



ECONOMIC VITALITY COMMISSION

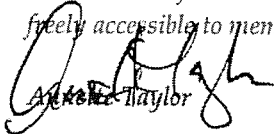
CITY COUNCIL CHAMBERS
(555 SANTA CLARA STREET, SECOND FLOOR)

5:30 P.M. – Wednesday, September 10, 2014

AGENDA

Requests for disability-related modifications or accommodations, aids or services may be made by a person with a disability to the Economic Development Division no later than 72 hours prior to the meeting as required by Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations and adopted in implementation thereof. The Economic Development Division may be contacted as follows: Phone: (707) 649-5452, FAX (707) 648-4499 or email Annette@ci.vallejo.ca.us

I, Annette Taylor, do hereby certify that I caused a true copy of the above notice and agenda to be delivered to each of the members of the Economic Vitality Commission at the time and manner prescribed by law and posted in an area freely accessible to members of the public on September 5, 2014.


Annette Taylor

1. Call to Order
2. Pledge of Allegiance
3. Roll Call

After roll call is taken, the newly appointed Economic Vitality Commissioners will give a brief introduction and tell why they are interested in serving on this commission.

4. Approval of Agenda

The Commission may adopt the agenda as presented or may rearrange the order of items. Pursuant to the Brown Act, the Commission may not add items to the agenda and the Commission may only discuss items on the agenda.

5. Approval of Minutes

6. Economic Vitality Commission to General Plan Working Group Liaison Report

Chairman Walker to provide an update on the General Plan Working Group

7. Presentations

- A. Introduction to Commission role and responsibilities – Annette Taylor, Senior Community Development Analyst
- B. PropelVallejo:General Plan Update Overview – Review of schedule, process, and roll of economic development - Mark Hoffheimer, Senior Planner
- C. Review of Economic Trends – bae urban economics

7. Council Liaison's Report

City Councilmember Pippin Dew-Costa, liaison to the Economic Vitality Commission, may provide a report during this item.

8. Communications

9. Community Forum

Anyone wishing to address the Commission on any matter not listed on the Agenda, but within the jurisdiction of the Commission to resolve, may state his/her name and address for the record. Individuals representing a group will be allocated 5 minutes for their presentation. Individuals representing themselves will be allocated 3 minutes for their presentation.

10. Consent Calendar

11. Administrative Items

- A. Update on business impacts of earthquake

Recommendation: Information item only

12. Policy Items

13. Projects Status Report
14. Report of the Chairperson and Members of the Commission
15. Adjournment

**MINUTES OF THE REGULAR MEETING OF
THE ECONOMIC VITALITY COMMISSION
City of Vallejo**

Wednesday, May 14, 2014

1. Call to Order

The meeting of the Economic Vitality Commission (EVC) was called to order at the City Council Chambers (555 Santa Clara Street) at 5:31 p.m. on Wednesday, May 14, 2014.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

3. Roll Call

Those Commissioners present and absent were as follows:

Present: Commissioners Dowling, Hanson, Lyons, Torres, Walker

Absent: Commissioners Dion, Jaekel

Staff and elected officials in attendance were:

Annette Taylor, Senior Community Development Analyst
Mark Sawicki, Community and Economic Development Director
Kathleen Diohep, Economic Development Manager

4. Approval of Agenda for May 14, 2014

The agenda was unanimously approved.

5. Approval of Minutes

The minutes were unanimously approved with the correction of the date of the minutes.

6. Presentations

Kathleen Diohep, Economic Development Manager, gave a brief background of her previous jobs and an update on the Economic Development Division. Ms. Diohep handed out information of the City Council priorities and City of Vallejo Investment Fact Sheet.

Mark Sawicki, Community and Economic Development Director, gave a brief background of his previous jobs and an update on the Economic Development Department, which includes Economic Development, Planning, and Building. He noted that a new Economic Development Manager and Chief Building Official were recently hired.

7. City Council Liaison's Report

Councilmember Dew-Costa stated she is excited to be the council liaison to the Economic Vitality Commission. She shared her ideas about the commission role and gave an update on North Mare Island, the downtown, Solano 360 project, and the Cooke property.

8. Communications

None

9. Community Forum

None

10. Consent Calendar

There were no items on the Consent Calendar.

11. Administrative Items

A. Update on the Economic Development Department Work Plan

Ms. Diohep noted that things are happening and the tide of change is reaching the Bay Area. She discussed the dissolution of redevelopment, the litigation with Triad, the renegotiation of the Waterfront DDA, work on Mare Island, LMI's success in bringing in new tenants, the Request for Qualifications for North Mare Island, asset management, the technical work that is being done on Mare Island, and that the Economic Development Division is recruiting to fill an Administrative Clerk position.

Ms. Diohep responded to questions from the Commissioners regarding information on the city's website for Mare Island, the City of Vallejo Investment Fact Sheet, city's policy on local preference, and any retail use on the portion of Mare Island controlled by Lennar Mare Island.

Recommendation: Information item only

B. Discussion on the future direction of the Economic Vitality Commission

Chairman Walker asked that this item be agendaized. He stated that the Economic Vitality Commission has met twice in the past eighteen months. He asked what prompt each commissioner to volunteer for the Economic Vitality Commission. Each commissioner provided a response which included: wanted to be involved with economic development, thought that the Economic Vitality Commission would be similar to the Planning Commission with responsibilities; wanted to be useful, use as a filler for staff; understands the goals and duties of the commission, want to accomplish something; thought that the commission would similar to a think tank, work on economic development strategic plan; understands that commissioners aren't city staff, but commissioners can be utilized.

Anne Carr submitted a card to speak on this issue. Ms. Carr said she is interested in the Economic Vitality Commission and suggested staff give the commissioners talking points and targets, review fees and permits.

In response to the commissioners' comments, staff gave a history of the commission. Also mentioned that the commission is another voice that goes to the City Council other than zoning and planning, however we need to be mindful that we don't slow down the process of development by going to numerous commissions.

Recommendation: Information item only

C. Formation of subcommittees

Vice Chair Torres asked that this item be agendaized. She would like to have subcommittees, such as business retention and expansion to do the work of the commission. Perhaps two to three subcommittees could be formed with a maximum of three members. She noted that the economic development strategic plan mentions a business retention and expansion program, however the Economic Vitality Commission was

not mentioned. Ms. Diohep responded that the first step to create subcommittees is to define programs. Vice Chair Torres asked the commissioners what other subcommittees they would like to see. Responses from the commissioners included: liaison to other organizations, i.e. Pirates Festival; revitalization of downtown; branding the city.

Mr. Sawicki commented on the formation of subcommittees and staff bandwidth; staff will need to be in attendance for each subcommittee meeting.

Recommendation: There was not much interest of the commissioners to form subcommittees at this time.

12. Policy Items

None

13. Project Status Report

Staff's update on projects was provided during the course of the meeting.

14. Report of the Chairperson and Members of the Commission

Chairman Walker gave an update on the General Plan Working Group and passed out the Guiding Principles.

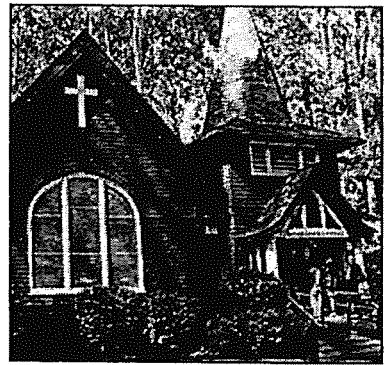
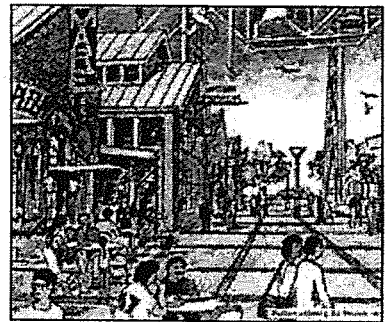
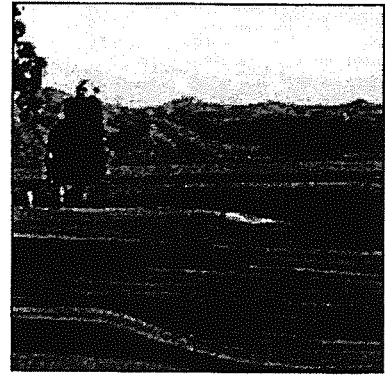
14. Adjournment

The meeting was adjourned at 7:40 p.m.

ECONOMIC DEVELOPMENT ELEMENT

CITY OF VALLEJO GENERAL PLAN

MAY 2003



Economic Development Element

City of Vallejo General Plan

MAY 2003

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Introduction

Vallejo is a dynamic community located in southern Solano County within the Bay Area. A strategic location, mid-way between San Francisco and Sacramento, at the confluence of the Sacramento River and the San Francisco Bay, and at the entrance to the Napa Wine Country, has shaped Vallejo's history and contributed to its present status as a "gateway" city. Vallejo's location is further enhanced by its transportation infrastructure, offering freeway and ferry access to regional centers of employment and recreational attractions.

Vallejo has long been noted as the home of the Mare Island Naval Shipyard, a major Naval installation that operated from 1854 to 1996. At its peak, Mare Island employed more than 40,000 workers, and Vallejo grew up around this facility as its centerpiece. With the base's closure, key corridors serving the Island became visibly distressed. Yet, recovery of the community began even before formal closure. During this period, Vallejo experienced significant economic development, particularly new residential and commercial services in North Vallejo. The new ferry access conveniently linked Vallejo to San Francisco, while Marine World's relocation to Vallejo and subsequent expansion under Six Flags created a major destination, with over 1.9 million visitors in 2002. More recently, Vallejo and the I-80 corridor have emerged as a "Life Sciences Corridor," attracting biotechnology and health care firms along with Touro University's College of Osteopathic Medicine. Vallejo's relatively affordable housing market along with its skilled labor force have attracted hundreds of new households annually, helping to increase the retail and employment base within the community.

In 1998, building on these successes, community stakeholders gathered to create the *Vallejo Economic Vision*. In 2001, an industry-specific report, *Vallejo in the New Economy: High Tech Readiness Report*, was formulated by a task force and City staff to address the opportunities and barriers facing technology-based business development. Also in 2001, a geographically-focused plan for the Waterfront and Downtown was approved by the Redevelopment Agency.

Purpose and Structure of the Economic Development Element

This Economic Development Element of the General Plan has been created to incorporate the *Vallejo Economic Vision* and other recent economic initiatives directly into the City's planning process. As an Element to the General Plan, this document will guide policy- and decision-making as Vallejo moves forward with development strategies aimed at strengthening and improving its economic base. The Economic Development Element is structured to express City goals and policies regarding economic development, and to serve as a companion to the City's Land Use, Transportation, and other General Plan Elements. The Element is intentionally written broadly to set the stage for a wide range of subsequent implementation initiatives and strategies. Cities also use Economic Development Elements to help guide annual budgeting and work programs for their city departments engaged in economic and community development.

The Element is divided into two sections of goals and policies: Citywide Goals and Policies, and Activity Center Goals and Policies. Each section contains background information and potential strategies to implement each goal.

Potential strategies are included in this document to expand on and illustrate the intent of each set of goals and policies, leading to implementation efforts that will occur beyond adoption of this Element. Many cities are adopting economic development elements similar to this Element, and then effecting implementation through a separate Strategy with more specific actions, timelines, and designated lead agencies/organizations.

Process to Create Economic Development Element

This Element has been formulated through a structured process involving the Vallejo Economic Development Commission (EDC), City staff, and consultants. Starting with a background report, the EDC convened in late 2001 to initiate a series of regularly scheduled public meetings to discuss background economic trends and data, current initiatives, and goals for Vallejo's economic development. The background report, with updated data to reflect the release of 2000 Census information, is a separate document to this Element.

The EDC heard comments and presentations from various community stakeholders, and EDC discussions were held to direct policy formulation. The Draft Element has been reviewed by the EDC and the Vallejo Chamber of Commerce, and the Housing and Redevelopment Commission, with comments incorporated herein. The draft Economic Development Element was reviewed by the Planning Commission on February 3, 2003, and considered for City Council adoption at their March 25, 2003, meeting.

For a complete list of Vallejo Economic Development Commission members, key informant interviews conducted for this Element, and the schedule of EDC meetings held to create this document, please see the Appendices to this document.

A. Citywide Goals and Policies

Goal 1: Attract New Businesses Offering High Wage Jobs

Policy 1: Encourage and actively attract businesses in key industries that build upon Vallejo's competitive advantages and offer high wage jobs. Target industries including Biosciences/Life Sciences, Multimedia/Entertainment, and Tourism/Hospitality.

Policy 2: Encourage and actively attract business functions that engage high skilled and semi-skilled labor, including satellite functions of existing companies. Target business functions including call centers, customer service centers, and businesses utilizing advanced technologies such as value manufacturing, research and development, and office uses.

Policy 3: Continually enhance the City permitting process to assist businesses to locate in Vallejo without unnecessary delay or cost, while insuring a customer and business friendly program.

Background

This goal seeks to attract new businesses to Vallejo that meet the needs of Vallejo residents by providing high quality jobs with high wages and advancement opportunities.

At present, the targeted industries of Biosciences/Life Sciences, Multimedia/Entertainment, and Tourism/Hospitality have all formed strong established bases on which to build attraction strategies. For example:

- SEDCORP is engaged in ongoing efforts to assess and market Solano County as a Life Sciences Corridor, with Vallejo serving as a key anchor in this strategy. Within Vallejo, Kaiser Permanente Vallejo employs 2,685 people, and its Advice Call Center employs another 830, making Kaiser the largest employer in the City. Sutter Solano Medical Center, Sunrise Care Center, and Touro University's College of Osteopathic Medicine join Kaiser as top medical related employers in Vallejo, forming a strong Life Sciences center that can be linked to the broader Bay Area region.
- With the closure of Mare Island, Vallejo saw early reuse of the base for filming and production of such films as *Sphere*, *Jack*, and *What Dreams May Come*. In total, 10 films were filmed at Mare Island between 1995 and 2000, with continuing use for videos and commercial filming. The Vallejo and Solano County Film Commission provides firms with site location assistance, assists in contracting with local suppliers (i.e. catering and building materials), and serves as a local government liaison.

- Tourism is Vallejo's largest industry, with hotel transient occupancy taxes (TOT) raising nearly \$2 million in direct City revenue at the economic peak in 2000/2001. Six Flags Marine World attracted 1.9 million visitors and employed nearly 1,700 people in 2002, making it the City's second largest employer.

Progress has been made to implement Policies 2 and 3 as well. The City has historically utilized its grant-writing and bonding capacity to attract value manufacturing, and the City has recently examined its permitting and fees to ensure business-friendly processes and charges.

Potential Implementation Strategies

Create Target Industry Attraction Strategies Building on Existing Strengths

Target industry attraction strategies can include as follows:

- Develop collateral materials (e.g. brochures, CD-ROMS, etc.) promoting Vallejo to targeted industries including features such as public transportation including ferry service, proximity to major universities, land availability, regional access, and cultural diversity.
- Provide funding to enable engaging in a systematic outreach program including marketing visits regional offices and communicating across a broad geography to key firms.
- Identify key sites appropriate for targeted industries. While the Vallejo Economic Development Information System (VEDIS) offers general marketing of the City as well as more targeted marketing of Mare Island on-line, the system requires on-going maintenance and more staffing.
- Provide key infrastructure, land use approvals, and streamlined permitting (i.e. industrial zoning, hazardous waste collection, wet lab space etc for bio-technology firms). The City has recently examined its permitting process, and is implementing improvements.
- Collaborate with key educational institutions to capture and foster growth of newly-formed firms emerging from research at UC Davis, UC Berkeley, and other research centers.
- Link the Vallejo business incubator to targeted industries and educational partners.
- Encourage development projects meeting the needs of targeted industries including Class A Office, Tech/Flex, or Professional Manufacturing.

Create a Citywide Marketing Program

Building on existing innovative programs such as the web-based VEDIS/MIBCIS, along with City partnerships with the Vallejo Chamber, Vallejo Convention and Visitors Bureau, and SEDCORP, as well as private businesses, the City could create a citywide marketing program with integrated marketing materials that articulate Vallejo's position in the region and benefits to target industries/business functions. Additional marketing themes could position Vallejo as a key crossroad, with links to San Francisco by ferry, the Wine Country by freeway (and potentially boat and train), the East Bay by bridge, the region by BART, and the Capitol Corridor by train and freeway.

Goal 2: Implement Vallejo's High Tech Readiness Strategy

Policy 1: Support a standing committee of key technology providers, policy makers, and users empowered to affect policy consistent with the High Tech Readiness Strategy.

Policy 2: Explore the feasibility of infrastructure investment and viable partnerships to break barriers between utility providers and end-users.

Background

The High Tech Readiness Task Force met numerous times and in February 2001, published its final report, *Vallejo in the New Economy: High Tech Readiness Report*. The High Tech Readiness Task Force included representatives from:

- City of Vallejo staff
- Economic development organizations such as the Vallejo Chamber of Commerce, Vallejo Business Incubation Center, SEDCORP, and Solano Community College Small Business Development Center
- Utility providers (PG&E, PacWest Telecom, Pacific Bell, AT&T, Verizon Wireless, Nortel Networks)
- Educational and public access institutions (Solano County Library, Solano County Community College, Greater Vallejo Recreation District, Touro University's College of Osteopathic Medicine)
- Developers of Mare Island (Lennar Mare Island)
- Mare Island utility providers (Island Energy)
- Business representatives (Argos Ventures, Devine Tower-C-Tech, Sylvain Design and Construction, General Mills, and Straight Cuts)

This undertaking established Vallejo as uniquely focused on creating a state-of-the-art infrastructure and telecommunications system to support high technology for changing business needs and demands. The Task Force has recently started holding regular meetings to better understand and help to facilitate the implementation of this program by working with the local development and business community.

Potential Implementation Strategies

To retain existing and attract start-up high tech firms to Vallejo, the High-Tech Readiness Task Force recommended numerous strategies such as infrastructure development, public/private partnerships, and land inventories. The report further recommended the City facilitate the provision of high-quality, technology-ready office space to be available immediately.

To support implementation of the strategies, the City may need to commission more detailed studies, obtain funding for special projects, and foster collaboration among an array of stakeholders. This work may require dedicated staffing and other resources, but if implemented,

could set Vallejo apart from other cities as ready and interested in meeting high technology companies' needs regarding available telecommunication and other infrastructure.

Goal 3: Encourage Existing Business Retention & Expansion

Policy 1: Support an active business retention and expansion program for existing businesses.

Policy 2: Support home-based businesses in residential neighborhoods.

Policy 3: Continually enhance the City permitting process to help retain or expand existing Vallejo businesses without unnecessary delay or cost, while insuring a customer and business friendly program.

Policy 4: Support the development and expansion of business incubator(s) to serve bio-tech and other entrepreneurs seeking to utilize technology.

Background

Two of the leading indicators of potential business expansion in an economy are the rates of self-employment and home-based work. In 2001, Vallejo had over 2,500 self-employed workers (accounting for five percent of employed residents) and about 1,500 home-based workers (accounting for almost three percent of employed residents). Statewide, these levels are 8.5 percent self-employed, and four percent home-based employment, suggesting that Vallejo employed residents could develop these components of its economy more fully.

Several current initiatives are already in place to meet this goal and its policies. For example, the City of Vallejo currently supports a technology-focused business incubator (VBIC). In addition, the City distributes a printed information packet providing broad information on starting a business in Vallejo. The City's economic development staff and EDC members participate in a Chamber of Commerce-sponsored Business Retention Program which involves visiting local businesses to provide general support and advice.

Potential Implementation Strategies

Business Development and Retention Programs

In addition to continuing to support and expand the above programs, implementation strategies could include more intensive, structured technical assistance to local businesses, sponsorship of special Entrepreneurship events and speakers, and a small revolving loan fund for business start-ups.

Home-Based Business Support Services

Support for home-based businesses could be provided by supporting residential access to fast internet connections (particularly in new housing construction), technical advice, and access to educational and business resources. Resources available at the Vallejo Business Incubator could be made available on a fee-for-service basis (with or without City subsidy) to Vallejo residents.

Goal 4: Increase Workforce Preparedness of Vallejo Residents

Policy 1: Form an educational taskforce of economic development organizations, educational institutions, residents, and businesses to pursue strategies to enhance Vallejo's primary and secondary school programs.

Policy 2: Collaborate to provide a full range of life long learning opportunities and expanded curriculum offerings.

Policy 3: Collaborate with key stakeholders to develop educational and training programs targeting the needs of technologically advanced companies and creating future opportunities for the school-age population in Vallejo.

Policy 4: Encourage the development of additional child care services in proximity to Vallejo work sites and for Vallejo residents seeking to work outside the home.

Background

Since 1990, educational attainment of Vallejo residents, measured as a percent of the population with bachelors degree or higher, rose by 2 percentage points, reaching 21.1 percent in 2000. However, Vallejo's educational attainment measured this way was still lower than the California attainment level of 26.6 percent having a bachelor's degree or higher. Moreover, while some of Vallejo's public schools are well regarded, statewide standardized test scores for Vallejo's local primary and secondary schools indicate existing deficiencies within the school system.

At the higher learning level, Vallejo is served by two institutions: the Cal State University Maritime Academy, and Touro University's College of Osteopathic Medicine. The Medical school enrollment has continued to grow to over 444 students with projected enrollment for fall 2003 being 486 students. The University has expanded its offerings to include a College of Education and College of Health Science, with an eventual target of 8,000 to 10,000 students for the University.

With respect to vocational job training, Vallejo is served by the Solano Community College (SCC), the Solano County Small Business Development Center (SCSBDC), and the Workforce Investment Board (WIB). The WIB, in collaboration with 29 other Solano County employment and training providers, operates the Solano Employment Connection (SEC). Despite countywide initiatives to provide job training to Vallejo residents, Vallejo civic leaders have expressed concern that the range and depth of classes offered by the Solano Community College within Vallejo are limited compared to those offered on the primary campus in Suisun City. Moreover, of the approximately 15 training facilities in Solano County eligible for Workforce Investment Act (WIA) funds, very few are located in Vallejo (and the Vallejo Adult School is not eligible). Thus, additional special focus on providing targeted job training to Vallejo residents within convenient locations may be warranted. A recent proposal by SCC to create a campus in the Northeast of

Vallejo, in conjunction with Sonoma State University, may work to improve this potential deficit in educational and training options.

The City currently requires tenants on Mare Island, as well as developers on the Island (through leases and acquisition/development agreements), to hire Vallejo residents. Additionally, developers must contract for services and buy products locally. Policies to enhance workforce preparation are supported by these existing demand side policies.

Child care availability may also warrant additional study. According to the 2000 Census, nearly 61 percent of households in Vallejo have children under 6 years of age with parents working outside the home. Statewide, this rate is approaching 52 percent, while countywide, the rate is approaching 59 percent. In addition, West Vallejo (west of I-80) is one of two countywide geographic centers in which 11 to 24 percent of children age 0 to 5 live in welfare-to-work families. This high level of child care need is not met with sufficient supply; according to the Solano Family and Children's Services, West Vallejo has a "low" supply of licensed child care facilities (defined as less than 29 spaces for each 100 children aged 0 to 5 years old), while East Vallejo has a "high" supply (defined as 41 or more spaces per 100 children).

Potential Implementation Strategies

Explore Partnerships to Improve Primary Education Services

The *Vallejo High Tech Readiness Report* identified improvements to Vallejo's primary education institutions as key to high-tech business recruitment. The report calls for both technology-focused education as well as basic improvement across all subjects. Partners could be charged with activities as diverse as fundraising for the School District, drafting charter schools, recruiting private school providers, and/or developing programs for in-school enrichments (presentations, environmental education fieldtrips, or bioscience curriculum and teacher training). Partners could include, but are not limited to, the Vallejo Chamber, Solano County, SEDCORP, Solano Community College, VUSD, Cal State University Maritime Academy, Touro University, UC Davis, neighborhood associations, PTA presidents, and businesses. Businesses such as Six Flags, which offer students' vocational training, as well as those recruiting largely from Vallejo graduates (or desiring to do so) should be included in such efforts. The City should support linkages between employers and residents that increase the local employability of Vallejoans and ease the recruitment efforts of local firms, including the improvement of primary education.

Support Full Range of Lifelong Learning Opportunities

Preparing Vallejo residents young and old for the workforce demands of the 21st century through a broad range of lifelong learning opportunities could be supported through a Lifelong Learning Task Force involving all of the stakeholders mentioned above.

Explore Partnerships to Link Higher Learning Institutions to Economic Development

The CSU California Maritime Academy and Oceans Research Institute, as a world renowned campus of higher education, and Touro University's College of Osteopathic Medicine, as an

integrated part of the Solano County Life Sciences Corridor, offer opportunities to increase local advanced learning and research. The City and the EDC could explore more formal partnerships between these organizations, as well as create special Vallejo resident scholarship programs or other linkages to the school district to foster higher learning and career paths for local students.

Enhance Local Job Training Programs

A more thorough analysis of job training opportunities and how these meet the needs of local businesses could be conducted. While these efforts serve the county as a whole, a more focused look at Vallejo's residents' needs may also be warranted.

In addition, support for existing educational and training enterprises in Vallejo could include WIA program development at the Vallejo Adult School (including WIA fund eligibility and marketing of such opportunities through the Solano Employment Connection). City efforts to expand vocational and preparatory learning could be greatly enhanced by the creation of a Solano Community College campus in Northeast Vallejo.

Create Citywide First Source Hiring Program Building Upon Mare Island Program

Creation of a First Source Hiring program to prioritize and assist in hiring Vallejo citizens was called for in the Economic Vision. Developers and tenants on Mare Island are already obligated to target Vallejo residents for job openings. The City could support diverse First Source hiring programs and other programs targeting geographic, linguistic, and culturally diverse populations or create a centralized City-sponsored program that could be implemented citywide. Some cities have initiated this type of effort by tying it to receipt of City financial subsidies, with great success.

Goal 5: Expand Visitor Attractions and Services

Policy 1: Support visitor attraction services and amenities at the Waterfront, including full service hotels and restaurants.

Policy 2: Support development of conference and meeting centers within Vallejo.

Policy 3: Support the restoration of natural habitat and historic districts to serve as significant visitor attractions.

Policy 4: Support expanded and new festivals and special events, particularly multiple day events, which draw upon the rich diversity of Vallejo's population and physical landscape.

Policy 5: Support use of the Ferry for tourists use, advocate linkages to pedestrian and bikeways, and consider a shuttle to serve visitor destinations.

Policy 6: Support regional links between tourist destinations in Vallejo and the surrounding region where viable opportunities exist. These could include maintenance of port and rail facilities for tourist access in Vallejo with links to regional attractions.

Policy 7: Support a tourist-friendly attitude among staff and residents.

Policy 8: Solicit cruise lines to include Vallejo as a stop point.

Background

According to the Vallejo Convention and Visitors Bureau, in 2002, Vallejo's visitor-serving industry employed 3,700 people locally, with an annual payroll of \$7 million. Vallejo has a total of approximately 1,600 hotel rooms, although it is home to only one full-service hotel with 170 rooms and banquet seating for 120. The next largest hotel offers 130 rooms and banquet seating for 40. The remaining hotel room stock includes various types of lodging ranging from overnight stays to longer-term rental opportunities.

The Vallejo Convention and Visitors Bureau's mission focuses on increasing visitation to Vallejo. In addition to traditional marketing to groups and small conventions, the Bureau has recently targeted golf attractions and the family reunion business. Seventy golf courses are located within a 30 mile radius of Vallejo, while the City itself offers four courses including the championship LPGA course at Hiddenbrooke.

Substantial additional tourist and regional visitor opportunities exist in Vallejo. For example, the Vallejo Ferry offers a unique opportunity to attract visitors to San Francisco, especially as a gateway to the Wine Country. The historic Vallejo Old Town, along with points of interest related

to Vallejo as the first capitol of the State of California and the rich history of Mare Island, suggest potential expanded marketing and promotional opportunities to regional residents and tourists.

Potential Implementation Strategies

Tourism is a major industry in Vallejo, and the City's strategic location and historic resources suggest substantial additional opportunities that warrant further study and strategic planning. The following provides examples of concepts to foster visitation that were proposed by the EDC. To create a systematic approach, these concepts should be further assessed via a Visitor Strategic Plan or similar approach, with potential strategies including:

- **Increase Physical and Transportation Links between Key Sites** - Use of currently planned Waterfront redevelopment as an opportunity to draw residents and visitors to Downtown, with physical links from the Ferry/Waterfront to Old Town. Increase marketing to Ferry riders in San Francisco to "visit Historic Vallejo." Provide shuttles from Ferry to Six Flags Marine World and Mare Island.
- **Target Downtown Reuse to Visitor Attracting Uses** - Encourage more downtown restaurants and visitor-serving facilities building on existing incentives targeted to appropriate uses in the downtown. Commission feasibility studies for key sites appropriate for visitor uses.
- **Expand Festivals, Integrating Waterfront** - Expand Vallejo's festivals and special events to multi-day schedules. Maximize waterfront as festival location, linked to Georgia Street activities (e.g., artist fair, kite flying, water sports, etc.)
- **Create and Increase Distribution of Printed Materials** - Provide maps/dining guides to all City police. Distribute marketing materials to all City stores.
- **Support Training Opportunities for Staff and Residents in Visitor Services** – Vallejo police and residents could be trained to assist visitors in finding key attractions, transportation schedules and rates, and other information critical to visitors' enjoyment of Vallejo. Specifically, this strategy could be used by the Vallejo Convention and Visitor's Bureau to create a program modeled on the City of Anaheim's tourist-friendly police program, or the program could utilize resident volunteers as "tourist docents."
- **Provide Vallejo Specific Visitors Guide** - Create a visitors guide that provides for one-day and multiple day tours of historic features, waterfront, and local museums (including emerging attractions on Mare Island). Police and visitor docents can distribute these, as well as shops display them.
- **Increase Sense of Security Among Visitors** – Visitors' sense of security should be increased. Strategies to implement this goal could include increasing access and convenient transfers between attractions by coordinating transit and attraction operators. Targeted transportation services such as shuttles to and from attractions and lodging, rather than public access routes, may be a preferred means of visitor transit. A friendly police presence as well as informed, friendly and easily identifiable docents would also increase visitors' sense of security. The continued and increased presence of shoppers, office workers, and other daytime and nighttime activity would further support an increased perception of security along key Vallejo corridors.

Goal 6: Enhance Vallejo's Overall Quality of Life

***Policy 1:** Maintain a range of quality housing options, from executive homes to studio apartments to live/work options. Encourage a range of affordable housing options serving different lifestyle needs, income levels, and household composition, with increased opportunities for all income levels to achieve homeownership.*

***Policy 2:** Enhance quality-of-life amenities such as recreation, arts and culture, and entertainment.*

***Policy 3:** Work with community groups, residents, and business organizations to maintain a safe and clean environment throughout Vallejo.*

***Policy 4:** Work with community groups, residents, and business organizations to designate and improve properties with historic significance. Where appropriate, seek or support those seeking recognition of historic districts and monuments.*

***Policy 5:** Support Tri-City Open Space Plan, including land acquisition for active and passive recreational opportunities, in partnership with Fairfield and Benicia.*

Background

The Vallejo Housing Element contains significant data, policy recommendations, and strategies for producing and improving housing options.

Vallejo Neighborhood Revitalization/Neighborhood Improvement Project currently unites area non-profits and municipal services in concerted efforts to: reduce drug and alcohol abuse, improve physical appearance, improve property values and rates of ownership (including tenant conversion to owner), crime reduction, code compliance and increased neighborhood association and activity. Local non-profits such as Vallejo Neighborhood Housing Services and Fighting Back Partnership have leveraged multi-million dollar grants to improve neighborhoods in Vallejo.

Potential Implementation Strategies

Leverage Existing Partnerships to Improve Residential Quality-of-Life

The City has supported Vallejo's existing non-profit organizations and partners seeking to improve Vallejo's quality of life. Through the involvement of code enforcement, police, fire, economic development and housing departments, City of Vallejo staff can leverage additional investment to meet goals for a more livable community, including more specifically:

- Maintain family-focused, clean, and safe neighborhoods, where children can play & grow.
- Encourage well-maintained yards and buildings.
- Encourage resident involvement in safety and property maintenance.
- Support programs reducing alcohol and drug uses and healthy and safe communities.

- Support residential property improvements.
- Promote homeownership.
- Public access television and local advertising.
(Make the public aware of street sweeping operations and schedules).

Support Historic Districts and Residential Amenities

Vallejo's historic housing stock and community amenities contribute to a unique sense of place. However, the greater maintenance requirements of older homes and infrastructure can create a burden which, if unmitigated, can cause blight. To support residential maintenance of older homes, the City should consider inclusion of residential properties in a proposed historic district downtown as recommended in the Vision for all current and future historic districts. Currently, GVRD is seeking grant and private funds to restore Children's Wonderland in Downtown Vallejo.

Support Innovative Strategies for the Arts

A number of cities have implemented a "One Percent for the Arts" program to fund installations and performances from the proceeds of new development fees. Assistance in the form of feasibility studies, market analysis, leasing or development assistance, support to arts organizations seeking to locate within the desired arts district Downtown, and activities in residential areas are also means of supporting and targeting arts activities.

Goal 7: Leverage Public Investments to Enhance Vallejo's Fiscal Vitality

Policy 1: Attract high employment-generating and tax-generating businesses which support the economic diversity of the City.

Policy 2: Balance user fees and grants to offer robust, high quality municipal services.

Policy 3: Prioritize the maintenance of revenue sources and pools of funds, as well as self-financing mechanisms, necessary to solicit grants and non-traditional funding for key priority projects not otherwise feasible or ineligible without a local match of funds.

Policy 4: Utilize City land holdings and resources, when feasible, to develop sustainable energy sources which lower costs to Vallejo users and generate positive revenue for the City.

Policy 5: Identify alternate funds for marketing Vallejo and key activity centers.

Background

The City of Vallejo experienced significant fiscal hardship with the closure of Mare Island, but has displayed considerable resilience and ingenuity under fiscal duress. For example, City Hall was converted to a four-day operation to reduce energy demands at a time of rising energy costs. The Marina has been operated as an enterprise fund and could be master-leased to maximize revenue to the City. The City has engaged the services of an energy director to manage revenue-generating alternative energy development, and the services of a grant-writer to seek funding for priority projects such as the environmental cleanup of contaminated waterfront properties.

The reuse of Mare Island has also relied on innovative financing approaches. The transition from Navy to City-supplied municipal services was funded partially by the Navy for several years, and the assets transferred are being used to assist the developers with marketing.

All of these initiatives serve to minimize General Fund expenditures and maximize the City's enterprise activities.

Potential Implementation Strategies

The City could continue to explore various funding mechanisms, seek additional grant funding, and assess its assets to leverage their value. These efforts could also be combined into a Strategic Financing Plan for the next five years to determine gaps and methods of ensuring fiscal stability.

B. Goals & Policies for Focused Economic Activity Areas

In addition to citywide goals and policies, several of Vallejo's prior initiatives have recognized the special attributes of focused economic activity areas throughout the City. During discussions with the Economic Development Commission to formulate this Element, a great deal of attention was placed on these activity areas. The areas can be defined as either nodes (e.g., areas of concentrated activity in a specific location) or corridors (e.g., areas of economic activity that follow roadways over a long distance). For purposes of this Element, the following Focused Economic Activity areas are used:

- Node 1: Downtown and Waterfront
- Node 2: Mare Island
- Node 3: North Vallejo
- Corridor 1: Sonoma Boulevard
- Corridor 2: Tennessee Street
- Corridor 3: Springs Road

During the formulation of the Vallejo Economic Vision in 1998, and subsequently during the formulation of this Element, the focused economic activity areas described above were considered critical to ensuring Vallejo's successful economic development. The nodes and corridors are important centers of economic activity in Vallejo, and are also linked to each other in many ways, so that revitalization in one area will benefit other areas. Each area is the subject of a distinct set of goals and policies as follows. To provide geographic context within Vallejo, these nodes and corridors' boundaries are mapped on the following page.

Vallejo

Economic Opportunity Areas

Vallejo Economic Development Element



- Key Node
- Key Corridor

- Freeway
- Arterial Street
- Local Street
- Railroad

- Water
- Vallejo Incorporated Area
- County Line

1 0 1 Miles



Goal 8: Develop Historic Old Town and Waterfront Area into an Integrated District

Policy 1: Support location of facilities offering cultural amenities (theater, film, performance including outdoors) as well as specialty retail, restaurants and professional offices within this district.

Policy 2: Support the redevelopment of the waterfront, consistent with the Waterfront Disposition and Development Agreement (DDA).

Policy 3: Fund physical infrastructure investments and outdoor amenities to increase the pedestrian, bike, and transit access and linkage of Old Town to the waterfront.

Policy 4: Consider supporting or leading the application for designation of the Vallejo Old Town as a National Historic District.

Policy 5: Support development of near-term high tech business opportunities in Old Town, utilizing existing physical amenities, mixed use potential, and telecom infrastructure, and enhanced by planned new cultural and social amenities.

Background

Currently, downtown, centered on Georgia Street, physically and socially, terminates at Santa Clara Street, while Vallejo's central waterfront lies between Santa Clara Street and Mare Island Way, perpendicular to Georgia Street.

Three Redevelopment Project Areas intersect within this Downtown/Waterfront area. These zones, taken together, create boundaries beyond the core of the downtown and its intersection with the waterfront. In combination, these Project Areas are roughly bounded by Mare Island Way, Sutter Street, Carolina Street, and Curtola Parkway. While Georgia Street provides a key entrance from I-80 through the downtown core, this route currently contains a mix of blighted and revitalizing properties. Perhaps most noticeably, the beautiful Vallejo waterfront is visibly obscured from the downtown area.

Several recent initiatives have been undertaken to revitalize the Downtown/Waterfront, as follows:

- In 2000, the Central Core Restoration Corporation (CCRC) and the Downtown Merchants Association partnered with the Redevelopment Agency to obtain Vallejo's Main Street designation on Georgia Street. Current programs include Farmers Market, summer Wednesday Night Celebrations, and special events throughout the year.
- In 2002, the Waterfront Disposition and Development Agreement was amended between the City's Redevelopment Agency and Callahan/DeSilva Vallejo LLC to initiate development on properties owned by the City and Redevelopment Agency as well as third parties. This agreement, based on the Waterfront Master Plan, will mix housing, specialty retail, office, a

parking garage, and a hotel. Mariner's Cove's, a high quality housing component, is anticipated to break-ground in 2003/04.

- In 2001, a consultant review of downtown/waterfront plans suggested a focus on improved connectivity between the two areas. Primary recommendations were to reduce the Georgia Street's width with diagonal parking, continuing Georgia Street to the waterfront, and preserving the historic buildings and existing street patterns.
- In 2001, the CCRC found that 10 new businesses started downtown, bringing 32 new jobs. Nine jobs were lost among six establishments at the same time. Between 1999 and 2002, \$4.7 million was invested privately in downtown.
- The Building Fee, Downtown Dumpster Program, and Facade Improvement Programs, all funded by the Redevelopment Agency, target improvement and attraction efforts to the downtown. By Winter 2002/2003, six establishments were assisted by the building fee program, ten by the dumpster program, and eight by the façade improvement program.
- The Empress Theater in downtown is currently being studied/evaluated for reuse.

Potential Implementation Strategies

Discussions with the EDC underscored many amenities and potential revitalization strategies and opportunities for the downtown/waterfront, including as follows:

- **Assess Feasibility of Publicly- and Privately-Owned Infill Sites.** The City and/or Redevelopment Agency can explore the feasibility of coordinated reuse of underutilized parcels downtown to stimulate private mixed use development. This could include seeking teams of urban developers with sufficient experience to create a new urban neighborhood.
- **Market Downtown to Attract Baylink Ferry Riders-** Ferry ridership reached 710,000 in 2002. A coordinated marketing campaign and transportation links could draw some of these riders downtown to shop and dine at either end of their commute trip.
- **Encourage Reuse of Historic Structures for Live/Work and Mixed Use Projects –** The Downtown contains numerous historic buildings with reuse potential. However, the area may require an historic district designation, as well as building owner education regarding the tax benefits of historic renovation.
- **Build on Marin Street Arts Cluster–** This area offers a core of arts activity which could be enhanced and expanded throughout the downtown/waterfront area.
- **Expand Retail Offerings -** A recent survey of downtown residents and ferry riders conducted by CCRC indicated support for grocery, gourmet take-out food, dry cleaning, bookstores, and additional full service restaurants serving dinner.
- **Attract Vallejo Families and Children –** The EDC felt strongly that activities aimed at families with children would help attract other visitors to downtown. These types of activities would also serve to decrease perceived crime activity.
- **Provide Technical Assistance to Existing Businesses –** Some of the businesses located in the downtown area may benefit from targeted business assistance to help with access to non-conventional financing, business planning, merchandising, and contemporary business management practices.

While the subject of numerous initiatives, the downtown still lacks the spark to generate strong revitalization. With the construction of the waterfront projects as set forth in the Disposition and Development Agreement, downtown and waterfront economic vitality will be catalyzed. This key project could be augmented by a coordinated Action Plan among all stakeholders in the area including developers, merchants, existing organizations, and the City, so that waterfront development benefits the larger downtown area. The Action Plan could address:

- Inefficient or outdated building codes and ordinances impacting the financial feasibility of building reuse
- Coordination among the CCRC, the Downtown Merchants Association, the Chamber of Commerce, and other stakeholder groups
- Funding for major projects and improvements
- Joint promotions and marketing campaigns
- Identification of catalyst projects and sites that can respond to market opportunities
- Provision of up-to-date telecommunications infrastructure per the High Tech Strategy

Goal 9: Reuse Mare Island to Stimulate Citywide Job Creation

Policy 1: Support diverse employment opportunities throughout the Island, including strengthening of the bio-tech and life sciences cluster emerging in Solano County. .

Policy 2: Work to ensure short- and long-term economic uses and development at Mare Island to cover the costs of providing municipal services while also supporting additional development on the Island.

Policy 3: Support development, restoration, preservation, and expansion of key visitor attractions and recreational opportunities on Mare Island.

Policy 4: Support efforts to market the Island as a filming location, both to generate near term employment and revenue as well as to provide exposure for other opportunities on the Island.

Policy 5: Support provision of adequate, easy access to Mare Island.

Background

Mare Island was a significant Navy facility for 150 years. With its closure in 1994, followed by several years of intensive reuse planning, the selection of two master developers, and a myriad of federal/state/local/private developer agreements, reuse of Mare Island is nearing fruition. The Island, 3.5 miles long and 1 mile wide, with 1,650 acres of dry upland, includes major industrial facilities, a historic district, wetlands, and an expanded golf course.

Last March, 2002, 653 acres was transferred to Lennar Mare Island LLC, for development per the reuse plan. While Lennar continues to move forward on reuse, a new Area 1 developer selection process is currently underway. Reuse plans have continued to be refined to accommodate market changes and specific building layouts, resulting in periodic amendments to the Island's Specific Plan. The City has also obtained a Local Military Base Recovery Act (LAMBRA) Enterprise Zone designation, which provides a host of economic incentives and tax breaks to tenants. The City also completed negotiations for "early transfer" of a major portion of the Island to allow for accelerated environmental remediation.

As of mid-2002, there were an estimated 1,500 people working on the Island, with approximately 66 businesses leasing approximately 3 million square feet of space. To support leasing and marketing, the City created the Mare Island Base Conversion Information System (MIBCIS) providing targeted on-line marketing information for buildings and available parcels. The City also requires tenants and developers associated with Mare Island to hire Vallejo residents. Additionally, developers must locally contract for services and purchase products.

Touro University is working to expand its offerings to provide additional degree programs. The recruitment and expansion of graduates of the High Tech Business Incubator located on

Tennessee Street in Vallejo offers opportunities for linkage to local businesses. As reuse proceeds, the Island will offer market rate housing and retail, which will further enhance the location's ability to attract economic development.

Potential Implementation Strategies

The City is working to resolve short term reuse issues such as cost of doing business, infrastructure improvement financing, and environmental remediation, with substantial forward progress underway. Economic opportunities for Island reuse and redevelopment will continue to be carefully evaluated by the City and its development partners to address needs such as infrastructure financing, tenant improvements, and enhanced transit services. In addition to traditional job-generating uses, Mare Island will offer substantial visitor attractions (e.g., wetlands educational and research center, Concourse D'elegance, Flyway Festival, golf facilities, open space, regional parks, and historic district with historic ships), all of which will need to be linked to ongoing visitor marketing campaigns for other Vallejo destinations. Grant support, public improvement projects, and impact fees should be targeted to promote easy access to the Island. These access improvements may include entrance way enhancements, signage, and potential additional bridge access.

In addition to the ongoing work described above, once a new developer has been selected for Area 1, the City could initiate a long-term Economic Development Strategy or other collaborative process with all stakeholders including tenants, developers, and the broader Vallejo community in order to monitor reuse progress and to periodically update goals, strategies and resources.

Goal 10: Develop North Vallejo as a Premier Visitor and Resident Gateway

***Policy 1:** The Northgate Gateway should be positioned to create a unique visitor and resident-serving destination that complements the downtown/waterfront area and other commercial centers in Vallejo.*

***Policy 2:** Encourage and support year-round utilization of the fairgrounds property to enhance visitor attraction, support a gateway image, and provide highest economic return to Vallejo.*

***Policy 3:** Support the Six Flags Marine World theme park as a family destination and important visitor attraction to Vallejo.*

***Policy 4:** Support, and where necessary, amend the Northgate Specific Plan to create a gateway area with a mix of land uses that promote economic development for the entire City. Uses to be encouraged include automobile dealerships, destination retail, Class A office space, educational facilities, and other catalyst projects that will benefit the image of Vallejo and the goals of this Element.*

***Policy 5:** Encourage and strengthen linkages between Northgate visitor attractions and retail facilities with other parts of Vallejo.*

Background

The Northgate area, roughly defined as the Solano County Fairgrounds, Six Flags, and surrounding commercial projects including the entirety of the Northgate Specific Plan, is a key economic activity center with prime freeway visibility. This area serves as the northern "gateway" into Vallejo. Six Flags continues to expand attractions and increase visitation.

This area is also an important retail destination for Vallejo and the surrounding region, and has been reinforced with the opening of Costco, and the revitalization of Gateway Plaza including the attraction of Michaels, Linens 'n Things, Old Navy, Cost Plus World Market, Pasta Pomodoro, Rubios, Cold Stone Creamery, Jamba Juice, Quiznos and a Century 14 Movie Theater. A former Save Mart store has been reused by Marshall's and Party America. The nearby Target Center has revived its tenant mix as well, including offerings such as Starbucks, Rasputin Music, Hancock Fabrics; and Sleep Train. The former movie theater at the north end of this area offers an additional opportunity for reuse.

The Solano County Fairgrounds is moving forward with the preparation of a master plan for reuse and economic self-sufficiency, with a preferred alternative being developed. The City, through its land use jurisdiction over the site, has communicated its preference for maximizing economic return to Vallejo and its residents.

In addition, the Northgate Specific Plan Area envisions significant development including a business/office park(s), additional new retail, hotel, and multifamily housing. Currently a developer is proposing mixed use housing, office and an auto dealer cluster to retain existing dealers located elsewhere in Vallejo. Over time, additional auto dealerships may also be attracted to this location, benefiting from freeway proximity.

An exciting recent initiative involves potential location of a Solano Community College satellite campus, potentially in partnership with Sonoma State University, and other education partners. This facility would serve to establish a gateway statement that goes beyond visitor-serving uses to create a key economic development asset for job training and higher education in Vallejo.

The area has also recently become an attractive site for the development of alternative energy. A solar facility supported by a \$870,000 grant from PG&E, is planned for a site north of Columbus Parkway off of Ascot Court.

Potential Implementation Strategies

The City has key roles to play in directing development in North Vallejo, including:

- Active partnership with Solano County Fair Board and private developers to reuse the fairgrounds
- Exploration of feasible reuse of former movie theater
- Provision of incentives to retain existing auto dealerships and attract new dealerships
- Development of energy resources
- Strategic partnership with Six Flags Marine World
- Support for Solano Community College and Sonoma State to locate in this area

Goal 11: Enhance Commercial Corridors to Create Vibrant Mix of Uses

Sonoma Boulevard

(Sonoma Boulevard north of Tennessee Street to Marine World Parkway)

***Policy 1:** Commission a land use and economic study of this key corridor to improve physical amenities, transportation and pedestrian connections, and land use opportunities. This study should include an assessment of viable financing and partnership strategies to foster the development of transit villages and other mixed use projects on the Boulevard.*

***Policy 2:** Support efforts to initiate and maintain consistent marketing, permitting, and land uses to solidify Sonoma Boulevard as a gateway and link between the Napa Valley and downtown Vallejo.*

***Policy 3:** Explore the creation of a new Redevelopment Project Area along this corridor to mitigate blight and provide a coordinated revitalization strategy.*

Background

The northern segment of Sonoma Boulevard offers unique challenges and opportunities to create a stronger mixed use corridor with renewed economic uses. For example, the area, currently housing automotive uses, may undergo changing conditions as dealerships move to the Northgate area. Significant vacancies already exist, highlighted by K-mart's departure, underutilization of retail spaces within commercial malls along the corridor, and other vacant or underused properties. Several large parcels along the corridor offer opportunities for new development, but have been constrained by railroad tracks, unincorporated portions, and other land use complications. The Sereno Transit Village, a 125 unit affordable housing project, was awarded a grant to prepare streetscape improvements and pedestrian connections adjoining this site; this approach could be followed along other portions of the corridor. Finally, the Fetterly Playhouse for the Arts, a 10,000 square foot space located at 3467 Sonoma Boulevard, offers the opportunity to further consolidate and strengthen a focused performing arts center.

Tennessee Street

(Tennessee Street. between I-80, west to Mare Island Causeway)

Policy 1: *Support development to promote Tennessee Street's role as a key entryway to Mare Island, with particular emphasis on the intersections of Tuolumne Street/Tennessee Street and Sonoma Boulevard/Tennessee Street. To stimulate improvement, commission a Gateway Strategic Plan for all or part (e.g., key intersections) of this corridor. The Strategic Plan should focus on improving the area's image, identifying new development projects, and establishing strong partnerships between business owners, property owners, and Mare Island stakeholders to achieve economic development and revitalization.*

Policy 2: *Explore the creation of a new Redevelopment Project Area and/or Business Improvement District (BID) along this corridor to mitigate blight and provide a coordinated revitalization strategy.*

Background

This segment of Tennessee Street serves as the primary entrance route to Mare Island, and its function will grow increasingly important as Mare Island redevelops. The Street also provides neighborhood-serving retail, business incubator services, and popular local restaurants. Interdepartmental efforts involving City and non-profit advocacy organizations, are being piloted on the corridor to assist businesses in improving the maintenance of their properties.

Safety and cleanliness are key concerns on this corridor. Creation of a Redevelopment Project Area and/or Business Improvement District (BID) could stimulate improved business and physical conditions and bring additional private investment. Feasibility studies of catalyst projects such as the former movie theater, key intersections, and mixed use residential development should be undertaken as part of a redevelopment study or commissioned separately.

Springs Road

(Springs Road east from I-80 to Columbus Parkway)

Policy 1: *Support and enhance the diverse ethnic retail base and expand on existing offerings.*

Policy 2: *Attract economically viable activities as well as recreational activities for teens, such as a retail services, skate park, recreation centers, and café and music venues appropriate for the age and interests of teens.*

Policy 3: *Explore financially sound methods to improve maintenance, support façade/streetscape improvements, improve signage, and provide for public art and gathering places along the corridor.*

Policy 4: *Relocate existing public library on Oakwood Street by building a replacement facility.*

Background

This segment of Springs Road represents a key opportunity to offer vibrant, ethnically diverse retail services to Southeast Vallejo. The area is well appreciated by the community for the services provided, from banking to shoes to groceries. Existing shops include Walgreen's, ethnically diverse supermarket's (Island Pacific Market), Subway Sandwiches, and Darcy's café. Springs Town Middle School and Hogan High School create a concentration of teens in the area. Currently, the City provides limited economic development focus to this area.

Notable concerns for Springs Road include deferred maintenance for some storefronts and inconsistent retail signage. A city-sponsored façade improvement program, in conjunction with a Business Improvement District (BID) could target resources to area needs and provide long-term stability. Feasibility studies of targeted retail and/or a youth center/skate park could provide targeted additional community anchors to this corridor.

Potential Corridor Implementation Strategies

The Sonoma Boulevard and Tennessee Street corridors would likely benefit from Redevelopment Project Area planning or other strategic land use and economic development planning to identify underutilized parcels and catalyst projects. These initiatives will grow increasingly important as retail development patterns continue to shift, Mare Island redevelops, and the City seeks to enhance its overall image and quality of life. New residential development would also promote the addition of disposable household income to the corridors, strengthening potential local retail spending and employment opportunities.

Springs Road is not considered a candidate for Redevelopment Project Area formation at this time, as the area's economic vitality is considered strong and growing. However, development of an integrated streetscape improvement program promoting landscaping, lighting, signage, and public art should be brought forward as a tool to revitalize this area. Formation of a Business Improvement District or other corridor-specific merchant and business owner group could benefit the area's promotion and maintenance. A special marketing effort to Vallejo and beyond, promoting the unique ethnic food and retail offerings, would also assist this area's economic development.

While these long-term planning initiatives are being completed, the City could also consider short-term marketing and enhancement strategies for all three corridors such as creating banners and thematic signage unique to each corridor, publishing corridor-specific business directories, and updating the City's web site to promote the identity and image of each corridor. Youth-oriented activities should be programmed in partnership with the Vallejo Youth Activities Commission.

Goal 12: Improve All City Entryways to Support Positive Image

Policy 1: Encourage the display of high quality signage, landscaping, public art, and other improvements to denote entryways to City and Mare Island from freeways and highways.

Policy 2: Support efforts to market Vallejo to through-traffic on freeways, particularly techniques targeted to freeway travelers experiencing heavy congestion. This marketing effort shall promote Vallejo as a location to visit, shop, dine, and meet as an alternative to continued through-travel.

Policy 3: Enhance the Napa River/Mare Island Strait as the key Ferry gateway for commuters and tourists.

Background

The EDC believes that a marketing opportunity exists aimed at heavy freeway through-traffic on I-80 and other major highways. For many potential visitors and commuters, Vallejo is the place where traffic slows, but Vallejo is not perceived as a destination. Though the Vallejo Chamber previously commissioned the design of Welcome Signs, their placement was not implemented due to the need for collaboration with CalTrans. Another key entryway via the water on the Ferry also offers a point for promotion for Vallejo attractions and retail/dining options.

Potential Implementation Strategies

This goal and policies could be implemented through a coordinated effort to create entryway signage, encourage maintenance and landscaping, and/or other regulatory initiatives to stimulate entry demarcation.

Appendix A: Economic Development Commission Members & Project Team

Vallejo Economic Development Commission Members (January 2003)

Chairman Ryan Chandler
Vice Chairman Henry Thorpe Jr.
Commissioner Steve Balassi
Commissioner Anil Comelo
Commissioner Violeta Espiritu
Commissioner Val Flores
Commissioner Patrice Hall
Commissioner Earl Roberson

The Commission also extends its thanks to former Chair Jose Silva for initial leadership in the drafting of this Element.

Vallejo Project Team

Mr. Alvaro P. da Silva, Community Development Director
Mr. Alan Wolken, Economic Development Program Manager
Ms. Annette Taylor, Community Development Analyst

Consultants: Bay Area Economics (BAE)

Ms. Janet Smith-Heimer, Project Manager
Ms. Amber Evans, Associate
Ms. Alison Watkins, Analyst

Appendix B: Background Reports & Interviews

The following documents were used to formulate this Economic Development Element:

- *Vallejo Economic Vision* (City of Vallejo, 1998)
- *Waterfront Master Plan* (City of Vallejo, 1999) and *Waterfront Development and Disposition Agreement* (City of Vallejo, August, 2000)
- *Mare Island Reuse Plan* (City of Vallejo, July, 1994)
- *Vallejo High Tech Readiness Report* (City of Vallejo, February, 2001)
- Vallejo Economic Development Commission Meeting Minutes and Public Comments (December 2001 through May 2002)
- *Vallejo Background Economic Conditions Analysis* (Bay Area Economics, 2002)

Key informant interviews conducted during the formulation of this Element included:

- Kim Myrman and staff, *Solano County Fair Grounds*
- Jean Guillot and staff, *CCRC*
- Linda Brown, *SEDCORP*
- Tom and Debbie Egidio, *Vallejo Visitor and Tourism Bureau*
- Chuma Ikenze, *Vallejo Business Incubator*
- Dan Armenta, *Grant Consultant*
- Scott Falcone, *Citizen's Housing Corporation* (regarding Sereno Transit Village)
- Rick Williams and Erin Miller, *Van Meter Williams and Pollack* (regarding Sereno Transit Village and Sonoma Boulevard improvement plans)

CITY OF VALLEJO
ECONOMIC DEVELOPMENT STRATEGIC PLAN
AND STRATEGIC MARKETING PLAN
EXECUTIVE SUMMARY
SEPTEMBER 11, 2012



Economic Analysis
Market Assessment
Primary Market Research

City of Vallejo

Economic Development Strategic Plan

And Strategic Marketing Plan

Prepared by:

RDA Global Inc.

In Partnership with

DCI – The Leader in Marketing Places

September 11th, 2012

Executive Summary

Industry Clusters

There are four industry clusters that drive much of Vallejo's economy and they are together responsible for over 60% of all employment in Vallejo:

1. **A healthcare sector** which employed 6,658 workers in 2009, representing 27% of private sector employment.
2. **Industries that are linked to tourism**, including arts, entertainment, recreation, accommodation, and food services, which together employed 4,516 workers in 2009, representing 18% of private sector employment.
3. **A diversified manufacturing-related industrial sector** that employs approximately 3,050 workers in three industries: construction (1,922 workers in 2009 or 7.8% of private sector employment – mainly in heavy civil engineering construction), warehousing and transportation (603 workers or 2.5% of employment), and manufacturing (529 workers or 2.2% of employment).
4. **A cluster of higher education institutions** which include Touro University, Cal Maritime University, Solano Community College, and a new program offered by Sonoma State; all of these together employ over 800 workers.

Assets

These sectors are supported by several economic development assets including three assets that give Vallejo a distinct comparative advantage:

- **Highly-skilled and available workforce.** Corporate real estate professionals surveyed as part of this economic development plan ranked the availability of a skilled labor force as the single most important factor in making a site selection decision. Vallejo benefits from a highly-skilled and available workforce, especially at the technician level.
 - Approximately 31% of workers in Vallejo have an associate's degree or some college education, compared to 22% of workers in the Bay Area.¹
 - Businesses that require workers with this skill level will benefit from locating in Vallejo and drawing from the pool of approximately 61% of Vallejo residents that commute out of the city for work.
 - Commuters out of Vallejo have experience in many industry sectors but three industries employ the majority (53%) of all commuters:
 - Manufacturing, Transportation, Warehousing, and Logistics,
 - Healthcare, and
 - Professional, Insurance, and Financial Services
- **Low costs of doing business.** KPMG's annual study of average costs of doing business in global cities ranks the San Francisco Area ahead of NYC, London, and other global centers as one of the world's most expensive places to do business. Vallejo, by contrast, is one of the Bay Area's most cost-competitive places for business.
 - Average labor costs in Vallejo are approximately half that of the average for the Bay Area.
 - Average office space lease rates in the Vallejo-Fairfield-Napa market in 2011 were 18% lower than San Francisco and 11% lower than Oakland and costs for land and real estate in Vallejo are among the lowest in the Bay Area.
 - Based on a comparison of 15 Bay Area cities, Vallejo's impact fees² for new industrial development are the second-lowest for a benchmark new 100,000 sq ft industrial development.³

¹ Source: American Community Survey 2010

² Impact fees are typically the largest component of development-related fees

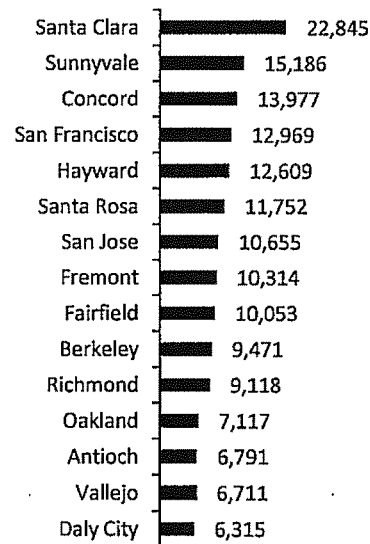
- Among 35 cities reviewed in the Bay Area, Vallejo has the third-lowest business license fee structure for professional firms and the fourth lowest fee structure for manufacturing firms.⁴
- Vallejo's utility tax rates are lower than other manufacturing-focused cities including Alameda, Oakland, Richmond and San Francisco.
- **Location & transportation infrastructure.** When asked about Vallejo's strategic assets, the most commonly-mentioned advantage cited by business leaders in Vallejo is the city's location and regional transportation connectivity.
 - As the hub of the North Bay, strategically located between San Francisco and Sacramento, Vallejo is connected to the region via 6 highways, operational rail infrastructure connecting to the national Tier 1 rail system, and in close proximity to air transportation facilities.
 - International trade, transportation, and logistics are important drivers of the regional economy and Vallejo is located along channels connecting the Port of Oakland, the nation's fifth-highest volume port for container traffic, with other inland ports.

Economic Performance

Despite highly competitive assets, over the past decade the Vallejo economy has experienced economic decline caused in part by the lingering effects of the closure of the Mare Island Naval Shipyard, the 2007-2008 economic crisis, the city's historic bankruptcy and other factors.

- Vallejo's population in 2010 was 115,942, down from 116,760 ten years earlier.
- Private sector employment in Vallejo was 24,564 in 2009, down nearly 900 workers from 25,446 employees in 2000.⁵
- Retail sales and use tax receipts in Vallejo in 2009 were \$7.78 million in 2010-11, down 30% from \$11.11 million in 2000-01,⁶ with Vallejo ranking as the second-lowest level of sales tax per capita of any city in the Bay Area with population over 100,000.
- The City's property tax receipts (incl. property tax-in lieu (MVLIF)) experienced a 29% decline between 2007/08 and 2011/12.

Figure A Retail Sales per Capita 2010, Bay Area Cities Over 100k Population



Source: California State Board of Equalization, 2010 Census.

³ Estimates are calculated using fee schedules available on city government websites, and may not be inclusive of all potential developer impact fees associated with a particular project. Some municipalities do not publish all fees online and some cities require a developer to submit a project plan before the city will calculate an estimate of fees. Numerous complexities are involved in creating an accurate basis for total fee comparison and therefore these cost estimates are intended to serve as a general guide for comparative purposes between Bay Area cities, not an exact cost estimate. Permitting, application, design review, engineering and other taxes and fees are not included in this cost comparison, and vary significantly by municipality.

⁴ Business license fees are a small component of the cost of doing business, but progressive business license fees in some jurisdictions can result in high annual business license costs.

⁵ Source: Censtats Database

⁶ Source: State Board of Equalization

The City's budget for 2013-2017 assumes that much of the city's future revenue growth will be driven by annual increases in retail sales (averaging 4% increase per year) and increases in property tax (increases of 2% per year beginning in 2013-2014). Meeting these targets will require a strategic and coordinated effort to increase the city's tax base and grow retail sales.

Challenges

An economic base assessment coupled with interviews with Vallejo business leaders and corporate real estate professionals identified several problems that have adversely affected Vallejo's growth. Top problems include:

- **Negative views of Vallejo.** Vallejo business leaders identified negative perceptions of Vallejo as a top problem affecting growth. Indeed, the survey of corporate real estate professionals and site selectors revealed that Vallejo is not well known for its strengths, but investors are keenly aware of the city's weaknesses. Site selectors associate Vallejo with bankruptcy, crime, and a government that is not business-friendly and are unaware of Vallejo's cost competitiveness, strategic location, or attractive labor force.
- **Crime and public safety.** This concern affects the entire business environment. Healthcare providers mentioned that safety concerns affect the willingness of patients from outside the city to come to Vallejo for care; manufacturers expressed concerns over copper theft, and perceptions of crime obviously have an adverse affect on the City's ability to attract visitors.
- **Critiques of City government inefficiency and of uncertainty related to political leadership.** Business leaders complained that:
 - The City is not customer-service oriented and constrained by limited staff resources,
 - Organizational leadership is inconsistent with a succession of City managers,
 - There is a lack of clearly communicated plans for growth and development. Investment is limited by a high level of uncertainty with regard to what types of projects and businesses are desired in Vallejo (Several mentions of missed growth opportunities and conflicting visions of Vallejo), and
 - Critiques that important issues go neglected or that the priorities of City leadership do not align with that of businesses.
- **Slow pace of remediation on Mare Island.** High environmental cleanup costs, high costs of renovating historic properties, and complexity of ownership structures of Mare Island inhibit the speed of remediation efforts.
- **Retail shopping, dining, and accommodation services are underdeveloped.** As a result, the city does not capture tourism-related spending and sales tax revenues linked to visitors to Six Flags and other attractions, which instead leak to neighboring jurisdictions. A lack of well-developed second-day attractions for tourists further reduces the potential for overnight stays. The lack of available dining and entertainment also adversely affects the ability of higher education entities to attract students, faculty and staff.
- **Manufacturers, real estate developers and officials at Touro all expressed concern about the poor condition of the north end of Mare Island** and the lack of a clear plan (including timeline and costs) for redeveloping that section of the island.
- **Educational attainment of Vallejo residents is low for Bachelor's level and higher degrees, and Vallejo high school drop-out rates are among the highest in California.** Unaddressed, these risks will undermine long-term prosperity and quality of life.
- **Vallejo's competitiveness as a manufacturing location and ability to benefit from growth in international trade at the Port of Oakland is limited by a lack of transportation development for water-based shipping and would be strengthened by improved roads and rail.**

- **While land is available, there is a lack of investment-ready land and property in Vallejo.** Economic development is limited by high costs of development on Mare Island due to geotechnical issues. In addition, there are land-use issues pertaining to the mixing of upscale and historic housing, educational institutions, historic sites, and wildlife preserve with industrial and manufacturing operations and rail transit.

A comparatively small employment and industry base, comparatively low property values, underperforming retail base, and high level of retail leakage together culminate in low per-capita city tax revenues which constrain the City’s ability to make improvements to city services and infrastructure.

Economic Development Goals, Objectives and Implementation Steps

To address Vallejo’s economic development problems, a set of 10 goals have been set that are designed to increase growth in the tax base, increase sales tax revenues at businesses and retail locations, and improve the overall economic vitality of the city.



Goals are divided into two categories: (1) goals to improve Vallejo’s business environment and (2) goals to strengthen and support growth in the four industry sectors driving much of Vallejo’s economy. Achieving these goals also requires the presence of enabling conditions for economic growth. These conditions require action and will not, by themselves, spur economic growth; however the absence of positive enabling conditions will undermine other economic growth strategies. The implementation timeline for the plan covers actions to be taken over a five-year period. A 12-month marketing communications and public relations plan has also been developed to help transform attitudes and perceptions of Vallejo and elevate the profile of the city among a regional, national and global business audience as a great choice for companies looking to expand, relocate or start up, especially in Vallejo’s target industries.

A high-level summary of goals and objectives of the economic development strategic plan is outlined below, followed by a summary of 10 key marketing actions to be taken in the next year. Detailed implementation information is contained within the comprehensive economic development plan.

Goal	Objectives
1. Establish a business retention and expansion program. Recognizing that the majority of new job creation comes from existing firms, this program will provide high-leverage resources to support expansion of Vallejo businesses and resolve issues that negatively affect business vitality.	<ol style="list-style-type: none"> 1. Establish a coordinated business visitation program to assess the needs of existing companies in Vallejo and connect business owners and managers with resources to grow their businesses including resources for access to capital, innovation, market development, cost reduction and sustainability through efficient use of raw materials, water, and energy and reduction in solid waste. 2. Establish an “Economic Gardening” program to grow the Vallejo economy through entrepreneurship.

Goal	Objectives
2. Attract new businesses and investment to Vallejo.	<ol style="list-style-type: none"> 1. Maintain a Vallejo marketing plan that actively manages public perception of Vallejo and promotes awareness of Vallejo's strategic advantages. (See First-Year Marketing Plan for details). 2. Establish and aggressively promote advantages of doing business in Vallejo and position Vallejo as the Bay Area's lowest cost place to do business. 3. Consider short-term incentives to attract new investment such as deferral of impact fees for qualified new investments.
3. Operate City government in a way that prioritizes economic development.	<ol style="list-style-type: none"> 1. Ensure consistent, understandable and predictable regulatory framework. 2. Continuously improve the efficiency of City government services to businesses.
4. Increase retail sales, capture sales tax leakage in key sectors, and increase local employment at retail shopping and dining businesses.	<ol style="list-style-type: none"> 1. Within the Vallejo General Plan update, establish well-defined locations for retail corridors serving targeted consumer market segments including residents, visitors, and the people who work in Vallejo. 2. Improve underperforming retail centers. 3. Strategically recruit retailers and dining establishments. 4. Promote Vallejo as a shopping and dining destination.
5. Maintain the competitiveness of Vallejo's labor force by increasing the skill level of the workforce.	<ol style="list-style-type: none"> 1. In partnership with the Solano Workforce Investment Board and Solano Community College, promote and prioritize job training that results in professional credentials and certifications. 2. Partner with Solano Workforce Investment Board to aggressively pursue funding and technical assistance opportunities through state and federal economic development programs. 3. Encourage Vallejo residents to finish high school. 4. Make Vallejo attractive to talent from elsewhere. 5. In partnership with Solano Workforce Investment Board and other local educational, apprenticeship training and employment-related service providers ensure continued investment in education and the job-related skill sets of the resident workforce.
6. Increase the availability and visibility of investment-ready land and attract new development	<ol style="list-style-type: none"> 1. Improve the visibility, understanding, and marketing of existing properties available for investment. 2. Support brownfields redevelopment. 3. Establish a high-priority plan for development on North Mare Island.
7. Make Vallejo the Bay Area's premier site for manufacturing.	<ol style="list-style-type: none"> 1. Support growth in international trade and export sales that creates jobs and potentially increases City sales tax revenues. 2. Improve ability of manufacturers to ship from Mare Island across all transportation modes. 3. Update land use policy in the General Plan that supports manufacturing growth on Mare Island and in other industrially-zoned areas. 4. Attract new investment from businesses that are linked to regional manufacturing sectors promoted by Solano County EDC including food and beverage production, life science manufacturing, clean technology and other manufacturers creating high-wage jobs. 5. Establish and promote an Expedited Plan Review Service for qualified manufacturers investing in Vallejo.
8. Grow a family tourism sector in Vallejo by strengthening Six Flags Discovery Kingdom as a driver of demand, building Vallejo's total tourism product, increasing overnight visitor stays, and increasing visitor spending.	<ol style="list-style-type: none"> 1. Establish a Vallejo Tourism Master Plan to guide development of Vallejo's tourism economy. 2. Enhance Vallejo's Naval Heritage Experience as a Driver of Tourism Demand. 3. Regularly meet directly with Six Flags management to identify and take action on any issues that affect visitor experiences at the park. 4. Consider establishment of an entertainment district near the waterfront, in downtown, or near Six Flags to cluster hotel, dining, and entertainment venues in close proximity to one another. 5. Locally promote the importance of a strong, diverse tourism economy by communicating directly with key public and private officials, and garnering the support of the media. 6. Support the Vallejo Convention and Visitors Bureau to build visibility and improve awareness of Vallejo's assets among the target market segments.

Goal	Objectives
9. Increase investment in healthcare services and life-sciences manufacturing in Vallejo.	<ol style="list-style-type: none"> 1. Consider ways to strengthen relationships between local research universities that support technology transfer and business start-ups in Vallejo including the potential for Vallejo to support a business incubator at a life science business park. 2. Further develop health and life science training opportunities in Vallejo and promote these resources in marketing materials on the economic development department website. 3. Partner with Solano EDC, brokers, and developers to market sites that are suitable for life-sciences manufacturing investment related to the life sciences sector.
10. Support growth linked to higher education institutions in Vallejo.	<ol style="list-style-type: none"> 1. Each of the three higher education institutions in Vallejo may experience expansion in the future, however costs linked to redevelopment of existing structures poses a difficulty for expansion of research space at Touro University and could pose a problem for other institutions looking to expand their facilities. These challenges are addressed through the land development section of the plan which provides support for redevelopment of brownfields sites. 2. Institutions noted the lack of high quality dining, entertainment and retail shopping in Vallejo as a limiting factor affecting the ability to recruit students, faculty and staff. These concerns are addressed through the retail development and tourism sector strategies. 3. A review of growth strategies for university towns suggests that most economic development strategies linked to universities are designed to capitalize on discoveries and new technologies developed at research universities. Vallejo has one research university, Touro, and is in close proximity to UC Berkley and UC Davis. The Health Sector growth strategy includes an objective to evaluate the feasibility of a business incubator in connection with a life sciences business park located near Touro University.
Maintain an environment that is conducive to economic development.	<ol style="list-style-type: none"> 1. Maintain public safety. 2. Maintain a high quality built environment. 3. Support improvement in high school graduation rates and a strong public education system.

Marketing Plan – 10 Key Activities in the Year Ahead

Vallejo has the advantage of being one of the lowest-cost places to do business in the Bay Area and offers an available, highly-skilled technician-level labor force. These advantages as well as other competitive assets will be promoted to target audiences through ten key activities in the marketing plan.

- 1) Develop a new brand, logo and tagline for the City
- 2) Produce targeted marketing collateral to effectively communicate key assets
- 3) Implement key website recommendations and begin planning for a new economic development micro-site
- 4) Engage local stakeholders and internal audiences with an ambassador program
- 5) Educate regional economic development and business partners about Vallejo’s key advantages and assets
- 6) Launch an aggressive media relations campaign
- 7) Start an aggressive lead generation program (prospect development and qualification)
- 8) Build relationships with site selectors
- 9) Network at key trade shows in the Bay Area and beyond
- 10) Strategic and targeted advertising