. • Planning and funding for AB1296 SF Bay Area Water Trail • Public space and recreational opportunities resulting from pending revision of Sierra Point guidelines. • Retail amenities resulting from future build out of HCP project.
Threats	<ul style="list-style-type: none"> • Lack of flexibility by BCDC •

The following is a compilation of the various thoughts discussed during the series of interviews and meetings of the Economic Development sub-committee.

The City desires to pursue companies who have demonstrated financial strength and similar values. Members of the community have fought against truck traffic and chain stores. They've also expressed a distaste for big box retail. The goal of striking an accord between property owners' needs, business' needs and the community has been a challenge and many properties remain vacant.

1. Define – Policy 8. *Maintain and diversify the City's tax base, consistent with community character, in order to generate adequate revenues for City Government and sustain a healthy local economy.*
 - 1.1. Diversity – Applies to industries and economic cycles; varies based on business district.
 - 1.2. Community Character—Acknowledge diverse and changing landscape of Brisbane and that the tax base can differ based on locale (e.g., Sierra Point is very different from Crocker Park or Central Brisbane, Baylands is envisioned to become a model of sustainability; future of Quarry is yet to be seen).
 - 1.3. Convenient and beneficial commercial development – Includes both sales tax revenue generators and good corporate neighbors. Also includes retail, recreational and educational services.
 - 1.4. Adequate Revenue—What was sufficient before may not be anymore. Current business mix is vulnerable to economic downturns, possible policy changes in San Francisco (e.g., elimination of payroll tax, selection of recycling service providers), etc.
2. Refine
 - 2.1. Diversity through Business Districts—Unique regions have different geographical, topographical, and demographic spaces and should be treated differently. Need for subdistricts?
 - 2.2. Community Character as Values Based—Define and develop rating system to help evaluate if a company shares the City's 6 values. Work to attract a diverse range of companies who share those values.
 - 2.3. Desired Businesses—Outline desired businesses for different business districts in keeping with physical, economic, cultural and social character of Brisbane, while being cognizant of the needs of businesses, property owners and developer rights.
3. Form Business Clusters –
 - 3.1. Diversification through a Cluster Strategy – Reevaluate land use, including districting/zoning/codes/parking, to encourage clusters. Crocker Industrial Park (warehouse showrooms, arts, food); Sierra Point (biotech, life sciences,

incubators); Baylands (green tech businesses and living world class showcase), etc.

4. Identify Value of Non-Sales Tax Generators –
 - 4.1. Companies who are not necessarily large tax revenue generators but occupy spaces and provide employment within the City help to generate property taxes, business taxes, and provide a presence. They generate sales tax revenue when they and their employees buy in town.
 - 4.2. Good Corporate Neighbors—Many companies are good corporate neighbors and provide additional value to the communities they are in by funding projects, charities and events; by supplying volunteers and resources to build playgrounds, clean-up parks, read to children, etc.; by training employees to be disaster response volunteers; and through countless other ways.
5. Add Retail –
 - 5.1. Examine and expand retail districts to capture ancillary income, provide convenience for residents, and reduce carbon emissions. Sentiment is that residents don't want to be a regional center but the population is not sufficient enough to support vital businesses needed to help a community be financially independent and self-sufficient.
 - 5.2. Basic Retail Services – Encourage and facilitate needed basic services such as grocery, drug store, and alternative fuel/electric charging/gas station. Pursue businesses who can provide basic retail services to people who live and/or work in Brisbane. Targeted businesses include:
 - 5.2.1. a drug store (e.g., Anchor Drugs);
 - 5.2.2. a grocery store (e.g., Birite, Rainbow Coop); and
 - 5.2.3. a fueling station that ideally would serve gas, electric, hybrid and LNG or natural gas power vehicles.
 - 5.3. *the City will seek to generate needed revenues through increased retail activity without losing sight of the need to maintain a retail presence that is in keeping with Brisbane's small size and character.*—This statement appears to have been directed towards central Brisbane. The “small size and character” is not present and may not be appropriate in the remainder in Sierra Point, the Baylands and most of Brisbane.
 - 5.3.1. Program 8i: *Promote attractive retail development in planned areas instead of in strip areas adjacent to an arterial highway or freeway corridor.*—This needs to be revisited and clarified as to intent and whether it is still relevant.
 - 5.3.2. Provide accessible retail in the Village but redesign so that it reflects the Brisbane community.
 - 5.3.3. In Central Brisbane and Village, discourage retail chain stores that impact local established businesses. Consider and develop criteria to allow franchises that reflect community's values and character.

- 5.3.4. Allow for a regional retail center in the Baylands which is closer to San Francisco and apart from Central Brisbane. Consider retail chain stores and big box stores that fit Brisbane's values and have demonstrated they are good corporate neighbors. The use of architectural guidelines can visually enhance the look of "traditional corporate stores," and thus create the proper design theme that is appropriate for a given location in Brisbane.
 - 5.3.5. Identify businesses wherein a showroom would be appropriate and encourage/facilitate development of a showroom to create a presence and a revenue tax base.
6. Act –
- 6.1. Access industry experts and build community partnerships through a Charrette
 - 6.2. Build Diversification through a Cluster Strategy – Reevaluate land use, including districting/zoning/codes/parking, to encourage clusters. Crocker Industrial Park (warehouse showrooms, arts, food); Sierra Point (biotech, life sciences); Baylands (green tech businesses and living world class showcase)
 - 6.3. Establish Tools to Attract Businesses—Look at offering incentives, education and training as opposed to providing penalties and disincentives for non-conformance.
 - 6.3.1. Create an Economic Development Team of business leaders through the Chamber.
 - 6.3.2. Explore establishment of a Community Development Fund.
 - 6.3.3. Meet with prospective businesses to determine what incentives would be needed to attract desired businesses.
 - 6.3.4. For companies that are share Brisbane's values and will bring in tax revenue for the City, one or a combination of the following tools may be used to attract the company.
 - 6.3.4.1. Expedited Permit Process
 - 6.3.4.2. Reduced rent for a period of time, if own property.
 - 6.3.4.3. Waive permit fees.
 - 6.3.4.4. Tenant Improvement – rebate costs
 - 6.3.4.5. Provide infrastructure improvement if needed – fix sidewalks, plant trees, depending on situation
 - 6.3.4.6. Revenue Sharing
 - 6.3.5. Incentives for Absentee Owners to sell or improve their properties.
 - 6.3.6. Grant funding for City and resident businesses – explore water trail, bike rack, energy efficiency, LNG powered truck funding programs.
 - 6.3.7. Business Improvement District
 - 6.3.8. Incentives for Residential Owners

Business District Specifics (7-10)

7. Central Brisbane & Brisbane Village—The General Plan recognizes cities' increasing reliance on sales tax revenue, the need to increase retail activity within Central Brisbane without losing sight of the need to maintain a retail presence that is in keeping with Brisbane's small size and character, and the need to preserve property values. Brisbane needs to attract/facilitate amenities needed to support its community and businesses.
 - 7.1. Explore a Bayshore Retail District by expanding and re-orienting Brisbane Village towards Bayshore while maintaining a wide open access into the community park.
 - 7.2. Coordinate development of Brisbane Village between STRS, Village and Bank of America. Expand Village into STRS property. Explore incorporating bank into new Village complex (e.g., anchor/end unit with ATM drive-thru) to increase foot traffic and accessibility for bank, and optimize use of space (parking, entrances, signage, etc.) for complex, bank and the City. Design new Village to allow for further expansion should 125 Valley become available.
 - 7.3. Encourage and facilitate expansion and remodel of Brisbane Village to create a town center and mimic a small town's main street shopping in architecture and style. Maintain outdoor, open-air town center. Additional options include an outdoor stage and smaller park to take full advantage of Brisbane's weather and create a venue for special promotions/events and to highlight local businesses. (Architecture/design could mimic Brisbane's historical past or could be in a Napa/Sausalito or Cape Cod style.)
 - 7.4. Connect Brisbane Village to walking trails and add bicycle racks.
 - 7.5. Explore alternative fuel, gas, and electric charging station.
 - 7.6. Central Brisbane's Mixed-use: Examine codes and ensure that anything that meets the street/frontage is retail/business use and is reflected in store front design. Residential should not be visible on street level. Grandfather existing structures and require for any modifications.
 - 7.7. Explore ways to eliminate vacant and blighted properties.
 - 7.8. Explore RDA zone or establishing an economic development fund to purchase key properties as they become available.
8. Crocker Industrial Park & Technology Park
 - 8.1. Through the charrette, evaluate need for sub-districts and create a design and land use plan for the Park and the Village.
 - 8.2. Clean up and encourage access/use of trails.
 - 8.3. Develop and/or improve infrastructure that supports the new workforce such as internet connection/capability throughout the Park, high speed internet access and cell phone service.
 - 8.4. Redefine Park to reflect change in use that has developed over time. Park is no longer a Freight Forwarding/Large Warehousing and Distribution Center.

Grandfather in existing. Should reflect current and desired use: Warehouse Showrooms; Back Office and Commercial Storage Facilities (Mixed Use/Light Industrial/Back Office/Storage/Warehouse Showroom Retail commercial distribution warehousing). Market as Warehouse Retail Showroom space and Back Office/Commercial Storage facilities for Mission Bay and the Peninsula.

- 8.5. By nature of business, naturally reduces trucking. Existing trucking should be encouraged to move towards Hybrid/Natural Gas.
- 8.6. Work with commercial real estate brokerage companies to create a marketing plan which targets cluster companies to attract, trade publications in which to advertise, and events such as broker and/or potential tenant company tours.
- 8.7. Explore BID-building improvement district and rebate TI costs.
- 8.8. Industrial Park clusters:

- 8.8.1. Design Center – Warehouse Showrooms
 - 8.8.1.1. Purcell-Murray
 - 8.8.1.2. Integrated Resources
 - 8.8.1.3. Room & Board (encourage showroom/sales on site)
 - 8.8.1.4. Green building suppliers (pursue)
- 8.8.2. Fine Home Goods
 - 8.8.2.1. Arthur Court Designs
 - 8.8.2.2. WSI
- 8.8.3. Arts & Supporting Businesses
 - 8.8.3.1. Museum & Artist Studios (pursue)
 - 8.8.3.2. Trillium Press
 - 8.8.3.3. Fong Brother Printing
- 8.8.4. Food
 - 8.8.4.1. Bi-Rite
 - 8.8.4.2. Lettieri & Co.
 - 8.8.4.3. AC Calderoni

9. Northwest Bayshore

- 9.1. Create retail along SF border to capture tax revenue that will be generated by planned high-growth in SF's Eastern Neighborhoods and impending need for a Geneva Muni Extension. Monitor/participate in EnTRIPS (transportation implementation plan for the **Eastern Neighborhoods Plans** which will introduce approximately 11,000 new households and 13,000 new jobs into the study area over the next 25 years).
- 9.2. Expand revenue generating business opportunities in Baylands, along Bayshore Boulevard and at Sierra Point in order to minimize additional traffic into the City proper.
- 9.3. Building Material Suppliers
 - 9.3.1. Van Arsdale-Harris Lumber Co.
 - 9.3.2. Sierra Point Lumber Co.

10. Sierra Point Business Park & Brisbane Marina

- 10.1. Develop a comprehensive water access and marketing plan to create a water sports niche for Sierra Point (e.g., kayaking, windsurfing, sailing, stand up paddle surfing, parasailing)
 - 10.1.1. Apply for AB 1296 funds once available to add a Sierra Point access site to the water trails (SF Bay Area Water Trail Plan)
 - 10.1.2. Build a Boathouse to store water sports crafts
 - 10.1.3. Encourage/facilitate a waterside eatery/café/restaurant for use by water sports enthusiasts
 - 10.1.4. Encourage a children/teen water sport schools (e.g., kids kayaking, windsurfing, sailing schools)
 - 10.1.5. Market point to water sport enthusiasts and their clubs.
- 10.2. Expand marina.
- 10.3. SSF-Oakland Ferry – expected March 2012
 - 10.3.1. Leverage increasing accessibility to SSF's Oyster Point as a result of new SSF-Oakland ferry service.
 - 10.3.2. Link Sierra Point to Oyster Point by enhancing and promoting bike trails; exploring water taxi service; and coordinating shuttle service through the Alliance. Explore working with BCDC to expand emergency service road to connect two points, even if for Shuttle service alone.
- 10.4. Connect Sierra Point to Oyster Point to allow easier egress to the South.
 - 10.4.1. Explore working with BCDC to expand emergency service road to a full access two-way frontage road. At a minimum, create full access southbound frontage road.
 - 10.4.2. Develop better ingress to Sierra Point from Southbound 101.

11. Create a Business Attraction Program

- 11.1.1. Identify which types of businesses are attractive to Brisbane and be proactive in attracting them to the City.
 - 11.1.1.1. Targeted marketing campaign—Brokers can help identify companies who may be looking to relocate and tailor letters to highlight Brisbane's strengths and how their company's needs can be met here. Brokers can help target companies whose owners reside on the Peninsula and may find proximity to their businesses attractive.
 - 11.1.1.2. Site Tour—Work with brokers and the Chamber to create a site tour for prospective businesses. (See 16. *Events and Promotions* for other ideas.)
- 11.1.2. Work with commercial brokers to set up businesses for success. Define and communicate desired uses; assist brokers who have potential clients with special needs understand when special use permits or other requirements may be needed; re-direct to other properties where appropriate; and offer study meetings with Fire and Planning/Building during critical decision making stages.

- 11.1.3. Increase visibility and showcase City as business-friendly for its cluster businesses. Participate and be active in trade shows and conferences.
Consider membership in regional or national organizations as appropriate.
12. Create a Business Retention Program.
Goals are two-fold: (a) Stop the leakage; and (b) Work to make Brisbane's business community one in which a company would not want to leave.
 - 12.1. Actively partner with Brisbane Chamber of Commerce.
 - 12.2. Top 25 Revenue Generators—Maintain an ongoing relationship with top sales tax producers.
 - 12.3. Commercial Real Estate Brokers—Connect with your top Commercial Real Estate Brokers and stay connected. They can help you maintain a pulse on the business community and trends in the marketplace.
 - 12.4. Track Leases—Meet with businesses within 3 years prior to their lease expiration.
 - 12.5. Conduct exit interviews with businesses leaving Brisbane.
 - 12.6. Encourage and work with businesses to become good corporate neighbors.
13. Celebrate Business Clusters—
 - 13.1. Encourage/facilitate sharing of resources within Park (make it fun and mutually beneficial to be here). This will also help change Brisbane's image of being anti-business.
 - 13.1.1. Events celebrating industries
 - 13.1.2. Consignment art and/or silk flowers at Purcell-Murray and other showrooms
14. Nudge toward Sustainability— Cardinal rule is to take action today with resources at hand. Discussions by the sub-committee noted the definition of "green" can vary widely from the manufacturing and/or distribution of green products, to companies that have sustainable practices, to companies with a green image. It was decided that green manufacturing that results in toxic manufacturing byproducts such as in solar panel manufacturing was not desirable. Companies that may have sustainable practices or a green image but whose processes created or involved toxic byproducts are undesirable. The sub-committee noted that companies with sustainable practices and eco-friendly products would be a good fit for the community.
 - 14.1. Implement Policy 8.f. *Investigate available programs which assist in rehabilitation, seismic upgrade or repair of businesses – expand to include programs for sustainability.*
 - 14.2. Acknowledge where you are: make well-grounded assessments about the current sustainability of the community and businesses.
 - 14.3. Establish your priorities
15. Develop a Communication Program

- 15.1. Web Site – Enhance Web site with testimonials from business community. Retool with information needed from a business perspective.
- 15.2. Facebook
- 15.3. Twitter
- 15.4. Blog
- 15.5. Commercial Brokers—Keep an open line of communication or special Web page that they can access. When modify regulations, use page to communicate to brokers so they are aware of changes and know what to expect in Brisbane when working with clients’ needs.

16. Facilitate and/or Host Events & Promotions

- 16.1. Explore events and promotions that would target and attract businesses into (1) Crocker Industrial Park; and (2) Central Brisbane—Visitacion.
 - 16.1.1. Green Belt – Festival for sustainability and organic companies to feature their products and for the City to draw the attention of these companies to Brisbane.
 - 16.1.2. “B Corporations” – Festival to attract socially conscious firms.
 - 16.1.3. Vanity Tour and Wine Reception for Venture Capitalists.
- 16.2. Explore events and promotions that would promote the City in general, build pride in the community, and raise money for various community needs (e.g., schools, clubs, library, or charities).
 - 16.2.1. Festival of Stars – Food & Wine holiday event to feature Bay Area food stars and Brisbane’s stars.
 - 16.2.2. Mountain Fest or Grazing on the Green – Barbecue cook-off and country music
 - 16.2.3. Iron Chef/Cooking School Cook-Off – Contest between student teams from the various culinary academies in the Bay Area.
 - 16.2.4. Food Truck Fest – Explore either a “circle of wagons” around the Community Park or Sierra Point; or the use of a vacant warehouse building with ample docks to host an indoor/industrial version of Fort Mason’s “Off the Grid” event.
- 16.3. Encourage businesses to be involved in the community and promote existing Brisbane Companies (e.g, KTSF 26 for television promotions; Purcell-Murray, Bi-Rite and/or Raddisson for kitchen/space and needs).
- 16.4. Access expertise of event planners, business development managers, United Way, community, etc.

II. Facilitates Employment of Residents

1. High Unemployment and Underemployment
 - 1.1. Free job placement ads in STAR
2. Retool our Existing Workforce and Educate our Future Workforce

- 2.1. Provide incentives for educational partnerships to develop in-demand job skills and talents between the private sector, local and neighboring schools and higher education institutions.
- 2.2. Work to eliminate the digital divide among our residents.
- 2.3. Develop programs that provide competitive skills to students and return-to-work residents who are not college bound.

