

PINOLE ECONOMIC DEVELOPMENT STRATEGY



**CITY OF PINOLE, CA
OCTOBER 2022**



THE NATELSON DALE GROUP, INC.

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1. INTRODUCTION

This document provides a strategic framework to guide the City of Pinole's economic development policies and programs over the next 5.5 years (starting January 1, 2023). The Pinole Economic Development Strategy (EDS) is based on a comprehensive research and stakeholder input process, and reflects consensus views on the most promising opportunities and the most pressing challenges facing Pinole's economy. While the EDS places primary emphasis on actions and initiatives to be pursued by the City, it recognizes that a wide array of public- and private-sector entities have roles in influencing the economic vitality of Pinole. In this regard, some of the recommended actions will be carried out through partnerships with other entities. Even for those action items in which the City's role is essentially coordination, this function can take many forms and is often critical to solving problems that may not otherwise have a clear constituency or single responsible entity assigned to resolving them.

OVERVIEW OF THE STRATEGIC PLANNING PROCESS

The recommended policies and program activities are based on an extensive planning process that included the following components:

- An analysis of Pinole's existing and projected demographic profile, providing an understanding of underlying trends that may affect economic growth potentials.
- Direct input from a cross section of the City's economic development stakeholders (the EDS Committee listed below) via a series of workshop-style meetings.
- A community workshop and City Council study session to receive public and policymaker input on a draft version of the EDS.
- A review of the various public- and private-sector entities involved in different aspects of economic development (or related activities).
- An industry "cluster" analysis to identify the industry groups (clusters) that are the most important "engines" of the existing local economy, as well as the industry groups that are likely to offer the most attractive growth potentials in the future.
- A real estate market analysis to identify potential future demand for commercial and industrial development in the City.

For both the industry cluster analysis and the real estate demand projections, conclusions were screened through the lens of the ongoing pandemic to identify ways in which immediate and longer-term market opportunities may be altered due to current conditions.

Where relevant, key findings of the background and technical studies are referenced in the EDS.

EDS COMMITTEE

The City of Pinole gratefully acknowledges the participation of the following individuals in the preparation of the EDS:

Alex Gomez, *Kitchen 812*

Brian Baniqued, *Baniqued Commercial Real Estate*

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Patience Ofodu, *Workforce Development Board of Contra Costa County*

Richard Schoebel, *Retail Opportunity Investments Corp.*

Stephen Baiter, *East Bay Economic Development Alliance*

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Pinole EDS at a Glance

Action Plan Goals and Scope

Goals of the EDS Action Plan	
	Expand economic opportunities for Pinole's resident workforce
	Leverage the economic development potentials of Pinole's historic downtown and waterfront areas
	Revitalize Pinole's other commercial and industrial areas
	Strengthen the City's fiscal position
Foundation conditions integral to the main focus of attracting/retaining targeted business investment	
	The City's reputation for business/development friendliness
	Land, zoning and infrastructure capacity
	Entrepreneurial development resources
	Education/workforce development systems
	Placemaking activities that leverage Pinole's unique locational advantages and sense of community
	Overall image and quality of life

Overview of EDS Initiatives

The EDS Action Plan is organized around six major initiatives, shown below and detailed in Chapter 5 of the EDS. In addition to the City's in-house staffing, non-City partner organizations will carry out some components of the EDS Action Plan, as shown below. Specific partner roles will be defined prior to finalizing the EDS.

Major Initiatives / Entity Roles		City ED Coord.	Comm. Dev.	Other City	Partners	Contractors
Business Development / Job Creation						
	1: Implement economic development branding/marketing program	L			S	S
	2: Focus City's business retention/expansion/attraction efforts around high-priority clusters	L	S	S	S	
	3: Collaborate with reg. partners to expand entrepreneurial development	C	S	S	L	
Creating an Environment for Economic Progress						
	4: Systematically review & strengthen City's business & development friendliness	L	S	S	S	
	5: Expand development capacity and pursue placemaking projects	S	L	S	S	
	6: Enhance City's interface with education/workforce devel. partners	C			L	
L = Lead, S = Support, C = Coordination						

EDS Implementation within Pinole Organizational Structure

Currently the City has no ED-specific staff positions. In order to effectively implement the initiatives outlined in the EDS, the City will need to add ED-specific staffing. At least initially, responsibilities will be shared between the new staff position and Community Development, as summarized below.

New ED Staff Position: Economic Development Coordinator	Community Development Director
Core responsibilities:	
Business growth and development attraction:	Development capacity and placemaking:
Branding/marketing coordination	Updating/implementing land use plans to expand development/ redevelopment capacity
Business/development friendliness practices	Placemaking improvements to special focus areas (e.g., Downtown, Waterfront)
Business retention, expansion, attraction	Coordination of infrastructure improvements for targeted development areas
Entrepreneurial development	Affordable housing interface
Business/development financing tools	
Workforce development interface	
Coord. With non-City ED partners	

Target Industries for Attraction

The nine recommended strategic industry cluster targets are organized below under the two categorical headings within which they were derived:

Core strengths. Building on Pinole's existing core economic strengths

Regional clusters. Dominant regional industry clusters that are not currently well represented in Pinole

Targeted Industry Clusters	Core strengths	Regional clusters
1. Retail/Restaurant (focused tenant recruitment in tandem with targeted commercial areas revitalization)	✓	
2. Health Services	✓	
3. Hospitality and Tourism	✓	
4. Information Technology and Analytical Instruments		✓
5. Medical Devices		✓
6. Communications Equipment and Services		✓
7. Business/Professional Services		✓
8. Insurance Services (insurance carriers)		✓
9. Video Production and Distribution (motion picture production and related industries)		✓

2. EXECUTIVE SUMMARY

ACTION PLAN GOALS AND SCOPE

The EDS Action Plan is designed to achieve the following major goals:

- Expand economic opportunities for Pinole's resident workforce
- Leverage the economic development potentials of Pinole's historic downtown and waterfront (bay/creek) areas
- Revitalize Pinole's other commercial and industrial areas
- Strengthen the City's fiscal position

Whereas these goals largely revolve around attracting and retaining targeted business investment, the Action Plan recognizes that the strength of the local business/development environment will ultimately depend on Pinole's strategic attention to a range of "foundational" conditions such as:

- The City's reputation for business/development friendliness
- Land, zoning and infrastructure capacity
- Entrepreneurial development resources
- Education/workforce development systems
- Placemaking initiatives that leverage Pinole's unique locational advantages (including historic and cultural resources) and sense of community
- Overall image and quality of life



POSITIONING OF EDS IMPLEMENTATION WITHIN CITY OF PINOLE'S ORGANIZATIONAL STRUCTURE

A principal purpose of the EDS is to recommend an organizational structure for implementation of an expanded City of Pinole economic development (ED) program. Currently the City has no ED-specific staff positions and ED-related functions are largely carried out by the City Manager's Office and Community Development Department. In order to effectively implement the initiatives outlined in the EDS, the City will realistically need to add ED-specific staffing to complement the existing organizational framework.

The recommended work program assumes that lead responsibility for implementing the various initiatives would be shared between *a new economic development staff position (tentatively titled "Economic Development Coordinator") and the Community Development Director.*

The new Economic Development Coordinator position would be housed in the Community Development Department and be dedicated to economic development on a 0.5 FTE basis.

The table below shows the general delineation of EDS roles and responsibilities between the Economic Development Coordinator and the Community Development Director.

Economic Development Coordinator	Community Development Director
<i>Core responsibilities:</i> Business growth and development attraction:	<i>Core responsibilities:</i> Development capacity and placemaking:
• Branding/marketing coordination • Business/development friendliness • Business retention, expansion, attraction • Entrepreneurial development • Business/development financing tools • Workforce development interface • Coordination with non-City economic development partners	• Updating and implementation of land use plans to expand capacity for commercial/industrial development and revitalization • Placemaking improvements to special focus areas (e.g., Downtown, Waterfront) • Coordination of infrastructure improvements for targeted development areas • Affordable housing interface

OVERVIEW OF EDS INITIATIVES

The EDS Action Plan is Organized around six major initiatives:

Business Development / Job Creation	
Major Initiative 1:	Implement economic development <i>branding/marketing</i> program
Major Initiative 2:	Focus City's <i>business retention/expansion/attraction efforts</i> around high-priority industry clusters
Major Initiative 3:	Collaborate with regional partners to expand availability of <i>entrepreneurial development</i> resources in Pinole
Creating an Environment for Economic Progress	
Major Initiative 4:	Systematically review and strengthen City's <i>business/development friendliness</i>
Major Initiative 5:	Expand <i>development capacity</i> and pursue <i>placemaking</i> projects
Major Initiative 6:	Enhance City's interface with <i>education/workforce development</i> partners

ASSIGNMENT OF LEAD, SUPPORT AND COORDINATION ROLES

Some components of the EDS will be carried out through partnerships with non-City partners, with lead, support and coordination roles assigned as follows:

Major Initiative	Recommended Assignment of Lead, Support and Coordination Roles				
	City Economic Development Coordinator	Community Development Director	Other City Departments	Partners	Contractors/Consultants
1. Branding/Marketing	Lead			Support	Support
2. Business Retention/Expansion/Attraction	Lead	Support	Support	Support	
3. Entrepreneurial Development	Coordination	Support	Support	Lead	
4. Business / Development Friendliness	Lead	Support	Support	Support	
5. Development Capacity / Placemaking	Support	Lead	Support	Support	
6. Workforce Interface	Coordination			Lead	

The Action Plan indicates the names of specific partner organizations that would potentially have support roles in the EDS initiatives. These organizations have not made specific commitments at this time. Prior to implementing the EDS, the City will have individual discussions with prospective partners to define their potential levels of participation (and the City recognizes that partner commitments to the EDS may involve the City's financial support of the partners' implementation activities).

BUSINESS RETENTION/EXPANSION/ATTRACTION TARGETS

The EDS target industry analysis identified a total of 15 industry clusters that are of potential interest to Pinole. Among the 15 clusters, nine are recommended as strategic targets in the EDS Action Plan. The strategic targets are organized below in two categories:

- **Pinole's existing core strengths.** Strategic approach: retain and expand industry clusters identified as existing core strengths in Pinole (Local Health Services would be an example of an existing core strength)
- **Regional (Contra Costa County) clusters.** Strategic approach: tap into dominant regional industry clusters that are not currently well represented in Pinole (e.g., Information Technology and Analytical Instruments)

Priority Industry Cluster	Strategic Approach	
	Build on Existing Strength	Tap Into Regional Clusters
1. Retail/Restaurant (focused tenant recruitment in tandem with commercial area revitalization and Downtown improvement efforts)	✓	
2. Health Services	✓	
3. Hospitality and Tourism (including potential attraction of hotel development)	✓	
4. Information Technology and Analytical Instruments		✓
5. Medical Devices		✓
6. Communications Equipment and Services		✓
7. Business/Professional Services		✓
8. Insurance Services (insurance carriers)		✓
9. Video Production and Distribution (motion picture production and related industries)		✓

3. SWOT ASSESSMENT

The technical studies and stakeholder input provided the basis for identification of important SWOT (strength-weakness-opportunity-threat) factors affecting Pinole's economic development potentials. The most significant SWOT issues are summarized below.

SWOT SUMMARY FOR PINOLE ECONOMIC DEVELOPMENT STRATEGY			
Strengths		Weaknesses	
- Pinole's retail/restaurant facilities attract consumers from the larger (West Contra Costa County) region - Waterfront is an attractive amenity to both residents and visitors - Post-pandemic employment and development trends are likely to help high-amenity communities outside major employment centers		- Limited existing supply of competitive office and industrial development - Limited land capacity for future development - Pinole's percentage of residents with bachelor's, graduate or professional degrees is considerably lower than the East Bay's overall; this potentially limits business attraction options for tech-oriented firms - City's small size/staffing can make it challenging to interface effectively with businesses	
Opportunities		Threats	
- Potential to expand Downtown Pinole's functionality and status as regional destination for shopping, dining, entertainment - Potential to enhance waterfront (bay/creek) - Significant local labor force that currently commutes out of the region: potential opportunity for business attraction and entrepreneurial development efforts - Potential to broaden Pinole's demographic makeup (i.e., attract more workers attractive to tech firms) by expanding housing product mix, including work-from-home considerations - Region is economically dynamic		- Pinole's economy is currently focused mostly on local-serving businesses/jobs; export-oriented industries (with the potential for higher salaries and multiplier impacts) are under-represented in Pinole compared to the rest of the East Bay region - Global declines in brick-and-mortar retail sales are especially problematic to communities over-dependent on local-serving industries - Future population and employment growth are expected to be minimal, reflecting the City's limited supply of developable land	

4. HIGHLIGHTS OF BACKGROUND/TECHNICAL STUDIES

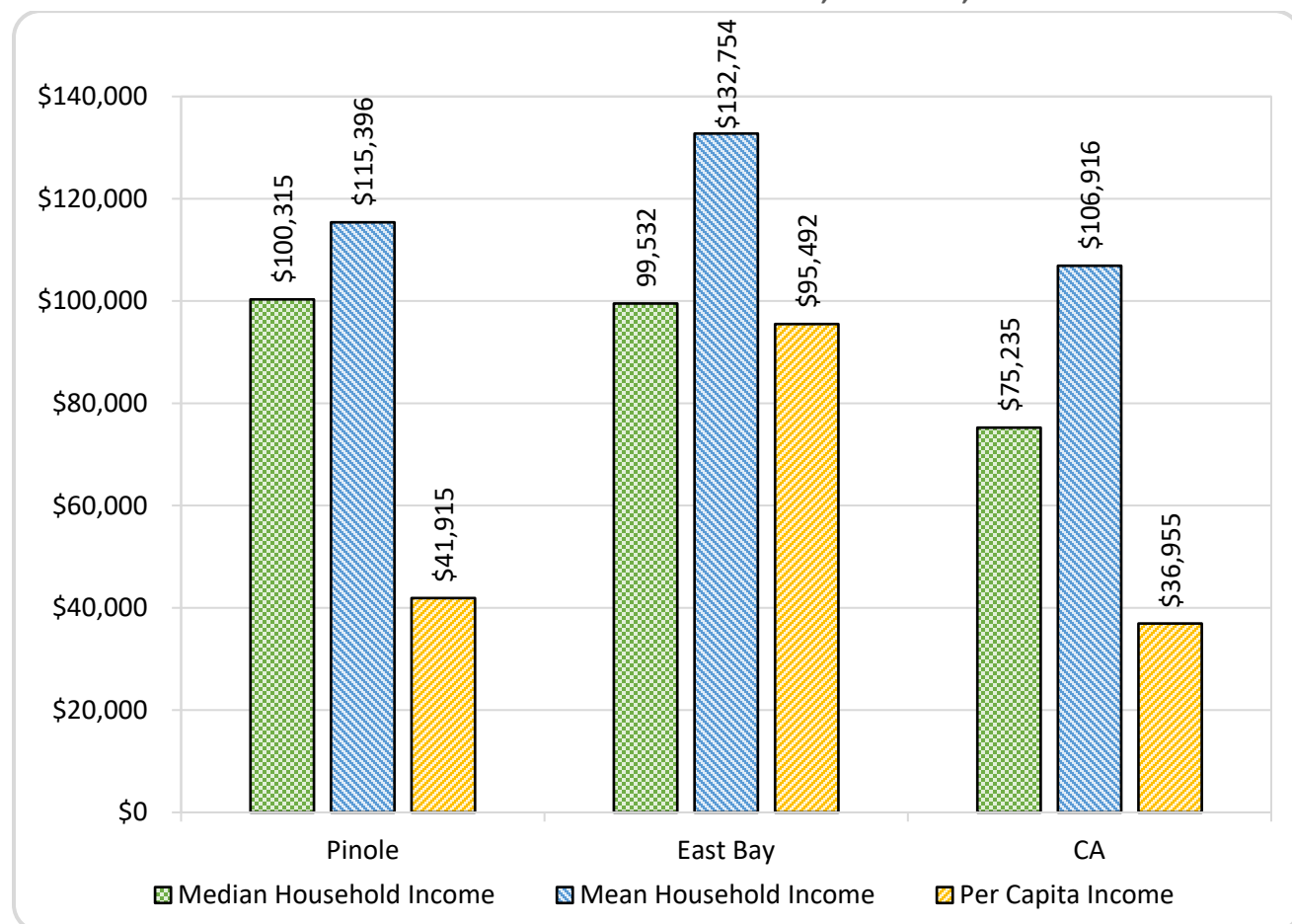
DEMOGRAPHIC AND ECONOMIC OVERVIEW

Census-Based Demographic Profile

The following data were obtained from the U.S. Census Bureau, American Community Survey (ACS) 5-year estimates (2015-19). Data are provided for primarily the City of Pinole, East Bay region (Alameda and Contra Costa counties), and the State of California.

Household and Per Capita Income Levels. Figure 1 provides a summary of income and labor force-related data from the ACS. In terms of household income ranges, Pinole's largest share of households (22.4%) by income category occurs in the \$100,000 to \$149,999 range. Median household income in Pinole (\$100,315) exceeds the state level (\$75,235) and is slightly above the East Bay median (\$99,532). Similarly, Pinole's average (as distinct from the median) household income level (\$115,396) is above the State's but below the East Bay's (\$132,754).

FIGURE 1. CENSUS DATA ON INCOME LEVELS – PINOLE, EAST BAY, AND CALIFORNIA



Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates; TNDG.

TABLE 2. CENSUS DATA ON EDUCATIONAL ATTAINMENT - PINOLE, EAST BAY, AND CALIFORNIA

Census Variable	Pinole	East Bay	CA
Education			
Educational Attainment - Population 18 to 24 Years			
Less Than High School Graduate	4.7%	9.9%	11.0%
High School Graduate (Includes Equivalency)	20.9%	28.7%	30.4%
Some College or Associate's Degree	68.0%	46.4%	47.9%
Bachelor's Degree or Higher	6.4%	15.0%	10.7%
Educational Attainment - Population 25 Years and Over			
Less Than 9th Grade	5.2%	5.8%	9.2%
9th to 12th Grade, No Diploma	5.5%	5.3%	7.5%
High School Graduate (Includes Equivalency)	18.6%	17.4%	20.5%
Some College, No Degree	30.0%	18.9%	21.1%
Associate's Degree	9.1%	7.1%	7.8%
Bachelor's Degree	21.6%	26.9%	21.2%
Graduate or Professional Degree	10.1%	18.5%	12.8%

Source: U.S. Census Bureau, 2015-2019 American Community Survey 5-Year Estimates; TNDG.

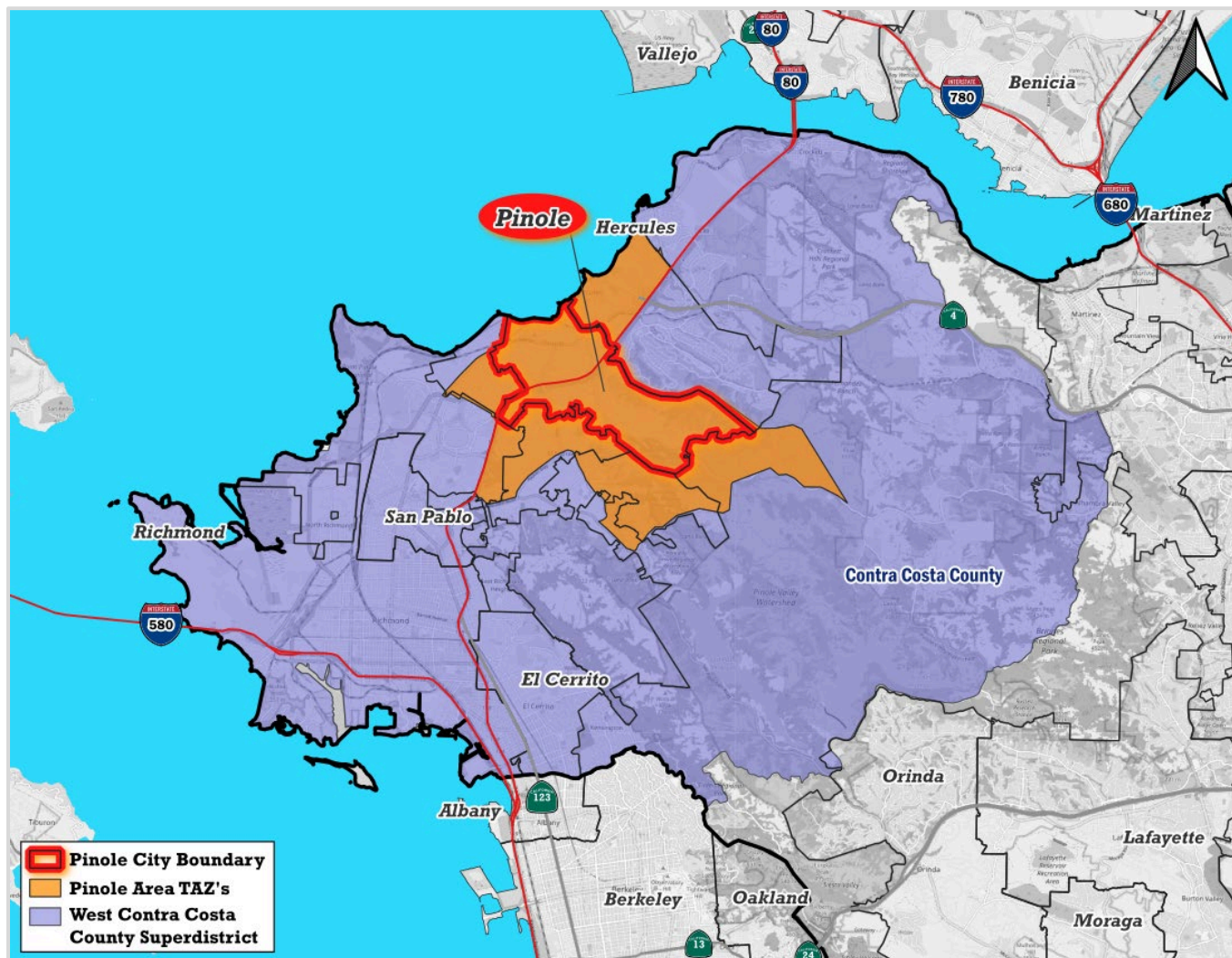
Population and Employment Forecasts (ABAG)

In October 2021 the Association of Bay of Governments (ABAG) ABAG adopted Plan Bay Area 2050, which provides the latest official demographic forecasts for the region. The forecasts are not provided for individual jurisdictions, but are available at the county, subcounty ("superdistrict") and Transportation Analysis Zone (TAZ) levels. Since city-level data are not available, the report summarizes ABAG data for the following geographies:

- "Pinole area" TAZ's (this is an aggregation of data for TAZ's that are wholly or partly within the City of Pinole)
- The West Contra Costa County superdistrict
- Contra Costa County
- The East Bay region (Contra Costa and Alameda counties combined)
- The overall Bay Area (all ABAG counties)

Figure 2 shows the Pinole area TAZ's and the West Contra Costa County superdistrict in comparison to the City of Pinole boundaries.

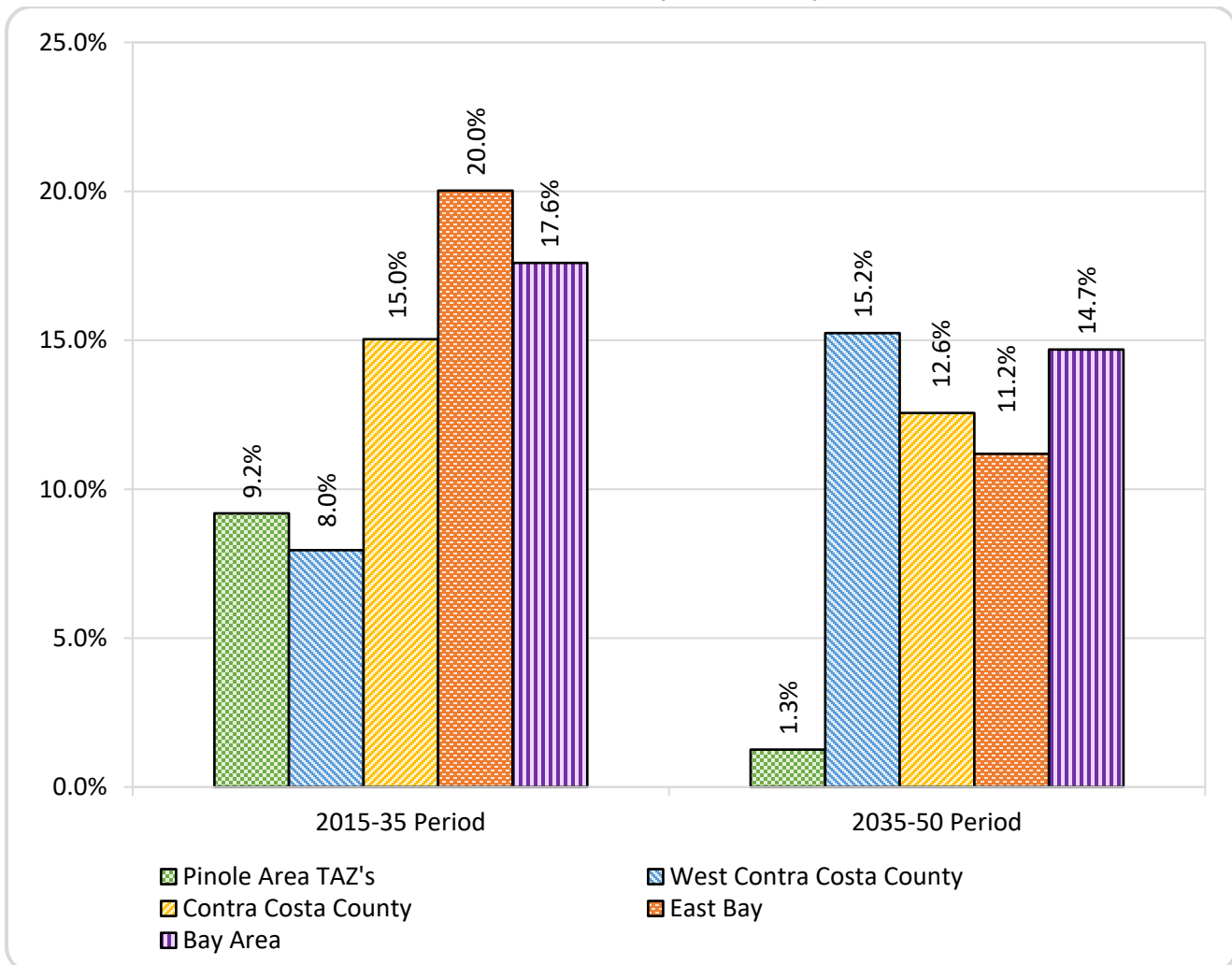
FIGURE 2. ABAG COMPARATIVE GEOGRAPHIC AREAS



Source: ABAG Plan Bay Area 2050; TNDG

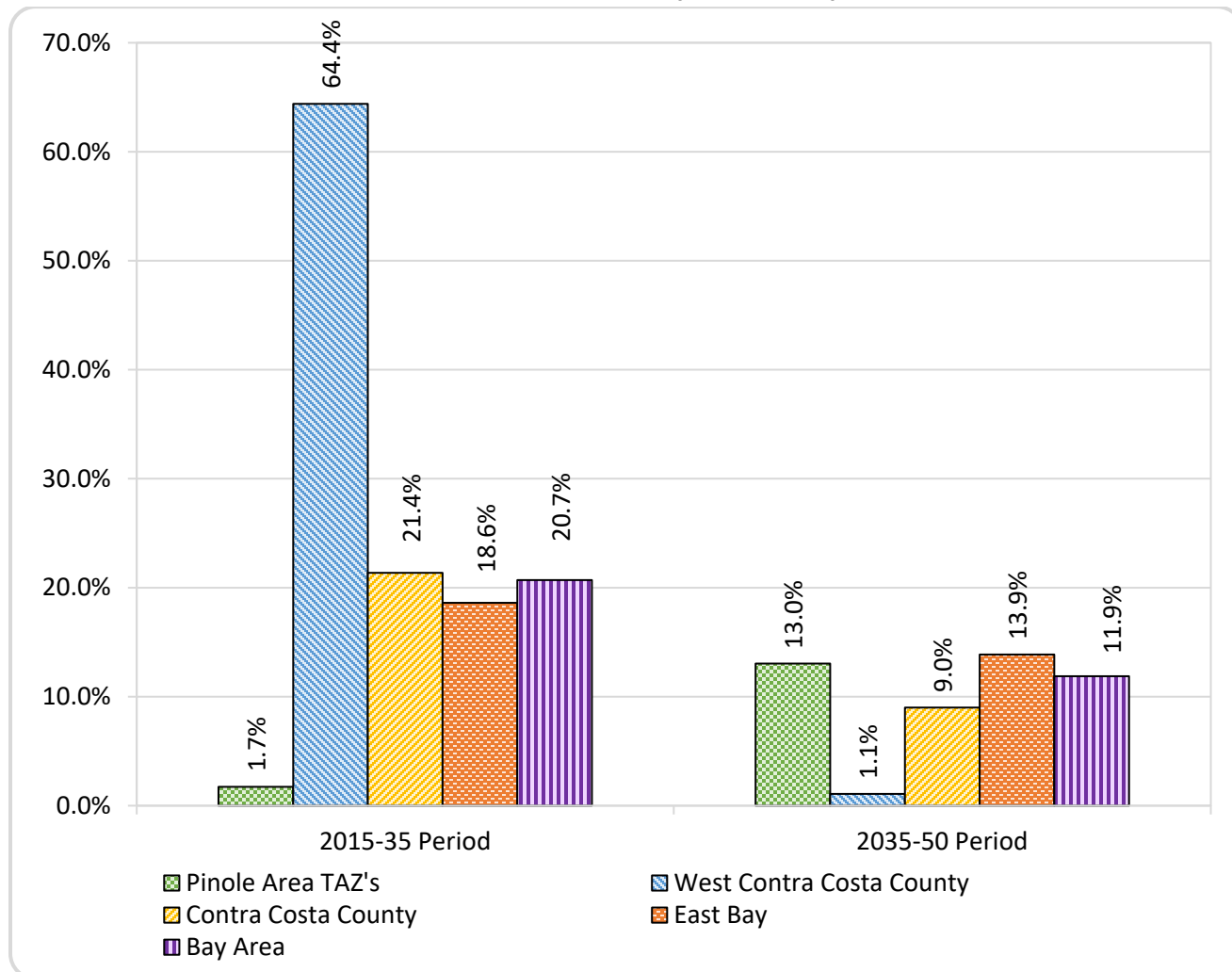
The figures below depict ABAG's growth rate projections for the 2015-2035 and 2035-2050 periods. Population in the Pinole Area TAZ's is projected to grow at a higher rate during the initial time period of 2015 to 2035, and more moderately during the following fifteen years from 2035 to 2050. In contrast, employment in the Pinole Area TAZ's is slated to increase moderately over the initial time period and at a higher rate during the subsequent fifteen years. Other geographic areas (with the exception of the West Contra Costa County superdistrict) are slated to experience greater population and employment growth during the initial period between 2015 to 2035, and a decreased growth rate from 2035 to 2050.

FIGURE 3. ABAG POPULATION FORECASTS (% GROWTH): 2015-35 AND 2035-50



Source: ABAG Plan Bay Area 2050; TNDG.

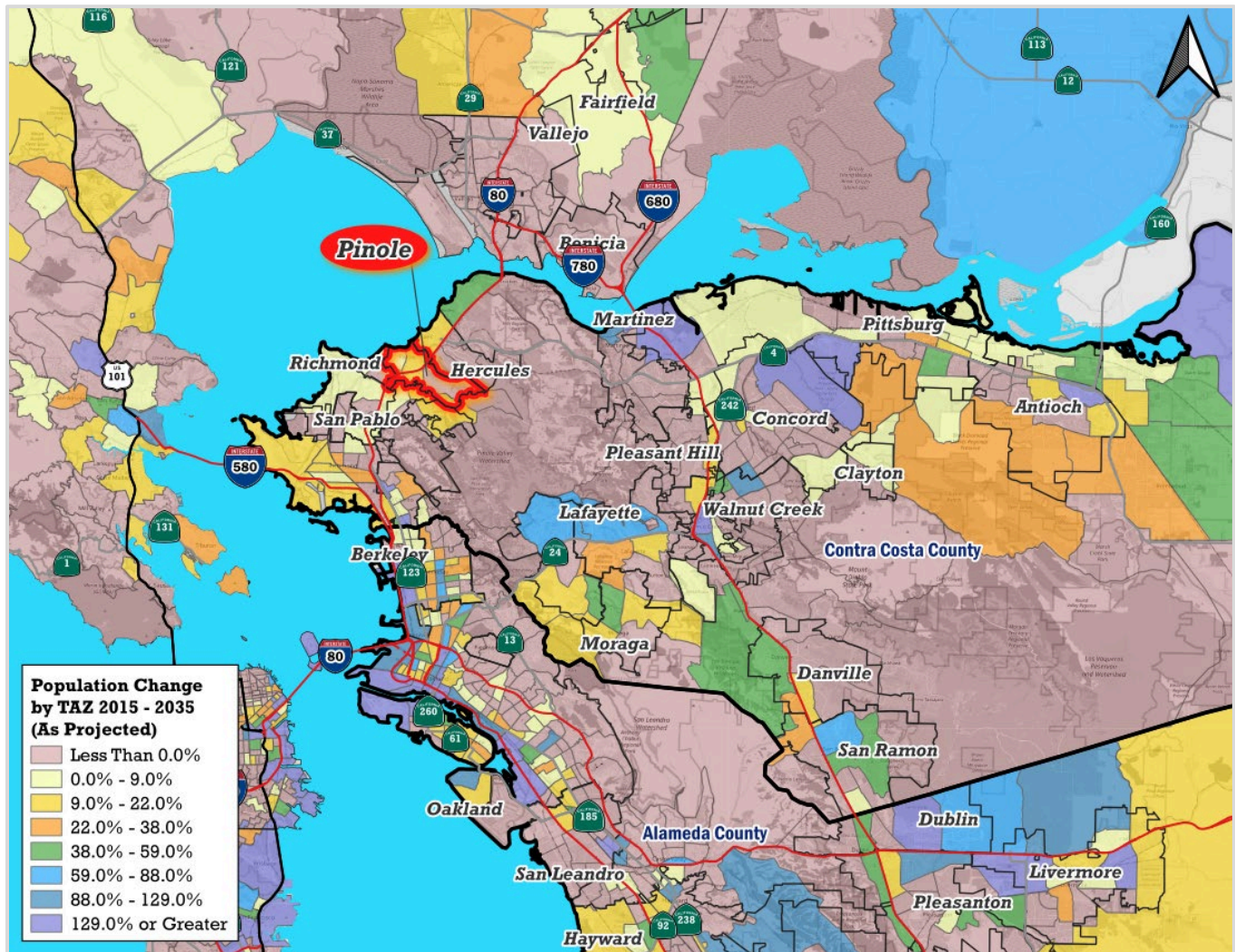


FIGURE 4. ABAG EMPLOYMENT FORECASTS (% GROWTH): 2015-35 AND 2035-50

Source: ABAG Plan Bay Area 2050; TNDG.

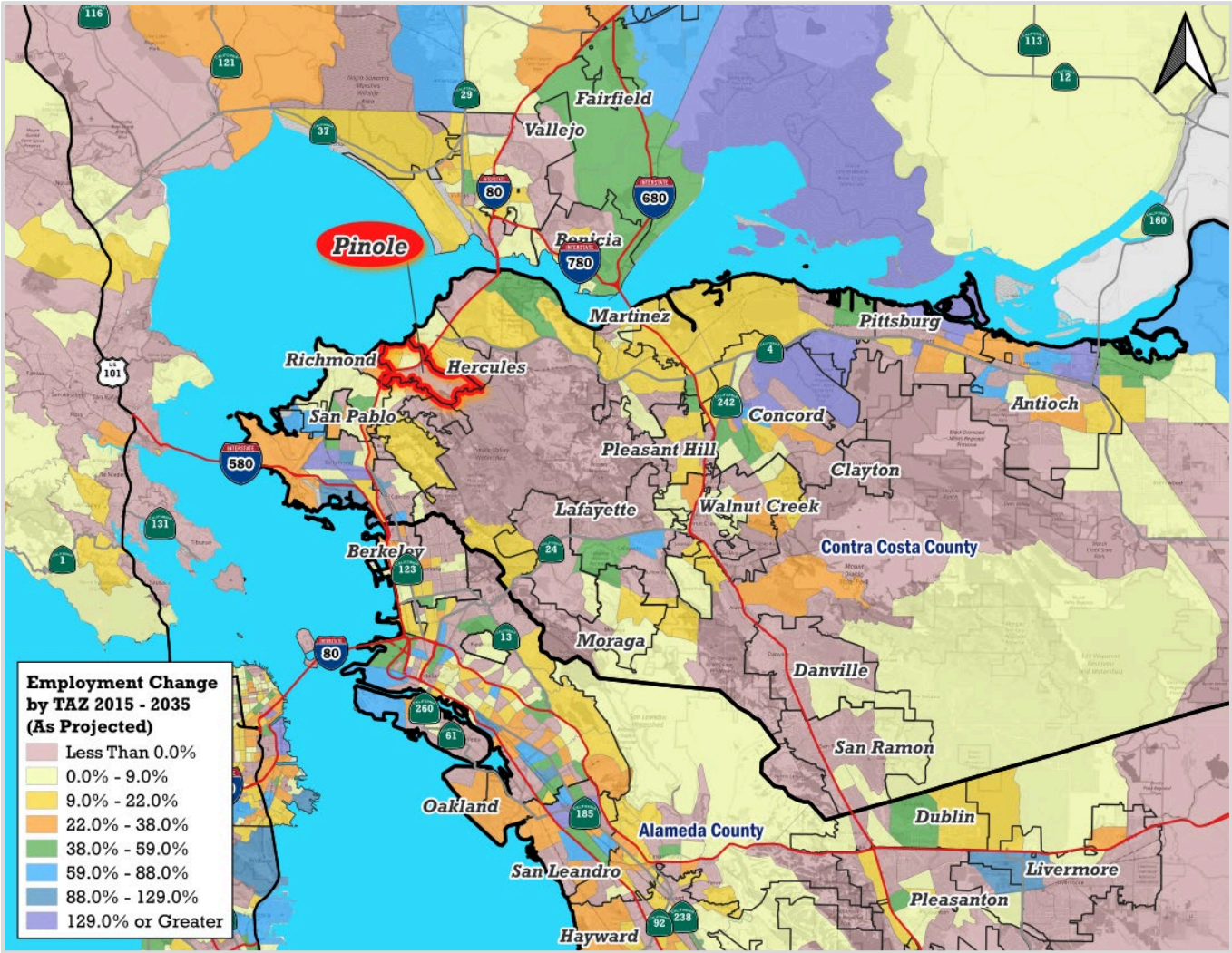
The maps shown in Figure 5 and Figure 6 on the following pages provide additional visual context by showing TAZ-level ABAG forecasts for population and employment change from 2015 to 2035 in the Pinole area and other surrounding communities. Based on the forecasts that are shown for Figure II-4, population in the Pinole Area TAZ's is slated to increase (9.2%), while other areas nearby are slated to experience more significant population growth during the 2015 to 2035 time period. The forecasts that are shown on Figure 5 show that the jobs located within the Pinole TAZ's are slated to increase very slightly (1.7% over the 20-year period). This is also in contrast to nearby communities which are slated to experience more significant growth in jobs.

FIGURE 5. ABAG POPULATION CHANGE BY TAZ 2015-2035 (AS PROJECTED)



Source: ABAG Plan Bay Area 2050; TNDG

FIGURE 6. ABAG EMPLOYMENT CHANGE BY TAZ 2015-2035 (AS PROJECTED)

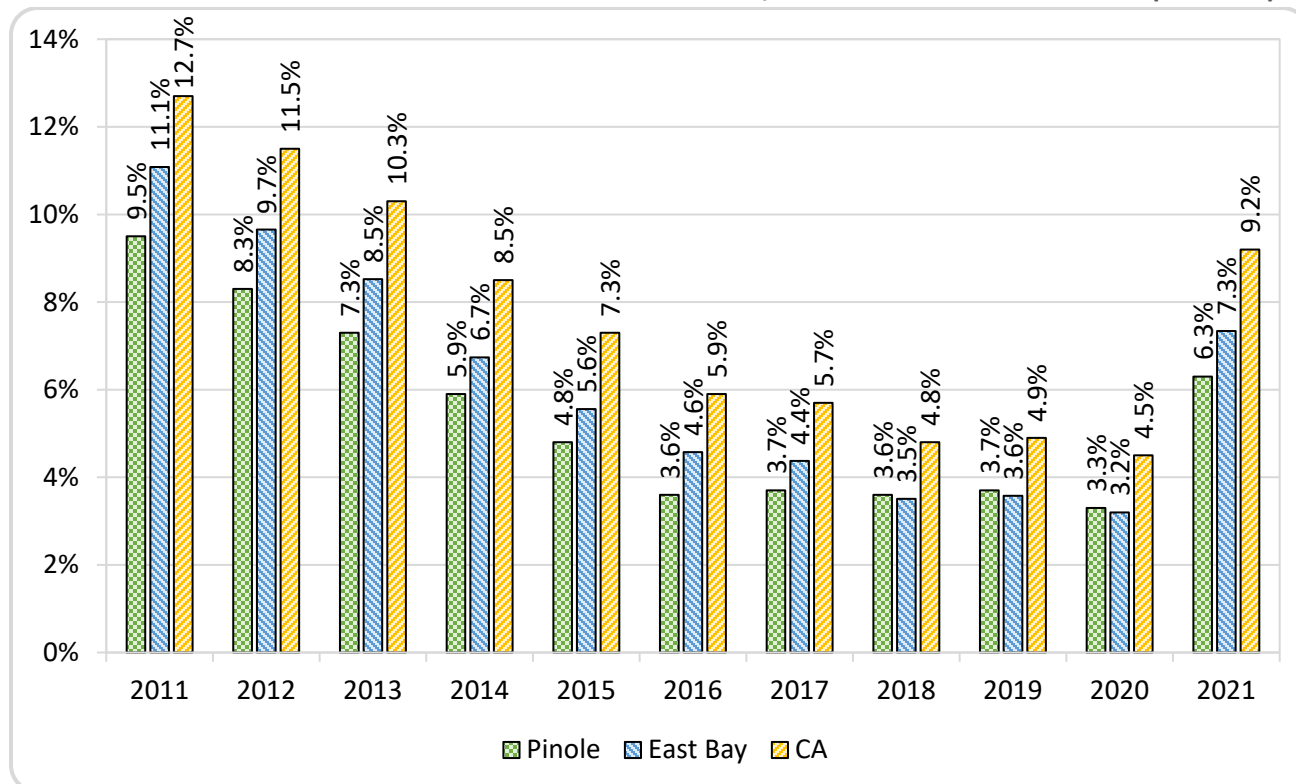


Source: ABAG Plan Bay Area 2050; TNDG

Labor Force Data

Figure 7, below, provides annual average unemployment rate estimates for Pinole, East Bay, and California for the 10-year period from 2011 to 2021. As shown in Figure below, during the recovery from the Great Recession (between 2011 and 2015), Pinole's unemployment rates remained below those in the East Bay and in California. For 2018 through 2020, Pinole and the East Bay were roughly the same, and Pinole once again had a lower rate than the other areas in 2021.

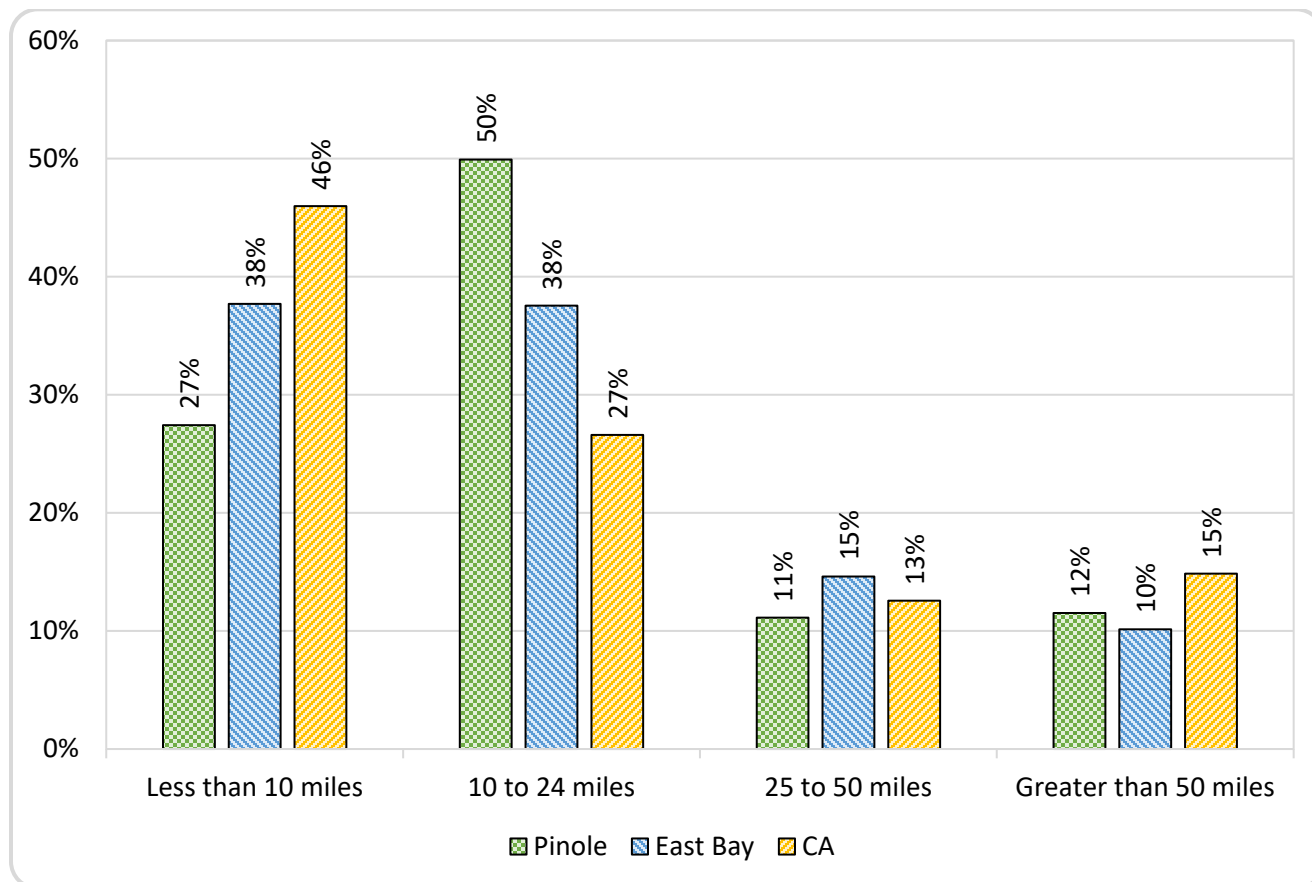
FIGURE 7. UNEMPLOYMENT RATE ESTIMATES: PINOLE, EAST BAY AND CALIFORNIA (2011-21)



Source: CA EDD, Local Area Unemployment Statistics (LAUS) program; TNDG.

Figure 8 provides travel distance ranges to work for the City's labor force relative to regional and state benchmarks. Pinole's resident labor force tends to have intermediate-distance commutes relative to the overall labor force in the East Bay and in the State. For example, Pinole has the largest share (50.0%) of residents that travel distances of 10 to 24 miles to work. In addition, the City has the smallest share (27.0%) of residents that have commute distances less than 10 miles.

FIGURE 8. TRAVEL DISTANCES (MILE RANGES) TO WORK: PINOLE, EAST BAY, AND CALIFORNIA, 2019



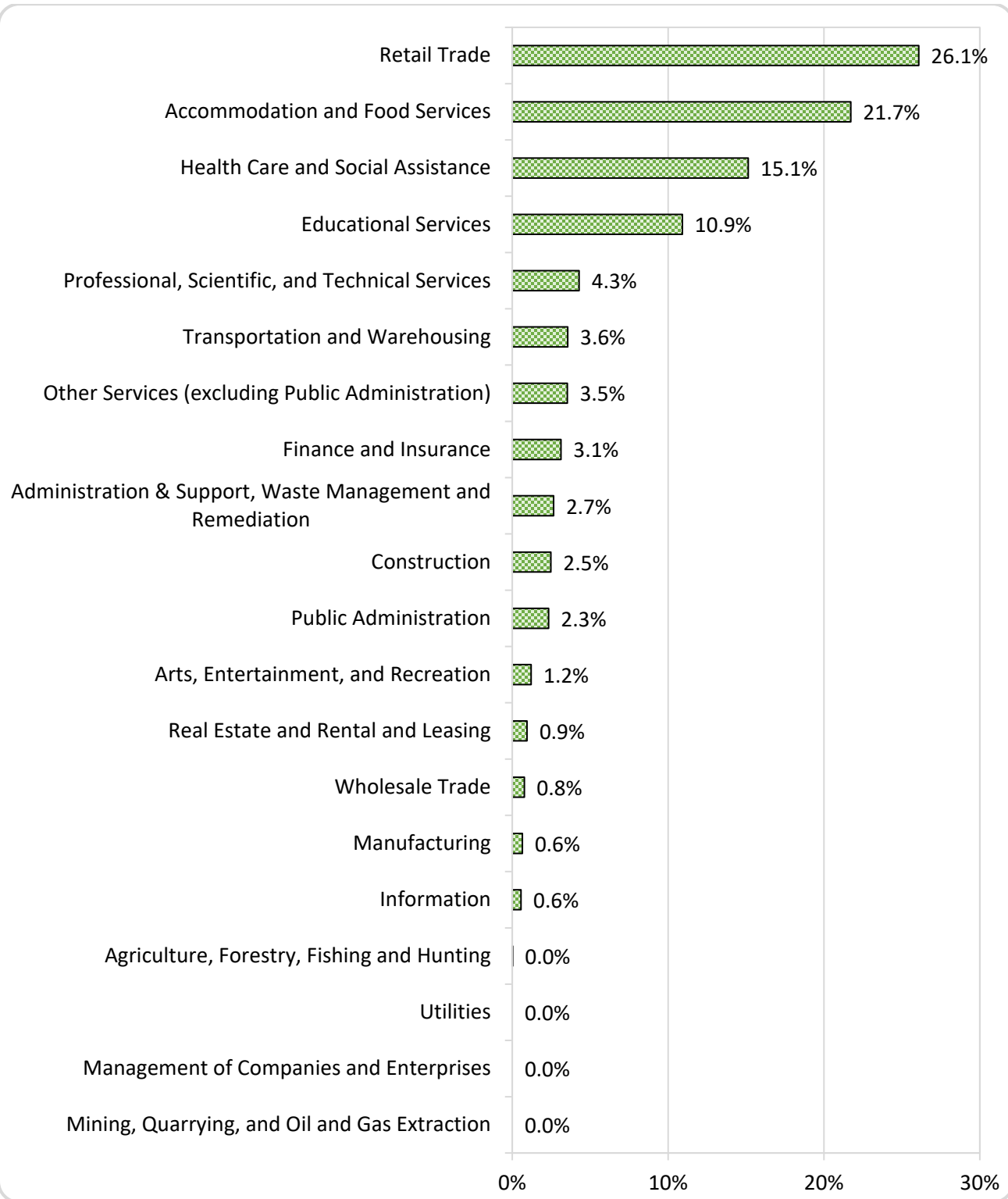
Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) program. Accessed at <https://onthemap.ces.census.gov>.

Industry Mix

Along with the labor force measures presented in the previous section, the U.S. Census Bureau's LEHD program also provides employment data at various levels of geography, including at the city level. Figure 9 provides the share of employment by industry for Pinole-based jobs in 2019. The major industry groupings correspond to 2-digit NAICS¹ codes industries. In terms of concentration of industry employment, Pinole is heavily represented in the Retail Trade and Accommodation and Food Services industries, which account for close to one-half (47.8%) of total employment in the City. In addition, the top five industries account for more than three-fourths (78.1%) of total employment in the City.

¹ NAICS = North American Industry Classification System.

FIGURE 9. SHARE OF EMPLOYMENT BY INDUSTRY IN PINOLE, 2019

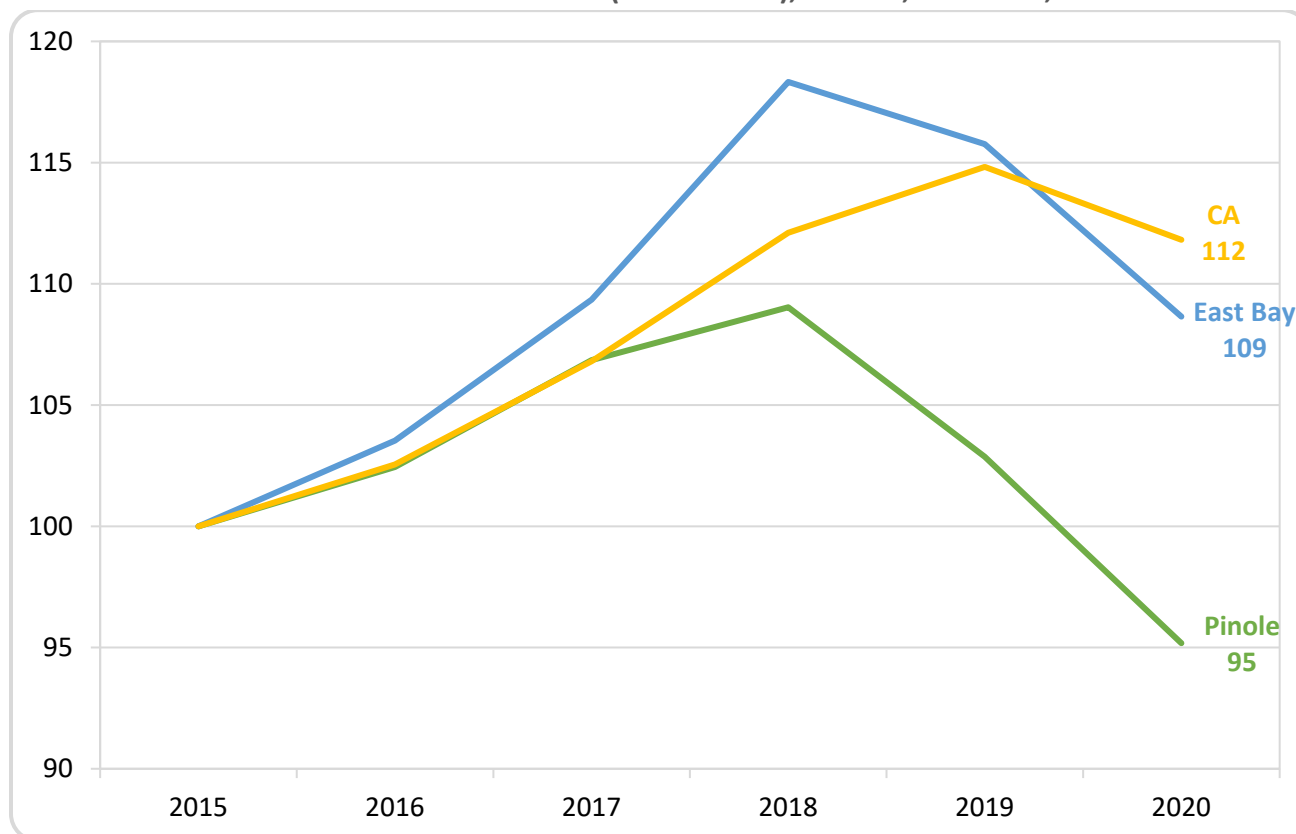


Source: U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) program. Accessed at <https://onthemap.ces.census.gov>.

Taxable Sales Data

Figure 10 compares Pinole's taxable retail sales performance relative to the East Bay and California. The figure normalizes the base year sales data (2015= 100) to provide relevant comparisons among the individual geographies for the 5-year period between 2015 and 2020. The 2020-year value of 95 for Pinole implies that Pinole's taxable retail sales in 2020 were 95% of the 2015 level (i.e., sales decreased by 5% between 2015 and 2020). In contrast, total taxable sales in the East Bay and State increased during this time period (by 9% and 12%, respectively).

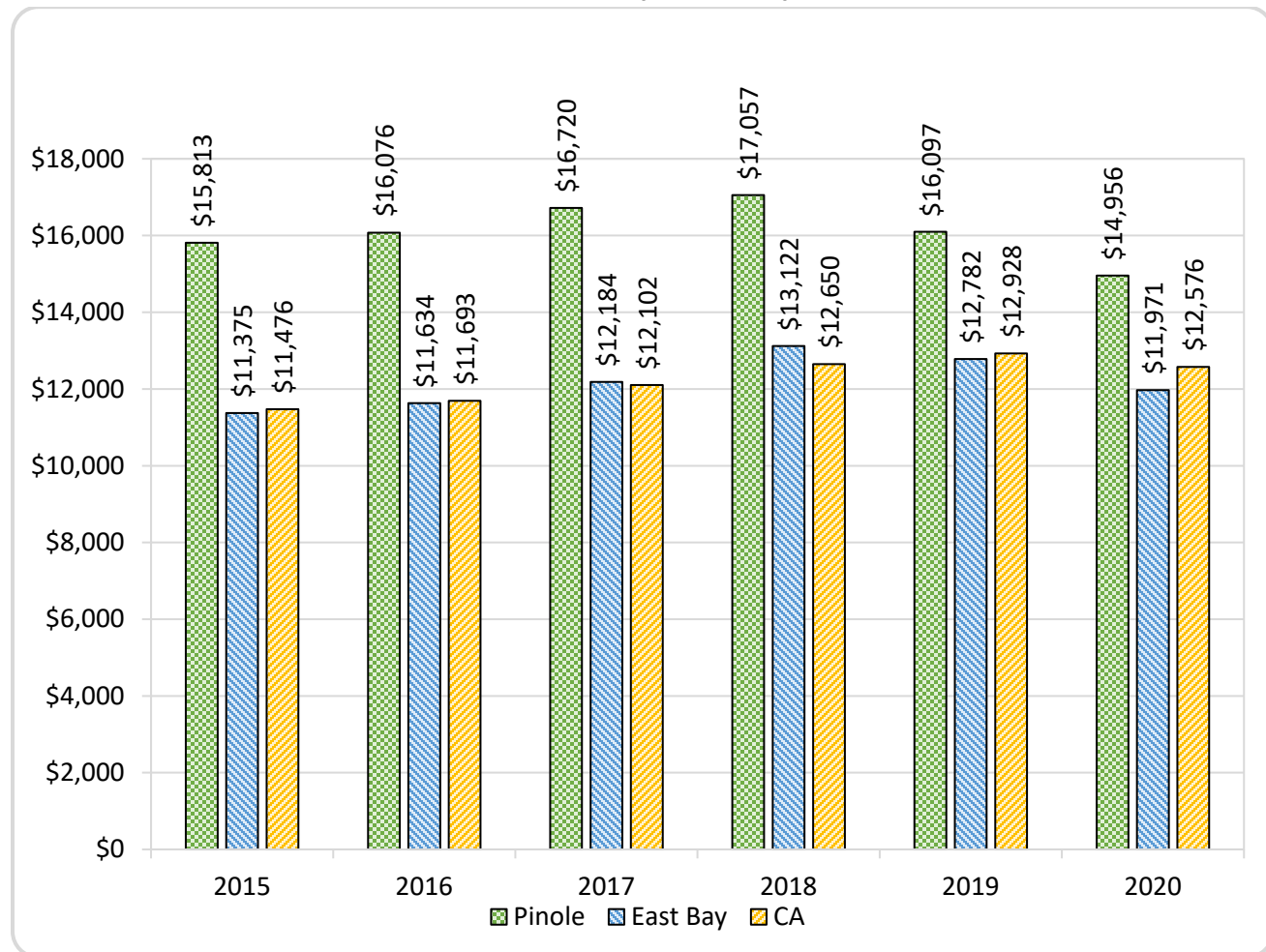
FIGURE 10. TAXABLE RETAIL SALES TRENDS (2015 – 2020), PINOLE, EAST BAY, AND CALIFORNIA



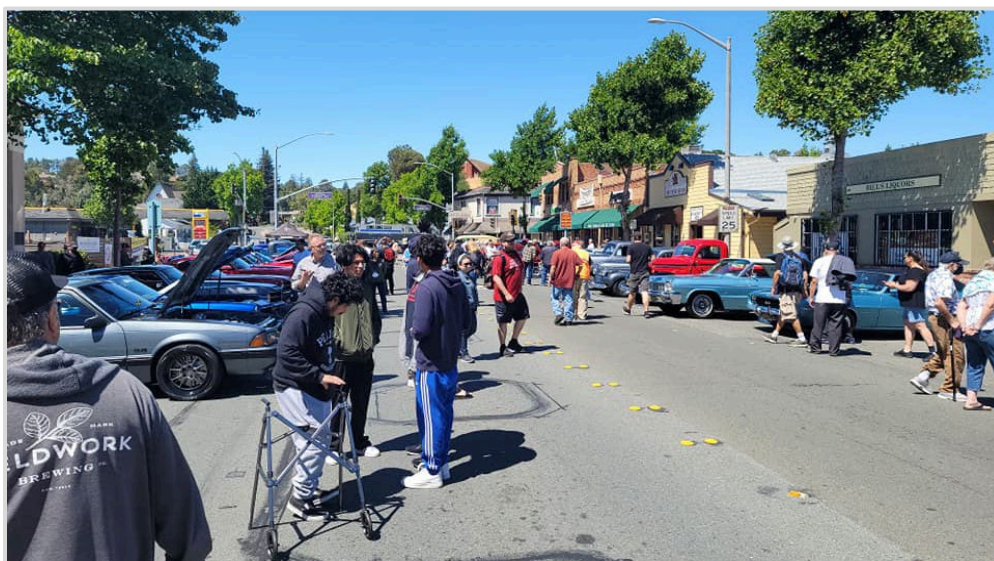
Source: CDFTA; TNDG

The data also show that Pinole outpaces the East Bay and the State on a taxable-sales-per-household basis. This metric provides a simple indicator of the degree to which Pinole is a “net attractor” of retail demand (i.e., sales exceed the levels that would be expected based on the City’s resident population). Figure 11, on the following page, which shows taxable sales per household for all three geographies, indicates that Pinole exceeds the two benchmark regions in this measure by over 35% in the early years of the time interval, with the gap decreasing to 19-26% in the most recent years.

FIGURE 11. TAXABLE RETAIL SALES/HOUSEHOLD (2015-2020), PINOLE, EAST BAY, AND CALIFORNIA



Source: CDFTA; CA DOF Table 1: E-5 City/County Population and Housing Estimates, 2015-2020; TNDG.



TARGET INDUSTRY/CLUSTER ANALYSIS

This section provides a summary of industry growth/retraction trends in Pinole, comparing the local economy's recent and longer-term performance to regional and national benchmarks. The study breaks down the local economy in terms of industry "clusters." Clusters are groups of inter-related industry sectors whose growth potentials within a region tend to be closely aligned. The tendency of individual industries to co-locate in clusters reflects linkages through supply-chain relationships, as well as commonalities in terms of workforce requirements and infrastructure needs.

Overview of Employment in Pinole

Total current (2021) employment in Pinole is estimated at 6,248 jobs. Of this total, 6,115 jobs are in industries that are included in either a "local" or "traded" cluster (as further defined below); the remaining 133 jobs are in miscellaneous industries not associated with specific clusters. The local clusters currently represent a total of 5,525 jobs in Pinole, while the traded clusters account for 590 jobs.

Whereas local and traded clusters are both critically important components of a balanced economy, they have distinct roles and characteristics, and these distinctions can be helpful in terms of planning economic development programs. Some of these distinctions are summarized as follows:

- **Local clusters** typically form the core of a region's economy; they primarily provide goods and services for the local (resident) population. They tend to account for the majority of jobs in a region (in the case of Pinole, local clusters represent about 88% of total jobs), and support a high quality of life by ensuring the availability of a diverse range of goods and services. In Pinole, important local clusters include Local Health Services and Local Hospitality Establishments. These clusters account for more than one-fourth (27%) of the City's total jobs.
- **Traded clusters** are "export-oriented" in the sense that they include industries that are engaged in producing goods and services for end customers outside the region. Traded clusters represent close to 12% of the jobs in Pinole, and are especially important from an economic development perspective given that they tend to have higher wages and higher "multiplier impacts" compared to local clusters. That is, they have a strong potential to inject new dollars into the local economy and thereby serve as "drivers" for broader economic growth. In Pinole, important traded clusters include Business Services and Hospitality and Tourism. These clusters account for close to one-half (47%) of the City's total jobs in traded clusters, or about 4% of all jobs in the City.

Existing Important Clusters in Pinole and the Larger East Bay Region

Table 3 lists all traded clusters that had 10 or more jobs in Pinole in 2021, and provides the following information about each listed cluster:

- Total number of jobs in Pinole in 2021 (the latest full year for which data are available)
- Location quotient (compared to U.S. benchmark) in 2021. The location quotient (LQ) measures how concentrated/important an industry cluster is in a region compared to national benchmarks. An LQ value greater than 1.0 indicates that a cluster is more concentrated in the region than it is nationally. This is generally regarded as an indication that the region has a comparative advantage relative to a particular cluster, although (especially for local clusters) an LQ below 1.0 can indicate a potential growth opportunity.
- Average annual wage for jobs in Pinole²
- Change in the number of jobs for the most recent 10-year period, 2011-2021

Table 4 provides the same data for local clusters that had more than 200 jobs in Pinole in 2021. Tables 5 and 6 provide comparable data for the East Bay region (Contra Costa and Alameda Counties combined). For the East Bay summary tables, the jobs threshold is 2,000 for traded clusters and 20,000 for local clusters.

Tables 7 and 8 summarize cluster job growth/retraction performance in Pinole, Contra Costa County, and the East Bay compared to national trends. This part of the study is based on a “shift-share” analysis for each cluster that estimates an “expected” job change based on national trends. If Pinole (or Contra Costa County or Bay Area) has higher job growth (or experiences less severe job losses) compared to the expected change, it indicates that the local area (or Contra Costa County or Bay Area) has performed better than national trends. Conversely, if Pinole/Contra Costa County/Bay Area has less job growth (or experiences more severe job losses) compared to the expected change, it indicates that the specific region has performed worse than national trends.

² Wage data are for jobs (not residents) based in Pinole.

TABLE 3. SUMMARY CHARACTERISTICS AND TRENDS, PINOLE'S LARGEST TRADED CLUSTERS
(LIST INCLUDES ALL CLUSTERS WITH MORE THAN 10 JOBS IN 2021)

Traded Cluster	Jobs	LQ	County LQ*	Avg Ann Wage	10-Yr Job Change
Business Services	172	0.4	1.1	84,605	68
Hospitality and Tourism	88	0.9	0.6	42,943	(23)
Education and Knowledge Creation	81	0.3	0.6	21,761	25
Distribution and Electronic Commerce	74	0.3	0.5	115,938	2
Marketing, Design, and Publishing	39	0.6	0.8	65,778	(6)
Transportation and Logistics	28	0.3	0.3	94,184	4
Textile Manufacturing	28	4.1	0.1	58,354	22
Performing Arts	17	0.8	1.3	36,668	6
Financial Services	17	0.2	1.2	150,285	(26)
Upstream Metal Manufacturing	10	0.7	0.7	--	10
GROUP TOTAL / AVG	555	0.43	0.77	\$69,787	83
CITY TOTAL	6,248	N/A	N/A	\$67,395	269

*Note: LQ = Location Quotient; 10-year job change is from 2011 to 2021. *County LQ provided for comparison purposes. “—” = insufficient data.*

Source: U.S. Cluster Mapping Project; EMSI; The Natelson Dale Group, Inc. (TNDG).

**TABLE 4. SUMMARY CHARACTERISTICS AND TRENDS, PINOLE'S LARGEST LOCAL CLUSTERS
(LIST INCLUDES ALL CLUSTERS WITH MORE THAN 200 JOBS IN 2021)**

Local Cluster	Jobs	LQ	County LQ*	Avg Ann Wage	10-Yr Job Change
Local Health Services	891	1.2	1.1	70,332	106
Local Hospitality Establishments	765	1.7	1.1	28,425	(27)
Local Retailing of Clothing and General Merchandise	623	3.8	1.0	39,309	86
Local Real Estate, Construction, and Development	434	0.9	1.3	87,032	73
Local Government	387	1.8	1.0	142,939	(11)
Local Food and Beverage Processing and Distribution	384	2.2	1.2	46,925	25
Local Education and Training	361	1.1	1.1	79,468	31
Local Commercial Services	357	1.0	1.2	74,718	61
Local Personal Services (Non-Medical)	332	2.2	1.2	37,186	0
Local Financial Services	270	2.1	1.3	133,363	13
GROUP TOTAL / AVG	4,805	1.50	1.14	\$67,391	357
CITY TOTAL	6,248	N/A	N/A	\$67,395	269

*Note: LQ = Location Quotient; 10-year job change is from 2010 to 2021. *County LQ provided for comparison purposes.*

Source: U.S. Cluster Mapping Project; EMSI; The Natelson Dale Group, Inc. (TNDG).

**TABLE 5. SUMMARY CHARACTERISTICS AND TRENDS, EAST BAY'S LARGEST TRADED CLUSTERS
(LIST INCLUDES ALL CLUSTERS W/ MORE THAN 2,000 JOBS IN 2021)**

Traded Cluster	Jobs	LQ	Avg Ann Wage	10-Yr Job Change
Business Services	101,708	1.3	\$158,258	15,373
Education and Knowledge Creation	69,987	1.3	118,036	7,506
Distribution and Electronic Commerce	43,859	0.9	98,709	4,469
Information Technology and Analytical Instruments	30,328	2.7	178,377	9,396
Automotive	17,524	2.4	186,339	14,860
Marketing, Design, and Publishing	13,549	1.0	103,176	2,375
Insurance Services	12,776	1.0	156,541	5,322
Hospitality and Tourism	11,980	0.6	55,300	(2,735)
Food Processing and Manufacturing	10,585	1.1	86,158	2,013
Financial Services	10,287	0.6	183,990	(2,450)
Transportation and Logistics	9,217	0.6	98,031	2,007
Medical Devices	7,587	3.2	166,486	3,305
Performing Arts	6,604	1.5	45,966	1,076
Oil and Gas Production and Transportation	4,738	1.1	245,715	(3,449)
Construction Products and Services	4,719	0.6	121,718	1,027
Water Transportation	3,787	1.7	168,933	(103)
Production Technology and Heavy Machinery	3,474	0.5	106,426	541
Biopharmaceuticals	3,217	1.3	202,006	(130)
Communications Equipment and Services	3,134	1.4	140,506	(2,413)
Video Production and Distribution	2,974	1.3	146,732	262
Metalworking Technology	2,465	0.7	89,297	545
Lighting and Electrical Equipment	2,342	0.9	135,674	621
Plastics	2,067	0.4	78,928	(123)
Printing Services	2,061	0.7	71,146	(789)
GROUP TOTAL / AVG	376,842	1.14	\$136,687	59,419
REGION TOTAL	1,250,198	N/A	\$96,395	163,277

Note: LQ = Location Quotient; 10-year job change is from 2011 to 2021.

Source: U.S. Cluster Mapping Project; EMSI; The Natelson Dale Group, Inc. (TNDG).

**TABLE 6. SUMMARY CHARACTERISTICS AND TRENDS, EAST BAY'S LARGEST LOCAL CLUSTERS
(LIST INCLUDES ALL CLUSTERS WITH MORE THAN 20,000 JOBS IN 2021)**

Local Cluster	Jobs	LQ	Avg Ann Wage	10-Yr Job Change
Local Health Services	134,641	0.9	\$111,636	15,471
Local Real Estate, Construction, and Development	114,400	1.1	92,184	27,603
Local Hospitality Establishments	78,435	0.9	30,912	(3,282)
Local Community and Civic Organizations	73,182	1.6	37,779	44,036
Local Commercial Services	72,092	1.0	74,711	10,994
Local Education and Training	61,396	0.9	89,150	4,621
Local Government	46,077	1.1	151,734	219
Local Food and Beverage Processing and Distribution	38,155	1.1	54,385	2,289
Local Personal Services (Non-Medical)	30,457	1.0	43,091	598
Local Motor Vehicle Products and Services	28,355	0.8	67,698	1,780
Local Logistical Services	28,100	1.2	66,476	9,411
Local Retailing of Clothing and General Merchandise	27,003	0.8	40,451	(4,360)
Local Financial Services	20,436	0.8	118,510	1,478
GROUP TOTAL / AVG	752,729	1.01	\$78,788	110,857
REGION TOTAL	1,250,198	N/A	\$96,395	163,277

Note: LQ = Location Quotient; 10-year job change is from 2011 to 2021.

Source: U.S. Cluster Mapping Project; EMSI; The Natelson Dale Group, Inc. (TNDG).

**TABLE 7. JOB GROWTH/RETRACTION PERFORMANCE COMPARED TO NATIONAL TRENDS FOR LARGEST
TRADED CLUSTERS, PINOLE, CONTRA COSTA COUNTY, AND EAST BAY**

2011-21 Growth Performance Based on Shift Share Analysis			
Traded Cluster	Pinole	Contra Costa County	East Bay
Agricultural Inputs and Services	+	-	-
Automotive	+	+	+
Biopharmaceuticals	+	-	-
Business Services	+	-	-
Communications Equipment and Services	-	+	-
Construction Products and Services	+	-	+
Distribution and Electronic Commerce	-	-	-
Education and Knowledge Creation	+	-	+

2011-21 Growth Performance Based on Shift Share Analysis			
Traded Cluster	Pinole	Contra Costa County	East Bay
Environmental Services	+	+	+
Financial Services	-	-	-
Food Processing and Manufacturing	-	-	+
Furniture	+	+	-
Hospitality and Tourism	-	-	-
Information Technology and Analytical Instruments	-	+	+
Insurance Services	-	-	+
Lighting and Electrical Equipment	+	+	+
Marketing, Design, and Publishing	-	-	+
Medical Devices	+	+	+
Metalworking Technology	+	-	+
Oil and Gas Production and Transportation	+	-	-
Performing Arts	+	+	+
Plastics	+	-	-
Printing Services	+	+	-
Production Technology and Heavy Machinery	+	+	+
Textile Manufacturing	+	+	+
Transportation and Logistics	+	-	+
Upstream Metal Manufacturing	N/A	-	-
Video Production and Distribution	+	+	+
Water Transportation	+	+	-

Note: " + " = growth performance better than expected; " - " worse than expected.

Source: U.S. Cluster Mapping Project; EMSI; The Natelson Dale Group, Inc. (TNDG).

TABLE 8. JOB GROWTH/RETRACTION PERFORMANCE COMPARED TO NATIONAL TRENDS FOR LARGEST LOCAL CLUSTERS, PINOLE, CONTRA COSTA COUNTY, AND EAST BAY

2011-21 Growth Performance Based on Shift Share Analysis			
Local Cluster	Pinole	Contra Costa County	East Bay
Local Commercial Services	+	+	+
Local Community and Civic Organizations	-	+	+
Local Education and Training	+	+	+
Local Financial Services	-	+	-
Local Food and Beverage Processing and Distribution	-	-	-
Local Government	-	-	-
Local Health Services	+	+	+
Local Hospitality Establishments	-	-	-
Local Logistical Services	+	+	+
Local Motor Vehicle Products and Services	-	-	-
Local Personal Services (Non-Medical)	-	-	-
Local Real Estate, Construction, and Development	-	+	+
Local Retailing of Clothing and General Merchandise	+	-	-

Note: "+" = growth performance better than expected; "-" = worse than expected.

Source: U.S. Cluster Mapping Project; EMSI; The Natelson Dale Group, Inc. (TNDG).

"Candidate" Clusters for Pinole Target Industry Program

Table 9 provides a list of candidate clusters for the City of Pinole's industry targeting program (i.e., business retention, expansion and attraction). The candidate clusters are based on two strategic approaches to industry targeting:

1. Build on Pinole's existing core strengths. Pinole's existing strengths were identified based on the employment-trend criteria (location quotient, total existing jobs, and 10-year job change) summarized in Tables 3 and 4. In some cases (e.g., Hospitality and Tourism), the core clusters represent strong continuing growth opportunities that could be the focus of business expansion/attraction efforts. In other cases (e.g., Textile Manufacturing), the existing core clusters are currently recognized nationally as non-growth or declining industries (for these

clusters, the City's industry targeting efforts might more appropriately focus on retention/repositioning).

2. Tap into dominant regional clusters that are not currently well represented in Pinole. This strategic approach would seek to leverage Pinole's competitive strengths to capture increasing shares of projected Contra Costa County employment growth. This component of the City's business attraction/marketing program would focus on the Pinole's unique "selling points" relative to the larger regional economy (including the city's strategic location near several Contra Costa County area submarkets, along with a resident workforce that includes large numbers of commuters potentially eager to work closer to home). In developing the list of candidates for the second strategy, the consultant has focused on clusters meeting the following criteria:
 - a. Traded clusters (local clusters are addressed in the first strategic approach)
 - b. Clusters with a high specialization of employment in Contra Costa County (identified as a "strong" cluster by the U.S. Cluster Mapping project)³
 - c. Clusters primarily oriented towards private business investment (in contrast to clusters that are substantially composed of government/nonprofit employment – which are generally considered to have lower economic "spin-off" opportunities)

Table 10 provides a narrative description of the candidate clusters. In addition, the table provides key component industries within each cluster based on employment totals for each industry in the relevant geographies.

³ The U.S. Cluster Mapping project defines a metro area's "strong" clusters as those with a high specialization in the region (metropolitan statistical area [MSA]). High Specialization indicates the LQ of Cluster Employment is greater than the 75th percentile when measured across all MSAs. There are 917 total MSAs in the U.S. Thus, for a cluster to be classified as "strong" in Contra Costa County, its LQ must be greater than the LQ of that specific cluster in at least 687 of the MSAs in the U.S.

TABLE 9. LIST OF CANDIDATE CLUSTERS FOR PINOLE'S INDUSTRY PROGRAM

Strategic Approach	Local-Serving Clusters	"Traded" Clusters
1. Build on Pinole's existing core strengths	- Local Retailing of Clothing and General Merchandise - Local Food and Beverage Processing and Distribution - Local Education and Training - Local Health Services	- Textile Manufacturing - Hospitality and Tourism
2. Tap into dominant County and regional industry clusters that are not currently well represented in Pinole		- Business Services - Communications Equipment and Services - Environmental Services - Financial Services - Information Technology and Analytical Instruments - Insurance Services - Medical Devices - Performing Arts - Video Production and Distribution

Source: The Natelson Dale Group, Inc. (TNDG).



TABLE 10. NARRATIVE DESCRIPTIONS AND KEY COMPONENT INDUSTRIES FOR CANDIDATE CLUSTERS

Cluster	Narrative Description	Key Component Industries
Group 1 – Pinole’s Existing Core Strengths		
Local Retailing of Clothing and General Merchandise	Local retail stores, department stores, and warehouse clubs that sell apparel, jewelry, luggage, sewing supplies, and general merchandise.	• Warehouse Clubs and Supercenters • All Other General Merchandise Stores • Family Clothing Stores
Local Food and Beverage Processing and Distribution	Firms that sell food and beverages at the wholesale and retail levels. Products sold include meat, seafood, fruit and vegetables, general groceries, tobacco, alcoholic beverages, and specialty foods. The cluster also includes related distribution methods such as vending and direct selling.	• Supermarkets and Other Grocery (except Convenience) Stores • Beer, Wine, and Liquor Stores
Local Education and Training	Local social service organizations such as community food and housing services and advocacy organizations. This cluster also contains grantmaking foundations, business associations, and political and religious organizations.	• Elementary and Secondary Schools (Local Government) • Elementary and Secondary Schools
Local Health Services	Local health care establishments and services such as hospitals, medical laboratories, home and residential care, and funeral services and crematories. This cluster also includes pharmacies and optical goods retail stores.	• Assisted Living Facilities for the Elderly • Offices of Dentists • Offices of Physicians (except Mental Health Specialists) • Home Health Care Services
Textile Manufacturing	Textile mills that primarily produce and finish fabrics for clothing, carpets, upholstery, and similar uses. The textiles include yarn, thread, fibers, hosiery, knits, and other specialty fabrics.	• Fabric Coating Mills
Hospitality and Tourism	This cluster contains establishments related to hospitality and tourism services and venues. This includes sport venues, casinos, museums, and other attractions. It also includes hotels and other accommodations, transportation, and services related to	• All Other Amusement and Recreation Industries • Hotels (except Casino Hotels) and Motels

Cluster	Narrative Description	Key Component Industries
	recreational travel such as reservation services and tour operators.	
Group 2 – Dominant Contra Costa County Clusters (future targets for Pinole)		
Business Services	Establishments and services primarily designed to support other aspects of a business or to assist unrelated companies. This includes corporate headquarters. Professional services such as consulting, legal services, facilities support services, computer services, engineering and architectural services, and placement services. All for-hire ground passenger transportation services are also present in this cluster.	• Corporate, Subsidiary, and Regional Managing Offices • Engineering Services • Custom Computer Programming Services
Communications Equipment and Services	Goods and services used for communications. This includes cable, wireless, and satellite services, as well as telephone, broadcasting, and wireless communications equipment.	• Cable and Other Subscription Programming • Wireless Telecommunications Carriers (except Satellite)
Environmental Services	Establishments primarily engaged in collection, treatment, processing, and disposal of hazardous and non-hazardous waste.	• Hazardous Waste Treatment and Disposal • All Other Misc. Waste Management Services • Hazardous Waste Collection
Financial Services	Establishments involved in aiding the transaction and growth of financial assets for businesses and individuals. These firms include securities brokers, dealers, and exchanges; credit institutions; and financial investment support.	• Real Estate Credit • Investment Advice • Other Activities Related to Credit Intermediation • Portfolio Management
Information Technology and Analytical Instruments	Information technology and analytical products such as computers, software, audio visual equipment, laboratory instruments, and medical apparatus. The cluster also includes the electronics used by these products (e.g., circuit boards and semiconductor devices).	• Semi Conductor Machinery • Electronic Computer Manufacturing • Computer Storage Device Manufacturing

Cluster	Narrative Description	Key Component Industries
		• Audio and Video Equipment Manufacturing • Software Publishers
Insurance Services	Firms providing a range of insurance types, as well as support services such as reinsurance and claims adjustment.	• Direct Property and Casualty Insurance Carriers • Direct Life Insurance Carriers • Direct Title Insurance Carriers
Medical Devices	Establishments in this cluster primarily manufacture surgical, medical, dental, optical, ophthalmic, and veterinary instruments and supplies.	• Surgical and Medical Instrument Manufacturing • Optical Instrument and Lens Manufacturing
Performing Arts	Services that produce, promote, and support live artistic performances. Live performances include those by theater companies, dance troupes, musicians, and independent artists.	• Agents and Managers for Artists, Athletes, Entertainers, and Other Public Figures • Musical Groups and Artists
Video Production and Distribution	The establishments in this cluster are primarily involved with the production and distribution of motion pictures and other video.	• Motion Picture and Video Production and Distribution • Motion Picture and Video Distribution • Teleproduction and Other Post Production Services

Source: The Natelson Dale Group, Inc. (TNDG); Cluster Mapping Project.

MARKET DEMAND FOR COMMERCIAL/INDUSTRIAL LAND USES

As part of the EDS process, The Natelson Dale Group, Inc. (TNDG) completed a real estate market analysis to provide 20-year forecasts of demand for new industrial, office and retail space in Pinole. Tables 11 through 19 on the following pages provide an abbreviated summary of the market analysis (which is more fully documented in a separate report). Given the wide range of variables that can affect development opportunities over an extended timeframe, the demand projections for each land use are presented in terms of ranges (rather than single definitive forecasts) of potential building absorption.

**TABLE 11A. KEY MARKET STRENGTHS AND OPPORTUNITIES FOR
COMMERCIAL AND INDUSTRIAL REAL ESTATE DEVELOPMENT IN PINOLE**

Market Factors	Industrial	Office	Retail
Market strengths/ opportunities for Pinole	- Potential to capture demand “overflow” from strong East Bay industrial market - Global demand surge for industrial space due to e-commerce growth - Potential repatriation of out-commuting workers could generate demand for industrial tenants - Potential nexus to entrepreneurial development initiatives	- Potential repatriation of out-commuting workers could create office-using firms - Potential to position Pinole as a viable option for East Bay tech firms - Potential to position Pinole as a location for shared office space attractive to “hybrid” remote workers - Potential nexus to entrepreneurial development initiatives	- Established/ prominent retail destination within West Contra Costa County - Potential to leverage downtown as visitor destination (and an attractor of expanded regional demand for retail/restaurant spending)

**TABLE 11B. KEY MARKET CHALLENGES FOR
COMMERCIAL AND INDUSTRIAL REAL ESTATE DEVELOPMENT IN PINOLE**

Market Factors	Industrial	Office	Retail
Market challenges for Pinole	- Lack of available/competitive industrial space inhibits business attraction - Limited land/zoning capacity for additional business park facilities (need to focus on redevelopment/repurposing of existing underutilized properties)	- High vacancy rates regionally may delay development opportunities for new space in outlying areas - Remote work trend may reduce overall demand for new office space - Pinole is unproven as a Class A office market	- Global trends are reducing footprint of brick-and-mortar retail (causing spike in long term vacancies) - Limited projected population growth to drive future retail demand increases - Need to proactively plan for reuse/repositioning of older retail properties



Summary of Retail Demand Analysis

Highlights of the retail demand analysis and projections are provided in Tables 12 through 14 below. The projections are expressed in terms of square feet of new space supportable (over and above the existing occupied inventory).

TABLE 12. SUMMARY OF RETAIL MARKET CONDITIONS, CITY OF PINOLE

Metric	Value
Existing (2021) population, City of Pinole	18,859
Added population by 2040, City of Pinole	1,592
Existing (2021) population, Secondary Market Area	217,255
Added population by 2040, Secondary Market Area	31,326
Estimated resident retail demand in 2019, City of Pinole	\$240.7 million
Actual retail sales in 2019, City of Pinole ⁴	\$412.1 million
Actual sales divided by total resident demand (shows Pinole's net attraction of external demand)	171%
Pinole's "capturable" retail demand by 2040 (conservative scenario)	\$487.6 million
Pinole's "capturable" retail demand by 2040 (aggressive scenario)	\$532.5 million
Estimate of existing retail space in Pinole (square feet)	1,600,000 (8.4% vacant)
Additional retail space supportable by 2040 (square feet) (conservative scenario)	189,000
Additional retail space supportable by 2040 (square feet) (aggressive scenario)	319,000

Sources: California Department of Tax and Fee Administration (CDTFA); ABAG; ESRI; Baniqued Commercial Real Estate; The Natelson Dale Group, Inc. (TNDG).

⁴ In order to avoid distortions related to the COVID-19 pandemic, TNDG has used 2019 as the base year for the retail demand analysis.

**TABLE 13. PROJECTED DEMAND FOR NEW RETAIL DEVELOPMENT, CITY OF PINOLE –
CONSERVATIVE SCENARIO**

Retail Sales Category	New Demand Through 2027 (square feet)	New Demand Through 2040 (square feet)
GAFO ¹	35,500	73,000
Food and Beverage (grocery stores)	19,000	38,500
Food Services and Drinking (restaurants)	13,000	27,000
Hardware and Building Materials	5,000	10,000
Auto Parts	1,500	2,500
Service Businesses in Retail Space	18,500	38,000
Total	92,500	189,000

1. GAFO = General Merchandise, Apparel, Furniture/Appliances, Other Specialty
Source: TNDG.

**TABLE 14. PROJECTED DEMAND FOR NEW RETAIL DEVELOPMENT, CITY OF PINOLE –
AGGRESSIVE SCENARIO**

Retail Sales Category	New Demand Through 2027 (square feet)	New Demand Through 2040 (square feet)
GAFO ¹	79,000	143,000
Food and Beverage (grocery stores)	19,000	38,500
Food Services and Drinking (restaurants)	31,500	61,500
Hardware and Building Materials	5,000	10,000
Auto Parts	1,500	2,500
Service Businesses in Retail Space	34,000	64,000
Total	170,000	319,000

1. GAFO = General Merchandise, Apparel, Furniture/Appliances, Other Specialty
Source: TNDG.

Summary of Office Demand Analysis

Highlights of the office demand analysis and projections are provided in Tables 15 and 16 below.

TABLE 15. SUMMARY OF OFFICE MARKET CONDITIONS, EAST BAY AND RELEVANT SUBAREAS

Metric	Value
<i>Existing (2021) inventory (square feet) by area:</i>	
—East Bay (Alameda and Contra Costa counties)	79,571,000
—Richmond subarea	1,378,000
—Pinole ¹	455,000
<i>Current (2021) direct vacancy rate by area:</i>	
—East Bay (Alameda and Contra Costa counties)	18.2%
—Richmond subarea	8.6%
—Pinole ²	3.2%
<i>East Bay absorption (square feet), 2012-2019:</i>	
—Total	6,235,000
—Average annual	779,000
<i>East Bay absorption (square feet), 2020-2021:</i>	
—Total	(4,566,000)
—Average annual	(2,283,000)
<i>East Bay absorption (square feet), 2012-2021:</i>	
—Total	1,669,000
—Average annual	167,000

SOURCES: TRI COMMERCIAL; BANIQUED COMMERCIAL REAL ESTATE; TNDG.

TABLE 16. PROJECTED DEMAND FOR NEW OFFICE DEVELOPMENT, 2021-2040

Conservative Scenario	East Bay Demand (Square Feet)	Pinole Demand (Square Feet)
East Bay: office demand is projected to grow in proportion to projected job growth in industry sectors that use office space; <u>for the conservative scenario, demand is projected at 135 square feet per new office job</u>¹ Existing “excess” vacancy of approximately 2.6 million square feet is netted out of the gross demand projections² Pinole: Projected to capture 2.0% of East Bay demand through 2040	9,800,000	196,000 total 15,000 medical ³
Aggressive Scenario		
East Bay: office demand is projected to grow in proportion to projected job growth in industry sectors that use office space; <u>for the aggressive scenario, demand is projected at 225 square feet per new office job</u> Existing “excess” vacancy of approximately 2.6 million square feet is netted out of the gross demand projections Pinole: Projected to capture 2.0% of East Bay demand through 2040	18,369,000	368,000 total 28,000 medical

1. In 2021 total occupied office space in the East Bay was approximately 225 square feet per office worker. The conservative scenario – premised on the expectation that a long-term increase in remote work will impact office space demand – assumes a demand factor of approximately 60% of the historic factor.

2. “Excess” vacancy is defined as a vacancy level over 15%.

3. Medical office space is part of (not in addition to) the indicated total.

Source: TNDG.

Summary of Industrial Demand Analysis

Highlights of the analysis and projections are provided in Tables 17 and 18 below. The projections are expressed in terms of square feet of new space supportable (over and above the existing inventory).

TABLE 17. SUMMARY OF INDUSTRIAL MARKET CONDITIONS, EAST BAY AND RELEVANT SUBAREAS

Metric	Value
Existing (2021) inventory (square feet) by area:	
—East Bay (Alameda and Contra Costa counties)	209,984,000
—Richmond subarea	17,235,000
—Pinole ¹	96,200
Current (2021) direct vacancy rate by area:	
—East Bay (Alameda and Contra Costa counties)	4.3%
—Richmond subarea	4.8%
—Pinole ²	0.0%
East Bay absorption (square feet)	
—Fourth quarter 2021	1,656,000
—Full year 2021	4,892,000

1. The estimated existing inventory for Pinole (supplied by Baniqued Commercial Real Estate) includes only competitive, multi-tenant industrial buildings. It does not include heavy commercial/industrial facilities that are predominantly outdoors (e.g., Westside Concrete Materials), single-tenant industrial space or specialized buildings such as self-storage facilities.

Sources: Kidder Matthews; Baniqued Commercial Real Estate; TNDG.

TABLE 18. PROJECTED DEMAND FOR NEW INDUSTRIAL DEVELOPMENT, 2021-2040

Conservative Scenario	East Bay Demand (Square Feet)	Pinole Demand (Square Feet)
East Bay: industrial demand is projected to grow in proportion to projected job growth in industry sectors that use industrial space; <u>for the conservative scenario, demand is projected at 600 square feet per new industrial job</u>¹ Pinole: Projected to capture 1.0% of East Bay demand through 2040	32.6 million	General industrial: 65,000
		Warehouse/distribution: 196,000
		Flex space: 65,000
		Total industrial: 326,000
Aggressive Scenario		
East Bay: industrial demand is projected to grow in proportion to projected job growth in industry sectors that use industrial space; <u>for the aggressive scenario, demand is projected at 1,000 square feet per new industrial job</u> Pinole: Projected to capture 1.0% of East Bay demand through 2040	54.4 million	General industrial: 109,000
		Warehouse/distribution: 327,000
		Flex space: 109,000
		Total industrial: 545,000

1. In 2021 total occupied industrial space in the East Bay was approximately 1,000 square feet per industrial worker. The conservative scenario assumes a demand factor of approximately 60% of the historic factor, reflecting a potential intensification of industrial employment (i.e., fewer “low density” warehouse jobs).

Source: TNDG.

5. EDS ACTION PLAN

OVERVIEW OF ACTION PLAN

The EDS Action Plan is designed to achieve the following major goals:

- Expand economic opportunities for Pinole’s resident workforce by fostering creation of a diverse range of quality jobs accessible to residents across the spectrum of education/skill levels
- Leverage the economic development potentials of Pinole’s historic downtown and waterfront (bay and creek) areas through placemaking initiatives, promotion of cultural/historic resources and targeted business/development attraction
- Revitalize Pinole’s other commercial and industrial areas by encouraging private investment that responds to anticipated real estate market demand
- Strengthen the City’s fiscal position by attracting land uses and business types that have the potential to generate General Fund revenue

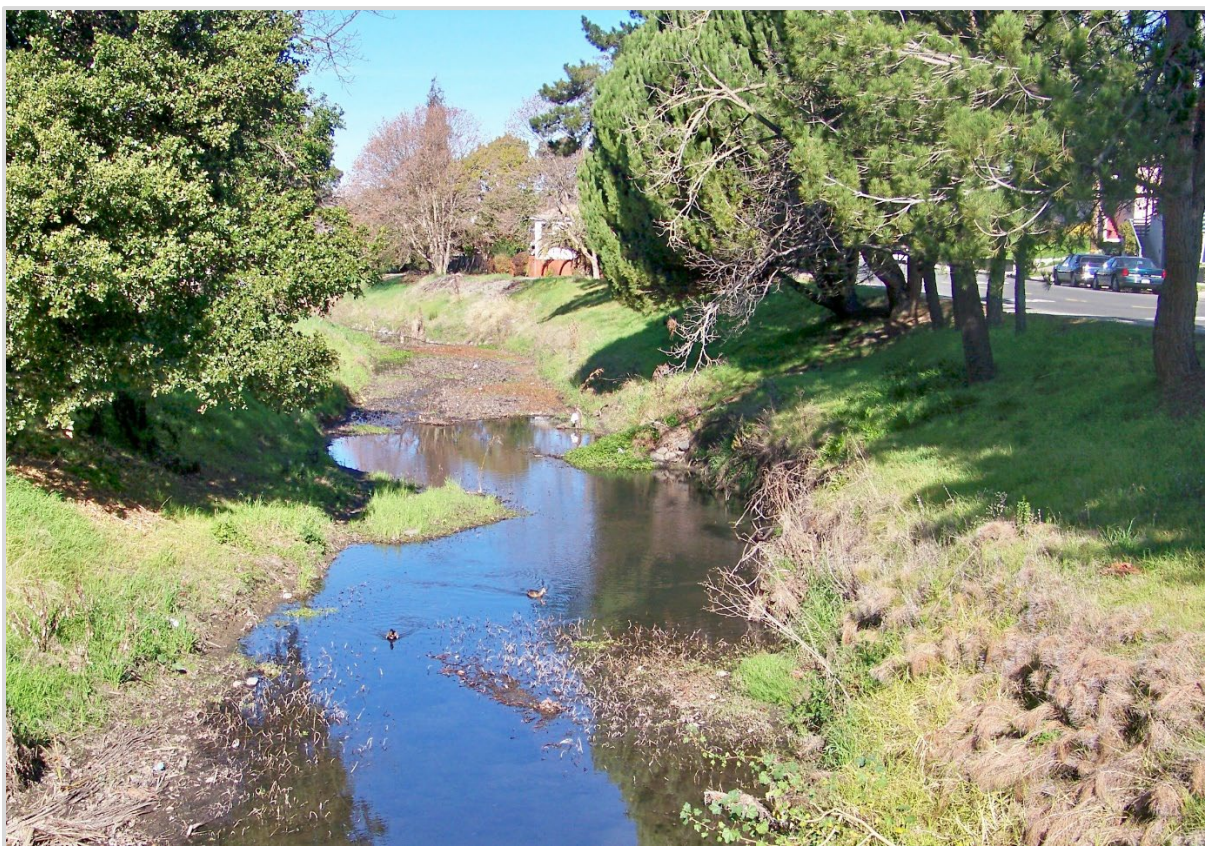
Whereas these goals largely revolve around attracting and retaining targeted business investment, the Action Plan recognizes that the strength of the local business/development environment will ultimately depend on Pinole’s strategic attention to a range of “foundational” conditions such as:

- The City’s reputation for business/development friendliness
- Land, zoning and infrastructure capacity
- Entrepreneurial development resources
- Education/workforce development systems
- Placemaking initiatives that leverage Pinole’s unique locational advantages (including historic and cultural resources) and sense of community
- Overall image and quality of life

PRIORITIZATION OF CITY RESOURCES

The EDS is intended to provide a “roadmap” to guide activities and programs of the City’s Economic Development Department over approximately the next five and a half years (mid FY 2022-2023 through FY 2028-2029). As such, the Action Plan is intended to assist the City in aligning its program priorities to match the market opportunities identified during this planning effort. Whereas the Action Plan covers an ambitious range of economic development activities, the overall program recommendations reflect the following assumptions:

- In keeping with the City’s intent of re-establishing a municipal economic development program, the EDS assumes that the City will fund a new (0.50 FTE) staff position to spearhead the new initiatives outlined in the Action Plan;
- Some of the proposed strategies involve activities that the City is already undertaking to some extent, so they are not all new commitments;
- New activities/programs would be phased-in over several years; and
- Consistent with existing practices, most of the strategies would be carried out in collaboration with various non-City partner organizations (several of which have participated in the development of this plan).



RECOMMENDED BUSINESS RETENTION/EXPANSION/ATTRACTION TARGETS

Implementation of the EDS Action Plan will position the City to be competitive for a targeted business development program including the following elements:

- Retention of existing firms/industries that are in a “repositioning” mode due to national/statewide market and regulatory conditions;
- Expansion of existing local firms in strong growth sectors;
- Attraction of new firms based on Pinole’s competitive advantages within the East Bay/Bay Area regions; and
- Entrepreneurial development, with a focus on technology-oriented firms aligned with the region’s core industries.

As described in Chapter 4, the EDS target industry analysis identified a total of 15 industry clusters⁵ that are of potential interest to Pinole. Among the 15 clusters of interest, nine are recommended as strategic targets for this Action Plan:

1. Retail/Restaurant (focused tenant recruitment in tandem with commercial area revitalization and Downtown improvement efforts)
2. Health Services
3. Hospitality and Tourism (including potential attraction of hotel development)
4. Information Technology and Analytical Instruments
5. Medical Devices
6. Communications Equipment and Services
7. Business/Professional Services
8. Insurance Services (insurance carriers)
9. Video Production and Distribution (motion picture production and related industries)

The table below lists Pinole’s potential target industries. The table also identifies (in highlighted cells) the likely areas of programmatic focus (i.e., retention, expansion, attraction, and/or entrepreneurial development) most relevant to each industry cluster.

⁵ Industry “clusters” are closely aligned groups of industry sectors representing supply-chain relationships. The “Medical Devices” cluster, for example, includes not only the actual manufacturing of medical devices but also related industries that provide inputs to the manufacturing process and support the sales and distribution of finished products.

RECOMMENDED TARGET INDUSTRIES

Potential Industry/Cluster Targets	Focus of economic development activity				
	Retention/ Repositioning	Expansion	Attraction	Entrepreneurial development	Amenity investment
Core strengths. Build on Pinole's existing core strengths. Candidates would include:					
• Retail/Restaurant	✓	✓	✓		✓
• Health Services	✓	✓	✓		
• Hospitality and Tourism (potentially including attracting hotel development)	✓	✓	✓		✓
Regional clusters. Tap into dominant regional industry clusters that are not currently well represented in Pinole, such as:					
• Information Technology and Analytical Instruments			✓	✓	
• Medical Devices			✓	✓	
• Communications Equipment and Services			✓	✓	
• Business/Professional Services			✓		
• Insurance Services (insurance carriers)			✓		
• Video Production and Distribution (motion picture production and related industries)			✓		

EDS Strategies

The EDS Action Plan is organized around six major initiatives, outlined below and detailed on the following pages/tables.

Business Development / Job Creation	
Major Initiative 1:	Implement economic development branding/marketing program
Major Initiative 2:	Focus City's business retention/expansion/attraction efforts around high-priority industry clusters
Major Initiative 3:	Collaborate with regional partners to expand availability of entrepreneurial development resources in Pinole
Creating an Environment for Economic Progress	
Major Initiative 4:	Systematically review and strengthen City's business/development friendliness
Major Initiative 5:	Expand development capacity and pursue placemaking projects
Major Initiative 6:	Enhance City's interface with education/workforce development partners

Action Steps and Implementation Timeframes

Each EDS Strategy includes a list of specific Action Steps, which are intended to be implemented over the next 5.5 years (starting January 1, 2023). The recommended implementation timeframe for each action item is provided on the tables below, based on the following color coding:

Gold = Year 1 (January 1, 2023 – June 30, 2024)

Green = Year 2 (FY 2024-2025)

Purple = Year 3 or later (FY 2025-2026 through FY 2028-2029)

MAJOR INITIATIVE 1: Branding/Marketing	
Brief Description of Program The City will launch an economic development-specific marketing program with the following objectives: - Exposure to targeted industry clusters within region (to improve Pinole's competitive positioning) - Lead generation for business attraction - Raising public awareness of City's business assistance resources	City's Positioning/Roles in Implementation The City will take a <u>lead role</u> in implementing the economic development-specific marketing program. Initial program design (and some elements of implementation) would likely require support from a professional marketing agency. Pinole will also leverage its City-level marketing investment through participation in regional marketing initiatives.

MAJOR INITIATIVE 1: Branding/Marketing

- Promoting wider awareness of the City's established "business friendly" status
- Promoting placemaking initiatives (e.g., positioning Pinole's downtown as a regional destination)
- Creating mechanisms for ongoing stakeholder/public engagement with the City's economic development functions

As part of its overall marketing program, the City will pursue specific messaging that highlights the City's successful efforts to expedite and clarify development approval processes, business permitting, and the like and initiatives that demonstrate the City's commitment to taking proactive measures to support businesses.

Action Steps

(Gold = Year 1; Green = Year 2; Purple = Year 3 or later)

- Create webpage for ED program reflecting marketing targets identified in EDS
- Coordinate with partners to ensure that EDS marketing targets (and associated "selling points") are optimally positioned within regional marketing initiatives (including partner websites, etc.)
- Coordinate with partners to ensure that the message of Pinole's business friendliness ties into whatever similar messaging is applicable to the region, through their various marketing platforms appropriate
- In tandem with Sub-strategy 5A below ("Reposition Retail" initiative), launch aggressive retail/restaurant tenant recruitment effort (with a focus on attracting high sales tax generators)⁶
- Convene "Summit Meeting" of local civic organizations to unveil the EDS and identify specific opportunities for engagement of civic organizations and other community leaders as "ambassadors" for Pinole's economic development program

⁶ Consistent with community/stakeholder input received during the EDS planning process, recruitment program should prioritize high quality restaurants that could be positioned as "junior anchor tenants" within shopping centers that are being revitalized or redeveloped. For an initial list of target retail/restaurant tenants, refer to the "Insight Void Analysis" prepared for the City by HdL EconSolutions in July 2019 (this list should be periodically updated to reflect evolving retail market conditions).

MAJOR INITIATIVE 1: Branding/Marketing

- F. As part of Civic Organization Summit meeting, define strategy for using positioning or new special events as mechanisms for placemaking and economic development promotion
- G. Investigate options for professional marketing services to support design/implementation of new marketing program. This program could ultimately include the following components:
 - Industry-specific marketing materials (target industry webpage, brochures, digital/print media)
 - Advertising in selected/targeted media (general and industry-specific)
 - Attendance at selected industry events (e.g., ICSC)
- H. Implement targeted advertising campaign (per Step D above)
- I. Establish and implement annual calendar for attendance at selected industry events (per Step D above)
- J. Host industrial broker luncheon/site tour to establish Pinole as a viable location for targeted office/industrial tenant types (continue on annual basis)
- K. In conjunction with partners (potentially through an ad hoc taskforce), identify and organize new special events to support placemaking efforts

Partnership Resources

- | | |
|--|--|
| <ul style="list-style-type: none"> • San Pablo EDC • Bay Front Chamber of Commerce • Contra Costa County Economic Development | <ul style="list-style-type: none"> • East Bay Economic Development Alliance |
|--|--|

Other Potential Implementation Tools/Investments

- Professional marketing agency (with economic development expertise)

Year 1 Milestones/Checklist

- Completion of new website/webpage for City's ED program, consistent with new ED brand developed as part of EDS process
- Research and staff report on recommendations for pursuing professional marketing services for implementation of EDS marketing program
- Civic Organizations Summit (initial meeting and plan for follow-up engagement)

MAJOR INITIATIVE 2: Business Retention/Expansion/Attraction

Brief Description of Program

Within Pinole's limiting remaining land/development capacity (and opportunities for re-tenanting/repurposing existing underutilized buildings), City will focus its business development efforts on market-

City's Positioning/Roles in Implementation

The City will take a lead, in-house role in implementing a Pinole-specific target industry program. The program will also involve some coordination with (and support from) regional partners.

MAJOR INITIATIVE 2: Business Retention/Expansion/Attraction

feasible industries/clusters (see recommended list in preceding section of the EDS) with the highest potential to:

- Create/retain high-paying jobs
- Increase tax base
- Contribute to sense of place

The business retention component of this initiative will focus on direct outreach to existing Pinole firms to identify and systematically respond to issues that are threats to the long-term viability and growth of existing core industries; these concerns might include, for example, the City's level of business friendliness, global market changes impacting local businesses, and the impacts of climate change/policy (including water and energy costs)⁷.

Action Steps

(Gold = Year 1; Green = Year 2; Purple = Year 3 or later)

- Identify a "short list" of 6-8 industry clusters for the City's initial targeting efforts (the consultant's initial recommendations – based on the industry cluster analysis and the priority levels suggested by the EDS Committee – are listed on page 44 of the EDS)
- Compile database of existing Pinole/Contra Costa County firms relevant to each targeted cluster
- Define outreach strategy for maintaining ongoing communication with key existing firms in retention/expansion clusters; outreach tactics could include a mix of industry meetings/mixers, online surveys, site visits, and direct mail
- Conduct needs assessment (via outreach in Step C) of firms receptive to business retention/ expansion assistance and develop customized responses (packaging of City and non-City resources) to address specific needs of assisted firms
- Implement marketing effort (see Major Initiative 1) for identified business attraction targets
- Customize entrepreneurial development resources (see Major Initiative 4) to maximize startup potentials in targeted industry clusters
- Customize workforce development resources (Major Initiative 6) to ensure competitive pipeline of workers to meeting staffing needs of targeted industry clusters
- As part of an overall focus on growing Hospitality and Tourism (one of the priority industry clusters in the EDS), pursue attraction of hotel development; also, investigate

⁷ The City's process of preparing a Climate Action and Adaption Plan (scheduled for completion in June 2023) will also include specific outreach to the business community on these issues.

MAJOR INITIATIVE 2: Business Retention/Expansion/Attraction

potentials for a specialized focus on ecotourism (leveraging the existing regional park and available hiking/birdwatching areas)

Partnership Resources

- San Pablo EDC
- Contra Costa County Economic Development
- East Bay Economic Development Alliance

Year 1 Milestones/Checklist

- MOU with partners for coordination on business attraction coordination (identification of regional targets relevant to Pinole, etc.)
- Memorandum (staff generated) outlining in-house plan for existing business outreach

MAJOR INITIATIVE 3: Entrepreneurial Development**Brief Description of Program**

City will launch an across-the-board effort (via multiple EDS strategies) to attract and foster startups (with a particular focus on entrepreneurial opportunities in the EDS target industry clusters).

City's Positioning/Roles in Implementation

The City will mostly serve in a coordination/clearinghouse capacity, drawing on the established programs of regional partners. More directly (through other EDS strategies), the City will focus on creating an innovative business environment attractive to prospective entrepreneurs.

Action Steps

(Gold = Year 1; Green = Year 2; Purple = Year 3 or later)

- Conduct meetings with regional partners listed below to unveil EDS target industry cluster program and identify targeted industries likely to offer significant entrepreneurial development opportunities
- Update webpage summarizing City's entrepreneurial development opportunities/resources
- In conjunction with regional partners, organize a local annual "startup network" workshop featuring presentations from partner organizations and providing networking opportunities for prospective startups
- Investigate options for key partner organizations establishing field offices in Pinole to support expanded focus on entrepreneurial development and startup assistance

Partnership Resources

- | | |
|---|--|
| <ul style="list-style-type: none"> • East Bay Small Business Development Center • Renaissance Entrepreneur Center | <ul style="list-style-type: none"> • San Pablo EDC • Local banks |
|---|--|

Year 1 Milestones/Checklist

MAJOR INITIATIVE 3: Entrepreneurial Development

- Webpage summarizing entrepreneurial development resources (links)
- Preliminary discussions with partners about “startup network” workshop (to be implemented in Year 2)

MAJOR INITIATIVE 4: Business/Development Friendliness

Brief Description of Program

The City will systematically review and strengthen key systems/policies relating to interactions with the business and development community. Most critically, this will involve periodic reviews of entitlement and permitting processes and related fee structures.

City's Positioning/Roles in Implementation

The City will take a lead role in implementing the business/development friendliness initiative.

Action Steps

(Gold = Year 1; Green = Year 2; Purple = Year 3 or later)

- Establish “Business Concierge” program (staffed by City’s new Economic Development Coordinator) and supporting “Quick Response Team” (representatives of other City departments with permitting or project approval roles)
- Conduct annual review of Pinole’s business/development fee schedules (and survey of competitor’s fees); recommend fee adjustments as needed to maintain competitive position
- Fund and publicize small business financial assistance programs (i.e., small loans and/or grants for specific business improvement purposes)
- Establish and publicize branded program(s) for streamlined business permitting and development entitlements
- Host annual broker/developer appreciation event (include a “customer satisfaction survey” to obtain ongoing feedback on ways City can improve business/development friendliness)

Partnership Resources

- San Pablo EDC
- Bay Front Chamber of Commerce

Year 1 Milestones/Checklist

- Organize “Business Concierge” and “Quick Response Team” programs
- Establish annually-repeatable process for conducting comparative survey of Pinole’s business/development fees (comparison to fees in 5-10 competitor cities in region)

MAJOR INITIATIVE 5: Development Capacity/Placemaking

Brief Description of Program

This strategy will have a multi-pronged, integrated focus: a) focused evaluation of the City's zoning and related land use policies, to expand capacity for targeted commercial and light industrial development; b) City-led initiatives to pursue development-driven placemaking in special focus areas (e.g., Downtown and Waterfront); c) alignment of the City's Capital Improvement Plan (CIP) with EDS based on a comprehensive assessment of infrastructure needs (including broadband improvements) in high-priority development areas; d) coordination of infrastructure financing tools; and e) implementation of affordable housing measures relevant to EDS priorities.

City's Positioning/Roles in Implementation

The City's Community Development Department will have a lead role in coordinating relevant research etc. and eventually proposing new City zoning policies and infrastructure investments in response to emerging market opportunities.

NOTE: This is an "umbrella" initiative and selected high-priority sub-strategies are detailed in separate boxes below.

Action Steps

(Gold = Year 1; Green = Year 2; Purple = Year 3 or later)

- A. Implement "Reposition Retail" Strategy (see separate box for Sub-Strategy 5A below)
- B. Study feasibility of Enhanced Infrastructure Financing District (EIFD) (see separate box for Sub-Strategy 5B below)
- C. Systematically review City's land use plans and policies to ensure alignment with EDS objectives (see separate box for Sub-Strategy 5C below)
- D. Investigate potentials for establishing one or more business improvement districts (BID's) to fund revitalization and placemaking activities within special focus areas (e.g., Downtown)
- E. Prepare Broadband Master Plan (this is already a funded City project, separate from the EDS)
- F. Support implementation affordable housing measures relevant to EDS (this effort is assumed to be led by City staff other than Economic Development Coordinator)

SUB-STRATEGY 5A: Implement “reposition retail” initiative to facilitate revitalization and/or repurposing of high-vacancy shopping centers based on potential market demand for other land uses (including “tech flex” space, office, residential and mixed-use)

Brief Description of Program

Although the real estate market analysis completed for the EDS process indicates some potential demand for new retail/restaurant tenancies in Pinole (which could potentially be focused in specialty shopping areas such as the downtown), global trends for the retail industry suggest that older shopping centers will increasingly struggle to maintain acceptable occupancy levels and vibrant tenant mixes. The City will work proactively with shopping center owners to define mutually beneficial solutions to these challenges.

City’s Positioning/Roles in Implementation

The City will take a lead, in-house role in implementing this strategy. The program will also involve direct coordination with property owners and the development community.

Action Steps

(Gold = Year 1; Green = Year 2; Purple = Year 3 or later)

- A. Initiate contact with ownership/management of key shopping centers to assess interest in revitalizing and/or redeveloping properties and to determine means by which City could facilitate/incentivize action on revitalization
- B. Investigate potential applicability of Federal and State authorized “tools” to increase the feasibility of redevelopment/reinvestment actions (see list of potential tools below); for example, available ARPA funds could potentially be utilized to incentivize/leverage private investment in shopping center revitalization
- C. Conduct focus group meeting with development community (developers and brokers familiar with the Contra Costa County market) to identify market demand prospects for various reuse approaches/concepts:
 - Mixed-use development in which a portion of existing retail use is retained, and surplus land is devoted to other uses (e.g., housing and/or office)
 - Opportunities to fulfill City’s RHNA affordable housing obligations by allowing residential development on shopping center sites
 - Opportunities for market-rate housing development (appropriate for a full range of income levels, including “workforce” housing) on shopping center sites
 - Opportunities to pursue development of Class A office space
 - Opportunities to pursue development of light industrial / “tech flex” space
 - Opportunities to pursue hotel development (especially on sites with water views)
- D. Prepare development prototypes (i.e., drawings/renderings) and pro forma financial analyses to document the potential financial attractiveness (to property owners) of site redevelopment

SUB-STRATEGY 5A: Implement “reposition retail” initiative to facilitate revitalization and/or repurposing of high-vacancy shopping centers based on potential market demand for other land uses (including “tech flex” space, office, residential and mixed-use)

E. Develop information packages to demonstrate the economic/financial advantages (to property owners) of site redevelopment

Partnership Resources

- Commercial/industrial real estate brokers
- Shopping center owners
- Development community

Other Potential Implementation Tools

- Community Revitalization and Investment Authorities (State legislation)
- Enhanced Infrastructure Financing Districts (State legislation)
- CERF (state) and ARPA/BBB (federal) funding resources

Year 1 Milestones/Checklist

- Coordination/meetings with shopping center owners

SUB-STRATEGY 5B: Study feasibility of Enhanced Infrastructure Financing District (EIFD)

Brief Description of Program

EIFD’s are a relatively new tool authorized by the State of California to fund infrastructure improvements in targeted development areas via tax-increment financing. They are potentially a powerful tool/incentive for attracting private development/investment. However, setting up an EIFD involves significant costs to the municipality. The intent of this strategy is to investigate the applicability of the EIFD concept to Pinole’s targeted development (or redevelopment) areas and to determine the feasibility of utilizing ARPA funds to pay for the City’s upfront costs.

City’s Positioning/Roles in Implementation

The City will take a lead, in-house role implementing this strategy.

Action Steps

(Gold = Year 1; Green = Year 2; Purple = Year 3 or later)

- Conduct preliminary (no cost) discussions with consultant firms experienced in establishing EIFD’s to get initial assessment of applicability to Pinole and general estimate of City costs involved
- Investigate potential for utilizing ARPA funds (or other external resources) to pay for upfront costs associated with establishing an EIFD
- Based on the above, prepare recommended course of action for consideration of City Manager and City Council

SUB-STRATEGY 5B: Study feasibility of Enhanced Infrastructure Financing District (EIFD)

D. If initial investigations (steps A-C above) indicate feasibility of the EIFD concept, retain consultant team to prepare necessary studies, etc. to establish EIFD

Partnership Resources

- Contra Costa County

Other Potential Implementation Tools

- ARPA funds

Year 1 Milestones/Checklist

- Staff-generated memorandum report, summarizing findings of initial investigations and recommending course of action for City Council's consideration

SUB-STRATEGY 5C: Systematically review City's land use plans and policies to ensure alignment with EDS objectives**Brief Description of Program**

With a focus on expanding physical/zoning capacity for targeted land uses, the City should conduct an overall review of existing land use plans and policies. This review should, in particular, identify ways in which the Three Corridors Specific Plan (adopted in 2010) could be refined or selectively updated to reflect the current status of sites that the Plan targets for development.

The original (2010) Specific Plan provided a detailed framework for development and revitalization in Pinole's primary commercial and industrial corridors. The City's Strategic Plan 2020-2025 calls for the Specific Plan to be updated. Whereas a full update of the Specific Plan is not necessary to implement the EDS, some level of refinement could position the Plan to better accomplish the following:

- Provide a specific strategy for Downtown revitalization
- Investigate options for waterfront development (including potential for relocation of City facilities to create new development capacity)

City's Positioning/Roles in Implementation

The City will take a lead, in-house role implementing this strategy.

SUB-STRATEGY 5C: Systematically review City's land use plans and policies to ensure alignment with EDS objectives

- Allow for appropriate mixed-use options for obsolete shopping centers
- Incentivize optimal use of "water view" properties (e.g., allow for high-rise development with top-floor restaurants)
- Provide updated analysis of "opportunity sites" that can potentially accommodate new business park and/or industrial buildings
- Incorporate innovative placemaking concepts for key community sites (e.g., "Community Corner")
- Interface with City programs/policies focused on preservation and promotion of historic and cultural resources
- Ensure that the Specific Plan is fully aligned with new State housing policies
- Provide updated infrastructure assessment and capital improvement plan for targeted commercial/industrial development areas

Action Steps

(Gold = Year 1; Green = Year 2; Purple = Year 3 or later)

- Convene working group (consisting of City Manager, Community Development Department staff and Public Works staff) to review existing land use plans and policies relevant to the EDS, and identify any existing policies that could be improved to achieve EDS objectives related to development/redevelopment capacity
- Through the working group noted above, determine the need for (and potential scope of) Specific Plan refinements, taking into account potential interface with EDS initiatives and potential synergies with the recent General Plan Update process
- To the extent needed Specific Plan refinements (and/or other desired changes in land use policy) are extensive enough to warrant consultant support (which is not a foregone conclusion at this time), establish preliminary budget for consultant effort (based on initial estimates from multiple prospective consultants)

SUB-STRATEGY 5C: Systematically review City’s land use plans and policies to ensure alignment with EDS objectives

- D. Investigate potential for utilizing ARPA funds to pay for the Specific Plan refinements (or other policy updates requiring consultant support)
- E. Based on the above, prepare recommended course of action for consideration of City Council

Other Potential Implementation Tools

- ARPA funds

Year 1 Milestones/Checklist

- Staff-generated memorandum report, summarizing findings of initial investigations and recommending course of action for City Council’s consideration

INITIATIVE 6: Workforce interface
Brief Description of Initiative

The City will systematically interface with education and workforce development partners to support the following outcomes:

- Improve information flow between employers and educators/trainers regarding needed skills for targeted industry clusters
- Increase awareness of Pinole residents about available training/job placement services

City’s Positioning/Roles in Implementation

Whereas core educational/workforce development services will continue to be delivered primarily by partner organizations, the intent of this strategy is to more strongly support these partners in a coordination/clearinghouse capacity. This coordination role would involve streamlining and clarifying regional/partner resources to maximize their value to Pinole’s business community.

Action Steps

(Gold = Year 1; Green = Year 2; Purple = Year 3 or later)

- A. Establish and facilitate periodic meetings of a “Pinole Workforce Development Consortium” (including representatives of the partner organizations listed below); this action item would serve the following major purposes:
 - Coordination of the various service providers related to workforce training to ensure consistent dissemination of information about available programs/resources
 - Facilitating useful connections between employers and training organizations
- B. In tandem with partners, establish ongoing mechanisms to improve connection between employers and education/training resources
- C. Conduct survey of Pinole’s resident workforce to identify characteristics (commute distances, occupations, skills, adaptability to remote work, etc.) of Pinole residents who work in other communities

INITIATIVE 6: Workforce interface

- D. Based on workforce survey (Step C above), define strategy for leveraging work-from-home trends as part of Pinole’s marketing, business attraction and entrepreneurial development strategies)
- E. Through PWDC, develop strategy to improve local school quality and performance relative to neighboring cities/districts

Partnership Resources

- | | |
|--|---|
| <ul style="list-style-type: none"> • WDBCCC • West Contra Costa Unified School District • San Pablo EDC | <ul style="list-style-type: none"> • Bay Front Chamber of Commerce |
|--|---|

Year 1 Milestones/Checklist

- Establish “Pinole Workforce Development Consortium” (PWDC)
- Convene 1-2 organization/coordination meetings of PWDC to identify resources available to Pinole workers and firms
- Create webpage listing workforce development resources available through PWDC partners
- Define PWDC strategy for facilitating connections between Pinole firms and PWDC partner resources (for training, etc.)

Year 1 Staff Time and Other City Resources by Major Initiative / Action Step

The table below shows the estimated allocation of time for the proposed 0.50 FTE Economic Development Coordinator during Year 1 of the EDS implementation. The table also notes other major resources (in addition to ED staff time) that will be required to fully implement each action step.

Major Initiative	Essential Year 1 Action Steps	Annual Hours – ED Coordinator (0.50 FTE)	Other City Resources Needed
1. Branding/Marketing	- ED website / new brand - Launch retail/restaurant tenant recruitment effort - Civic organization summit - Plan marketing services	250	Professional marketing services (start in Year 2)
2. Business Retention/Expansion/Attraction	- Define partner roles (MOU) for business attraction - In-house plan for existing business outreach	150	Potential partner contracts (start in Year 2)
3. Entrepreneurial Development	- Inventory regional/partner programs and resources - Webpage (partner links) - Plan “startup network” workshop (with partners)	100	Potential partner contracts (start in Year 2)
4. Business/Development Friendliness	- Organize “Business Concierge” and “Quick Response Team” programs - Set up annual survey of competing cities’ fees	150	Potential fee waivers or reductions (in response to competitive survey)
5. Development Capacity/Placemaking	- Launch “reposition retail” - Investigate options/costs for EIFD formation - Internal game plan (scope, etc.) for revising Three Corridors Specific Plan (if needed)	250	CDD staff time (in addition to ED Coordinator); EIFD consultant (in Year 2 or later); Planning consultant (Year 2 or later)
6. Workforce Interface	- Establish Pinole Workforce Development Consortium (PWDC) - Webpage listing workforce development resources - Strategy to connect firms with training resources	100	Host 1-2 lunch meetings of PWDC partners

Metrics for Monitoring Progress

In defining a system for monitoring the City's progress on EDS implementation, it is important to consider a balance of "outputs" (specific City investments or tasks completed) and "outcomes" (measurable changes in local economic conditions). It is also important that the system be manageable in terms of readily available data sources. The following framework is intended to guide the City's annual monitoring process:

Metric	Data Source	Notes on Application
Key Outcomes:		
Annual Changes in Taxable Sales	California Department of Tax and Fee Administration (CDTFA)	Segment by major CDTFA sales category (including retail and non-retail business types); compare to countywide averages
Jobs Created or Retained in Targeted Industries	- Business license records - ED Coordinator records - BLS (salary data)	Report high-wage industries as a separate subtotal (use countywide BLS data to estimate average salary by industry)
Net Change in Active Business Licenses	City business license records	Segment by major industry group and compare to industries targeted in EDS
Square Feet of New (or Newly Tenanted) Commercial/Industrial Space	Building Department records	Create annual summary of new development projects and major new tenancies in existing space
Annual Changes in Retail, Office and Industrial Market Conditions (vacancy rates and lease rates)	Commercial/industrial real estate brokers	Compare to previous year(s) and to countywide averages; City should develop relationship with broker(s) to obtain data
Average Length (in days) of Commercial/Industrial Development Approvals	City records (will need to establish process for tracking)	Reporting of approval timing should be segmented by type and complexity of project
Key Outputs:		
Outreach contacts	ED Coordinator records	Maintain separate for existing Pinole firms (retention/expansion) and external firms (attraction)
Commercial/industrial brokers participating in City events	ED Coordinator records	Maintain separate records for Action Items 1J, 4E, and 5A (sub-item C)