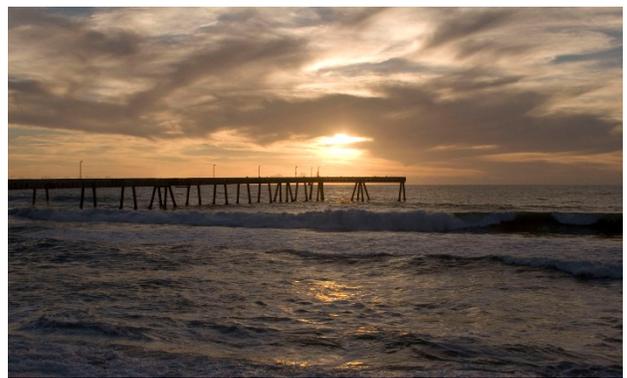


ECONOMIC DEVELOPMENT STRATEGIC PLAN



AUGUST 2019

Economic Development Strategic Plan - City of Pacifica

Background

In May 2015, the City hired its first Economic Development Manager and prepared an initial Economic Development Workplan. This Economic Development Strategic Plan for FY2019-20 is intended to be a more comprehensive strategy document than the initial FY2015-16 workplan, and will guide the City's economic development priorities as directed by the City Council. In addition, later in FY2019-20, the City Council will be initiating a Vision 2025 strategic planning process, the scope of which will include assessing additional economic development strategies to build off of this plan.

Economic Development activities continue to be critical for Pacifica, and a high priority to the City Council, because Pacifica's near-term and long-term financial forecast shows on-going expenditures exceeding on-going revenues for maintaining current service levels.

Economic Development Strategic Plan Summary

The Economic Development Strategic Plan addresses 4 goals for economic development in the City of Pacifica:

1. Attract new businesses to vacant commercial sites
2. Assist new businesses with the permit and development process
3. Retain existing businesses to maintain the city's sales tax base
4. Implement specific strategic economic development goals for Pacifica as adopted by the City Council

City of Pacifica City Council Goals (Adopted April 25, 2019)

The Economic Development Strategic Plan directly supports the following City Council goal:

- **“Fiscal Sustainability”** includes investing in economic development to increase revenues, funding a reserve/emergency fund, and being well prepared for grant opportunities.

Economic Development indirectly supports numerous other City Council goals by sustaining, if not increasing, City tax revenues, which in turn allows future resource allocation flexibility to support activities that fulfill other goals such as:

- **“An Engaged Community”** includes taking actions to restore trust in city government, expanding communication, and building community.
- **“Stewardship of City Infrastructure”** includes repairing/replacing outdated city facilities such as city hall, the libraries, fire stations, etc., improving streets, and responding to impacts of sea level rise.

- **“A Healthy and Compassionate Community”** includes addressing affordable housing and mental health services, investigating strategies related to homelessness, and supporting youth services.
- **“Environmental Sustainability”** includes mapping out parks and open space, preserving hillsides and beaches, paying attention to flora and fauna needs, environmental health, and climate adaptation.
- **“A Strong City Workforce Infrastructure”** includes strategies to address employee retention and attraction challenges, engaging staff in decision-making, and recognizing staff.
- **“Maintaining a Safe Community”** includes supporting our first responders (police, fire, public works), responding to storm emergencies, protecting people, property, businesses, and our infrastructure (streets, sidewalks, storm and waste water), and engaging in emergency preparedness activities.

FY2019-20 City Council Priorities

The following priorities adopted by the Pacifica City Council for FY2019-20 are directly or indirectly related to Economic Development:

- Complete an update to the Economic Development Plan and continue economic development efforts
- Begin a strategic planning process to articulate a long-term and financially sustainable vision for Pacifica
- Continue other on-going priority projects from previous years:
 - “Other projects” for Economic Development include the 2212 Beach Blvd hotel site, Palmetto Avenue improvements, Street Banner program
- Complete a Sharp Park Specific Plan
- Implement litter-prevention strategy pilot programs
- Convene and participate in a Pacifica task force on homelessness and recreational vehicles, and consider task force final recommendations related to City laws, policies, property, programs/operations, or funding

I. Definition of Economic Development & Goals of Economic Development

A. Definition of Economic Development

The *International Economic Development Council* (IEDC) defines economic development as **“A program, group of policies, or activity that seeks to improve the economic well-being and quality of life for a community, by creating and/or retaining jobs that facilitate growth and provide a stable tax base.”** Economic development is a concerted effort on the part of the responsible governing body in a city or county to influence the direction of private sector investment toward opportunities that can lead to sustained economic growth. In turn,

sustained economic growth can provide profitable business opportunities for employers, sufficient incomes for the local labor force, and tax revenues for community projects, programs and maintaining an infrastructure to support this continued growth.

B. Goals of Economic Development

The purpose of economic development is:

- To increase the tax base of communities in order to provide higher quality public services to citizens
- To diversify the economic base and thereby cushion the community against economic shocks

C. Economic Development Functions in Pacifica

In Pacifica, the functions of economic development fall into three basic categories:

1. Point of inquiry for new and existing businesses and beginning business relationships
2. Designing and leading programs and projects that are directly related to economic development and support the fundamental strategies of economic development
3. Supporting other department/citywide programs and projects indirectly related to economic development

II. **Implementation of Economic Development Goals and Strategies**

A. Point of Inquiry

In Pacifica, economic development activities are designed to enhance existing commercial districts to create quality shopping and dining experiences, and encourage activities and development that attracts both visitors/tourists and local residents. One of the primary functions of an economic development program is to respond to economic development inquiries. These inquiries come from developers, current and potential business owners, property owners, government organizations, media, community organizations, residents, and visitors. The inquiries reach economic development in a variety of ways – phone calls, emails, letters, drop-ins at the city hall public counter and other city department public counters, internal inquiries from city council, city staff and city commissions and committees, and community and governmental organizations. In general, inquiries are directly related to economic development issues; staff also answer inquiries on business licenses, permits and other city-related activities. The inquiries are answered through phone calls, email and in person.

Unlike some other jurisdictions in the Bay Area, Pacifica's economic development resources are limited. This economic development strategic plan is designed to create the environment for new businesses to be successful in Pacifica, and for existing businesses to continue to grow and remain in Pacifica. Pacifica's Economic Development Program ability to provide on-

going technical assistance to businesses is constrained. The program will continue to develop tools to assist businesses in Pacifica, which is a key element of this economic development strategy. The Program will also continue to engage businesses, developing relationships with the business community and providing information and access to resources.

While the Economic Development Program is led by the Economic Development Manager in the City Manager's Office under the direction of the City Manager in accordance with City Council policies and decisions, all departments in the City of Pacifica support economic development efforts, either directly or indirectly. For example, the following list by departments shows many Economic Development related activities:

- City Attorney: review & approval of ordinances, resolutions, council items, Hotel Business Improvement District (BID) renewals;
- City Clerk: council resolutions, noticing requirements, document research;
- Finance: business licenses, tracking of sales taxes, Transient Occupancy Tax [TOT], Hotel BID assessments;
- Fire: inspections for new businesses;
- Parks, Beaches & Recreation: leases, beach and community events, marketing, child care;
- Planning: land use, zoning, use permits, building permits, and code enforcement;
- Police: security plans for cannabis businesses, permits for special events;
- Public Works: infrastructure, capital improvement projects, trash and graffiti removal, street banners.

The Economic Development Committee (EDC) is an advisory committee to the Pacifica City Council. EDC committee members are appointed by the City Council, and by City Council resolution includes a representative of the Pacifica Chamber of Commerce. The EDC is staffed by the Economic Development Manager, and exists to support the City's economic development goals, including the retention of local businesses in Pacifica, the development and expansion of local businesses, and assist in the attraction of new businesses to Pacifica. Specifically, the objectives of the EDC are to:

- Work with the Economic Development Program, the community and visitors in the identification of new businesses that fill a neighborhood business market gap;
- Provide a forum for exchanging ideas, education, information, and addressing the business and economic needs of the business community and its residents and visitors;
- Reach out to the business community, residents, and visitors to promote business development and support the implementation of the City's Economic Development Plan

The EDC's workplan, approved by the City Council in April 2019, includes specific tasks designed to assist with the implementation of the Economic Development Strategic Plan. These tasks generate work product that helps fulfill the goals and objectives of the Economic Development Strategic Plan, and tangible materials that assist with the implementation of economic development programs and projects.

B. Economic Development Programs and Projects

1. Baseline Economic Development Activities

Business Attraction – the attraction of new businesses to targeted commercial destinations (“destination retail”) in Pacifica in existing/new commercial spaces. These new businesses will preferably have a primary customer base within ½ mile – 1 mile of the commercial space as a neighborhood-serving business, targeted for that commercial space/neighborhood through projected neighborhood retail need and a familiarity with the existing neighborhood retail and service businesses. Destination retail offers a broad range of retailers and settings for shoppers, from the small, unique and independently owned shops to regional and nationally recognized retailers. In Pacifica, working closely with commercial real estate brokers is important to keep accurate and up-to-date listings of available commercial spaces, with detailed information on site specifics (square footage, lease rates, type of commercial space, availability, etc.). The addition of current information on “How to Start a Business in Pacifica”, with additional resources and agency contact information is available to new potential businesses in a brochure as well as posted on the city’s website.

Business Retention – neighborhood-oriented business districts provide basic goods and services to surrounding residential households. Businesses within these districts range from independent operators to regional and nationally recognized vendors. The critical factor that keeps these businesses thriving is their ability to attract local and regional residents as patrons. Local dollars play a vital role in supporting the revitalization and success of local neighborhood retail districts. Retaining businesses in Pacifica provides a continuing foundation for the city’s sales tax base. As individual businesses close and, over time, are replaced by new businesses, the loss of an individual business does not dramatically affect the city’s sales tax revenues. Retention of the city’s primary business clusters (including restaurants and hotels, fuel and service stations, food and drugs) is vital to maintaining the city’s sales tax base. Business retention includes developing working relationships with store owners and managers, and serving as liaison to address problems/issues with other city departments (e.g., illegal dumping, graffiti removal, technical assistance with building upgrades and/or expansion, etc.). Developing these relationships with business owners and operators allows economic development efforts to concentrate on proactively preventing issues and problems. In turn this approach allows businesses to concentrate more on serving their customer base. Business retention efforts also can provide advance information on business closings and relocations, and gives staff time to adjust and react to these changes which occur with regularity in small business operations.

Business Expansion - the decision to relocate or expand a business is complex and often expensive. Businesses relocate and expand for a variety of reasons - larger commercial space (or downsizing, taking advantage of an opportunity to lower business expenses, consolidate business activities and retain their business within the city limits), location, better customer parking and access, improved lease rates (or the loss of a lease), etc. These businesses need to maintain their current customer base while hoping to expand their customer outreach and serve new clients. Part of the economic development

strategy to assist Pacifica business with relocation and/or expansion includes maintaining a current database of commercial spaces, as well as providing information on new commercial spaces under construction or in the pipeline of current development activity.

2. Economic Development Programs

a. **How to Start a Business in Pacifica**

Description: A pdf handout with links to additional information online through the Economic Development website. The brochure outlines the basic steps a new potential business owner should consider when starting a business in Pacifica. The brochure provides basic business start-up information; additional resources, city departments and local, regional and national governments agencies with contact information is available online for viewing, printing & downloading. Brochure and website content will be updated as new resources become available and changes in City policies are adopted.

Current Status: In conjunction with the Economic Development Committee (EDC) Subcommittee, community organizations and business owners, the first edition of the “How to Start a Business in Pacifica”, with its accompanying document “Additional Resources and Agencies to Contact for Starting Your Business in Pacifica” will be completed and placed on the city’s website in August 2019.

Key Milestones:

- By August 2019, publish 1st edition of the brochure and additional resources for printing & downloading from the city’s website;
- TBD, revisions and updates to the brochure & online information as necessary.

b. **Shop Pacifica/Visit Pacifica Marketing Campaign**

Description: An online and interactive campaign designed to encourage local residents to support local businesses; shop locally for goods and services; promote increased local business-to-business sales; educate local residents on the effects and benefits of local shopping; promote Pacifica as a shopping and tourist destination; reduce retail leakage; maintain & increase sales tax generation from local businesses. Marketing efforts to designate Pacifica as a visitor-serving and tourist destination, in conjunction with the Pacifica Hotel BID and the Pacifica Chamber of Commerce.

Current Status: In conjunction with the Economic Development Committee (EDC) subcommittee, the initial steps of outlining a Shop Pacifica/Visit Pacifica marketing campaign approach are in process, with additional meetings schedule throughout the fiscal year.

Key Milestones:

- By September 2019, complete EDC and Economic Development Manager draft of initial Shop Pacifica/Visit Pacifica campaign;
- By February 2020, conduct assessment of campaign effectiveness, review of budget allocation, and complete adjustments/revisions to program;
- By June 2020, complete draft summary of FY2019-20 campaign and prepare updated marketing campaign for FY2020-21.

c. Pacifica Commercial Real Estate Brokers

Description: Quarterly meetings with commercial brokers to share information on commercial vacancies, matching prospective businesses with available commercial spaces.

Current Status: The commercial broker community continues to send information on commercial vacancy listings in Pacifica to the Economic Development Manager. This vacancy information is used to answer inquiries on commercial vacancies in Pacifica from new and existing commercial vendors, and is updated regularly.

Key Milestones:

- By December 2019, post current Pacifica commercial vacancy profiles on the Economic Development website;
- By April 2020, assess effectiveness of online posting of commercial vacancies, including estimates of staff time allocated to maintaining & updating the website.

d. Commercial Business Engagement

Description: Meetings with individual business owners, the Pacifica Chamber of Commerce, and the Pacifica Hotel Business Improvement District (Hotel BID) to strengthen relations with businesses and organizations and to share information on economic development activities.

Current Status: The Economic Development Manager has continued to conduct meetings with individual business owners, and monthly meetings with the Hotel BID and the Chamber of Commerce. Meetings with the Chamber of Commerce have improved the process for renewal of the Pacifica Hotel BID.

Key Milestones:

- By September 2019, develop a reporting format to provide information to council on meetings with business owners.

e. Economic Development Website

Description: Economic Development pages on the City's website.

Current Status: The Economic Development Manager has continued to make updates to the website. Additional information to assist business owners with conducting business in Pacifica will continue to be added & updated on the website.

Key Milestones:

- By September 2019, add the "How to Start a Business in Pacifica" and additional resources pages to the website for viewing and downloading.

f. Economic Development Assistance to the Planning Department

Description: Coordination between the Planning Dept. and the Economic Development Manager on new mixed-use and commercial developments in Pacifica, including participation in pre-development conferences and coordination and participation in community group meetings on proposed development projects.

Current Status: The Economic Development Manager and the Planning Department currently coordinate on pre-development conferences for potential development projects in Pacifica. Economic Development also participates in the Planning Department Project Review Committee (PRC) meetings as required.

Key Milestones:

- By December 2019, meet with Planning Director to evaluate the effectiveness of economic development participation in the PRC meetings and pre-development conferences, and provide feedback to adjust process as necessary.

g. Support to Economic Development Committee

Description: The Economic Development Manager (EDM), as city staff liaison to the EDC, provides support and technical assistance to the EDC in the execution and completion of the Council-approved EDC Workplan for FY2019-20.

Current Status: The Economic Development Manager continues to meet with the EDC and its subcommittees in the formation and implementation of their council approved workplan for FY2019-20.

Key Milestones:

- By January 2020, submit a mid-year update to the City Council on EDC Workplan activities and progress;
- By April 2020, summarize EDC Workplan accomplishments for FY2019-20, and provide proposed workplan and EDC budget for inclusion in FY2020-21 budget submittal.

h. Pacifica Hotel Business Improvement District (BID)

Description: The Economic Development Manager receives and reviews the Annual Report from the Pacifica Chamber of Commerce on Chamber activities in support of the Pacifica Hotel BID. The Economic Development Manager, in conjunction with the City Clerk and Finance Department, process the Pacifica Hotel BID annual renewal each spring for the upcoming fiscal year.

Current Status: The Pacifica Hotel BID continues to operate under the resolution and guidelines approved by the City Council in June 2019 for FY2019-20.

Key Milestones:

- By May 2020, receive Annual Report from the Pacifica Chamber of Commerce on Hotel BID activities and projected use of funds for FY2020-21;
- By June 2020, process the Annual BID Renewal for FY2020-21.

i. Street Banners Program

Description: The purpose of the Administrative Policy for Installation of Temporary Street Banners is to outline the requirements for the installation and maintenance of street banners on City-owned infrastructure in Pacifica.

Current Status: Street banners are being manufactured for installation on Palmetto Avenue in conjunction with scheduled events and activities in 2019.

Key Milestones:

- By September 2019, install 1st round of street banners on Palmetto Avenue;
- By March 2020, review and process applications for street banners for the succeeding twelve (12) month period (April 1, 2020 – March 31, 2021);
- By April 2020, evaluate street banner program process and summarize budget implications for inclusion in FY2020-21 budget submittal.

j. Economic Development Organizations

Description: Membership and participation in these regional and state organizations is designed to include the City of Pacifica in the regional discussion on economic development, and the designation of Pacifica as a destination for new commercial businesses. These organizations include the Silicon Valley Economic Development Alliance (SVEDA), the San Mateo County Convention and Visitors Bureau (SMCCVB), the San Mateo County Economic Development Association (SAMCEDA), the California Association for Local Economic Development (CALED) and the International Council of Shopping Centers (ICSC).

Current Status: Membership and participation in economic development organizations continues in FY2019-20. Both SVEDA and CALED have been instrumental in providing resources and contacts for the 2212 Beach Blvd project in Pacifica.

Key Milestones:

- By September 2019, secure memberships in economic development organizations for FY2019-20.

3. Economic Development Projects

a. 2212 Beach Blvd Hotel Site

Description: The 2212 Beach Blvd site has been designated by the City Council as a site to target for hotel development. The planning processes currently in process (including the update of the city's General Plan (GP) and Local Coastal Program (LCP), and developing a Specific Plan (SP) for the Sharp Park neighborhood) are designed to address the required entitlements up until the point that a site-specific development plan is needed for the hotel development site.

Current Status: Economic development staff is currently participating in the Specific Plan process for the Sharp Park Neighborhood, which includes the 2212 Beach Blvd hotel site.

Key Milestones:

- By January 2020, reconvene project team to review progress of the SP plan process, and outline next steps for development of release of RFP/RFQ for 2212 Beach Blvd project;
- By March 2020, complete outline of RFP/RFQ process and begin development of RFP/RFQ;
- TBD, release RFP/RFQ for 2212 Beach Blvd which includes entitlements that have been addressed through the SP process.

b. Palmetto Avenue Improvements & Promotion

Description: Promotion and improvements to Palmetto Avenue as part of the City's revitalization efforts to promote Palmetto Avenue as the city's "Main Street" in Pacifica.

Current Status: Street banners promoting upcoming activities on Palmetto Avenue in process. The planning of the celebration of the completion of Phase I of the Palmetto Avenue street improvements and the kickoff for Phase II improvements is underway.

Key Milestones:

- By September 2019, install 1st phase of street banners;
- By November 2019, complete Phase II kickoff celebration.

C. Economic Development Support for Citywide Programs

1. Specific Plan (SP) for the Sharp Park Neighborhood - Economic Development staff and EDC members have attended and participated in the initial round of community discussions of the updates to the General Plan (GP), Local Coastal Program (LCP), and the Specific Plan (SP) for the Sharp Park Neighborhood.
2. Ocean Shore Railcar #1409 - Pacifica Historical Society – As PHS continues to search for a permanent location for the railcar, the Economic Development Manager continues to monitor the existing storage license agreement.
3. Sustainable Food Service Ware Requirements – Economic Development continues to assist with the distribution of information to affected businesses.
4. Unhoused in Pacifica Task Force – the Economic Development Manager will serve as the City representative on the Task Force and provide input from the local business perspective.
5. Additional Projects:
 - Ohlone Portola Heritage Day - continue working with Parks, Beaches & Recreation Dept. in the planning process, and encourage the participation of hotels and businesses in the 250th anniversary commemoration
 - Economic Development Opportunities for City Owned Parcels - identify city and other governmental agency properties within the city limits, and determine development opportunities for individual sites or site clusters
 - Pacifica Historical Tourism - Local and regional partnerships among historic sites and museums, cultural attractions, outdoor tour guides, hotels, bed and

breakfast, online bookings and restaurants to develop, interpret, and market local and regional historic sites to promote Pacifica and to capture the cultural tourism market

- The Role of Business in Disaster Response - coordination of the business community response in the event of a natural disaster.