AGENDIZED ITEMS – The public is entitled to address the Committee on items appearing on the agenda before or during the Committee’s consideration of that item. Each speaker will be limited to approximately three minutes.

1. ROLL CALL

2. PUBLIC COMMENT PERIOD

3. REPORTS
   a. Considering – follow-up items and next steps on Request for Proposal process for Town Center II (City Property) located at 1765 Galindo Street. Report by John Montagh, Economic Development Manager.


4. ADJOURNMENT
ADA NOTICE AND HEARING IMPAIRED PROVISIONS

In accordance with the Americans with Disabilities Act and California Law, it is the policy of the City of Concord to offer its public programs, services and meetings in a manner that is readily accessible to everyone, including those with disabilities. If you are disabled and require a copy of a public hearing notice, or an agenda and/or agenda packet in an appropriate alternative format; or if you require other accommodation, please contact the ADA Coordinator at (925) 671-3031, at least five days in advance of the hearing. Advance notification within this guideline will enable the City to make reasonable arrangements to ensure accessibility.

Distribution: City Council
Valerie Barone, City Manager
Susanne Brown, City Attorney
Kathleen Trepa, Assistant City Manager
Joelle Fockler, City Clerk
Staff Report

Date: November 18, 2019
To: Council Committee on Housing & Economic Development
From: Valerie J. Barone, City Manager
Reviewed by: Andrea Ouse, Community and Economic Development Director
Prepared by: John Montagh, Economic Development Manager

John.montagh@cityofconcord.org
(925) 671-3082

Subject: Considering follow-up items and next steps on Request for Proposal process for Town Center II (City Property) located at 1765 Galindo Street

Report in Brief
The City of Concord owns an approximately three-acre property located at 1765 Galindo Street bounded by Galindo Street, Concord Boulevard, and Clayton Road (Town Center II). (Attachment 1).

At the August 26, 2019, Housing and Economic Development Committee (HED) meeting, the Committee heard a report outlining the Request for Proposal (RFP) process for future development of Town Center II site. The HED Committee provided input and direction on the type of development that they would view most favorably, and certain criteria the HED Committee recommended to be included in the RFP. The HED Committee members asked staff to return with information for the following items:

- Market for, and feasibility of, a new hotel development for the site;
- Affordable housing impact fees for a market rate project, and;
- Effects of State Assembly Bill 199 on the Town Center II site.

The staff report also contains information on the Effects of Assembly Bill 1486 and outlines next steps for preparing the Town Center II RFP for City Council consideration.
Recommended Action
Provide direction to staff on next steps to bring Town Center II RFP for City Council consideration.

Background
Town Center II is an approximately three-acre site bounded by Galindo Street, Concord Boulevard, and Clayton Road. The Site is a former Redevelopment Agency property and was acquired by the Redevelopment Agency in order to facilitate a future catalyst development project in downtown Concord. Because it is a former Redevelopment Agency property, it is subject to State Redevelopment Dissolution Laws and is incorporated in the Concord Redevelopment Agency Successor Agency’s Long Range Property Management Plan (LRPMP) as a site to be held by the City for future development. The City is required to share the net sales proceeds from the disposition of the property with numerous affected taxing entities.

The 2014 Downtown Specific Plan calls for the site to be potentially developed with 242,474 square feet of either residential, hotel, or combination of both uses plus 11,309 square feet of retail. The site is located within the Specific Plan’s “Inner Core,” and, therefore, is subject to Spanish-influenced architectural design standards.

On April 9, 2019, the City Council considered but did not approve a Disposition and Development Agreement (DDA) between the City and AvalonBay Communities for the development of 310 market rate apartment units and 6,500 square feet of ground-floor commercial/retail. The Council rejected the proposed DDA because AvalonBay Communities and certain Trade Labor Groups could not reach agreement on a Project Labor Agreement. The Council directed staff to develop and issue a RFP to identify a developer who could develop the site with a more supportable proposal. More detailed information is included below.

On August 26, 2019, the HED Committee heard and provided input on the elements that would make up an RFP for the Town Center II site. In particular, staff provided information on types of development that could be developed on the site, certain “Community Benefits” to be derived from a development project, strategies for outreaching to the development community and evaluation process of the RFP submittals. In particular, the HED Committee agreed that the RFP should include provisions that require the selected developer to enter into a Project Labor Agreement. The Committee also stated that the RFP should be open to both market rate and affordable housing developments. The Committee further asked staff to look into the feasibility of a hotel development for the site, what the affordable housing impact fees would be for a market rate project and if State Assembly Bill 199 would require the Town Center II site to be developed with prevailing wage labor.
Committee Report  
Agenda Item No. 3.a  
November 18, 2019

Analysis
Hotel Feasibility
Staff discussed the concept of a hotel at this location with hotel developers. There is some interest in the site given its size and proximity to office uses and the downtown. Hotel developers expressed two main concerns: (1) the site is not directly off a freeway and is not in proximity to other major Concord hotels, and (2) increased cost of development if a Project Labor Agreement is required.

In response to the Committee’s request to evaluate the feasibility of a hotel on the site, staff explored the cost of a formal feasibility report with PKF “hotelexperts,” a noted international hospitality consultant. The goal of the report would be to provide a scope of work to assess the site and market opportunity to support new hotel development. Through negotiations and discussions with PKF, staff obtained a refined proposal for approximately $13,000 to conduct a market overview and recommend hotel options for the site. The study would take approximately six to eight weeks to complete. This market assessment study was not anticipated during the City’s budget process; therefore, funds are not currently budgeted for such a study. If the Committee recommends retaining PKF to conduct the hotel feasibility assessment, staff will take the item to City Council to appropriate the required funds from the City’s reserve.

It is worth noting that the Specific Plan requires a minimum of 242,457 square feet of development, including 11,309 square feet of retail. The Specific Plan requirements of a minimum square feet of development and retail may not be obtainable for a hotel development and therefore the Specific Plan would need to be revised in order to allow a hotel development.

Affordable Housing Impact Fees
The Committee requested information regarding the affordable housing impact fee for a market rate multifamily project at this location. The City Council adopted an Affordable Housing Impact Fee for multifamily developments in 2016. The fee is to be postponed until 600 multifamily units have been approved and building permits pulled for development. Currently only 228 multifamily units are anticipated to pull building permits in the near future. As a result, the Impact fee is not in effect.

Assembly Bill 199
The Committee asked for information concerning Assembly Bill 199 and its impact on Town Center II site. Assembly Bill 199 was approved by the Governor in October 2017 and is intended to address a potential loop hole with regards to Successor Agency of Former Redevelopment Agencies providing financial assistance, which would triggered prevailing wages labor. Because the Town Center II site is no longer a State/Successor Agency property, Assembly Bill 199 does not affect the Town Center II site.
Assembly Bill 1486
AB 1486, signed by the Governor on October 9th and effective January 1st, strengthens the Surplus Lands Act in order to promote development of affordable housing. The changes in law expressly apply to former Redevelopment Agency property. Under AB 1486, the City has until December 31, 2020 to enter into an “exclusive negotiating agreement or legally binding agreement to dispose of property” for the Town Center II site; the disposition must be completed by December 31, 2022, with an extension if litigation occurs. If those two milestones are not satisfied, the City must notify “housing sponsors” (defined under State Law) of the site’s availability. While the City is not required to reach agreement with a housing sponsor, if no agreement is reached or if no housing sponsor responds to the notice, then – assuming 10 or more residential units are developed on the property – at least 15% of those units must be affordable at lower income levels (80 percent or below Area Median Income).

Next Steps
If the HED Committee members concur, staff will begin to undertake the following steps to prepare the RFP for City Council consideration:

Develop RFP Prospectus
The prospectus would contain information such as the site’s zoning, general plan and specific plan requirements, as well as the downtown design guidelines. The prospectus would articulate the City’s desires to consider either a market rate multifamily project or an affordable housing project. Staff assumes that there would be no land write down or use of City’s affordable housing funds to finance an affordable housing project. This assumption is made because Dissolution Law requires the City to distribute net sales proceeds to affected taxing entities. Additionally, Council has prioritized the remaining housing funds for acquisition rehabilitation projects. A hotel option can also be include if HED desires to include this use in the RFP prospectus. The RFP would request developers to submit their respective project proposal and provide resumes and a summary of relevant experience to carry out a high-quality development and to demonstrate their ability to successfully fund and complete projects.

Outreach to Development Community
Staff plans to send the approved RFP to a list of developers who have expressed interest in developing in Concord and to a list provided by Building Trade representatives. Staff will also send the approved RFP to Bay Area brokerage firms, multifamily developers active in the Contra Costa/East Bay Market (both market rate and affordable), the Mechanical Craft Trade Unions, Building Industry Association members and Opp Sites and CoStar, two web based real estate platforms. A press release will be issued to media, San Francisco Business Times, and BisNow concerning the RFP, and the RFP will be posted on the City’s web site and social media.

Evaluating Proposals Process
Staff will evaluate the submitted proposals to determine the most responsive for City Council consideration. Staff’s evaluation would be based on the City Council’s priorities.
for the development of the site, and stated criteria listed below. Staff will provide the City Council with the top two to three proposals for their final selection.

Criteria:

- Responsiveness to the RFP
- Developer’s track record for successfully financing and completing proposed projects
- Developer’s ability to construct high quality development
- Project’s ability to achieve City’s vision for the site, as articulated in the RFP
- Developer’s ability to deliver desired community benefits
- Track record with purchasing and executing DDAs with public agencies
- For an affordable housing project, affordable Housing Income Blend Levels Preference of 80% to 120% AMI (Workforce Housing)
- Developer’s financial ability to pay fair market value for the site and finance/fund development of the project.
- Track record of entering into a PLA with the Trades Council

Proposed Schedule

- Bring proposed RFP to City in January 2020 Council’s December 10 meeting
- Issuance of RFP in February 2020;
- Proposals received April 2020;
- Shortlist of developers selection by May 2020;
- Shortlist of developers presented to City Council for selection June 2020;

Financial Impact

There is no financial impact with developing and issuing an RFP for the Site, other than staff time. In the event the property is developed, the City will receive fees and its share of property tax based on the development constructed. Should the Committee want to proceed with a more formal hotel site evaluation, the cost to retain a consultant for that purpose is $13,000.

Public Contact

The Agenda was posted. The Mechanical Craft Trade Unions of Contra Costa County, interested developers, Concord Chamber, Monument Impact, Community Coalition for a Sustainable Concord and Todos Santos Business Association were notified of the meeting.
Attachment

1. Location Map
Memorandum

Date: 11/18/2019

To: Council Committee on Housing & Economic Development

From: Valerie J. Barone, City Manager

Reviewed by: Andrea Ouse, Director of Community & Economic Development
John Montagh, Economic Development Director

Prepared by: Brian Nunnally, Business Development Manager
Brian.nunnally@cityofconcord.org
(925) 671-3018

Subject: Economic Development Marketing Implementation Plan Update

This memorandum provides the Housing and Economic Development Committee an update on the Economic Development Program Marketing Plan.

At the September 11, 2019, Housing and Economic Development Committee meeting, the Committee identified four revised priorities for marketing in the 2019-2020 fiscal year:

1. Website Optimization
2. Geo-Fencing
3. LinkedIn Outreach
4. Special Events

Staff has outlined the following action steps and timeline for implementing the four priority areas:

**Website Optimization**
Economic Development staff has begun optimizing the ConcordFirst.com website with the goal of improving page speed and increasing website visitation and engagement. So far, staff efforts have resulted in a nearly 50-percent improvement in “fully-loaded page speed” from 8.3 seconds down to 5.5 seconds, as well as a website that is more ADA compliant. Remaining tasks to enhance the website and improve its SEO (search engine optimization, which ranks pages higher on the search results page when relevant terms are searched) are estimated to cost approximately $250 and are expected to be completed by year’s end.
Geo-Fencing
By placing a geo-fence around specific event locations or targeted areas (geo-fencing is targeting attendees in a pre-determined area with advertisements and messaging via their mobile devices), Economic Development will incorporate targeted advertising into its business recruitment efforts tied to industry tradeshows and other yet-to-be-identified locations. Economic Development staff has requested quotes to geo-fence the 35th annual Medical Device & Manufacturing West tradeshows being held in Anaheim in February 2020, which is the world's largest medical design and manufacturing event. While within the geo-fenced area, a “banner”-style advertisement will populate the screen of a mobile device user. If the user taps on the banner advertisement, the user will be directed to a customized, industry-specific business recruitment landing page hosted on the ConcordFirst.com website. These leads will then be captured through pixels on the website (pixels are tracking technology that is not visible to the viewer of the website) and collected in the Economic Development program’s Customer Relationship Management software for follow-up outreach.

LinkedIn Outreach
Sponsored “InMail” enables LinkedIn users to deliver personalized messages to target audiences through LinkedIn Messenger. Economic Development staff has requested quotes to complete a comprehensive LinkedIn Outreach marketing campaign targeting the executives and site locators of target industries such as Advanced Manufacturing, Engineering, and Life Sciences/Biotechnology. Similar to the strategy for geo-fencing, the messages will invite recipients to visit a business recruitment landing page on the ConcordFirst.com website that is tailored to their industry.

Special Events
As a strategy to bring business leaders, entrepreneurs, office users, developers, and investors to Concord so that they may see the City’s opportunities firsthand, staff will engage with business and commercial real estate media outlets the San Francisco Business Times and Bisnow, to host a special event that would be of interest to attract the largest number of attendees within the targeted sectors. In an effort to fill office vacancies, for example, these news organizations often host events on vacant floors that showcase available space as an attraction tool. Possible topics of interest at these events are, in general, subject-matter and/or location-based in nature; an event focused on medical technology is an example of a subject-matter driven topic, while “The Future of Contra Costa” Bisnow event held last November is an example of a location-based topic. Additionally, through staff interactions with regional economic development organizations, the East Bay Economic Development Alliance will be hosting two upcoming events in Concord, its annual “East Bay EDA Economic Development Directors Holiday Meeting” at Brasas do Brazil on December 5 and its East Bay EDA Executive Committee meeting at Swift Plaza on December 12; staff has also initiated discussions with the Bay Area Council about it hosting events in Concord as well.

Timeline
- Website Optimization – all optimization efforts will be completed by end of December 2019
- Geo-Fencing – pilot campaign in February 2020; results will be analyzed to determine effectiveness for considering additional campaigns
- LinkedIn Outreach – will begin by March 2020
- Special Events – depending on the news organizations’ events schedule, special event(s) will be held by September 2020
Staff will provide the HED Committee and the other Council members with an update on the metrics for this new marketing effort by March 2020, following completion of the first three activities.
Memorandum

Date: 11/18/2019

To: Council Committee on Housing & Economic Development

From: Valerie J. Barone, City Manager

Reviewed by: Andrea Ouse, Director of Community & Economic Development
John Montagh, Economic Development Director

Prepared by: Brian Nunnally, Business Development Manager
Brian.nunnally@cityofconcord.org
(925) 671-3018

Subject: Economic Indicators Dashboard Update

Based on Housing & Economic Development Committee direction at its August 26, 2019 HED meeting, Committee members asked staff to research and develop an Economic Indicators Dashboard as a measurement tool to gauge the Economic Development program’s effectiveness by providing a snapshot in time of the current local economy. During the research, staff reviewed approximately 10 examples of economic dashboards generated by cities, counties, regional organizations or trade associations to determine, along with the most relevant key metrics, the clearest and most visually-appealing layout for such a report. This memorandum provides HED Committee with staff’s recommended economic indicators to report to be prepared on a quarterly basis.

The 12 recommended key economic indicators for the City of Concord, which will be compared to Contra Costa County where applicable, include:

1. Commercial Vacancy Rates / Average Lease Rates
   a. Office
   b. Industrial
   c. Retail
2. Sales Tax Revenue
3. Property Tax Revenue
4. Median Home Value of Single Family Residences
5. Transient Occupancy Tax Revenue
6. Restaurant Revenue
7. Number of Jobs Citywide
8. Unemployment Rate Compared to Contra Costa County
9. Number of Building Permits Issued / Permit Valuation Totals
   a. Commercial
   b. Residential
10. Number of Planning Division Customer Inquiries
11. Customer Satisfaction Rate
12. Number of Social Media Followers
    a. Facebook
    b. Twitter
    c. Instagram

Staff selected these particular indicators because they most reflect the relative health of the local Concord economy; most of the indicators are directly related to the goals of the Economic Vitality Strategy. From a “Best Practices” perspective, these indicators were found regularly throughout the other organizations’ dashboards. In particular, the most relevant Concord data are commercial vacancy rates, average lease rates and sales tax revenue because these three data points are direct indicators of the local market’s current commercial real estate demand and consumer retail spending habits.

A mock-up sample of a Concord-specific *Economic Indicators Dashboard* is attached to this memo. Because researching the data can be time consuming, please note that the data presented in the mock-up is not accurate as the attached dashboard is meant only to be illustrative of staff’s recommended key metrics and layout for Committee review and feedback.

Once the Committee has confirmed the metrics and layout it would like for the report, staff will finalize the design and begin reporting on the key metrics via an *Economic Indicators Dashboard* on a quarterly basis. Assuming that the Committee finalizes the key metrics and layout during its November 18, 2019 meeting, staff will research the data and design the first report in December, with this first report and subsequent reports provided to Councilmembers. Staff will also post the most current quarterly *Economic Indicators Dashboard* to the City of Concord website for public viewing.

Attachment: *Concord Economic Indicators Dashboard* Mock-Up
**NEW BUSINESS LICENSES**

<table>
<thead>
<tr>
<th>Month</th>
<th>Licenses</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAN</td>
<td>200</td>
</tr>
<tr>
<td>FEB</td>
<td>250</td>
</tr>
<tr>
<td>MAR</td>
<td>270</td>
</tr>
</tbody>
</table>

Total Q3 2020: 720, 10% from Q3 2019

**BUILDING PERMITS (BP)**

<table>
<thead>
<tr>
<th>Month</th>
<th>Construction Valuation</th>
</tr>
</thead>
<tbody>
<tr>
<td>JAN</td>
<td>$2.5M</td>
</tr>
<tr>
<td>FEB</td>
<td>$3M</td>
</tr>
<tr>
<td>MAR</td>
<td>$4.5M</td>
</tr>
</tbody>
</table>

Total BP Q3 2020: 710, 10% from Q3 2019

**PERMIT CUSTOMERS SERVED**

900 Customer Visits in Q1 2020

Source: City of Concord CED Dept.

**SATISFACTION RATE**

95% Satisfaction (Good or Very Good)

Source: City of Concord CED Dept.

**SALES TAX REVENUE**

$7.8M Q1 2020

5% from Q1 2019

Source: Hdl Companies

**RESTAURANT REVENUE**

$702K Q1 2020

2% from Q1 2019

Source: Hdl Companies
**Single-Family Median Home Value**

$702K

Q1 2020

2% from Q1 2019

Source: City of Concord Finance Dept.

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**Transient Occupancy Tax Revenue**

$593K

March 2020

2% from March 2019

Source: Zillow

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**Jobs**

60,000

Total Jobs March 2020

10% from Q3 2019

1 out of 10 jobs in Contra Costa County is in Concord.

Source: CA Employment Development Dept.

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**Unemployment Rate**

- CC County: 2.6%
- Concord: 2.4%
- CA: 4.1%

March 2020

Source: CA Employment Development Dept.

---

**Current Vacancy/Lease Rates**

- 11% Vacancy March 2020
  - Office: $2.58/SF March 2020
  - 5% from Dec. 2019

- 1.1% Vacancy
  - Industrial: $1.48/SF
  - 5% from Dec. 2019

- 2.3% Vacancy
  - Office: $2.12/SF
  - 5% from Dec. 2019

Source: CoStar

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**Quartely Web Analytics**

ConcordFirst.com

500 Unique Page Views

15% from Q1 2019

Source: Google Analytics

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**Social Media**

- **Facebook**
  - 50 New Followers (9,000 Total)

- **Instagram**
  - 50 New Followers (4,000 Total)

- **Twitter**
  - 50 New Followers (2,900 Total)
Report in Brief
During its recent Goal Setting Workshop, the City Council made updating the Economic Vitality Strategy (EVS) (Attachment 1) a top priority for this fiscal year. Based on Committee feedback at past HED Committee meetings, staff is recommending amending the EVS to include strategies for attracting companies in the Cannabis industry, developing an action plan for positioning the Concord Community Reuse Project as a regional economic development opportunity site in the Bay Area, and updating the Economic Development Division’s marketing efforts.

Recommended Action
Consider updating the Economic Vitality Strategy to include information on attracting companies in the cannabis industry, attracting companies to the Concord Community Reuse Project, and updating the Economic Development Division’s marketing efforts; and receive any additional HED feedback or direction on the EVS before bringing the amended EVS to the full City Council for its consideration and approval.

Background
The EVS sets the vision, goals and priorities for all economic development efforts in the City. The EVS was developed in 1997, then revised in 2002, 2010 and, most recently, in April 2017 following a series of public meetings and HED Committee meetings where feedback was received and subsequently incorporated into the plan.
As a result of the City Council’s Goal Setting Workshop and the August and September HED Committee meetings, staff has been asked to update the EVS with the three current and upcoming efforts noted above. During the August HED meeting, staff presented its current economic development efforts in achieving the EVS goals and objectives, and also introduced the “Strategic Evaluation of Marketing & Communications for Economic Development” report the City commissioned to analyze current marketing efforts. At HED’s September meeting, the consultant who provided the report delivered a presentation and the Committee agreed to four action items for marketing plan implementation, which are:

1. Optimize the website,
2. Implement geo-fencing,
3. Utilize LinkedIn outreach tools, and
4. PHost/Cohost business events

Details of the four marketing action items above are addressed in a separate memo that is being presented at this same meeting.

Analysis

*Cannabis*

To update the EVS, the City Council is scheduled to finalize the process by which companies in the Cannabis Industry may apply to operate within Concord at its Council meeting on Tuesday, November 5, 2019. The goal for the Cannabis portion of the EVS will be to implement City Council’s direction by continually monitoring and assessing the burgeoning California Cannabis industry in an effort to maximize the opportunities for attracting the most viable companies that will contribute the most to Concord’s economic prosperity. Strategies may include targeting companies that have received venture capital funding, engaging with cannabis companies that are looking to vertically expand their operations into new categories, and attracting companies that have outgrown their current spaces and are looking to relocate.

*Concord Reuse Project*

While the Concord Community Reuse Project is referenced three times in the existing EVS, staff will establish another section to call out additional details of its current efforts. To date, staff efforts include fact-finding visits to the types of desirable companies that will be on our attraction radar in advance of project construction, and to continue our engagement with the Bay Area Council to leverage its resources and existing relationships. Staff will outreach to maturing technology companies seeking additional space within the Bay Area to ensure the Reuse Project is top-of-mind with decision makers. Leverage Go-Mentum to attract autonomous vehicle/technology companies to locate at the Reuse Project or in close proximity. Staff will also monitor the venture capital space to identify fast-growing technology companies that are poised for expansion. Attracting anchor businesses to the Concord Reuse Project area will create
excitement and lead other successful business to take space in the Reuse project. Staff will also look for opportunities to encourage business to relocate from within the City to the Reuse Project by interfacing with existing Concord companies with a growth trajectory or operations elsewhere. Opportunities to develop strategies to support the Blue Ribbon committee’s work on attracting institutions of higher education and industry in a hybrid, public-private partnership model as a key anchor for future development of the site will also be included.

**Updated Marketing Effort**
With regard to the revamped marketing efforts that are being undertaken, following the HED Committee’s September meeting approval of the four priorities (website optimization, geo-fencing, LinkedIn outreach and special events), Goal 1 of the existing EVS will be significantly revised, as will other references to these activities when listed under other sections. A separate item on the Marketing efforts will be addressed with a separate report for this same meeting.

**Financial Impact**
There is no immediate financial impact for updating the EVS, though the intended outcome for the EVS is to utilize the stated goals to continue to produce consistent, positive financial gains in the local economy.

**Public Contact**
The agenda was posted. The Greater Concord Chamber of Commerce and Visit Concord were notified.

**Attachment**
- 1. Economic Vitality Strategy
Economic Vitality Strategy

2017 Update

Community & Economic Development Department
1950 Parkside Dr., MS/01B
Concord, CA 94519
MISSION:

The City of Concord is an integral part of the business community. The City fosters a premier business location by creating and implementing innovative and flexible strategies that foster business growth and profitability.

VISION:

Concord is a financially stable City that strives to preserve and enhance its strong business climate and the community’s high quality of life.

VALUES:

The City of Concord is committed to promoting partnerships among all interests and solving problems creatively. The City anticipates its customers’ needs, communicates clearly and consistently, and delivers prompt service.

For more information:
Call the Economic Development Division at (925) 671-3355
or visit www.ConcordFirst.com

EV Strategy adopted: July 1997
Updated: July 2002
Revised: July 2009
Updated: April 2017
INTRODUCTION

The Economic Vitality Strategy (EVS) sets the vision, goals, and priorities for all City efforts related to economic development. The EVS is updated every five years.

By taking a long-term, comprehensive approach to economic development, the City of Concord seeks to:

- Enhance Concord’s quality of life;
- Facilitate a stable, healthy business environment;
- Retain, attract, and expand businesses in strategic industries;
- Expand the City’s tax base to ensure long-term fiscal stability;
- Provide efficient, effective government services to Concord businesses;
- Promote high-quality job opportunities;
- Maintain a highly-skilled, competitive workforce;
- Support entrepreneurship and small business opportunities; and
- Revitalize Downtown and other business districts.

This 2017 EVS update was completed with the help of many local business leaders, residents, property owners, and other stakeholders who participated in a series of public meetings. The EVS also incorporates data and analysis from a host of other regional sources.

CONCORD’S POSITION IN THE EAST BAY MARKET

Concord is the largest business center in Contra Costa County and is a destination for innovative and entrepreneurial businesses that require highly-skilled labor. Concord offers the infrastructure and amenities that businesses need for success. Its vibrant business environment has attracted successful firms and created ideal conditions for local businesses to expand. The City’s commitment to families and to the business community fosters a high quality of life with attractive residential neighborhoods, excellent public safety and services, convenient mass transit, abundant recreation and entertainment for all ages. Concord is a community of safe and friendly neighborhoods with an excellent park system, world-class medical center, convenient shopping, diverse
dining opportunities and large preserves of scenic open space.

Concord is located in a highly-competitive area where there are many high-quality locations businesses can choose. However, Concord has distinguished itself as a premier business destination due to several key advantages:

- A central, convenient location
- Best value for office/industrial space
- Access to a skilled workforce
- An efficient, responsive, business-friendly government
- Transit-oriented commercial space

This 2017 update of the Economic Vitality Strategy comes at a time when Concord faces several critical challenges and opportunities. On one hand, Concord has achieved some key successes in economic development since 2009, when the Economic Vitality Strategy was last updated. These successes place Concord in an ideal position to significantly expand and upgrade existing businesses and to attract new business. Some of the City’s most notable achievements include:

- More than 800 downtown, high-end multifamily units in the pipeline
- The Veranda, a 30-acre, 375,000-square foot lifestyle retail center
- Multi-office Wells Fargo relocation of 1,800 employees to Swift Plaza
- The Concord VIBE marketing initiative that aims to attract young professionals to Concord to increase the local talent pool as a business attraction strategy
- Attraction of major regional retail tenants to Sunvalley Shopping Center, The Willows, The Veranda and the Park & Shop Center
- Attraction of key shops and restaurants to the downtown

- Increasing attendance of concerts and events at Todos Santos Plaza to more than 100,000 visitors per year, including the Spring Brews Festival
- Attracting key retailers and restaurants, including: Whole Foods 365, Veranda Luxe Cinema, Super Duper Burger, Blaze Pizza, Daiso, Golden State Lumber, Round 1, The Habit and others

Despite these successes, Concord currently faces an array of challenges and opportunities for its economy, including:

- Building Concord’s image/identity
- Planning the Concord Community Reuse Project (former Concord Naval Weapons Station)
- Attracting emerging industries (e.g., advanced manufacturing, life sciences, etc.)
- Redevelopment of the area surrounding Downtown/Concord BART Station
- Changes in the retail environment
- Large development-ready pads in North Concord, Downtown and elsewhere
- Closing or consolidation of retail, financial services and other employment sectors

The Veranda
KEY INDUSTRY CLUSTERS

Over the past 20 years, several industries have driven job growth in Concord (and Contra Costa County in general), such as manufacturing, construction and information technology. These industries will continue to be important sources of jobs, but in some cases they are not expected to continue the rapid growth that was experienced previously. As a result, the City is identifying additional industries that offer the potential for job growth in the future.

Looking forward to the next 5 - 20 years, several new industries are becoming increasingly important to Concord’s economy and have the potential to become major drivers in employment. These industries include:

- Advanced Manufacturing
- Life Sciences/Biotechnology
- Engineering
- Start-Up Technology Companies
- Health Care
- Financial Services
- Professional and Business Services
- Applied Sciences

These emerging industries may have special needs with respect to infrastructure, workforce development, Zoning and General Plan issues, and business services. The City will incorporate the needs of these key industries as it works to continuously improve its delivery of efficient, effective business services, and as it continues to update other City policies. The City’s Economic Development Program will also develop targeted marketing strategies and other initiatives, all in a coordinated effort to facilitate the growth of these industries in Concord. The following section describes the strategic initiatives to be undertaken as part of the Economic Vitality Strategy.
STRATEGIC INITIATIVES

Goal #1: Implement a comprehensive, integrated Economic Development Marketing Strategy to strengthen Concord’s image and brand identity among Bay Area businesses and within key target industries

Objective 1.1: Carry out an integrated Marketing and Public Information Campaign targeted to prospective new businesses that are seeking office, research and development or retail locations, based on well-defined branding strategies.

A. City’s Economic Development Website and Internet Marketing. Economic Development staff will comprehensively update, reorganize, re-brand and promote the City’s Economic Development website. The City’s Economic Development Program will carry out Internet advertising campaigns as appropriate. Websites will be selected based on their ability to reach key groups that the City targets for business attraction. In addition, the City’s Economic Development Program will consider initiatives to communicate the City’s message using well-established community websites, blogs, webzines, developer/real estate-oriented media and other websites and social media platforms such as Instagram, Facebook, Twitter and Vimeo.

B. Broadcast & Mass-Media Strategies. As appropriate, Economic Development staff will carry out advertising campaigns on radio, Cable television, and other broadcast media that are selected based on their cost-effective ability to reach the geographic and demographic groups that Concord wishes to target for attracting potential new businesses.
C. **Press & Publicity.** The City’s Economic Development Program will work with its PR and Marketing consultant to develop a 12-month press calendar, which will allow staff to plan in advance to issue press releases and/or media advisories. The goal would be to place positive economic development coverage of Concord in the press at least once per month each year. This would keep Concord “front of mind” with the general public and business community for a sustained period. Economic Development staff will work with its PR and Marketing consultant to develop proactive relationships with journalists and editors of key publications and websites in order to cultivate and pitch favorable story ideas. Public relations efforts would coordinate with the editorial calendars of key weekly/monthly publications, such as *Via, Sunset*, Southwest’s in-flight magazine (“Spirit”), *Forbes, Wired*, the *San Francisco Business Times, Bisnow, The Registry, Diablo Magazine* and other key publications.

D. **Brochures & Trade Shows.** The City’s Economic Development Program will redesign its line of brochures, maps and other collateral materials that are intended for prospective businesses so the content will be consistent with the City’s branding strategy. Economic Development staff could also reach existing local businesses using the annual mailings of business license renewals that are mailed to all 7,000+ local business license holders. In partnership with economic development organizations and other support agencies, Economic Development staff will attend key trade shows, conferences and business events, and will plan meetings in advance in order to maximize the effectiveness of the attendance.

**Objective 1.2:** Develop and expand partnerships with businesses, other government agencies and economic development organizations to help promote the region, to leverage the City’s Economic Development marketing funds and to advocate for initiatives and policies that benefit the region in general, and Concord in particular.
A. **Partnerships with Regional Retailers and Hotels.** The City’s Economic Development Program will partner with regional shopping centers such as Sunvalley Shopping Center, The Willows, Park & Shop, Veranda, the Concord auto dealership community, other major sales tax generators and the Visit Concord Tourism Business Improvement District to further promote Concord as a shopping, hospitality and entertainment destination.

B. **Partnerships with Other Government Agencies and Economic Development Organizations to Leverage Relationships to Attract New Investments to Concord.** The City’s Economic Development Program will partner with ProMexico, East Bay Leadership Council, Concord Chamber of Commerce, Contra Costa County’s Northern Waterfront Economic Development Initiative, Governor’s Office of Economic Development, Bay Area Council, International Council of Shopping Centers and the California Association for Local Economic Development to pursue initiatives and programs that promote the region’s and Concord’s business attraction, retention and expansion efforts.

**Objective 1.3: Leverage existing City programs, resources and amenities to strengthen the City’s economic development strategies.**

A. **Special Events.** The City will continue to sponsor downtown promotions and cultural events at Todos Santos Plaza including the year-round Tuesday Farmers’ Market, annual Music & Market Series, weekly Off the Grid food trucks, annual Brews Festival, Fourth of July parade, holiday events and other special events.

B. **Concord Vibe Marketing Initiative.** The City will promote activities and opportunities that appeal to Millennials in an effort to attract this generation to Concord to both live and work. Millennials are a sought-after generation for companies seeking employees to join their workforce, so the increased presence of Millennials can contribute to the City’s business attraction efforts.
Goal #2: Develop long-term, integrated strategies to target key emerging industries in Concord

Objective 2.1: Develop strategies to facilitate and encourage the development of modern, high-quality office, advanced manufacturing, research and development, engineering and industrial space that can attract and serve the needs of key industry clusters.

A. Facilitating Development Planning & Development Approval Process. The City’s Economic Development Program will work with industry contacts to determine the site requirements, building requirements, infrastructure requirements, and other development standards that are needed in order to attract and foster the development of key industrial tenants in Concord. Using this data, Economic Development staff will work internally with Planning, Building, Engineering, Finance, Public Works, and other city divisions as well as developers and brokers to incorporate the needs of key industry clusters into the development planning and to streamline development entitlements, including the Design Review process.

B. Targeted Marketing Efforts. As part of the marketing efforts described in Objective 1.1 above, the City’s Economic Development Program will retain a commercial real estate brokerage firm to identify and conduct outreach to prominent industry leaders, trade organizations, brokers, developers, and other influential representatives for each of the key industry clusters mentioned above.

C. Planning for Life Cycle of Company Expansion. The City will pursue strategies to facilitate the business and real estate needs of emerging industries at different points in their growth. The goal will be for companies to feel confident that Concord is an excellent location to address their needs as they progress from the start-up phase to reaching maturity as a medium- to large-sized business occupying one or multiple facilities. This will require partnerships with local brokers and property owners; partnerships with the Contra Costa Small Business Development Center, East Bay Leadership Council and other organizations serving small businesses; incorporating the long-term growth needs of key industries into planning for the Concord Community Reuse Plan (CCRP), and other related efforts.

D. Retail Attraction. The City’s Economic Development Program will seek opportunities to continue to attract retail to key commercial areas and to promote a diversified mix of retail uses, including business-to-business retail, non-traditional retail, as well as more standard consumer-based retail such as restaurants, grocery, and specialty retail.
E. **Retail Center Investment.** Develop strategies to promote reinvigoration and repositioning of retail centers throughout the City by seeking best practices in incentivizing improvements and utilizing land use and code enforcement tools to facilitate basic property upgrades.

**Objective 2.2: Enhance Educational and Workforce Development Opportunities**

A. **Program Assessment and Facilitation.** The City’s Economic Development Program will continue to support the Greater Concord Chamber of Commerce, the Mt. Diablo Unified School District, private school operators, EastBayWorks, along with the California Employment Development Department, California State East Bay – Concord, and other educational institutions in their efforts to link the business community to local educational resources.

B. **Community Training.** The City’s Economic Development Program will work with Local, Regional and State Agencies who are focused on building a diversified training and retraining program to meet the rapidly changing technical and professional needs of the business community. The City’s Economic Development Program will promote partnerships and support of the Mt. Diablo Unified School District, Diablo Valley College, EastBayWorks, Contra Costa Small Business Development Center, Workforce Development Board and other agencies in promoting their training programs and referral services.

**Goal #3: District Strategies**

The City’s Economic Development Program will continue to implement its downtown revitalization strategy, and will begin developing comprehensive district strategies for all business districts in Concord. The key business districts to be focused upon initially will include:

- Clayton Road
- North Concord
- Monument Boulevard/Shary Circle/Detroit Avenue
- Other districts as time and resources are available
Objective 3.1: Develop district strategies for Concord’s key Districts

The City’s Economic Development Program will develop and implement comprehensive district strategies for Clayton Road, North Concord, Monument Boulevard, and other Districts as time and resources provide. These strategies will incorporate the unique characteristics of each business area, promote the businesses currently operating in these areas and encourage reinvestment, development and redevelopment opportunities to support business attraction efforts.

Objective 3.2: Continue Downtown Revitalization Efforts

A. Downtown Management & Merchant Organization. The City’s Economic Development Program will continue to support the activities of the Todos Santos Business Association in order to strengthen relationships between the City and the business community. Where possible, the City’s Economic Development Program will develop programs to address the needs raised by this association in a proactive manner. In addition, the City will execute a comprehensive Downtown Management Program that addresses issues related to appearance, maintenance, circulation, wayfinding, safety and parking.

B. Special Events. The City will continue to sponsor promotions and cultural events at Todos Santos Plaza including the year-round Tuesday Farmers’ Market, annual Music & Market Series, weekly Off the Grid food trucks, annual Brews Festival, Fourth of July parade, holiday events and other special events. The City will review opportunities to co-sponsor and/or present new special events in the downtown area that promote the downtown businesses, community identity, the arts, and are consistent with the businesses in the downtown.

Todos Santos Plaza

Goal #4: Retain, Expand, Develop and Attract Business

Objective 4.1: Strengthen the positive business climate that supports the growth, development and prosperity of Concord’s business community.
A. **Business Surveys.** The City’s Economic Development Program will reinstate Business Surveys to seek the input of businesses on an ongoing basis. These online surveys will gather information about existing firms, evaluate the business climate and identify business problems, business opportunities and firms with expansion or relocation plans.

B. **Customer Service.** The City of Concord will continue to seek ways to further expedite permit decisions, such as coordinating inter-jurisdictional permit reviews to speed, clarify and ease communication between applicants and permitting agencies, and will also provide employee training and support to further implement improvements to customer service.

C. **Ombudsman and Information Services.** Economic Development staff will continue to serve as an ombudsman and information resource to existing and prospective businesses, providing information, direction, advice and documents on all issues pertaining to doing business in Concord and Contra Costa County.

D. **Business Communications.** The City’s Economic Development Program will continue to regularly communicate with residents, businesses, property owners and other stakeholders and partners using electronic media, print sources, flyers, advertisements, radio, television, e-mail notifications, and other appropriate avenues to ensure information of interest is provided to Concord’s residential and business community.

E. **Business Recognition Award Program.** In cooperation with the Greater Concord Chamber of Commerce, the City will continue to honor throughout the year companies that have shown significant growth or innovation, have longevity in Concord, support Concord’s community, are major employers, or are major tax revenue generators.

F. **Welcome Letters.** The City’s Economic Development Program will continue to send welcome letters, signed by the Mayor and City Manager, to targeted new businesses in Concord in order to make them feel welcome, promote cooperation with City Hall, and provide them with a resource to contact when issues arise that affect the success of their business.

*View of Buchanan Field Airport, Downtown Concord and Mt. Diablo*
Objective 4.2: Provide assistance to attract, retain, and expand businesses in Concord

A. **Goodwill Visits.** The City’s Economic Development Program will continue to conduct goodwill visits to major employers and sales tax generators to build strong, long-term relationships, improve communication between the City and the business community, demonstrate Concord’s concern for its existing major businesses, and to encourage these businesses to remain and expand in Concord. The City will utilize proprietary subscription databases, broker consultant insights and market research to identify those Concord businesses with leases expiring in the following 12-18 months to strategically and proactively target those specific companies to determine if they’re considering relocation or expansion so that the City may take appropriate action to keep their business in Concord.

B. **Business Retention Visits.** The City’s Economic Development Program will continue to conduct business retention/expansion/welcome visits to small businesses that are expanding, new to the community, or in a growth sector in order to build a rapport with the business community, encourage communication between the public and private sectors and to encourage these businesses to remain, expand in Concord and promote the City to their business colleagues.

C. **Participation in business events and community building activities.** The City’s Economic Development Program will support local business organizations’ efforts that encourage business leaders to contribute to the community by having staff serve on appropriate task forces and special committees, contribute to projects and sponsor events.

D. **Home-Based Businesses.** The City will continue to support the development of entrepreneurs in home-based businesses by providing business licenses and home-based business permits to these businesses. The City will encourage and foster the development of “executive suites” facilities and other services to promote home-based businesses in their expansion into commercial space.
E. **Small Business Seminars.** In order to provide new information, resources and trends on marketing, planning, management, advertising, financing and other business topics of interest to Concord’s small business community, Economic Development staff will continue to facilitate small business seminars and other appropriate programs with its partners, such as the Contra Costa Small Business Development Center, Greater Concord Chamber of Commerce, Workforce Development Board, Todos Santos Business Association and the Small Business Administration. These events will also continue to promote local business-to-business transactions.

F. **Business Attraction.** The City’s Economic Development Program will create more robust attraction programs to broaden Concord’s business and economic base by identifying sites and available space that would be appropriate to businesses in all sectors and their respective representatives. The City’s Economic Development Program will work aggressively with brokers, realtors, site selectors, trade associations, the East Bay Leadership Council, Concord Chamber of Commerce and the Todos Santos Business Association to evaluate and encourage opportunities for new businesses that enhance our economic base. The Economic Development Program will actively implement strategic outreach to businesses that are likely to relocate and that fit Concord’s targeted industries. The City’s Economic Development Program will continue to work with brokers and property owners on land assembly opportunities for larger development projects, and will leverage the upcoming Concord Community Reuse Plan (CCRP) to attract growing companies to Concord that will later need more space that may be provided within the CCRP.

The initiatives in this document will further develop the City’s economic vitality and ensure Concord’s position as a premier business location.
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For more information:
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