

This General Plan seeks to establish a long-term framework for employment growth and fiscal stability for Pacifica. Together with other General Plan initiatives, this will help ensure the City's economic success. The Economic Sustainability chapter contains policies and actions that provide direction for improving the City's business and tourist attraction strategies; improving the ratio of jobs to households; and supporting business activities that can meet the needs of the community and of visitors to the City.

2.1 VISION AND PRIORITIES

A successful economic development plan must be guided by a clear vision, long-range planning and continuous commitment. This vision includes a City government that is receptive to working with business owners to facilitate expansion of commercial enterprise, and visitor/tourist uses; flexible land use policies that encourage mixed-use development and promote jobs for all residents; investment in new and maintenance of existing infrastructure; and a close partnership with business owners, governmental agencies, and stakeholders.

Ideas and priorities for economic development in Pacifica have been discussed throughout the General Plan Update process. Almost every participant identified Pacifica's need for a stable economic base and source of tax revenue as a critical concern. Policy statements related to economic sustainability have received broad support from the community, particularly the ideas of enhancing the appeal and vibrancy of Palmetto Avenue and the Promenade, including redevelopment of the old Wastewater Treatment Plant; and revitalizing shopping centers. Improved fiscal stability was also widely agreed upon as an important goal. As a means toward that end, developing a stronger tourism sector was broadly supported. These ideas form the basis of the guiding and implementing policies for economic development.

2.2 REGIONAL AND LOCAL ECONOMIC CONTEXT

Demographics

Some basic demographics serve as good economic indicators of a city's workforce quality and economic opportunity (Table 2-1). A high percentage of Pacifica's population is of workforce age—approximately two-thirds. Nearly 40 percent of residents over the age of 25 have a bachelor's degree or higher, which is well above the statewide percentage (30 percent), but slightly below that of San Mateo County (43 percent). A high percentage of households own their homes, and the city's median household income is slightly above the San Mateo County median. Overall, Pacifica residents are well-educated with good financial resources.

Current Employment Characteristics

Employment by Industry

Employment by industry in Pacifica closely follows that of San Mateo County overall. The American Community Survey's three-year estimate (2008-2010) shows Educational Services, Health Care, and Social Assistance as having the highest percentage of employment in both jurisdictions (20 percent and 24 percent, respectively). The next largest industry sector is Professional, Scientific, Management, and Administrative services, around 16 to 17 percent for both the city and the county, followed by retail trade and arts/entertainment. Table 2-2 shows employment by industry.

Labor Force Participation and Unemployment

Like the rest of California, Pacifica has been affected by the economic downturn that began in 2008. On average, from 2008 to 2010, Pacifica's unemployment rate has been just over eight percent, slightly higher than San Mateo County overall, but better than the statewide average (see Table 2-3). Similar to a trend nationwide, the unemployment rate amongst college graduates is substantially lower—below five percent in Pacifica—underscoring the importance of education in economic development.

TABLE 2-1: DEMOGRAPHIC INDICATORS OF ECONOMIC CONDITIONS

Population between 18 and 64	67%
Population over 25 with a bachelor's degree or higher	39%
Average household size	2.65 persons
Percent of ownership housing	68%
Median Household Income as a percent of San Mateo County overall	103%

Source: Census 2010; American Community Survey 2010 three-Year Estimates

TABLE 2-2: EMPLOYMENT BY INDUSTRY, SAN MATEO COUNTY AND PACIFICA

	San Mateo County		City of Pacifica	
	Total	Percent	Total	Percent
Agriculture, forestry, fishing and hunting, and mining	2,500	1%	55	0%
Construction	21,800	6%	1,500	8%
Manufacturing	27,900	8%	900	4%
Wholesale trade	10,200	3%	700	4%
Retail trade	34,900	10%	1,700	8%
Transportation and warehousing, and utilities	21,800	6%	1,200	6%
Information	11,700	3%	870	4%
Finance and insurance, and real estate and rental and leasing	30,800	8%	1,500	7%
Professional, scientific, and management, and administrative and waste management services	61,600	17%	3,100	16%
Educational services, and health care and social assistance	74,400	20%	4,800	24%
Arts, entertainment, and recreation, and accommodation and food services	31,600	9%	1,700	8%
Other services, except public administration	20,700	6%	800	4%
Public administration	13,800	4%	1,000	5%
TOTAL	363,600	100%	19,900	100%

Source: American Community Survey 2008-2010 Three-year Estimate

TABLE 2-3: LABOR FORCE AND EMPLOYMENT RATES FOR POPULATION OVER 16, SAN MATEO COUNTY AND PACIFICA

Population Over 16	San Mateo County	Pacifica
In Labor Force	69%	71%
Employed	64%	65%
Unemployment Rate	7.5%	8.1%
Unemployment Rate Among College Graduates	5.1%	4.8%

Source: American Community Survey 2008-2010 three-year Estimate

Place of Work

Pacifica is expected to continue to function as primarily a “bedroom” community serving employment centers in San Francisco and along the Peninsula. In fact, only 17 percent of Pacifica’s employed residents work locally, with the rest commuting to other jurisdictions (see Table 2-4). While the percentage of residents who work in Pacifica is low, and demonstrates the need to create more jobs for local residents, Pacifica’s place of work pattern is not out of step with that of San Mateo County as a whole, illustrating the regional nature of commuting and employment dynamics in the Bay Area.

The most common place of work for Pacifica residents was elsewhere in San Mateo County (39 percent) and in San Francisco (34 percent).

TABLE 2-4: PLACE OF WORK FOR WORKERS 16 YEARS AND OLDER, PACIFICA AND SAN MATEO COUNTY

Workers Over Age 16	San Mateo County	Pacifica
Worked in Place of Residence	20%	17%
Worked Outside Place of Residence	80%	83%

Source: American Community Survey 2008-2010 3-year Estimate

2.3 THE FUTURE ECONOMY

Economic Projections

Employment Projections

The Association of Bay Area Governments (ABAG) forecasts that job growth in Pacifica will be primarily in the financial and professional service job sector and in the health, educational and recreational service sector (as well as the “Other” category), as shown in Table 2-5.

ABAG projected job growth will outpace population growth in Pacifica; 1,400 additional jobs in the City would represent 22 percent growth, compared to 2 percent population growth projected over the same period. Both population and job growth, however, are projected to be much slower than the rates in the County or Bay Area overall, as shown in Table 2-6.

Ratio of Jobs to Employed Residents

A city’s jobs-to-employed residents ratio reflects the relative balance between jobs and housing in a community. In theory, a jobs-to-employed residents ratio of one would eliminate the need for commuting. More realistically, a balance means that in-commuting and out-commuting are matched, leading to efficient use of the transportation system, particularly during peak hours, and more local job opportunities for residents.

In Pacifica, the ratio of jobs to employed residents was 0.29 in 2010. This means that today there are more than three employed residents for every job in Pacifica. Regional connections to jobs outside the City, then, are an essential component of Pacifica’s economic stability. In contrast to Pacifica, both San Mateo County and the San Francisco Bay Area have slightly more jobs than employed residents, with 1.05 and 1.02 jobs per employed resident, respectively.¹

¹ Association of Bay Area Governments, 2010; US Census, 2010.

TABLE 2-5: PACIFICA EMPLOYMENT PROJECTIONS

Sector	Jobs			
	2010	2035	Increase	Percent Change
Health, Educational and Recreational Service	2,920	3,560	640	22%
Financial and Professional Service	1,260	1,580	320	25%
Retail Jobs	690	800	110	16%
Manufacturing, Wholesale and Transportation	360	400	40	11%
Agriculture and Natural Resources	70	70	0	0%
Other	1,060	1,350	290	27%
TOTAL	6,360	7,760	1,400	22%

Note: ABAG's projections for Pacifica's Sphere of Influence are used for both 2010 and 2035.

Source: ABAG Projections 2009.

TABLE 2-6: ABAG PROJECTED GROWTH IN PACIFICA, SAN MATEO COUNTY, AND BAY AREA

Pacifica	2010	2035	Increase	Percent Change	Annual Growth Rate
Population	39,100	39,800	700	1.8%	0.07%
Employed Residents	19,050	19,720	670	3.5%	0.14%
Jobs	6,360	7,760	1,400	22%	0.80%
San Mateo County	2010	2035	Increase	Percent Change	Annual Growth Rate
Population	733,300	893,000	159,700	22%	0.79%
Employed Residents	330,700	467,200	136,500	41%	1.39%
Jobs	346,320	505,860	159,540	46%	1.53%
Bay Area	2010	2035	Increase	Percent Change	Annual Growth Rate
Population	7,341,700	9,073,700	1,732,000	24%	0.85%
Households	2,667,340	3,302,780	635,440	24%	0.86%
Employed Residents	3,410,300	4,835,300	1,425,000	42%	1.41%
Jobs	3,475,840	5,107,390	1,631,550	47%	1.55%

Source: ABAG Projections, 2009

Retail and Tourism Prospects

Retail and tourism are two areas of economic interest for Pacifica. Strengthening the City's performance in these areas could create jobs, increase the tax base, and enhance quality of life for residents. This section and the relevant policies that follow address Pacifica's long-term retail and tourism prospects and propose actions the City can take to improve performance in these sectors.

Due to its fairly isolated geography and access constraints, consumer demand for retail in Pacifica is currently driven primarily by local economic and demographic conditions (e.g., population, employment, and income). The City's numerous shopping centers are distributed throughout the various neighborhoods and are primarily patronized by local residents; many shopping centers are also older and somewhat underutilized. A small amount of retail demand comes from visitors to Pacifica, particularly from those visiting the Rockaway Beach area. Given the older properties, small population and employment numbers, and limited accessibility, demand from larger, regional-serving tenants is minimal.

Existing Retail Supply Overview

Currently, Pacifica's retail stores are concentrated along Highway 1, as well as the northern part of the City along Skyline Boulevard. Most are in shopping centers. Overall, there are about 11 retail centers for a total of almost 600,000 square feet of leasable space. Many of the retail properties are older and underutilized (though some have undergone renovations). A majority of Pacifica's retail tenants consist of small, independent retailers anchored by one or several national brand establishments. The smaller service-oriented businesses periodically change ownership, but the mix of businesses in the City tends to stay the same. In other words, the market position and orientation of Pacifica's retail has remained relatively static. The lack of diverse retail opportunities limits the City's regional retail draw.

In addition to the neighborhood centers, the City also has a cluster of tourist-oriented retail, mainly around Rockaway Beach. These businesses consist

of arts and craft stores, specialty retail, lodging, and restaurants and eateries. For the most part, these establishments are not attractions in their own right but rather cater to "spill-over" traffic from regional tourism and overnight accommodations. Palmetto Avenue also has a mix of local-serving and visitor-serving retail and services, including antique shops, salons, and cafes.

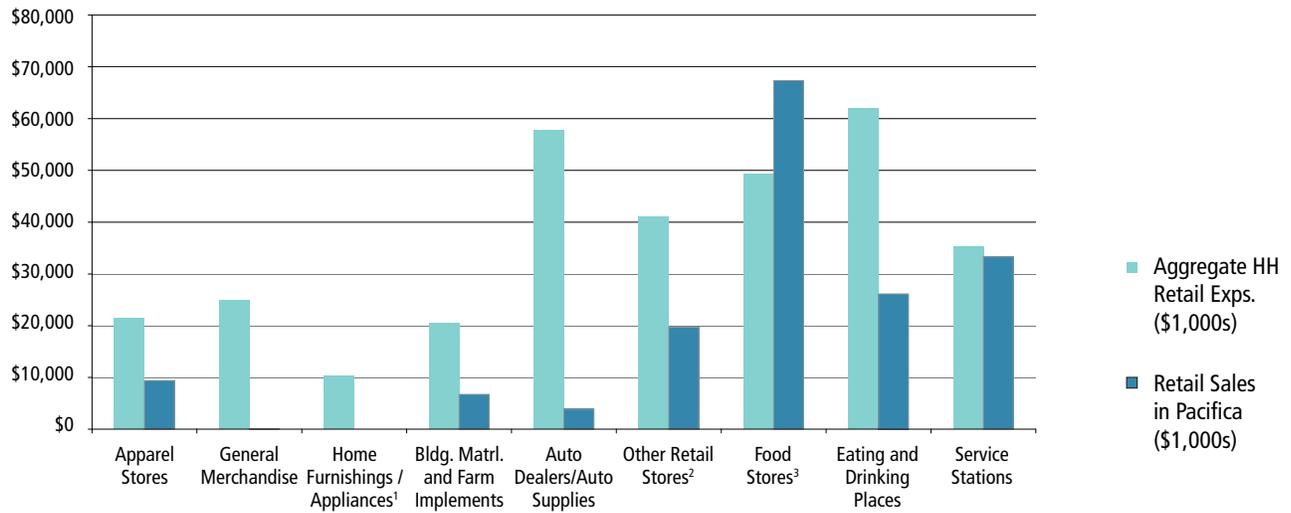
Relatively little retail development has occurred over the last 10 years. A new 14,000-square foot Walgreen's recently opened at Palmetto Avenue and Manor Drive, and the Fresh & Easy grocery store at Pedro Point Shopping Center was renovated. Retail spaces have opened along Oceana Boulevard as part of the Connemarra development, and the Surf Spot restaurant was built at 4627 Coast Highway. Recent projects also include a new O'Reilly Auto Parts store on Manor Drive, an expanded McDonalds at Palmetto and Manor, and several mixed-use developments on Palmetto Avenue.

Retail Sales Trends, Household Spending, and Capture Rate

Pacifica has relatively weak per-capita retail sales, likely the result of competitive retail clusters in Daly City and Colma. Based on household and income data, a gain of \$320 million of potential retail sales are supportable within the City. In 2006 the City's retail stores generated \$165 million in taxable sales, representing only 52 percent of the retail spending power. A large proportion of the City's retail sales potential is lost to retailers outside of the City as Pacifica residents travel to other jurisdictions to spend money. This leakage occurs in nearly all retail categories, the only exception being grocery stores (see Figure 2-1).

The leakage of retail sales potential can be traced to limited retail gain in Pacifica. Daly City has a regional shopping mall, Serramonte Center, and regional retail centers with big box retailers. Located northeast of Pacifica, Colma also has a number of regional retail centers with big box retailers. Additionally, to the east in San Bruno, the Tanforan Mall is another regional shopping center.

Figure 2-1: Retail Sales and Estimated Household Demand, 2006



Notes:

¹ Sales for this category are not published because of the limited number of retailers. In order to maintain the sales of individual retailers confidential, the sales for this category are included in Other Retail Stores.

² Includes specialty stores; packaged liquor stores; second-hand merchandise; fuel and ice dealers; mobile homes, trailers, campers; boat, motorcycle, and plane dealers; and business and personal services.

³ Typically, only 35% of grocery purchases are taxable. SBE sales tax has been adjusted to reflect total retail sales.

Note: While the retail sales data are “pre-recession”, the relationships that were identified probably remain valid, and the conclusions are still reasonable for long-range planning purposes.

Future Retail Demand

Retail demand can be disaggregated into spending from local sources, such as residents and employees and spending from outside sources, such as commuters, tourists, and other visitors. Spending from local sources is largely determined by demographic and economic variables, such as population, income, and employment. Spending from outside sources is determined by such factors as regional commute patterns, local destinations or tourist attractions, and the quality/character of the retail supply itself.

The City is not expected to add a significant number of new residents, with a projected growth rate that is well below the County average. While the job growth rate through 2035 is projected to be higher, the number of new jobs is minimal (1,400).

ABAG projects an increase in mean household income in real terms over the next 25 years, growing from \$104,600 in 2010 to \$142,400 in 2035, as shown in Table 2-7. (This increase is expressed in constant 2010 dollars, so it would represent actual income growth.) If this income growth materializes, the increasing purchasing power of Pacifica households will boost retail demand independent of population growth.

Given the population and employment trends and the City’s relatively small employment base, there is little support for additional retail space. However, additional retail demand could be generated by increased capture of local spending and spending by tourists, commuters, and other nonresident population groups.

TABLE 2-7: MEAN HOUSEHOLD INCOME, CURRENT AND PROJECTED

	2010	2035	Percent Increase
Pacifica	\$104,600	\$142,400	36%
San Mateo County	\$123,300	\$161,100	31%
San Francisco Bay Area	\$102,000	\$133,400	31%

Note: Household income is presented in constant 2010 dollars. ABAG estimates are used for all numbers. The 2010 Census estimated median household income in Pacifica at \$87,767.

Source: ABAG Projections, 2009



Most of Pacifica's retail is located in 11 retail centers with a total of almost 600,000 square feet of leasable space (top). Many cities, including Mountain View, have downtown retail areas. Palmetto Avenue has potential to develop as a vibrant main street for Pacifica (middle). With its scenic setting along Highway 1, south of San Francisco, Pacifica has potential for more tourism-based retail (bottom).

Local-Serving Retail and "Town Center" Concept

One retail concept that may present an opportunity for Pacifica is that of a "town center." Cities often have clusters of retail surrounding their core or destination areas, supported by a concentrated presence of employment, historic or "main street" features, convenient or centrally located transportation hubs, well-traveled thoroughfares, and/or high density of population. Currently, Pacifica has no distinct downtown area; rather, the city's retail tends to be dispersed within a number of neighborhood-based submarkets.

Palmetto Avenue has potential to expand its function as a town center retail district. The General Plan Land Use Diagram designates Palmetto Avenue for mixed use development, to produce ground-floor retail and other commercial uses with a pedestrian orientation as well as upper-story housing. The Streetscape Plan for Palmetto Avenue between Clarendon Road and Paloma Avenue will provide guidelines for redevelopment. To support the potential town center area, key opportunity sites near the Palmetto corridor are designated Mixed Use Center. Higher-intensity development along the Highway 1 corridor directly adjacent to and well-linked to Palmetto Avenue would provide a regular customer base for shops and restaurants along Palmetto, and signal to passersby the presence of an active center.

Continued public and private investments can contribute to the development of Palmetto Avenue into a town center retail district. If successful, Palmetto Avenue then could help the City capture more of the local expenditure potential without drawing sales away from existing retailers. Policies in this element and the Land Use element support this objective.

Tourism-Based Retail

San Francisco and San Mateo Counties are major tourist destinations, attracting domestic as well as international travelers. As shown in Table 2-8, the nine-county Bay Area region accounts for almost 30 percent of the visitor-generated tax receipts in California. Of the counties in the Bay Area, San Mateo

County had the third highest visitor-generated tax receipts per household at \$239, behind San Francisco and Napa counties at \$812 and \$564, respectively. Both San Mateo and San Francisco Counties rank well above the statewide per household average of \$165.

Pacifica enjoys exposure to a number of visitors to the County's coast, State parks, and other attractions. Despite its advantageous position, however, the City does not currently offer a major attraction or an identifiable theme that draws significant tourism and tourist-related spending. In addition, the City has not successfully positioned or marketed itself as a major tourist destination. Tourism-related retail concepts supported by policies in this element may allow Pacifica to better leverage its coastal location and establish itself as more successful tourist destination.

"Place-Making"

Tourist-oriented retail districts often succeed by providing a unique mix of small-scale "boutique" stores that offer arts, crafts, and other goods or services with a distinctive local flavor. This retail strategy is not formulaic, and the actual tenant mix depends on the location. One of the key characteristics of successful tourist-oriented retail districts is its unique identity or "brand." Similar to other beachside communities along the Pacific coastline, Pacifica could potentially focus on beach/coastal-related businesses, drawing on its very name to help establish a strong identity.

Equally important to the success of tourism-based retail are the place-making features, such as public plazas and public art features. These provide aesthetically pleasing, thematic design. Uniform signage and way-finding is another aspect of place-making. Enhancing Rockaway Beach district and extending the visitor-oriented environment into the Quarry Site could follow this model. A traditional town center district along Palmetto Avenue, linked through these place-making features to amenities (e.g., the beach and golf course), would create a unified image of the city.

Unlike local or regional shopping centers, tourism-based retail is more fluid and gradual in development. To be successful, this strategy will require a multi-dimensional effort, including marketing, public improvements, and pursuit of specific opportunity investments through public-private partnerships.

Hotel and/or Resort Opportunities

Tourism is a significant industry in San Mateo County, attracting both domestic and international visitors. Pacifica's coastal location coupled with the City's accessibility along scenic Highway 1 and its proximity to San Francisco and the San Francisco International Airport provides it with exposure to a number of visitors to the County's coast, State parks, and other attractions. However, the City is not currently a well-known tourist destination and primarily serves pass-through travelers on their way to a pri-

TABLE 2-8: VISITOR-GENERATED TAX RECEIPTS BY COUNTY

County	2006 Receipts (in millions)	Receipts per Household	Percent of California Receipts
San Francisco	\$256.5	\$812	12.6%
Napa	\$27.5	\$564	1.3%
San Mateo	\$60.7	\$239	3.0%
Santa Clara	\$91.4	\$157	4.5%
Sonoma	\$26.2	\$149	1.3%
Alameda	\$68.8	\$130	3.4%
Marin	\$10.2	\$101	0.5%
Contra Costa	\$23.9	\$64	1.2%
Solano	\$6.7	\$49	0.3%
BAY AREA TOTAL	\$571.9	-	28.0%
California	\$2,042.9	\$165	100.0%

Source: California Travel Impacts by County, 1992-2006, Dean Runyan Associates, Inc.; Economic & Planning Systems, Inc.



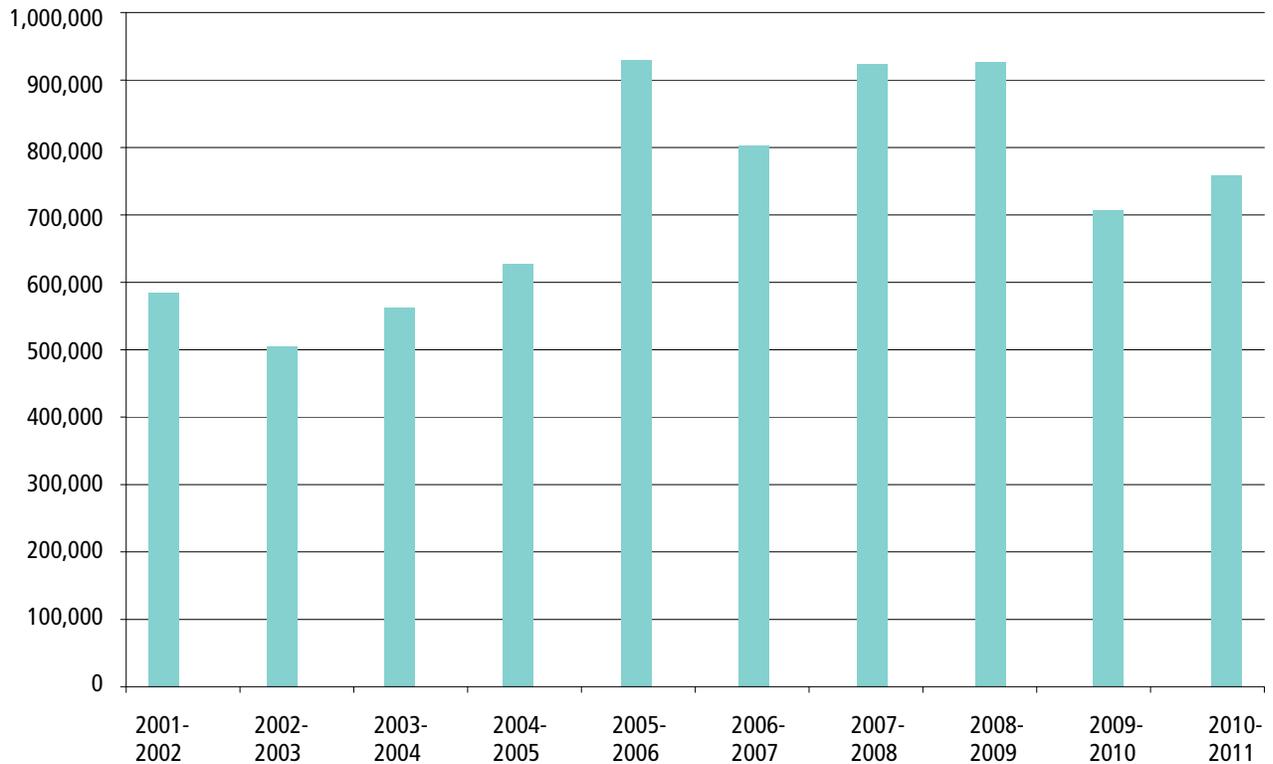
Amenities including the Pier (top) and the Golf Course (middle) can be linked with Palmetto Avenue through place-making features, such as public plazas and public art.

mary destination elsewhere in the County or region. Another way in which Pacifica could increase its visibility, boost tax revenue, and help foster a distinctive sense of place would be to recruit a major resort hotel.

Currently, Pacifica is served by six moderately-priced hotels with a total of 282 rooms. Transient occupancy tax (TOT) revenues from these hotels have fluctuated over the past 10 years, with a general upward trend, as shown in Figure 2-2.

In terms of occupancy rate, Pacifica's hotels have generally been underperforming relative to industry standards. However, there are market segments that have the potential to complement and/or stimulate tourist-related demand. These include:

- **Bed-and-Breakfast.** A small-scale inn or bed-and-breakfast that is successfully operated may serve as a key attraction. As the County attracts more visitors, it is likely that Pacifica can capture some of the increase. Despite the City's 62 percent occupancy rate, a high-end inn or bed-and-breakfast, if able to successfully distinguish itself, may be supportable without drawing customers away from existing hotels.
- **Boutique Hotel.** A mid-sized hotel that provides uniquely designed accommodations also could attract visitors to the City. Boutique hotels are smaller than resort hotels, but command higher rates because of the emphasis on personal experience and high service levels. The boutique hotel may even serve as a destination, attracting new visitors to Pacifica.
- **Luxury or Resort Hotel.** Pacifica is an easy drive (15 minutes) to San Francisco and San Francisco International Airport, and is conveniently located on the coastal route to other well-known destinations such as Half Moon Bay, Monterey, and Big Sur. Consequently, visitors could enjoy the natural beauty of the City and nearby natural areas and the urban attractions of San Francisco in a single day. The proximity to San Francisco would provide a comparative advantage over other coastal hotel destinations in the Bay Area, such as

Figure 2-2: Transient Occupancy Tax Revenue Per Fiscal Year

Source: City of Pacifica, 2012.

Half Moon Bay, Point Reyes, and even Napa. A resort hotel also could provide conference facilities that could attract business groups.

The Rockaway Quarry site presents the greatest potential location for the development of a luxury hotel. With immediate beach access, proximity to the Sharp Park Golf Course, the existing visitor-oriented retail at Rockaway Beach, and the open space park lands of Mori Point and Sweeney Ridge, the Quarry site offers a variety of attributes typically sought by luxury hotel operators. Additionally, the development of a luxury hotel at this site could support additional visitor-oriented commercial development, integrated with the Rockaway Beach district, and may create synergies with the Palmetto Avenue commercial area located about one mile away. With an increase in tourism, additional visitors to the City also could support a town center retail district along Palmetto Avenue.

Other sites where hotels may be appropriate are those with Visitor-Serving Commercial (and some Mixed Use) land use designations. These include:

- Quarry Site pad;
- Sea Bowl site;
- Quarry Flats;
- Beach Boulevard /Old WWTP site in West Sharp Park; and
- Lower Crespi Drive sites.

Outdoor Recreation Destinations

Beyond providing a recreational amenity, the completion of the trails system, as proposed by this General Plan, will have significant economic benefits. GGNRA already hosts many visitors, especially to Sweeney Ridge. However, visitors to that site are



The City may be able to support a boutique hotel without drawing customers away from existing hotels (Healdsburg Hotel, top). Pacifica offers a number of amenities and attributes that could potentially support a resort hotel (Asilomar Conference Center, middle). With improved signage and amenities, outdoor recreation visitors could extend their stay and patronize Pacifica businesses (Bear Valley Visitor Center, bottom).

unlikely to realize how close the other destinations in the City are to the park. With improved signage and amenities accompanying the trails (such as concessions, huts, and a GGNRA visitors' center), hikers could extend their stay and patronize Pacifica businesses. At full buildout, the trail network has the potential to become an attraction in its own right, becoming one of several amenities that would encourage visitors to stay in Pacifica for a whole weekend.

For the trail system to serve as an economic driver, it needs to be coupled with recognizable signage, permanent maps and information kiosks, and immediate connections to commercial sites that are appealing to walkers/hikers.

Pacifica Economic Development Plan

City Council adopted the Pacifica Economic Development Plan (PEDP) in August 2013. The PEDP and this Economic Prosperity Element share many common features, including identifying opportunity sites, promoting local retail, and developing Pacifica as a visitor destination. Both plans identify the Rockaway Beach Quarry site as an opportunity for the location of a hotel and/or retail, and revitalizing the Palmetto Avenue corridor as a destination with shops and services for residents and visitors alike. Both recognize the leakage of retail spending by Pacifica residents, and propose a Shop Pacifica campaign in addition to offering a more attractive local retail environment. In addition, the PEDP seeks to encourage the establishment of new technology and start-up firms, building on the Bay Area's dynamic tech sector; this feature is not part of the strategy presented here.

2.4 FISCAL SUSTAINABILITY

Land use and policy priorities in this General Plan have implications for the City’s economic and fiscal well-being. The challenge in Pacifica is to encourage a mix of uses that bring fiscal benefits to the city—through property sales and transient occupancy tax revenue.

Specifically, if the General Plan succeeds in attracting business investment, it may also attract residents and employers who might otherwise choose other locations in the Bay Area or beyond. An increasing employment base can, in turn, create a positive feedback loop by boosting property values and household incomes and improving economic conditions. Achieving these quality of life factors will boost the City’s tax base and enable further investment public services and infrastructure needed to sustain economic growth. The City’s fiscal health also is affected by factors outside of its control, including national business cycles, state and federal budget decisions, international trade, and the performance of key local industries such as information, high-tech and biotechnology.

A balanced and integrated approach to planning future land use, investing in municipal service and facilities, and leveraging Pacifica’s unique assets is the best way to ensure sustainable growth and fiscal well-being.

2.5 ECONOMIC DEVELOPMENT STRATEGY

Areas in which General Plan policies can help formulate a coordinated economic development strategy include:

- **Leveraging Key Locational Assets.** Pacifica has the potential to be “place-making” and build tourism-based shopping environment over time. A true town center district and a luxury and/or resort hotel would significantly advance this goal by transforming Pacifica into a higher profile travel destination. The Rockaway Beach Quarry site and Palmetto Avenue represent two potentially complementary opportunities to do this.
- **Improving Shopping Areas, and Recruiting Tenants.** Upgraded existing shopping centers could create an environment more conducive to attracting a broader base of customers and tenants. The City can play an active role in attracting specific businesses that enhance the vitality of the City.
- **Investing in Public Infrastructure and Facilities.** Streetscape improvements, a signage program, and other public infrastructure investments represent valuable assets for property owners and developers, who stand to benefit from them.
- **Branding Pacifica.** A detailed marketing plan could help Pacifica shape its image as a desirable destination itself through a wide range of methods and provide a unified “look and feel” to the City, complementing place-making and visitor attraction efforts.
- **Facilitating Employment Growth.** The City could be proactive in recruiting for employers. Job growth in the City could improve fiscal health.
- **Integrating Economic Growth and Environmental Conservation.** Pacifica’s natural setting, from the coastline to the ridges, is a critical component of the city’s identity, and it shapes the city’s urban and economic development. Future physical and economic development in Pacifica can help preserve the city’s natural features, both for the broader purpose of environmental conservation as well as the economic objective of attracting visitors.



The Rockaway Beach Quarry site (left) and Palmetto Avenue (right) represent two potentially complementary opportunities to advance the City's retail and tourism sectors.

POLICIES

Policies included in both the General Plan and Local Coastal Land Use Plan are indicated with a .

Guiding Policies

- ES-G-1 Leverage Assets.** Leverage Pacifica's coastal location and unique assets as a primary means to strengthen the local economy, focusing on increasing tourism facilities, including shops, hotels, restaurants, and hiking trails.
- ES-G-2 Maintain Fiscal Sustainability.** Foster a fiscally healthy City government and enlarge the City's revenue base as necessary to sustain and support the community.
- ES-G-3 Promote a Positive Image.** Promote a positive image of Pacifica as a desirable place to work, live, and visit.
- ES-G-4 Support Existing Businesses.** Retain and foster the growth of existing Pacifica businesses, and foster a positive relationship between the business community and the City government.
- ES-G-5 Attract New Businesses and Jobs.** Seek out new businesses that will employ and serve Pacifica residents, improving the City's jobs/housing ratio.
- ES-G-6 Ensure Environmental Protection.** Ensure that economic development in Pacifica proceeds synergistically with environmental protection.

Implementing Policies

Creating a Destination

- ES-I-1 Town Center.** Through a combination of mixed use land use designations/zoning, streetscape improvements, targeted public investment, and marketing strategies, promote Palmetto Avenue as a pedestrian-oriented destination with shops and services for residents and visitors alike.
- ES-I-2 Business Improvement District.** Work with property owners and the Palmetto Business Association to establish a Business Improvement District (BID) to finance local improvements.
- ES-I-3  City-Owned Catalyst Projects.** Use city-owned properties as catalysts for new development in the Palmetto area and elsewhere in the city.

For key opportunity sites such as the Old Wastewater Treatment Plant site on Beach Boulevard, the City may issue Request for Proposals for development

ES-I-4 Recycling Center Relocation. Work with Recology, Inc. to identify a new location for a recycling yard to free up land for visitor-based economic development.

ES-I-5 Increase Tourism. Prepare a multi-faceted program to encourage tourism, focusing on:

- Attracting new hotels or inns, a visitor's center or other key attraction, tourism-based shopping, and other components; and
- “Branding” and marketing Pacifica’s parks, open spaces, beaches, and other natural amenities.

ES-I-6 Enhanced Visitor Node. Create a highly distinct visitor-oriented commercial and hospitality node at Rockaway Beach and on developable portions of the Rockaway Quarry site.

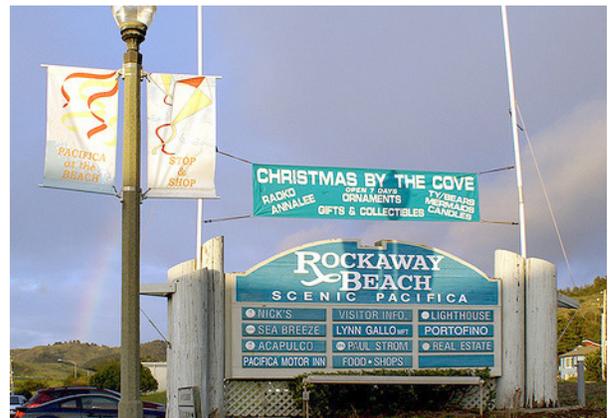
A key component of this strategy would be to pursue a boutique or high end/resort-oriented hotel and supporting tourist-oriented shopping and dining opportunities.

ES-I-7 Increase Accessibility. Improve accessibility and transit into Pacifica by partnering with transit providers (BART, SamTrans, etc.) to increase frequency and visibility of service to and from San Francisco and other destinations in the Bay Area.

Fiscal Sustainability

ES-I-8 Mixed Land Uses. Promote development of a broader mix of revenue-generating land uses, including hotels, to increase the City’s fiscal benefits.

ES-I-9 Shopping Center Performance Improvement. Support existing retail center property owners’ and tenants’ efforts to improve their sales and occupancy rate performance, as feasible.



Promote Palmetto Avenue as a pedestrian-oriented destination with shops and services for residents and visitors alike (top). Support the upgrade and redevelopment of shopping centers to attract a broader base of customers and tenants (middle). Implement a unified, unique signage and wayfinding program for the City’s distinct commercial and attractions (bottom).

ES-I-10 Fiscal Analyses Required. Require fiscal impact analyses for major development proposals requiring a General Plan amendment to assess citywide impacts and identify any burden such projects might create for the City as well as viable mitigation.

ES-I-11 Pursue New Funding Sources. Continue to identify and pursue federal, State, and other grants for economic development, marketing, and incentives to recruit new businesses.

ES-I-12 Development Pays its Fair Share. Continue to require new development to pay its fair share of needed community improvements. Approve a major development project only after making findings that one or more of the following conditions are met:

- No City revenue will be used to replace or provide developer funding that has or would be committed to any mitigation project;
- The development project will fully fund public facilities and infrastructure as necessary to mitigate any impacts arising from the new development; or
- The new development will pay mitigation fees for public facilities and infrastructure in proportion to the development's impacts.

ES-I-13 Maintain Impact Fee Schedule. Periodically update the City's impact fee schedule to ensure that fees are commensurate with the associated costs of facilities and services.

Marketing and Branding

ES-I-14 Broaden Business Marketing Efforts. Expand the City's marketing efforts developing a comprehensive marketing plan with tools and implementation strategies, focusing on targeted industries and businesses. Actions may include:

- Advertising in industry publications;
- Publicizing local business success stories in local news outlets;
- Contracting with a professional marketing service (if feasible); and
- Preparing marketing materials, including an inventory of assets that Pacifica offers, such as available sites and buildings, development incentives, high quality of life, amenities, and others.

ES-I-15 Relationships with Business Organizations. Maintain a strong working relationship with the Pacifica Chamber of Commerce, as well as other local and regional business groups such as the Palmetto Business Association.

ES-I-16 "Shop Pacifica" campaign. Create a "Shop Pacifica" campaign to support local businesses and decrease retail sales leakage.

ES-I-17 Signage and Wayfinding. Implement a unified, unique signage and wayfinding program for the City's distinct commercial and attractions.

Particular attention should be paid to providing clear visual linkages between separate, but proximate, areas of the city that would benefit from clearer connections. Signage and way finding could identify and link Palmetto Avenue; Sharp Park Golf Course; the future GGNRA visitors' center; Rockaway Beach; and Pacifica State Beach.

ES-I-18 Public Realm Improvements. Invest in streetscape and public space improvements to attract visitor-oriented development and improve Pacifica's image and the quality of life for residents.

Public realm improvement priority areas are: Palmetto Avenue; new public space adjacent to the Pier associated with redevelopment of the Beach Boulevard site; the Rockaway Beach oceanfront; new public space and

streetscape associated with development in the Quarry site; the Pacific Manor shopping area and Esplanade Avenue overlooking the ocean; the Pedro Point shopping area; lower Linda Mar Boulevard and lower Crespi Drive.

- ES-I-19 Host New Events.** Promote regionally recognized events as a means of increasing awareness of Pacifica as a destination and fostering a positive image of the City as a place to visit, reside, and conduct business.

Examples of community events that could draw visitors to the city—and take advantage of the City’s outdoor amenities—include group hikes, trail races, golf tournaments, surfing competitions, a Summer Concert series, as well as city celebrations such as Fog Fest, festivals, and promotional sales.

- ES-I-20 Create Gateways.** Create visually notable “gateways” to Pacifica, following the same design theme as the signage and wayfinding program, at major roadways where they enter the city (SR 1 at the northern and southern ends of the city, and Sharp Park Road and Hickey Boulevard at SR 35).

Local Business Support and Revitalization

- ES-I-21 Shopping Center Upgrades.** Support upgrading existing centers to create an environment more conducive to attracting a broader base of customers and tenants.
- ES-I-22 New Business Organizations.** Encourage formation of business organizations to represent business districts or industry groups where there are no support organizations.
- ES-I-23 Enterprise Development Program.** Create an Enterprise Development Program to provide technical support for local start-up businesses.

The City may seek assistance from the Workforce Investment Board and the San Mateo County Economic Development Association (SAMCEDA) to help set up a website incor-

porating all the tools and resources available to small local businesses and start-ups.

- ES-I-24 Loan Program for Business Support.** Evaluate the feasibility of maintaining a revolving City loan program for local businesses needing temporary financial support.

New Employment Attraction

- ES-I-25 New Business Attraction.** Attract new businesses to Pacifica, focusing on those that:
- Have a high growth potential;
 - Generate net fiscal benefits to the City through increased tax revenue;
 - Create high-paying and/or career-oriented jobs for local residents with opportunities for advancement;
 - Complement or augment existing businesses and services in Pacifica; and
 - Create a minimal negative impact on the environment.

- ES-I-26 Opportunity Sites Inventory.** Maintain an inventory of available and “ready-to-go” development sites on the City’s website, and provide the list to interested developers and/or businesses seeking sites in the city.

The inventory of development sites should be updated periodically, depending on the pace of development, and distributed to local developers, realtors, employment recruiters, large commercial bankers, and others involved in economic development.

- ES-I-27 Economic Development Website.** Create a one-stop web portal for the City’s economic development activities.

The website could include:

- *Information on the permitting and licensing process, and available business assistance programs, if applicable;*
- *A secure portal for online applications;*

- *A searchable GIS inventory of available sites;*
- *A directory of Pacifica businesses/firms and the products and services they provide;*
- *Testimonials from local business owners on positive experiences with the City; and*
- *Links to complementary websites.*

ES-I-28 Public/Private Partnerships. Explore the use of public/private partnerships to aid new small businesses with initial capital costs.

ES-I-29 Incentives for Locating in Pacifica. Create a list of incentives as part of a package to approach “target businesses” to encourage their location in Pacifica.

Possible incentives may include Enterprise Development Program assistance (see Policy ES-I-23), expedited permit review and approval, and floor area or density bonuses.

ES-I-30 Investment in Infrastructure. Continue to invest in public infrastructure improvements, including landscaping, signage, lighting, and roadways.

The Economy and the Environment

ES-I-31 GGNRA Visitor Center. Work with the GGNRA to establish a Visitor Center off SR 1 near Mori Point. Connect with the Rockaway Beach and Sharp Park districts with signage, roadway improvements, and pedestrian- and bicycle improvements.

ES-I-32 Expanded Commercial Recreation. Foster the development of low-intensity outdoor commercial recreation uses on sites near Pacifica State Beach and at the northern end of Palmetto Avenue.

ES-I-33 Preserve the Experience of the Natural Environment. Ensure that new development projects do not disrupt view corridors from prominent points or otherwise interfere with residents’ and visitors’ experience of Pacifica’s natural areas and amenities.

ES-I-34 Appropriate Site Design. Ensure that development projects adjacent to protected natural areas are designed to minimize impacts on those areas by employing low impact development techniques for storm-water management, using native/non-invasive landscaping, and minimizing nighttime lighting and glare.