

# Business Development Action Plan

A Call to Action for a Sustainable Economic Future

## Benicia, California

March 2012



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## Reference Materials:

### Reports:

- Benicia General Plan, adopted June 15, 1999
- City of Benicia, Strategic Plan FY 2009-2011
- City of Benicia, Climate Action Plan, 2010
- 2007 Economic Development Strategy
- Downtown Mixed Use Master Plan, Sept 2007
- Strategic Tourism Marketing Plan, April 2, 2008
- Benicia Downtown Market Study, October 2002
- 1995 Economic Development Strategy
- BIP Needs Assessment, Sept 15, 2010 / BIP Broadband Survey Report
- Lower Arsenal Mixed Use Specific Plan, March 30, 2007
- Benicia Climate Action Plan, [www.BeniciaClimateActionPlan.com](http://www.BeniciaClimateActionPlan.com)
- Diablo Innovation Alliance, Regional Innovation Cluster Strategic Action Plan, 2011
- Colliers International Research & Forecast Reports

### Internal Reports, Memos, Documents:

- Economic Development Board, Business Retention & Recruitment Committee Goals
- [www.ci.benicia.ca.us](http://www.ci.benicia.ca.us)
  - Benicia Community Profile, March 2006 – Business Economic Outlook
  - Cleantech Opportunities & Issues, July 2008
  - LoopNet Properties for Lease
  - Jan 2009, Memo – Status Capital Projects BIP
- Various Staff Memos & Reports to City Manager & EDB
- Sample Fee Deferral Agreements
- Status of CDBG
- Benicia Industrial Park Data Sheet, 2011 / June 7, 2001 BIP Information Request
- Tourism Marketing Update June 21, 2011
- Annual Financial Report, Jun 30, 2010; Proposed Budget; Taxable Sales Data (Sales Tax Data is prepared by HdL for the City of Benicia)

## Articles

May 26, Benicia Herald, *Chamber Committee promotes “green” biz*

*How the Bay Area Helped the Union with the Civil War*

Downtown Napa, *Time to Wine and Dine: Do Napa Campaign Sheds New Light on Downtown Napa*

Energy Newsletter *Guide Makes Solar Power Accessible to Small Businesses and Local Governments*

*Trumer Brauerei Awarded Grant for Energy-Saving Ozone System* – Sustainable Energy Associates





## Introduction and Summary

The City of Benicia is a small<sup>1</sup>, waterfront community with a unique history as one of California's Capitols (1853-1854), and a Civil War military post. Today, Benicia boasts a historic Museum and Camel Barns, a beautiful waterfront pier and marina and a high quality of life for its residents.

To build on its history and waterfront location along the Carquinez Strait, as well as its burgeoning artist community and downtown (First Street), a tourism campaign was initiated in 2008 to bring tourists, "**Benicia, A Great Day by the Bay**". In 2010 Sunset Magazine ran a 2-page article promoting Benicia, "an East Bay day trip".

In addition to the City's natural resources and beauty, the Benicia Port and the Benicia Industrial Park drive the economic strength of the City. The Benicia Industrial Park (BIP) has more than 8 million square feet, 450 businesses and 6,500 employees and is home to diverse anchors such as Valero Refinery, Dunlop Manufacturing, BioRad Laboratories and Schoenstein & Co. Pipe Organs, the oldest and most successful pipe organ manufacturer in the Western United States.

### Project Purpose

Given the current economic turmoil, private and public, and declining revenues of local government, it is prudent for cities to re-evaluate and adjust their economic (*activities that encourage economic growth*) and business development (*activities focused on business*) action plans to address current issues and opportunities. As part of evaluating and updating actions for economic development, a team of experienced economic development and downtown/tourism professionals conducted an assessment of past activities. Purpose is to learn from the past, plan for the future and take advantage of current opportunities.



The City of Benicia created and Council adopted an Economic Development Plan in 1994-95 and updated the strategy in 2007. Many of the initiatives outlined in the 2007 Economic Development Strategy have been accomplished (Section 2.0). The City has also made significant capital investments in projects related to economic development and has provided operating funds to various organizations, particularly for tourism activities (Section 1.2).

The Benicia Economic Development Board, appointed by the Council, has provided guidance to implementing economic development actions, both business development and tourism.

**The intent of this project is to create a *Business Development Action Plan***, based on the assessment. The Action Plan should be an addendum to the 2007 Economic Development Strategy, which will reflect actions that are needed in the current economic environment. The 2007 Economic Development Strategy will still need to be updated, but the economic situation requires immediate action.

The objectives of the Business Development Action Plan are to focus activities and actions that will:

<sup>1</sup> Population as Jan 2011, 27,118, CA Dept. of Finance, US Census



- ▲ continue to create economic prosperity and jobs for the community, and,
- ▲ in the near term generate and increase tax revenues to maintain and support the quality of life Benicia's residents enjoy.

## Business Development Action Report/Process

The report is divided into four sections:

**1.0 Situational Analysis.** This section outlines the "current situation" regarding the local economy and initiatives.

Tasks included:

- 1.) Review of the General Plan and Economic Development Element to identify economic development goals,
- 2.) Review of existing reports and studies,
- 3.) Analysis of economic indicators, comparing Benicia to Solano County and the California State Average from 2005 to present,
- 4.) Preparation of a retail market analysis,
- 5.) Competitive assessment of the industrial park/properties,
- 6.) Defining the City's key economic drivers,
- 7.) Status of project implementation of the 2007 Economic Development Strategy,
- 8.) Synthesis of City's investment in organizations, programs and capital improvements, and,
- 9.) Review of organizational operations, participants in economic development and dedicated staff time.

**2.0 Economic Development Assessment.** The Economic Development Assessment is based on the theory that economic prosperity is derived from three interrelated economic generators and activity:

- 1) *Export-Oriented* – businesses producing goods and services in Benicia but selling them outside the city bringing new dollars to the community;
- 2) *Population Driven* – the demand for and purchase of goods and services by the local resident at local businesses; and
- 3) *Visitor Potential* – the potential for visitors (those living outside of Benicia) to spend at local businesses.



Using these categories, the Economic Development Assessment encapsulates the ***Strengths-Assets, Challenges and Opportunities*** of Benicia's three economic generators and employment centers:

- Benicia Industrial Park,
- Commercial Centers, and
- Tourism related activities including Downtown, Arts, History, Waterfront and Recreational Activities.

**3.0 Business Development Action Plan.** Based on the assessment and consultant findings, the Business Development Action Plan recommends specific actions to increase economic activity (prosperity, jobs and revenues) over the next 18-24 months.



**4.0 Implementing the Business Development Action Plan.** This section provides recommendations for implementing and operationalizing the Business Development Action Plan.

## Key Findings

Economic expansion is critical to maintaining and growing the City of Benicia's operating budget to provide basic community infrastructure and services.

Benicia is unique in that it has three economic generators – export-oriented businesses, commercial centers serving residents and numerous venues and events for the visitor (see Section 2.0 for further description).

Over 47% of the City's revenue is directly attributed to business activity with 39% contributed by the businesses located in the Benicia Industrial Park.

The largest economic and revenue drivers for the City are the businesses in the Benicia Industrial Park (BIP). However, newer and more modern industrial parks, properties and buildings have been developed in the surrounding communities since the Benicia Industrial Park was first built, mitigating the BIP's once "coveted" competitive advantages of location, highway access and port facilities.

For the City to maintain its Quality of Life – support arts, parks, schools, safety, good road, et al – the Benicia Industrial Park must be a thriving economic engine generating revenue. With the age and condition of the Park and nearby state-of-the-art industrial properties, the City will need to become more aggressive and strategic to compete for new businesses and to retain existing ones.

The City's "seeding" and implementation of tourism initiatives have generated some early results and should be continued. Future priorities should include increased collaboration among stakeholder

groups and creation of both an annual work plan and a comprehensive tourism strategy.

Downtown Benicia is the core commercial, civic, cultural and social center in the City. It has made continual improvement—both physically (streetscape, promenade) and economically, with overall good first floor occupancy (92%), and a multitude of strong events. Leveraging this momentum, it can now turn more attention to sustaining established businesses and targeting merchandise/other niches to fill vacant space.

As noted in Section 2.0, the City has many opportunities for economic growth in all three economic generators, such as:

- 10.) Working with existing businesses on expansion plans;
- 11.) Industrial space available to attract new businesses;
- 12.) Retail sales leakage of \$341 million annually with the potential to fill numerous retail niches; and
- 13.) Available commercial and retail spaces.

These opportunities and actions are addressed in Section 3.0 *Business Development Action Plan*.

To successfully implement economic development activities for all three *economic generators* it will take **community collaboration, partnership on strategies and activities and prioritizing to get results**. No one group can do it alone – it will take working together and developing consensus on moving forward actions.

This Business Development Action Plan will challenge the city to be strategic, focused, more responsive to business, competitive in the marketplace and earn a "business friendly" reputation.

## Section 1.0 Situational Analysis

The City of Benicia's economic development is guided by several documents and reports. The goals<sup>2</sup> for economic development are embodied in the **City's General Plan and Economic Development Element**, the long-range vision for the City. The City also updates an annual Strategic Plan<sup>3</sup> which addresses strategies over a two year period, tied to current budgets, which provides shorter-term objectives that directly relate to the goals of the General Plan and 2007 Economic Development Strategy.

In addition to the General Plan, several reports and studies support economic development initiatives:

14.) 1995 Economic Development Strategy

15.) 2007 Economic Development Strategy

16.) Strategic Tourism Marketing Plan, April 2008

17.) Benicia Downtown Market Study, October 2002

18.) Lower Arsenal Development Plan

The status of the 2007 Economic Development Strategy is outlined in Section 1.2. The 2007 Strategy priorities focused on developing

- 1.) tourism plan/brand, encouraging first-floor retail uses, fund a Business Improvement District and capital improvement in downtown and
- 2.) update zoning code to encourage clean-tech and research/development, technology needs assessment and fee deferral program.

<sup>2</sup> Benicia General Plan, June 15, 1999, Chapter 2-B, pages 37-& 3; and 2007 Economic Development Strategy

<sup>3</sup> City of Benicia, Strategic Plan, FY 2009-2011, [www.ci.benicia.ca](http://www.ci.benicia.ca), Strategic Plan

### Economic Development Goals

#### City of Benicia General Plan

#### Chapter 2-B – Economic Development Element

- Goal 2.5: Facilitate and encourage new uses and development which provide substantial and sustainable fiscal and economic benefits to the City and the community while maintaining health, safety and quality of life.
- Goal 2.6: Attract and retain a balance of different kinds of industrial uses to Benicia.
- Goal 2.7: Attract and retain industrial facilities that provide fiscal and economic benefits to – and meet the present and future needs of – Benicia.
- Goal 2.8: Maintain the viability of the Port now and in the future to benefit the City of Benicia.
- Goal 2.9: Ensure adequate land for Port activity.
- Goal 2.10: Provide for carefully-defined visual and physical public access where security and safety considerations permit.
- Goal 2.11: Encourage the retention and continued evolution of the lower Arsenal into a historic, cultural, commercial, industrial center of mutually compatible uses.
- Goal 2.12: Strengthen the Downtown as the City's central commercial zone.
- Goal 2.13: Support the economic viability of existing commercial centers.

As noted in Section 1.2 most of these priorities have been acted upon and completed.

The Strategy also identified “benchmarks” for measuring progress which have also been included in Section 1.2

This Section, 1.0, of the Business Development Action Plan provides an overview of the current situation in the City of Benicia as it relates to economic development, including:

- 1.1 Economic Development Organizational Structure
- 1.2 Status of the 2007 Economic Development Strategy
- 1.3 Economic Indicators 2005-Current
- 1.4 Retail Market Indicators, July 2011
- 1.5 Key Drivers of the Economy and City Revenue

## 1.1 Economic Development Organizational Structure

For the City, economic development is the responsibility of The **Economic Development Division**, which is assigned to the **City Manager's Office**. Economic Development Division is responsible for implementing the adopted Economic Development Strategy (2007), facilitating businesses relocating to or expanding within Benicia, monitoring the status of the City's economy, recommending strategies, initiatives, and projects to improve economic vitality citywide, and representing the City's developable real estate interests<sup>4</sup>.

### City of Benicia, Economic Development Board

The Economic Development Division also serves as staff liaison to the **Economic Development Board (EDB)** which is appointed by the City Council. The Board serves to identify and investigate economic development needs and opportunities in the City and annually make recommendations to the Council regarding those needs and opportunities on both a short and long-term basis. There are seven members on the Board each serving four year terms and there are two subcommittees, *Business Retention & Recruitment and Tourism Committee*.

*"Economic Development Division is responsible for implementing the adopted Economic Development Strategy (2007), facilitating businesses relocating to or expanding within Benicia, monitoring the status of the City's economy, recommending strategies, initiatives, and projects to improve economic vitality citywide, and representing the City's developable real estate interests."*

The Tourism Committee formed in December 2008, which includes representatives of organizations and groups (restaurants, lodging, merchants, Benicia Main Street, historical, visual arts, glass arts, performing arts, real estate, transportation, marketing, Chamber of Commerce, recreation, public) involved in Tourism to coordinate local visitor attraction efforts. After a brief hiatus in late 2010/early 2011, the Tourism Committee has recently been re-engaged and meeting monthly.

<sup>4</sup> [http://www.ci.benicia.ca.us/index.asp?Type=B\\_BASIC&SEC=%7BFE4A1884-3AE3-4F59-AFEC-C7012F0B1E93%7D](http://www.ci.benicia.ca.us/index.asp?Type=B_BASIC&SEC=%7BFE4A1884-3AE3-4F59-AFEC-C7012F0B1E93%7D)

The Business Retention and Recruitment Sub-committee was formed in early 2010 and has developed a preliminary list of goals<sup>5</sup>:

- 1) Organize, develop, and institute an Ambassadorship and Ombudsman program between EDB, local business, and City staff.
- 2) Encourage a culture at City Hall of business promotion.
- 3) Develop a one-stop-shop program to make doing business with the City as efficient as possible.
- 4) Provide awareness of government programs and grants available to our business community.
- 5) Develop incentives for businesses & property owners.
- 6) Solicit Specific Targeted Businesses or Types of Businesses.

These sub-committee goals have been incorporated in the Business Development Action Plan.

### Economic Development Division Staff

Economic Development has always been an initiative for the City of Benicia but has ebbed and flowed over the years. One of the first economic development strategies was adopted in 1995 as a 5-year strategy. In 1999 the General Plan Economic Element was adopted and in 2007 a new Economic Development Strategy was prepared.

Staffing for Economic Development has varied since 2000:

**2000-2002** – Full-time Assistant City Manager/Economic Development Director and half-time support, Administrative Secretary. The position was reclassified to Assistant City Manager to a full time Economic Development Manager reporting to the City Manager after Assistant City Manager left in 2002.

**2002-2008** –Economic Development Manager was full time with Administrative Secretary support but at 30% time.

**2008-2010** – After a personal leave of absence, the ED Manager was part-time (3 days a week) Economic Development Manager with a full-time budgeted Administrative Secretary.

**Oct. 2010-Present:** Management Analyst on loan from City's Parks & Community Services Department is Acting Economic Development Manager (full time) with support from Administrative Secretary at approximately 30%.

Ultimate responsibility of Economic Development is with the City Manager. New City Manager was appointed in late 2010. His economic development background and experience were among the reasons for his selection, an indication of the Council's priority for economic development.

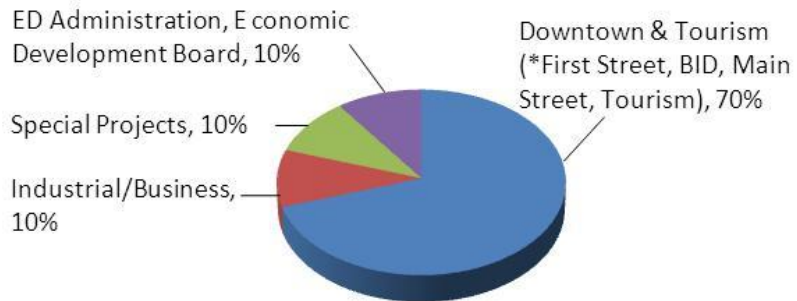
The pie charts on the following page indicate the economic development activity percent of time spent by the Acting Economic Development Manager and the Administrative Secretary. The City Manager is also expending approximately 15-20% of his time on economic development along with 5% from other city staff participating on projects.

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<sup>5</sup> Economic Development Board, Feb 23, 2011, Agenda Item – Business Retention/Recruitment Sub-Committee Draft Report

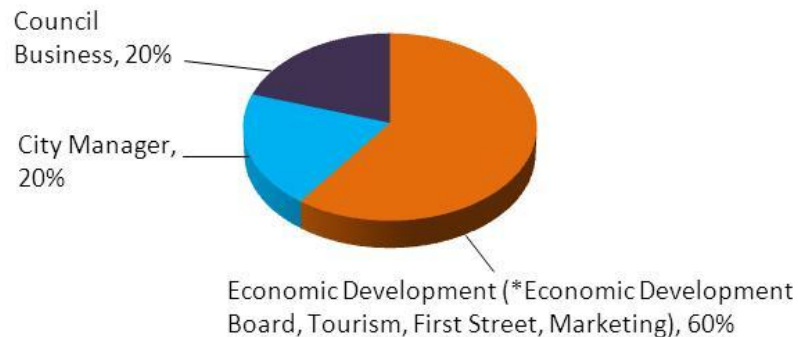


**Economic Development Staff – Management Analyst\*  
Acting Economic Development Manager  
% Time Spent – Duties**



\*Note: Additional 15% is dedicated to Parks & Community Services

**Economic Development Staff –  
Administrative Secretary  
% Time Spent - Duties**



The Economic Development Division operating budget includes contracts for tourism and downtown services, memberships and a small amount for development of materials and other contract services.

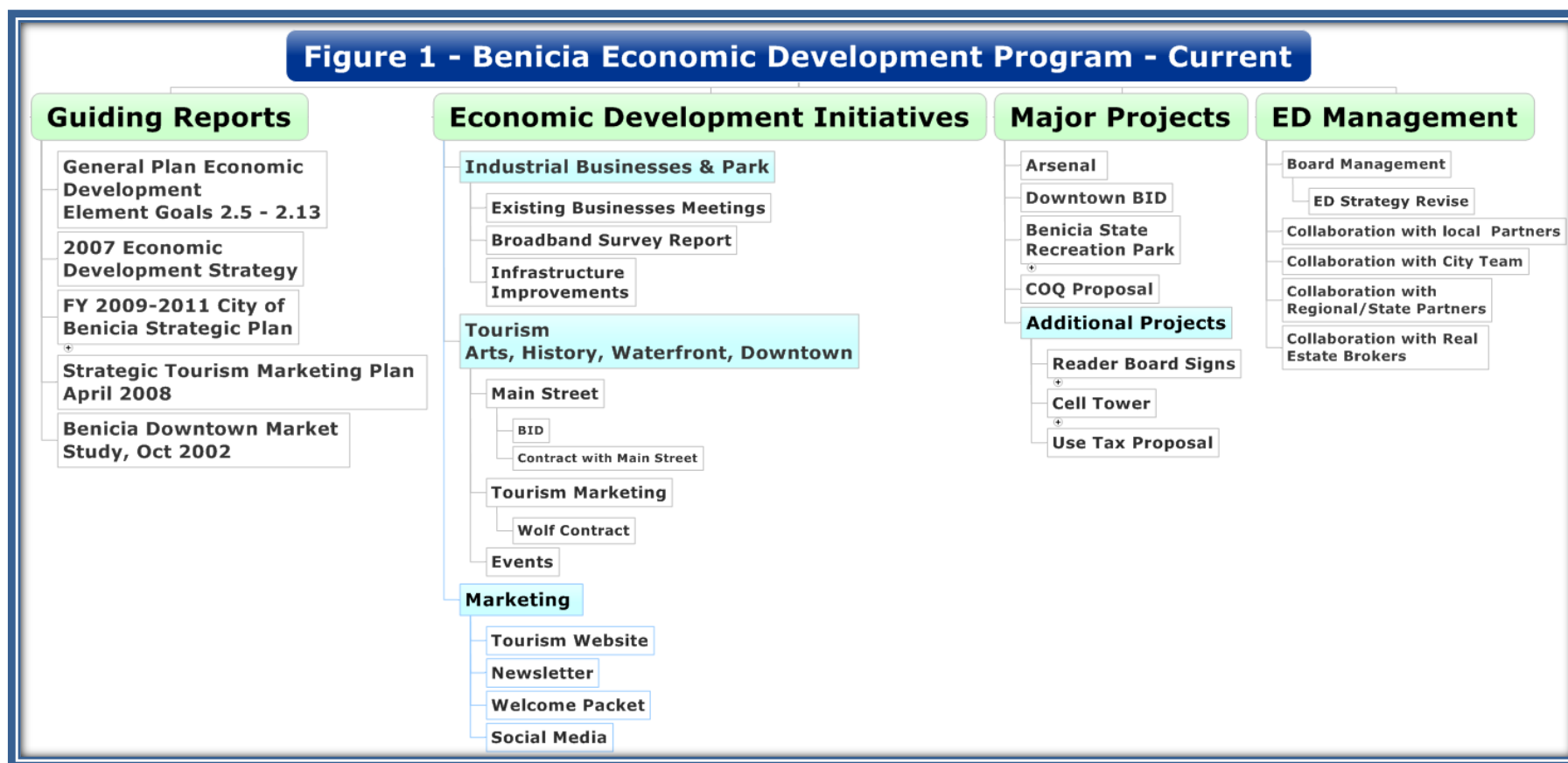
Economic Development in Benicia involves not only the City but many other organizations, particularly organizations involved with attracting visitors – downtown, arts, history and recreation.

**Chart 1 – City of Benicia Economic Development Division  
2011-12 Operating Budget**

Main Street (contract)	\$127,000
Wolf Communications (contract)	\$50,000
Sunset Weekend	\$3,000
Civitas Advisors (2007 Strategy BID Feasibility/Formation)	\$10,000
Chamber of Commerce (membership)	\$6,200
Solano EDC (membership)	\$9,500
Solano SBDC (contract)	\$3,000
Materials, Brochures	\$3,000
Training, Travel, Memberships, Misc. Publications	\$4,500
Contract Services – Miscellaneous	\$12,500
<b>Total Economic Development Operating Budget</b> (not including staffing)	<b>\$233,700</b>

Figure 1 – *Benicia Economic Development Program – Current*, below is graphically overview of the current economic development program, including guiding reports, existing and active initiatives and projects as well as management and collaboration tasks.

The current program focus has been Tourism, Downtown and special projects.



Economic Development in Benicia involves not only the City but many other organizations, both formal organized entities and informal groups or individuals. As indicated in Figure 2 there are many formal organizations involved with attracting visitors – downtown, arts, history and recreation – there are also many individuals interested and involved. Figure 2 is to provide an overview of the extent of those involved.



## 1.2 Status of the 2007 Economic Development Strategy

The 2007 Economic Development Strategy focused on three priority actions aligned with the overall goals of the General Plan:

1. Increasing Tourism,
2. Supporting and maintaining downtown as the community core, and
3. Increasing research and development (R&D) and campus-style office uses in the Benicia Industrial Park (BIP), through zoning changes, incentives or other means.

Chart 2 is an overview of the recommendations and project status of the 2007 Economic Development Strategy:

Chart 2 – 2007 Economic Development Strategy – Recommendations & Status	
Recommendations	Status
1. Develop a tourism plan for the community, starting with a tourism brand, which will drive future marketing programs and partnerships with the City and private sector.	<ul style="list-style-type: none"> <li>◆ Tourism Plan completed (2008), through Wolf Communications contract (October 2009 and ongoing) and City staff support, implemented branding, advertising, web site, media relations, social media, Sunset Celebration Weekend, etc.</li> <li>◆ Implemented directional and interpretative signage upgrades.</li> <li>◆ Hosted successful Sunset Magazine bus tour event.</li> <li>◆ Refined and implemented expanded downtown Benicia event calendar.</li> </ul>
2. Encourage first-floor retail uses on First Street.	<ul style="list-style-type: none"> <li>◆ Mixed Use Master Plan (DMUMP) adopted in 2007 encourages ground floor retail in First Street core and recommends design and code approaches to encourage same.</li> <li>◆ Main Street Benicia promotes retail uses on ground floor.</li> </ul>
3. Fund Business Improvement District (BID) start-up costs if requested by a ratepayers' committee.	<ul style="list-style-type: none"> <li>◆ Awarded contract to Civitas (April 2011) to complete feasibility study; ongoing.</li> </ul>
4. Invest in capital improvements downtown: <ul style="list-style-type: none"> <li>• First Street tourism-oriented beautification - plaza and more benches on street, nighttime accent lighting on trees and/or street poles, hanging flower baskets, wayfinding signage, information kiosk, etc.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Benches have been added.</li> <li>◆ Nighttime accent lighting on trees and street poles, under review.</li> <li>◆ Way finding signage created.</li> </ul>

**Chart 3 – 2007 Economic Development Strategy – Recommendations & Status**

Recommendations	Status
<ul style="list-style-type: none"> <li>• First Street circulation and parking improvements - bulbouts at crosswalks, crosswalk improvements (special paving, lighting, etc.), implement angled parking (or painted Ts), use trolley for special events.</li> <li>• Develop E Street lot as mixed-use residential over commercial building with public parking component.</li> <li>• News rack ordinance leading to standardized racks.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Parking Study completed.</li> <li>◆ Mixed Use Master Plan (DMUMP) addresses circulation improvements.</li> <li>◆ City actively pursued E Street lot development with private developer; on hold due to economy.</li> <li>◆ Painted Ts installed.</li> <li>◆ Bicycle Racks to be installed</li> <li>◆ News rack ordinance enacted</li> </ul> <p><i>Note: City actively pursued E Street lot development with private developer which is currently on hold due to economy. It should be noted that comments given to the city reflected the process was not inclusive or consensus building which leads to fragmentation.</i></p>
<p>5. Update Zoning Code to encourage clean energy, high-tech, research and development (R&amp;D) uses in industrial districts, and/or create new overlay for certain technology uses without discouraging existing businesses</p>	<ul style="list-style-type: none"> <li>◆ The intent of this recommendation was to articulate “permitted uses” as part of marketing and attraction and to ensure certainty in the process and minimize the company’s entitlement time and costs. Nov 2009 staff submitted report with recommendations which was supported by a letter from BIPA. As of Sept 2011, staff has submitted changes to Planning Commission who has requested some revisions which are being worked on and will be brought back to Planning Commission.</li> </ul> <p><i>Note: The current industrial use classifications<sup>6</sup> allow for a breadth of permitted uses in the industrial park, including clean energy, high-tech, and R&amp;D. The code allows staff flexibility in determinations. The intent of the recommendation was to provide certainty on the process. This could be accomplished with internal staff processes and promotion of a “fast-tracked” or streamlined process.</i></p>
<p>6. Work with Benicia Industrial Park Association (BIPA) to conduct technology needs assessment for present and future Industrial Park users; implement its recommendations.</p>	<ul style="list-style-type: none"> <li>◆ BIP Broadband Survey and Final Report were completed September, 2010<sup>7</sup>. Over 30% of the BIP tenants believe Internet services are inadequate and 20% feel connections are insufficient. This report provides data on the level of broadband usage, amount of current broadband that’s being met and the potential demand for broadband services 3-5 years out. City has had initial meetings with service providers. This is an on-going initiative.</li> </ul>

<sup>6</sup> Benicia Municipal Code, Chapter 17.16 Use Classifications, 17.16.060 Industrial Use Classifications, <http://www.codepublishing.com/ca/benicia/>

<sup>7</sup> Broadband Needs Assessment for the Benicia Industrial Park, Prepared by Successful.com, September 15, 2010

#### Chart 4 – 2007 Economic Development Strategy – Recommendations & Status

Recommendations	Status
7. Revise fee deferral program to target high-wage job growth; consider sales tax rebates and other financial incentives only for high-wage paying companies	♦ The action requested “revising” a fee deferral program, however, there has not been and there is currently no formal “fee deferral policy”. Deferrals have been used on a case-by-case basis, such as, Holiday Inn Express, a multi-family project and Insight Glass. Fee deferrals are based on a repayment plus interest. Also a sales tax sharing agreement was used with the Bio Rad project. Criteria for any incentive offering, fee deferral or sales tax sharing, is based on the economic impact of a project to the city – retention or attraction of jobs and tax base.

The **2007 Economic Development Strategy** also recommended key benchmarks, illustrated below in the matrix is 2006 benchmarks recommended and 2010 benchmark data. Data reference for 2006 Economic Development Strategy, pages 8-10, 2010 data source City of Benicia records.

Chart 5 – Benchmarks		
Downtown & Tourism Benchmarks	2006	2010
Sales Tax Revenue to City	\$204,981	\$156,978 <sup>8</sup>
Jobs	477	355 <sup>9</sup>
Rental Rates (Source: LoopNet)		
Retail	\$1.80-\$2.50	\$1-\$1.50
Office	\$2.00	\$1.25
Hotel Tax (TOT)*Holiday Inn Express opened 2009	\$200,011	\$279,320
Industrial Area Benchmarks	2006	2010
Sales Tax	\$3.8M	\$3.5M
Jobs	6,336	6,500
Rental Rates (Source: Colliers International)		
Warehouse	\$0.33-\$0.75	\$0.42
Manufacturing Flex	\$0.52-\$0.80	\$0.59-\$0.65

<sup>8</sup> Sales Tax Data Source: City of Benicia, HdL Companies Sales Tax Data, Summary GEOS, CY 2010

<sup>9</sup> City of Benicia Business License List, 2011

Since the adoption of the Economic Development Strategy the City has invested over \$1.5 million in organizations that support economic development, business development and tourism efforts in the City and nearly a \$1 million in Capital Improvements and Other Investments.

**Chart 6 – City of Benicia  
Annual Organizational Funding**

Organization	2008	2009	2010	Current
Main Street	\$114,500	\$114,000	\$149,000	\$127,000
Arts	\$85,620	\$89,700	\$71,830	\$49,530
Museum	\$80,000	\$50,000	\$50,000	\$50,000
Theater Groups	\$10,550	\$10,675	\$8,545	\$9,260
Chamber of Commerce	\$5,990	\$6,045	\$6,045	\$6,200
Solano EDC	\$10,000	\$9,500	\$9,500	\$9,500
Solano SBDC	\$3,000	\$3,000	\$3,000	\$3,000
<i>Contracts Funded:</i>				
Tourism (contract)	--	\$140,000	\$140,000	\$57,000
BID Feasibility	--	--	--	\$20,000
<b>Total Annual</b>	<b>\$309,660</b>	<b>\$422,920</b>	<b>\$437,920</b>	<b>\$331,490</b>
<b>Total 2008-2011</b>				<b>\$1,501,990</b>

**Chart 7– Capital Improvements and Other  
Investments, 2005-2010**

Project	Investment
First Street Peninsula Project – 2005	\$816,201
Benches & Trash Cans	\$10,000
Bicycle Racks	\$30,000
Signage – Way Finding	\$15,110
Tourism Advertising (beyond tourism contract)	\$25,598
Brochures-Tourism	\$7,595
Web Development	\$20,000
Rose Drive Bicycle/Pedestrian Bridge	\$2,500,000
Benicia Bridget to Jefferson	\$400,000
<b>Total Investment</b>	<b>\$3,824,504</b>





### 1.3 Economic Indicators Analysis 2005-2010<sup>10</sup>

For this report, Applied Economics conducted an Economic Indicator Analysis. The information looks at key economic indicators over a period of time (2005-2010) and compares City of Benicia to Solano County and the State of California (as a baseline average).

2005-2010 Benicia Economic Indicators Analysis Highlights
◆ Almost no net new population growth, 0.1% growth.
◆ Lowest unemployment rate in Solano County and nearly 40% less than the State.
◆ Highest per capita income and median household income in Solano County, and 14% above state levels.
◆ Despite a 21% decline in retail sales, total taxable sales grew by 30%.
◆ Taxable per capita sales are 66% greater than the state and 59% greater than the county.
◆ Of the total taxable sales 69% are from non-retail sales.
◆ Over 86% of the businesses have less than 10 employees.
◆ 19% of Benicia's employment is in basic industries.
◆ Significantly higher share of manufacturing compared to state (19% vs. 10%), a positive factor for economic stability.
◆ Rank high for patents issued and new business formation.
◆ SAT Score 110% of the state.
◆ The largest share of revenue to the City is local taxes.

Indicators analyzed include population, quality of life, median income, labor force, economy, construction, taxable sales, municipal revenue and assessed value. The full analysis is included in the Appendix.

Benicia's Top 10 Private Employers 2010	
Valero Refining Co	516
Dunlop Manufacturing Inc.	248
Cytosport	221
Bio-Rad Laboratories	209
Coca-Cola Enterprises, Inc.	162
Valley Fine Foods Company, Inc.	133
The Pepsi Bottling Group	119
Radiator Express Warehouse, Inc.	106
Benicia Fabrication & Machine	104
Cycle Gear, Inc.	103

Source: City of Benicia, Economic Development Division, June 2011

<sup>10</sup> Appendix – City of Benicia, Economic Indicators Report, 2005-2010, prepared by Applied Economics

As part of the Economic Analysis, a Benicia Local Business Taxonomy was prepared, Chart 6.

The Taxonomy Chart is a snapshot of the business **segments** based on both a jobs impact and a wealth/prosperity impact.

The purpose of the Taxonomy Chart is to diagram the type and mix of businesses in the City. Businesses are mainly categorized as:

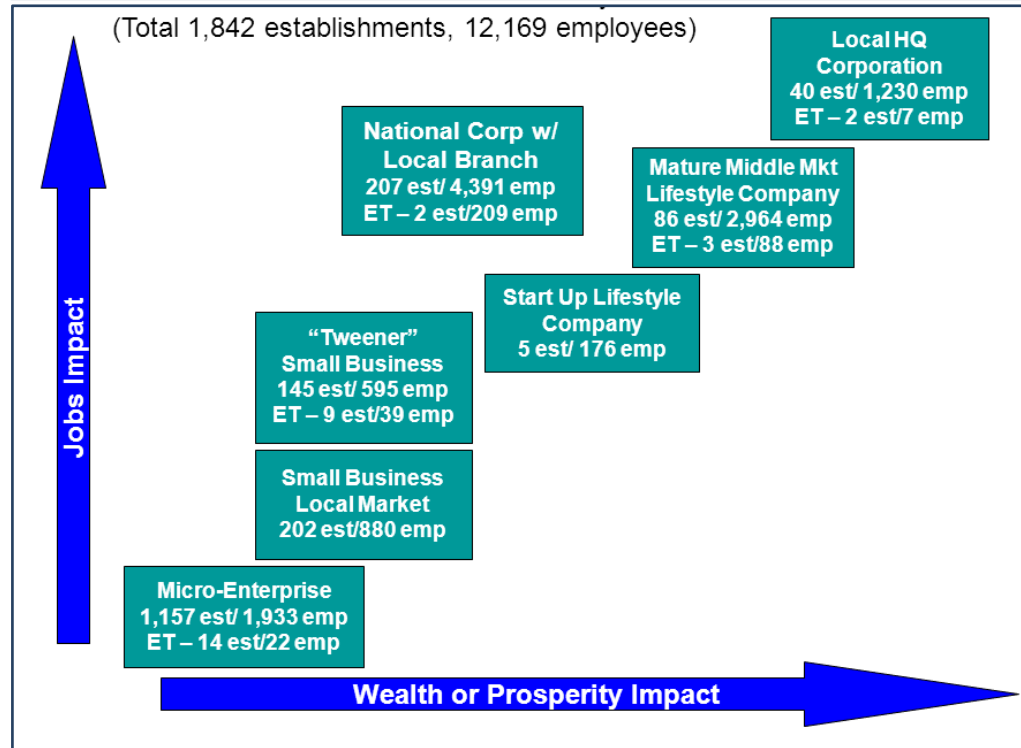
- 1) *“Micro/small business”* which mainly serve the local market, with sales less-than \$1M and typically less-than 5 employees,
- 2) *“Small ‘tweener’ and start-up lifestyle”* businesses that serve a regional market, sales less-than \$5M, employees 10-50, and
- 3) *“Mature Mid-Market and Major Corporations”* are those who have growth potential for serving markets beyond Benicia, sales \$5-\$50M and more than 10 employees.

In addition to national corporations with a local branch, over 40 establishments consider Benicia their headquarters (no size criteria defined).

In each category there are emerging business sectors appearing, noted in each category as “ET”. Those businesses include energy conservation planning, custom programming, prepackaged software and surgical instruments. As identified in the Economic Indicators Analysis 86% of Benicia’s businesses have less than 10 employees.

**Chart 8 – Benicia Local Business Taxonomy**

Source: Dun & Bradstreet Marketplace, Q1 2011

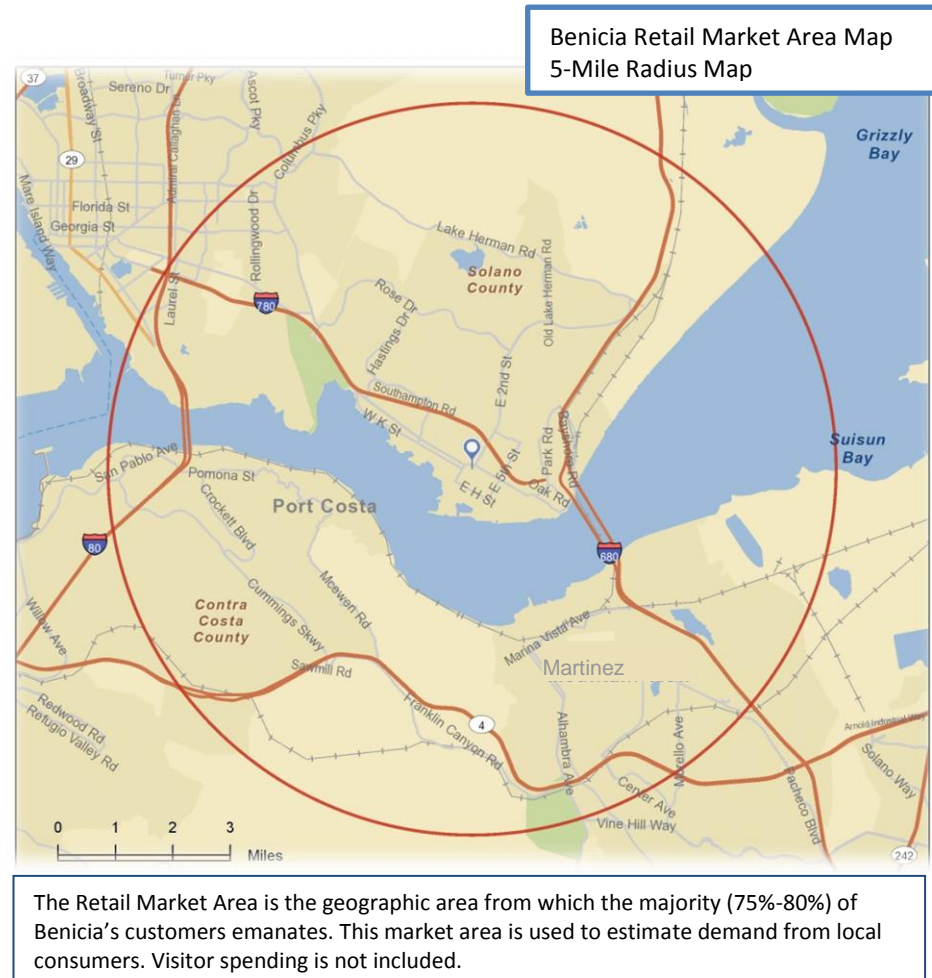


## 1.4 Retail Market Indicators, July 2011

An updated Retail Market Indicators<sup>11</sup> was prepared for this report; the previous analysis was conducted in 2002. Using various demographics and household data sources the Retail Market Indicators provides an overview of the retail market area, the Benicia market profile (referred to as the Tapestry Market Segments, consumer preference & purchases), visitor spending and the retail market potential.

### 2011 Benicia Retail Market Indicators Highlights

- ◆ Retail Market Area population of over 87,500 persons and 33,300 households.
- ◆ A large business marketplace of over 1,600 businesses and 12,800 employees in City of Benicia, generating demand for retail goods and services throughout the year.
- ◆ Retail sales leakage of nearly \$342 million (or 1.4 million sq. ft.) of retail space in the Market Area.
- ◆ Greatest untapped demand in General Merchandise, Restaurants and Apparel.
- ◆ With little or no population growth, Benicia is challenged to capture a greater share of existing market demand from residents, visitors and employees.
- ◆ Benicia's developable commercial acreage is limited for chain store and big box development, pointing to specialty and convenience goods as the 'best bets' for retail expansion and attraction.



<sup>11</sup> Appendix – Benicia Retail Market Indicators, July 2011, prepared by Marketek

## Chart 9 – Competitive Regional Retail Centers

### Vallejo

**Vallejo Plaza Shopping Center** – *Location:* 3505 Sonoma Blvd, Vallejo

*Year Built:* est. 2000 or newer      *GLA:* 239,695 SF

*Vacancy:* 9,700 SF (4%) – spaces range from 1,210 SF to 2,956 SF

*Asking Rent:* \$9/SF/NNN for 2,956 SF to \$21/SF/NNN for 1,210 SF; Est. average asking rent is \$18/SF/NNN

*Anchor:* Dollar Tree

*Cotenants:* DD's Discounters, Seafood City, Factory-2-U, Rent-A-Center, Togo's, Starbucks, Bank of America, Les Schwab Tires, The UPS Store, Radio Shack, Eastwood Insurance, Labor Ready, Metro PCS, American General Finance

**Gateway Plaza** – *Location:* 114-173 Plaza Drive & Turner Pkwy, Vallejo

*Year Built:* est. mid 2000s      *GLA:* 548,871

*Vacancy:* 56,767 SF (10%) – spaces range from 960 SF to 42,049 SF

*Asking Rent:* Negotiable

*Major Tenants:* Bed Bath & Beyond, Black Angus Restaurant, Century Theaters, Costco, CVS, Marshalls, Michaels, OfficeMax, Old Navy, Party City, Pep Boys, PETCO, Pier 1 Imports, Ross Dress For Less

**Park Place** – *Location:* Sonoma Boulevard and Solano Drive, Vallejo

*Year Built:* est. mid 1980s      *GLA:* 150,766

*Vacancy:* 16,941 SF (11%) – spaces range from 1,200 SF to 3,720 SF

*Asking Rent:* Negotiable

*Anchor Tenants:* Raley's, 24 Hour Fitness, Aaron's

*Cotenants:* Aura 88 Hair Salon, Bank of the West, Bayside Family Optometry, Cigarette City, Fashion Mart, H&R Block, Hair Love Beauty Supply, Jiffy Lube, L&L Hawaiian Barbecue, London Nails, Paradise Jewelry, Park Place Wash 'n Dry, Rainbow Shops

### Fairfield

**Westfield Solano Shopping Center** – *Location:* 1350 Travis Blvd, Fairfield

*Year Built:* pre-2000      *GLA:* est. 1,000,000 SF

*Vacancy:* unknown

*Asking Rent:* unknown

*Anchors:* Best Buy, JC Penney, Macys, Sears, Forever 21, Old Navy, Edwards Cinema Fairfield Stadium 16

*Cotenants:* Applebee's, AT&T Wireless Store, Hollister, Lane Bryant, Lens Crafters Radio Shack, Wet Seal

**Winery Square** – *Location:* 1955 West Texas Street, Fairfield

*Year Built:* unknown      *GLA:* est. 186,240 SF

*Vacancy:* 15,230 SF (8%) – spaces ranging from 900 SF to 4,240 SF

*Asking Rent:* Negotiable

*Anchors:* Food Maxx, Walgreens

\*A Wal-Mart-anchored center with a Dollar Tree is currently under construction in Fairfield

### Martinez

#### **Wal-Mart**

*Location:* 1021 Arnold Drive, Martinez

*GLA:* est. 115,000 SF

*Note:* Additional competitor Retail Centers includes Vacaville outlets, Sun Valley, Concord, Broadway Plaza, and Walnut Creek. *See Appendix Retail Market Indicators, Competitive Regional Retail Centers.*

## 1.5 Industrial Park Competitiveness

The Benicia Industrial Park (BIP) is a key asset for Benicia. As noted in the Economic Indicators Analysis, Benicia is fortunate to have such a significant industrial base. Basic industries, those that bring in wealth from outside the area, make up approximately 19% of Benicia's employment and generate approximately \$13.4 million in total tax revenue<sup>12</sup> to the City annually.

The BIP has approximately 1.5 million square feet vacant and available<sup>13</sup> of the total 8 million square feet in the BIP, a 15-18% vacancy.

According to several real estate brokers interviewed competitor areas include Fairfield, Richmond, Vallejo and vacant buildings, which may or may not be in an industrial park setting but new in development and product offering.

Brokers interviewed noted that the age of the industrial park is a challenge; many of the competitor areas have new buildings and infrastructure which meet current requirements of users. They also indicated I-5 locations are also becoming very attractive to those companies with inbound and outbound trucking freight. There is also new demand for rail served sites because of the cost of truck transportation (fuel).

Inventory of available space is extremely high with over 19.8 million square feet of industrial space availability throughout the region<sup>14</sup>. Over 19 Industrial Parks are directly competing with the BIP as depicted in Chart 8 Industrial Park Competitors.

Address	Location	Size / Price	Key Features
1660 Lewis Brown Dr	Vallejo, CA	6,530 SF, Negotiable	Property Features: 6,530 total sq. ft., 4,580 sq. ft. warehouse, 1,980 sq. ft. office, 3.05 gross...
101 Yola	Vallejo, CA	30,000± sq. ft.	mezzanine, showroom, Keegan &...
226 Curt	Vallejo, CA	No Photo	This is an... office for m...
1080 Nin	Vallejo, CA	1,300 SF	Multi-tenant, combined, CB Richar...
145 Vall	Vallejo, CA	No Photo	Office with sewer, wa... charges.
1175 Nin	Island (E)	No Photo	
Gasket Engineering	Richmond, CA	6,000 - 16,000 SF, \$7.20 /SF/Year	Approx. 16,000 sq. ft. in two contiguous building on a parcel of 30,056 sq. ft. For sale or...
Rheem Industrial Park	Richmond, CA	5,000 SF, \$6 /SF/Year	5 loading docks and secure cross docking building. Plenty of parking.
Rheem Industrial Park	Richmond, CA	5,000 - 14,130 SF, \$4.20 /SF/Year	30' Clear Height Warehouse, Heavy Power, Two loading docks, Gated facility, Drive in door, Office...
Central Avenue	Richmond, CA	900 - 10,500 SF, \$11.40 - \$13.20 /SF/Year	Nice Office R and D complex. 5150 sq. ft.
Cordelia Rd Investment Property	Cordelia, CA	16,000 - 50,800 SF, Negotiable	2 Industrial buildings totaling 50,800 sq ft. I-80 visibility and signage Building #1 = 16,800 sq. ft. Cassidy Turley BT Commercial
Fairfield Industrial Park	Cordelia, CA	6,400 SF, \$7.20 /SF/Year	Nice improve 1700sf offices + mezz storage. Grubb & Ellis Walnut Creek
Fairfield Industrial Park	Cordelia, CA	750 - 6,200 SF, \$7.20 /SF/Year	Bay A2- Office: 4,500sf \$ 65/\$1.25 Grubb & Ellis Walnut Creek
490 Edison Ct	Cordelia, CA	3,150 - 12,600 SF, \$9.60 /SF/Year	\$0.80/sf for warehouse and \$0.10/sf for yard. Office size BTS. Plan Occupancy Fall 2011... Grubb & Ellis Walnut Creek

<sup>12</sup> Tax Revenue Estimates (Sales, Property, Utility, Franchise, Business) FY 2011 Finance Department

<sup>13</sup> LoopNet Search, properties 10,000-100,000 sq. ft.

<sup>14</sup> Sources: Colliers International Research & Forecast Reports

**Chart 10 – Industrial Park Competitors**

<b>City</b>	<b>Industrial or Business Park</b>	<b>Location</b>	<b>Zoning</b>
<b>Fairfield</b>	Green Valley Corporate Park	I-80, I-680, Hwy 12	Industrial Business Park
	Green Valley Office Park	I-80, I-680, Hwy 12	Regional & Neighborhood Commercial
	Fairfield Corporate Commons	Suisun Valley Rd, adjacent to Solano Community College	Industrial Business Park
	<b>Solano Business Park</b>	<b>Between Chadbourne Road and Beck Avenue</b>	<b>Limited Industrial, Industrial Business Park</b>
	<b>Busch Corporate Center</b>	<b>I-80 and Hwy 12</b>	<b>Limited Industrial, Industrial Business Park</b>
	Tolenas Industrial Park	NE Fairfield along Air Base Parkway & Peabody Road	Heavy Industrial, Limited Industrial
	<b>South Cordelia Park</b>	I-680, along Fulton Drive	Limited Industrial
<b>Vallejo</b>	Gateway 80 Business Park	I-80 and Hwy 12	Light Industrial
	39 acre site	790 Derr Street	IU Industrial Use
<b>Vacaville</b>	Vacaville 140	I-80	Industrial Park & Ag 20
<b>Dixon</b>	Interstate 80 & State Hwy 113	I-80 & Hwy 113	Highway Commercial, Light Industrial, Office
<b>Suisun City</b>	Lambie Industrial Park/Creed Road	12 miles East of I-80 (East of Travis AFB)	Zoning: MG3   General Manufacturing, minimum 3 acres
<b>Richmond</b>	Pinole Point Business Park	Atlas Road & Giant Highway	Warehouse/distribution; manufacturing
	Richmond Distribution Center	211-213 Cutting Blvd, West	
	Regatta Business Center	I-580; immediate access to I-880	Industrial
	Harbour Business Center	I-580	M2 Zoning/R&D
	Britannia Business Center	3023-3075 Research Drive	
	Point Richmond Tech Center – Ph. I	Point Richmond historic downtown	
	Point Richmond Tech Center – Ph. II	Point Richmond historic downtown	

Note: Bold Industrial Parks are main competitors.



**Chart 9** provides an overview of the vacancy rates in the region for first and second quarter, 2011. Vacancy rates are an indicator of the competition in the market. Benicia's main competitors also have high vacancy rates – available space for industry.

Chart 11 – Vacancy Rates Comparisons					
	Overall Office	Industrial/ Manufacturing	Warehouse	R&D Flex	Overall Industrial
<b>Solano &amp; Napa Counties</b>	<b>25.1%</b>	<b>12.4%</b>	<b>21.5%</b>	<b>15.4%</b>	<b>14.7%</b>
Benicia	1.7%	15.4%	22.0%	8.8%	18.6%
<b>Fairfield</b>	<b>31.1%</b>	<b>16.5%</b>	<b>11.4%</b>	<b>16.8%</b>	<b>12.7%</b>
Vacaville	28.3%	13.0%	18.0%	65.4%	17.8%
Vallejo	10.9%	7.5%	n/a	n/a	5.9%
<b>Walnut Creek/North I-680 Corridor</b>	<b>1.5%</b>	<b>10.9%</b>	<b>26.3%</b>	<b>14.3%</b>	<b>13.6%</b>
Concord	17.5%	12.7%	6.6%	17.3%	12.9%
Pittsburg	n/a	4.2%	28.6%	n/a	9.2%
Martinez	n/a	8.9%	31.3%	14.3%	11.9%
Antioch	n/a	20.7%	27.6%	14.8%	23.8%
<b>Oakland I-80/I-880 Corridor</b>	<b>15.7%</b>	<b>6.8%</b>	<b>10.3%</b>	<b>12.4%</b>	<b>8.8%</b>
<b>Richmond</b>	<b>n/a</b>	<b>19.7%</b>	<b>10.9%</b>	<b>8.7%</b>	<b>13.8%</b>
Oakland	11.1%	4.9%	11.1%	n/a	6.9%
<b>Stockton/San Joaquin County</b>	<b>19.5%</b>	<b>13.4%</b>	<b>16.6%</b>	<b>19.1%</b>	<b>15.6%</b>
Sources: Colliers International Research & Forecast Reports: Fairfield: Solano & Napa Counties Q1 2011 Industrial & Q1 Office; Oakland Q2 2011 Industrial & Q2 Office; Walnut Creek/North I-680 Corridor Q1 2011 Industrial& Q2 Office; Stockton/San Joaquin County Q1 2011 Industrial & Q1 Office.					

**Chart 10** shows the actual square footage available. According to brokers interviewed Fairfield and Richmond are the key competitors based on the type and size of buildings in their inventory.

<b>Chart 12 – Vacant Square Feet</b>					
	<b>Overall Office</b>	<b>Industrial/ Manufacturing</b>	<b>Warehouse</b>	<b>R&amp;D/Flex</b>	<b>Total Industrial</b>
<b>Solano &amp; Napa Counties</b>	<b>1,162,881</b>	<b>1,574,788</b>	<b>4,225,322</b>	<b>294,835</b>	<b>6,094,945</b>
<b>Benicia</b>	<b>2,142</b>	<b>568,160</b>	<b>953,139</b>	<b>23,042</b>	<b>1,544,341</b>
Fairfield	545,184	443,289	971,605	57,128	1,472,022
Vacaville	145,585	208,253	814,141	87,733	1,110,127
Vallejo	25,548	41,560	n/a	n/a	41,560
<b>Walnut Creek/North I-680 Corridor</b>	<b>3,358,565</b>	<b>1,488,462</b>	<b>750,885</b>	<b>165,009</b>	<b>2,404,356</b>
Concord	1,130,358	808,770	17,341	117,490	943,601
Pittsburg	n/a	129,786	230,471	n/a	383,951
Martinez	168,065	79,564	37,242	19,980	136,786
Antioch	n/a	336,33	454,050	16,801	807,189
<b>Oakland I-80/I-880 Corridor</b>	<b>5,187,382</b>	<b>4,363,439</b>	<b>5,923,578</b>	<b>1,204,811</b>	<b>11,491,828</b>
Richmond	703,449	1,003,606	465,760	298,533	1,767,899
Oakland	1,881,885	1,104,276	1,181,690	n/a	2,285,966
Sources: Colliers International Research & Forecast Reports: Fairfield: Solano & Napa Counties Q1 2011 Industrial & Q1 Office; Oakland Q2 2011 Industrial & Q2 Office; Walnut Creek/North I-680 Corridor Q1 2011 Industrial& Q2 Office; Stockton/San Joaquin County Q1 2011 Industrial & Q1 Office.					

**Chart 11**, based on Colliers International first and second quarter report, and shows the average lease rates by county by type of facility as well as average lease rates by city by type of facility.

**Chart 13 – Lease Rates (monthly rate /s.f.)**

	<b>Class A Office</b>	<b>Class B Office</b>	<b>Office/ Flex</b>	<b>Industrial/ Manufacturing</b>	<b>Warehouse</b>	<b>R&amp;D/Flex</b>
<b>Solano &amp; Napa Counties</b>	<b>\$2.13</b>	<b>\$1.61</b>	<b>\$1.59</b>	<b>\$0.68</b>	<b>\$0.45</b>	<b>\$0.85</b>
Benicia	n/a	\$1.78	n/a	\$0.65	\$0.42	\$0.59
Fairfield	\$2.42	\$1.35	\$1.69	\$0.68	\$0.50	\$0.68
Vacaville	\$1.91	\$1.55	n/a	\$0.68	\$0.40	\$0.80
Vallejo	n/a	n/a	n/a	\$0.35	n/a	n/a
<b>Walnut Creek/North I-680 Corridor</b>	<b>\$2.24</b>	<b>\$ 1.70</b>	<b>n/a</b>	<b>\$ 0.83</b>	<b>\$ 0.30</b>	<b>\$0.90</b>
Concord	\$1.89	\$1.52	n/a	\$0.95	n/a	\$1.14
Pittsburgh	n/a	n/a	n/a	\$0.64	\$0.35	n/a
Martinez	n/a	\$1.50	n/a	n/a	n/a	n/a
Antioch	n/a	n/a	n/a	\$0.58	\$0.29	\$0.87
<b>Oakland I-80/I-880 Corridor</b>	<b>\$2.34</b>	<b>\$1.71</b>	<b>\$1.71</b>	<b>\$0.57</b>	<b>\$0.38</b>	<b>\$0.64</b>
Richmond	n/a	\$1.34	\$1.34	\$0.38	\$0.33	\$0.71
Oakland	\$2.56	\$1.88	\$1.88	\$0.38	\$0.37	n/a
<b>Stockton/San Joaquin County</b>	<b>\$1.80</b>	<b>\$1.25</b>	<b>n/a</b>	<b>n/a</b>	<b>\$0.28-0.35</b>	<b>n/a</b>

Sources: Colliers International Research & Forecast Reports: Fairfield: Solano & Napa Counties Q1 2011 Industrial & Q1 Office; Oakland Q2 2011 Industrial & Q2 Office; Walnut Creek/North I-680 Corridor Q1 2011 Industrial& Q2 Office; Stockton/San Joaquin County Q1 2011 Industrial & Q1 Office.

Besides real estate brokers, the Solano EDC has been the main entity to market the BIP available properties. Through industry cluster reports developed by Collaborative Economics, the Solano EDC promotes available properties to six key industry sectors – biotech & light manufacturing, value-added food & beverage processing, transportation-logistics-distribution, construction production materials, research and development (including tech-based start-ups) and clean-tech & energy.

The BIP has a good mix of manufacturing businesses, as noted with the Top 10 Employers, including manufacturing, wholesale trade, transportation, suppliers to major anchor businesses and emerging new technology businesses, such as, information technology, software, biotech, instruments and environmental services.

#### **Solano County EDC Key Industry Targets**

- ◆ Biotech & Light manufacturing,
- ◆ Value-added Food & Beverage Processing,
- ◆ Transportation-Logistics-Distribution,
- ◆ Construction Production Materials,
- ◆ Research and Development (including tech-based start-ups)
- ◆ Clean-tech & Energy

## 1.6 Key Drivers of Economy & City Revenue

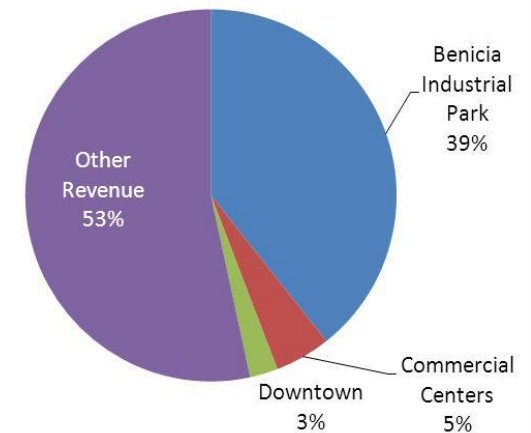
Benicia's basic industries, those that bring in wealth from outside the area, are the drivers of the local economy and the City's tax revenue. Basic industries, those located at the Benicia Industrial Park, have the largest economic impact on the local, regional and state economics – these industries drive the “multiplier effect” – the number of times the dollar turns over in the community being spent on goods and services. The other benefit of business, according to Association of Government, is they typically generate more revenue than they cost a city in services.

**Chart 12 – Benicia Business-Driven Tax Revenues, 2010**

	<b>Benicia Industrial Park</b>	<b>Commercial Centers</b>	<b>Downtown</b>
Sales Tax	\$3,568,000	\$801,765	\$156,978
Property Taxes	\$4,238,434	\$162,954	\$294,778
Utility User Tax (Est.)	\$3,987,000	\$493,859	n/a
Hotel Tax	n/a	n/a	\$279,000
<b>Total Tax Revenue</b>	<b>\$11,793,434</b>	<b>\$1,458,578</b>	<b>\$730,756</b>

Source: 2010 HdL Summary Sales Tax Revenue, Property Data; Est. Utility Tax City Finance

**Benicia Business-Driven Tax Revenues, 2010**





## 2.0 Benicia Economic Development Assessment Findings

Economic prosperity is built on three economic drivers:

**Export Oriented Economy** – businesses that produce goods and services that are “exported” out of the community, bringing new dollars into the community;

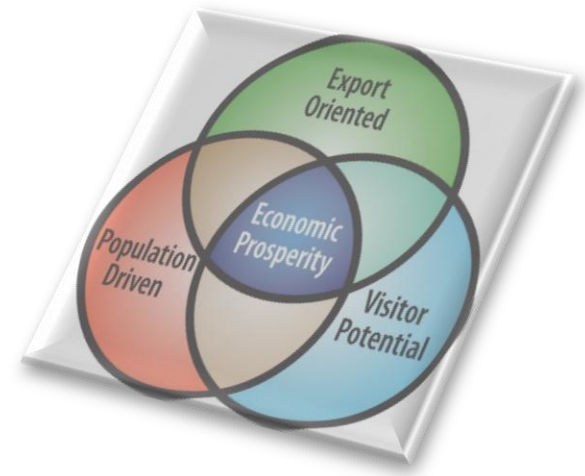
**Population Driven Economy** – demand for goods and services by local residents of the community and who purchase those goods and services from local business (keeping dollars local); and

**Visitor Potential Economy** – the potential of increasing the dollars spent in the community at local businesses by attracting visitors and ‘importing’ new dollars.

The goal of developing a business development action plan is to increase *economic activity* of key drivers, which are referred to in this report as **Economic Generators and Employment Centers**. The City of Benicia has three distinct economic generators and employment centers that contribute to the City’s economic prosperity, job base and revenue for services and infrastructure:

1. **Benicia Industrial Park**, the largest employment center in the city as well as the largest tax revenue generator to the city;
2. **Commercial Centers**, the four major commercial centers and strip commercial areas, would be classified as “*community serving*”. These centers provide a majority of goods and services required by local residents and contribute significant tax revenue to the City.
3. **Visitor Destinations**, Downtown, Waterfront, Historical and Arts venues are areas positioned to not only serve local residents but draw visitors to Benicia who spend outside dollars at local venues.

The economic development assessment is a review of the *Strengths/Assets, Challenges and Opportunities* of each of the economic generators and employment centers in Benicia. These findings were prepared by the Consulting Team from research (Section 1.0), interviews, meetings and on-site tours of Benicia, July and August 2011. The Situational Analysis and the Assessment Findings are the foundational context for recommended actions, **Business Development Action Plan**, Section 3.0. The following chart, Figure 3, provides an overview of the three economic generator and employment centers in Benicia with Assessment Findings following:





**Figure 3 - Benicia Economic Generators & Employment Centers**

**Industrial Park - Arsenal  
Export-Oriented Businesses**

**Benicia Industrial Park**

- 450+ businesses
- 6500 employees
- 8+ million built sq ft

**Port of Benicia - AMPORTS**

**Arsenal**

**Commercial Centers  
Serving Residents**

**Solano Square**

- 70,000 sq ft, vacancy 2%
- Anchor: Safeway, Rite Aid

**Southampton  
Center**

- 160,000 sq ft, vacancy 4%
- Anchor: Raley's

**Parkway  
Plaza**

- 30,000 sq ft, vacancy 31%
- Anchor: Jiffy Lube, Burger King

**Rose Center**

- 33,450 sq ft, vacancy 12%
- Anchor: CVS

**Downtown\***

- 108 Store Fronts
- 8% vacancy

**Commercial  
Strips**

- Military East & West

**Arts, History, Waterfront, Downtown  
Attracting & Serving the Visitor**

**Visitor Centers (Destination Points)**

**Downtown**

- Historic Downtown
- Historic State Capitol
- Shopping, Dining, Spa
- Certified Farmers Market
- Galleries
- Waterfront
- Events

**Arts Benicia, Arsenal**

- Art Glass
- Galleries
- Visual Arts & Crafts
- Performing Arts

**Benicia Historical Venues**

- Museums
- Historical Sites

**Recreational**

- Waterfront
- Marina
- Parks (27)
- Benicia State Recreation Area

**\*Downtown serves  
both the local and  
visitor markets**

## 2.1 Assessment Findings July 2011 – Benicia Industrial Park

**Geography/Description – Benicia Industrial Park:** The Benicia Industrial Park has over 3,000 acres, 8+ million square feet of built space with direct access off of I-680 and a direct route to I-80 via I-780. The Industrial Park also includes the area referred to as the “Arsenal”. Unique to the Industrial Park is the **Port of Benicia**, operated by AMPORTS with 640 acres and 140,000 square feet of buildings. The Port’s deep-water pier which can berth three vessels at the same time and a pier owned by Valero. Operating depth is 38 ft. MLLW. Rail is provided by Union Pacific Railroad.

### Strengths/Assets – Benicia Industrial Park

- |   |  |
|---|--|
| <ul style="list-style-type: none"><li>◆ <b>Industrial Park</b> – The City of Benicia, a community of under 30,000 in population is fortunate to have such a large Industrial Park with over 450 businesses and 6,500 employees. This contributes to Benicia’s low unemployment rate of 7.5%<sup>15</sup> as compared to the State’s 12.1% and Solano County’s 12.0%, June 2011.</li><li>◆ <b>Available Space</b> – Approximately 900,000 to 1.5 million sq. ft. is available for lease in the Industrial Park, with sizes ranging from 10,000 to over 100,000 sq. ft. and lease rates slightly below average for Solano County<sup>16</sup>. There is a variety of space available from older industrial to newer, more modern warehouse and warehouse/office and some R&amp;D.</li><li>◆ <b>Location, Access &amp; Transportation</b> – easy access to Napa, Fairfield and across the bridge from Contra Costa and East Bay markets. Served with easy access to I-680 and I-780.</li><li>◆ <b>Port</b> – an inland, non-congested port with ability to handle up to three vessels at a time. Rail availability is noted but needs to be verified as to actual service, locations and delivery.</li><li>◆ <b>Existing businesses</b> – There are anchor businesses, i.e., Valero, that draw supplier companies. There is also a strong and stable mix of businesses in the Industrial Park, large and small.</li><li>◆ <b>Safety</b> – businesses interviewed valued the safety and security of the park.</li></ul> | <ul style="list-style-type: none"><li>◆ <b>Labor</b> – According to interviews with businesses the quality of the labor living and working in Benicia is ranked very high. There is a high level of professional also living in Benicia and traveling to the surrounding metro areas. There are several workforce development and community college programs to work with businesses on building specialized skilled sets.</li><li>◆ <b>Job Rich Community</b> – Although many Benicia residents commute to work outside of Benicia, the City of Benicia imports workers, which bring additional dollars to the community. Businesses interviewed estimated 50% of their employees live in Benicia, with the other 50% commuting to Benicia.</li><li>◆ <b>Business Climate</b> – “Business climate” is typically a reflection of a community’s desire and actions to support business. A number of factors indicate that the city is supportive of business – General Plan goals, championing the tourism initiative, capital investment in downtown and historical venues, and contracting the business services of SBDC and Solano EDC. More recently the City has become more proactive as it relates to businesses in the Industrial Park, meeting with businesses and brokers.</li><li>◆ <b>Benicia Industrial Park Association (BIPA)</b> – The BIPA under the umbrella of the Chamber is organized to work with businesses at the park, new businesses coming in, as well as with the City on the needs of businesses at the park and to ensure the quality of the park is maintained to attract new users.</li></ul> |
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<sup>15</sup> Labor Force and Unemployment, California Employment Development Department, LMID, June 2011 Data

<sup>16</sup> LoopNet, Aug 2011, Industrial Space Search, space available 10,000-100,000 sq. ft. – results 18 facilities/spaces, total 869,344 sq. ft. and Colliers Reports, Section 1.5 Industrial Park Competitiveness.

## Challenges / Weaknesses – Benicia Industrial Park

- ◆ **Loss of Businesses & Employees** – The number of businesses at the Industrial Park has decreased from 600<sup>17</sup> to the current 452 businesses and from 7,000 to 6,500 employees since 2006<sup>18</sup>.
- ◆ **Business Consolidation** – A challenge, which is beyond the control of the City, is business consolidation, businesses deciding to consolidate divisions and departments into one location, which may or may not be in Benicia – this is a reality of economic times. However this could be an opportunity – companies looking to consolidate in central location to reduce costs.
- ◆ **Business Climate** – Although shown as a strength, there is a perception by businesses in the park, and businesses that serve businesses in the park, that the City is not demonstrating with “actions” that the Industrial Park or the businesses contributing tax revenue are priorities.
- ◆ **Age of Buildings** – Though the available space is noted as a strength, according to Brokers interviewed a challenge for the Benicia Industrial Park is that the building and infrastructure is older. Many of the buildings do not meet the requirements of many businesses seeking space in today’s marketplace, i.e., clear height. Also a challenge for older properties is their cost competitiveness to newer buildings in newer parks. According to Colliers Market Data Reports, average lease rates in Benicia are slightly lower than Fairfield (\$.65/sq. ft. average Benicia versus \$.68/sq. ft. avg. Fairfield) and there is also a high vacancy rate in Fairfield for industrial space with over 1.4 million sq. ft. available. According to the Solano EDC, recent inquiries seeking manufacturing space have selected West Sacramento vs. Solano County because of cost.
- ◆ **Infrastructure** – Both brokers and existing businesses list infrastructure as a weakness of the Park, particularly streets (flooding), cell/broadband service and “curb appeal” (attractiveness of park to new tenants, entry points).
- ◆ **Rail** – Business location in today’s market will be about reducing cost. Trucking transportation is a major cost for many businesses and they are looking at alternative methods to reduce those costs, i.e., using rail for inbound and outbound products. Benicia has rail service, but it is not clear from research and interviews, how many rail-served sites are available and operating. This would have to be verified with the rail company.
- ◆ **Formal Retention Program** – The former Economic Development Manager scheduled Green Team Visits to BIP businesses with the Chamber Director and a member of the Planning Department. These have been on hold. Recently staff has started to reach out through one-on-one business meetings.
- ◆ **Marketing Materials / Economic Development Website** – Benicia is served by several large brokerage firms who provide quality flyers on specific buildings, however, the city has limited marketing materials on why Benicia is the location for R&D, light industrial or heavy industrial – from brochure to maps. Finding economic development and related information on the city’s website is a challenge in itself and material currently posted is out-of-date. Linkage to other sites could be beneficial.
- ◆ **Competitiveness** – One of Benicia’s biggest challenges is the overall competitiveness of the industrial park. Compared to other industrial parks and available facilities, Benicia’s product is older (both facilities and infrastructure) and does not necessarily meet the needs of today’s businesses. Both Fairfield and Richmond have more modern facilities, nicer park settings, fiber technology and competitively-priced lease rates.

<sup>17</sup> Benicia Community Profile March 2006, City Website

<sup>18</sup> Source: 2007 Economic Development Strategy, 2006 Economic Profile and Current City Data (Economic Development Division)

## Opportunities – Benicia Industrial Park

- ◆ **Economic Opportunity** – The Benicia Industrial Park (BIP) is the economic engine of the City. It is the key driver of the City’s taxable sales and revenue. The BIP’s large employment base also supports business throughout the City, providing goods and services to employees and visitors to the BIP.

If the BIP were to gain back the almost 500 jobs that have been lost since 2008 (a high of 7000 employees) the economic impact could be significant. The economic impact of a manufacturing job (considering direct, intermediate and induced impacts) averages \$100,000 to \$150,000 per manufacturing worker in a community. ***That equates to a potential \$106,250,000 economic impact for Benicia.***<sup>19</sup>

- ◆ **Business Attraction Opportunity** – The good news is over the past six months there has been an increase in market activity for space – Benicia has over 1.5 million sq. ft. of space available to attract new businesses.
- ◆ **Business Consolidation** is a major industrial trend. Although a challenge it can also be an opportunity – providing space and location solutions for those businesses considering consolidation could be a competitive advantage.
- ◆ **Business Expansion Opportunity** – Considering the large existing business base at the park, even with the down economy, some of these businesses may have expansion opportunities or other issues/opportunities where the City, through a formal Business Retention/Expansion Program could assist.
- ◆ **Infrastructure** – The time is now to address the infrastructure issues of the Industrial Park, even if it is with a long term plan detailing what can and will be done to improve streets and flooding. What business wants to know is (1) they are being heard and (2) something is actually happening on some timeline.

Note: *The City did take action on the Broadband issue, BIP Broadband Survey Report, July 22, 2010 and meetings with carriers. This is a continuing priority for the park. “Curb appeal” – Amenity improvements would go a long way to improving the appearance of the Industrial Park, particularly at key entrances and along the freeway – help make the Park look fresh and not “older inventory.”*

- ◆ **Go to Person** – The time is right for the City to have a point person for the BIP and industrial businesses. The go-to person that businesses in the park, brokers and others call for issues or expediting projects. That person needs to have the authority, with the City Manager, to pull teams together to expedite and service projects.
- ◆ **Collaboration** – There is opportunity to work closely with and engage the Chamber of Commerce and the Benicia Industrial Park Association as well as brokers and property owners in marketing the park.
- ◆ **Regional Economic Development Organizations** – There are a number of regional initiatives, which may be opportunities for the City, such as, Solano EDC business attraction efforts, the East Bay iHubs are working with regional technology firms, whose service maybe appropriate for Benicia businesses and the Workforce Development Board just completed a Regional Innovation Cluster Strategic Action Plan to address working with cleantech and water technology businesses.
- ◆ **Economic Development & Sustainability** – Opportunity to align economic development and environmental sustainability so as not to have conflicting goals. Use the opportunity to develop a “business tool” program for the Park businesses.

See Section 3.0 *Business Development Action Plan* for recommendations.

<sup>19</sup> Vacant Space Economic Impact Potential - Manufacturing worker impact, est. 1,000 sq. ft./worker and average \$130,000 generator/workers.

## 2.2 Assessment Findings July, 2011 – Downtown Benicia and Tourism

**Geography/Description – Downtown Benicia & Tourism:** Downtown Benicia is Benicia’s core commercial, civic, cultural and social center. It is approximately one mile or 12 blocks long with First Street as ‘Main Street.’ It extends from the joining of Military West and Military East on the north to the pier at the end of the peninsula to the south.

Strengths/Assets – Downtown & Tourism	
<ul style="list-style-type: none"> <li>◆ Several documents guide downtown actions including the Downtown Mixed Use Master Plan (2006) and Tourism Marketing Plan (2008).</li> <li>◆ Benicia Main Street spearheads downtown promotion and other efforts and organizes and manages 27 events a year.</li> <li>◆ City’s support of downtown has been significant, with hundreds of thousands of dollars in investment over the last 5 years, including street/lighting maintenance, wayfinding signage and development of the pier and currently spearheading a BID feasibility study.</li> <li>◆ City’s support of tourism has also been very strong, &gt;\$300,000 for Wolf Communications, public relations, advertising support. City also has ongoing investments in heritage tourism resources — both of historic properties and organizations promoting history.</li> <li>◆ City’s \$3 million contribution to preserve and restore the historic Commanding Officers’ Quarters (COQ) is a benefit not only for Benicia’s history but also as a potential economic generator for special events, meetings, etc., depending on the final usage of the building.</li> <li>◆ Downtown is uniquely situated on a peninsula in Carquinez Strait with a panoramic view at the tip. It is an exceptional business location with views of water from many downtown vantage points.</li> <li>◆ Diverse multi-faceted marketplace: local residents, area employees, visitors and highway travelers/business visitors<sup>20</sup>.</li> <li>◆ In addition to arts, there has been a growing retail element in the Arsenal including clothing, furniture, and consignment stores.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Downtown makes a very positive impression with recent streetscape improvements, on-street parking and most properties in good condition.</li> <li>◆ Benicia is becoming positioned as a Bay Area visitor draw — especially for day trips (arts, history, shopping)</li> <li>◆ Arts Benicia is a focal point for the local artist community (400 in town), though only a few studios are organized for drop in visitors. The organization is very eager to build bridges and collaborate with Benicia businesses, downtown, visitor attraction, industry, etc.</li> <li>◆ There are many vital, quality specialty businesses and restaurants to cross promote. For example, Main Street identifies 22 dining establishments that together make downtown a destination for eating and entertainment — attracting visitors, employees and residents in the area.</li> <li>◆ Main Street reports a 92% ground floor occupancy rate, which is very good in the current economic climate.</li> <li>◆ Benicia Main Street historically has had strong public and private (EX: Valero Oil &amp; Allied Waste) partners/funders.</li> <li>◆ Depot Visitor Center is open 7 days a week with increasing numbers of visitors. In June 2011, 1,554 people were counted.</li> <li>◆ Tourism Committee was formed in December 2008 and with City staff support seeks to coordinate all local visitor attraction efforts.</li> <li>◆ There are buildings and site, such as the Majestic Theatre, that are important assets for downtown.</li> </ul>

<sup>20</sup> Retail Market Analysis, Appendix, reports market demographics

## Challenges – Downtown & Tourism

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| <ul style="list-style-type: none"> <li>◆ Local retail market area population is relatively small (27,000 City, 87,500 in 5-mile radius) and is not growing.</li> <li>◆ Benicia's small local market and the significant nearby retail chain store/big box selection in Vallejo, Concord and Walnut Creek challenge it to create a critical mass of comparison retail to retain local shoppers<sup>21</sup>.</li> <li>◆ Main Street organizations typically focus on filling vacancies and developing properties (through their Economic Restructuring Committee) as well as on community events and retail promotions (through the Promotion Committee). Although downtown Benicia has a well-developed Promotion Strategy, Economic Restructuring appears to be lagging. This includes the need to align available retail space with business targets and pursue business attraction and expansion campaigns.</li> <li>◆ City and Main Street staffs share business visitation activities. More clarity is needed on who does what, the method and process, follow-up, deliverables and expected results. Other organizations like the Chamber of Commerce and Small Business Development Center can play an active role as well.</li> <li>◆ Downtown needs to clearly distinguish itself and create a market position as a unique waterfront specialty shopping and entertainment district within the region.</li> <li>◆ Lack of unified leadership among business and property owners, with unrealistic expectations of City government for managing and spearheading change in the district. EX: Many would like the City to compel downtown businesses to work together. Many believe the City is putting too much emphasis on tourism; others believe the City should be putting significantly more resources toward tourism.</li> <li>◆ Mixed expectations by the EDB and business owners are evident about what role the City should play in attracting and supporting businesses downtown. Some believe this is Main Street's charge and that the City should focus on industrial; others place limited value on industrial and want the City to focus on First Street business.</li> </ul> | <ul style="list-style-type: none"> <li>◆ Long linear nature of First Street is challenging for shoppers to navigate. The adopted Downtown Master Plan, Sept 2007, addresses notes of designated activity, creating 'sense of place' and use of public place which would provide a sense of 'breaking up' the long linear feel.</li> <li>◆ Unclear who is 'in charge' of tourism marketing/development, except that most stakeholders do not see the Chamber in this role. City manages the Tourism Committee and consultant contract; Main Street runs downtown events; Benicia Historical Museum organization runs Camel Barns/Museum; Arts Benicia focuses on arts events/activities; and the City contributes to historic and downtown organizations.</li> <li>◆ Coordination among organizations involved with downtown and tourism occurs 'on paper.' In reality, it appears that organizations are very focused on their own agendas and communication is sometimes challenged. The recent bus tour is a good model for future cross-promotion among local visitor assets.</li> <li>◆ A divide exists between 'old timers and new comers' as expressed by multiple business owners. The division is reflected in differing priorities and the limited ability to work together in a unified fashion.</li> <li>◆ Visitor spending within Solano County has declined in recent years (Source: Dean Runyan) and will hopefully turn around with increased advertising and marketing.</li> <li>◆ Benicia's visitor brand (A Great Day by the Bay) is focused on day trips, which are very important. Yet, overnight visitors are known to spend up to 3X more at a local destination. As one example, Benicia's Transient Occupancy Tax (TOT) collections were declining rapidly in the 2006-2009 years from \$249k (06-07) to \$228k (09-10). The new Holiday Inn has helped boost TOT up to \$279k (10-11).</li> </ul> |
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<sup>21</sup> Benicia Key Commercial Centers, Appendix

## Opportunities – Downtown & Tourism

- ◆ Benicia is becoming known as a unique visitor destination and is beginning to have brand recognition in the very large Bay Area marketplace. Promotion should continue to build and expand the brand.
- ◆ There is a need and a desire among some local organizations to better connect the tourism pillars – Art, History, Shopping and Dining – to capitalize on opportunities and promotional efforts.
- ◆ Restaurants are a key downtown draw for both visitors and locals. Organized promotions of the restaurant cluster can be another important building block for customer traffic in downtown Benicia.
- ◆ Downtown Benicia has the opportunity to position itself as the region's one-of-a-kind, locally owned business district – the antidote to homogenous big box shopping. Over 90% of downtown businesses are locally owned and operated.
- ◆ The Retail Market Analysis identified significant retail leakage in categories where downtown has a good start at a business cluster and is poised to expand: Apparel, Specialty Retail (EX: Kitchen Shop, Running Store, Fabric Arts), and Home Furnishings. These are 'best bets' for a business development and attraction program for downtown Benicia.
- ◆ The southern end of downtown could be a potential location for a convenience grocer.
- ◆ Now that the tourism initiative has been seeded and being moved forward, the time is opportune for a focus on Downtown business expansion/attraction opportunities – fill niches in the categories identified above as a start to business attraction.

See Section 3.0 *Business Development Action Plan* for sample targets and recommended business development approach.

## 2.3 Assessment Findings, July 2011 – Benicia Commercial Base

**Geography/Description – Commercial Base:** In addition to downtown, Benicia has four commercial shopping centers, not counting downtown: Southampton, Rose, Solano Square, and Parkway Plaza. The centers range in size from 30,000 sq. ft. to 160,000 sq. ft., in age from 1980s to 2007 and in vacancy rate from 2% to 31%.<sup>22</sup>

Strengths/Assets – Commercial Base	Challenges – Commercial Base
<ul style="list-style-type: none"> <li>◆ Very good selection of convenience goods merchandise in Solano Square and Southampton Centers in particular.</li> <li>◆ Household incomes are well above the state average—attracting attention from expanding retailers.</li> <li>◆ Over 1,600 businesses (including industrial park) and almost 13,000 employees in the City of Benicia<sup>23</sup> — a very strong daytime marketplace that supports/expands the local resident market.</li> <li>◆ Solano Square and downtown Benicia are nearly adjacent providing the opportunity for cross-marketing and connecting customers, promotions and activities.</li> <li>◆ The City enacted a Vacant and Foreclosed Property Ordinance (2008) to require maintenance of vacant, neglected and foreclosed properties (commercial, residential, etc.) and help ensure that their appearance is not a deterrent to their surrounding neighborhood.</li> </ul>	<ul style="list-style-type: none"> <li>◆ Limited residential growth may limit retail attraction. Retailers focus mainly on ‘rooftops’ not visitor numbers in making location decision.</li> <li>◆ Retail competition is significant within a short drive, especially for comparison goods shopping, i.e., major regional centers.</li> <li>◆ Retail vacancy rates are uneven at shopping centers throughout town; help may be needed to ‘fill gaps’ or reposition centers in lagging locations.</li> <li>◆ City’s role in supporting and assisting Benicia’s shopping centers and commercial space outside of downtown appears to be very limited and is not defined.</li> <li>◆ Commercial incentives are minimal. This could be a competitive disadvantage. (Note the City has had incentive agreements in the past).</li> <li>◆ The City does not have an organized retail recruitment effort to fill retail gaps.</li> <li>◆ Benicia has limited commercially zoned developable acreage<sup>24</sup> to accommodate large format retailers, chains and/or big box stores. Benicia’s niche, with their downtown and neighborhood shopping area, is in the smaller, unique and niche businesses who can utilize or adapt existing space for their operations. As noted in the recommendations any commercial/retail attraction plan will need to be focused on existing space.</li> </ul>

<sup>22</sup> Benicia Commercial Center Overview, Appendix

<sup>23</sup> Business Data Source: InfoUSA

<sup>24</sup> 2007 Economic Development Strategy identified 55 total acres, with most being located in the historic Arsenal area not ready for development



## Opportunities – Commercial Base

- ◆ Retail leakage in Benicia's 5-mile market area is \$341.7 million (2010)<sup>25</sup>, or the equivalent of 1.39 million square feet of commercial space. According to the Retail Market Indicators report there is sales leakage in all merchandise categories except Home Improvement. Largest gaps are General Merchandise, Restaurants and Grocery. If Benicia focused on capturing just 10% of that leakage, it would equate to approximate 139,000 square feet.
- ◆ Downtown Benicia and Benicia's commercial strip centers have many small size spaces available to accommodate specialty businesses. This is a prime opportunity to promote in concert with a marketing emphasis on Benicia as the '*Home of Small Business*' or the '*1<sup>st</sup> Choice for Entrepreneurs.*' With the average locally owned specialty/boutique store at <2,000 sq. ft. and a specialty grocery at about 15,000-20,000 sq. ft., several businesses could easily absorb the demand noted above.
- ◆ As with Downtown, working with partners (Chamber of Commerce, strip mall managers, Main Street) a commercial business retention and recruitment program could be implemented focused on small, unique, quality retail/service businesses to fill vacant spaces.

See Section 3.0 *Business Development Action Plan* for recommendations.

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<sup>25</sup> Appendix Retail Market Analysis, July 2011, Marketek

### 3.0 Business Development Action Plan

Based on the findings from Section 1, Situational Analysis, and Section 2, Assessment Findings, Section 3.0 is the recommended **Business Development Action Plan**.

The Business Development Action Plan does not replace the 2007 Economic Development Strategy but is an addendum focused on actions related to providing direct services to businesses and increasing the “business development activity”, which will result in economic activity and revenue to the City. *It is critical that jobs, investment, economic growth and competitiveness lead Benicia’s agenda during these difficult economic times and budget challenges.*

The Business Development Action Plan outlines specific action initiatives and tasks for each of the economic generators and employment centers:

Action Initiative 3.1: Benicia Industrial Park

Action Initiative 3.2: Downtown

Action Initiative 3.3: Tourism

Action Initiative 3.4: Commercial Centers

Recommended actions include continuing some current efforts to starting new and more aggressive programs, such as, business attraction. Each Action Initiative outlines why it is important to the local economy, current and existing efforts and recommended actions which address the opportunities and/or weaknesses identified in Section 2.0 Assessment Findings.

Section 4.0 provides recommendations for implementing the Business Development Action Plan.

**Before reviewing the Action Initiatives, however, there are two overriding “catalytic” strategies/changes that Benicia needs to address** to see successful economic return on the City’s time and investment, as well as support Benicia’s overall quality of life.

### Catalytic Strategies for Success

1. **Realign the economic development priority to the Benicia Industrial Park** – identified in the General Plan, “*Attract and retain industrial facilities that provide fiscal and economic benefits to – and meet the present and future needs of – Benicia.*” **Refocus greater percentage of staff time and resources on the Benicia Industrial Park.** The Industrial Park is the key economic driver in the City. It needs to be preserved and enhanced to increase economic prosperity and raise revenue for City to support the quality of life for its residents.

## 2. Adopt mantra “Working Together to Achieve Results”.

The City seeded critical work and programs around Tourism and Downtown and continues to provide significant investment and staff time in programs and capital improvements.

With budgets decreasing and critical decisions needing to be made for investment, it is time for all the stakeholders and organizations wanting to participate in Tourism/Downtown activities, which are interlinked, to come together in a ***spirit of cooperation and collaboration***.

Leadership and responsibility are needed across all organizations and among different points of views for a collaborative “Visitor Attraction” initiative, *working together to achieve results*.

As the Economic Development Board, Council and City staff reviews, prioritizes and implements the Business Development Action Plan, it is important to consider the current needs given current economic conditions for long-term economic prosperity. This Business Development Action Plan focuses on the *Key Drivers of the Economy*. The largest economic impact is generated by the Benicia Industrial Park, followed by the commercial centers<sup>26</sup> that provide goods and services to residents of Benicia.

Visitor attraction efforts are a key part of Benicia’s identity bringing new people to visit the arts, history, waterfront and downtown bringing ‘outside’ dollars to the City.

### “Working Together to Achieve Results”

#### *Consultant Assessment Finding*

The City budget has necessitated reduced support to key organizations throughout the city, ***but*** many community stakeholders continue to operate as though nothing has changed with the same or higher expectations of discretionary City services.

From interviews and observations, it appears that a loud vocal minority expects the City to take on a wide variety of complex projects from property redevelopment to trolley service linking visitor venues, many of which make limited or no contribution to City revenues.

Some business/community leaders are quick to criticize what is occurring but are short on recommendations for change or believe that their approach is the only one that will work. ***A spirit of cooperation and collaboration is missing.***

The City has neither the resources nor the ability to respond to the many personal and organizational demands that it is asked to. Nor can it spearhead alone the transformation that needs to occur to improve community congeniality and to create a cooperative community spirit.

Everyone will need to work together in new and different ways without the City in the lead role or as the chief funder of every endeavor.

<sup>26</sup> Data Source: Commercial Brokers, LoopNet, Google Earth July 2011

## Action Initiative 3.1: Benicia Industrial Park

### Why Benicia Industrial Park is Important:

- The City has an excellent industrial base. Industrial businesses provide the highest economic impact multipliers to a community as well as typically generate revenue in both property and business-to-business sales taxes.
- As noted in Section 1.6, 47% of the City's Budget is derived from business-driven revenue. Of the total business-driven tax revenue, \$13.9 million, 84% of the revenue (sales, property, and utility) is directly attributed to business activity at the Industrial Park, which supports 39% of the City's annual budget.
- New industrial users can generate on average \$130,000 per worker economic impact.
- The Industrial Park is also a major employment center for the City of Benicia.
- Throughout the economic downturn the Industrial Park fared relatively well. With a 25% decrease in the numbers of businesses there was only a 7% decrease in employment and an expansion of industrial space from 6 million to 8 million sq. ft. Still, there is almost 1.5 million square feet available for expansions or new users.

### Current Efforts for the Benicia Industrial Park:

- City Manager and Acting Economic Development Manager meeting one-on-one with businesses in the Park;
- Meetings organized with Solano EDC and real estate brokers regarding best methods to market the Park and service existing businesses;
- City completed a Broadband Study in July 2010 and have continued to meet with service providers to address the issue of quality broadband service at the Industrial Park;
- Numerous CIP projects have been planned, funded or are underway including street resurfacing (2012 Industrial Way Overlay-\$600K, 2013 overlay/patching \$300K representing 50% of the discretionary funding for street resurfacing, water maintenance, sewer repairs, storm drain cleanings, trash removal and street signs<sup>27</sup>.

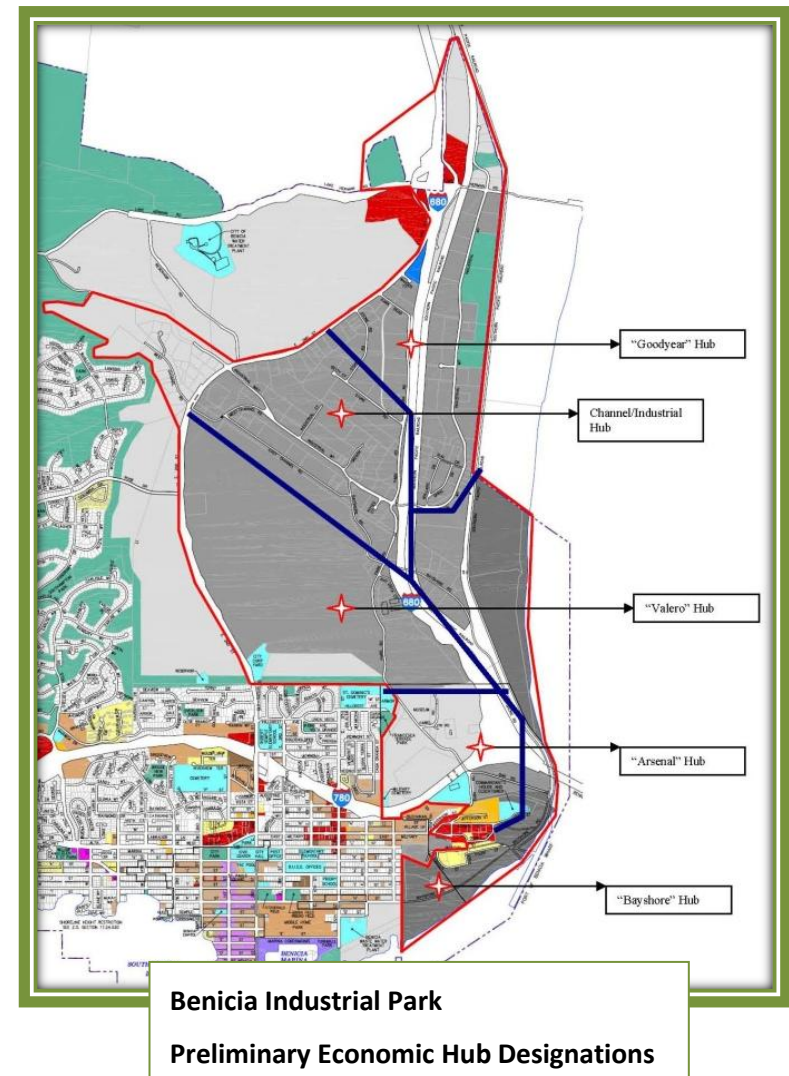
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<sup>27</sup> June 7, 2011 Letter to BIPA President Subject: Industrial Park Information Request

## Recommended Actions for Benicia Industrial Park:

**1.0 Business Retention/Expansion Program<sup>28</sup>.** Initiate a formal business retention and expansion call program to businesses in the Park (*Business is a Priority Program*).

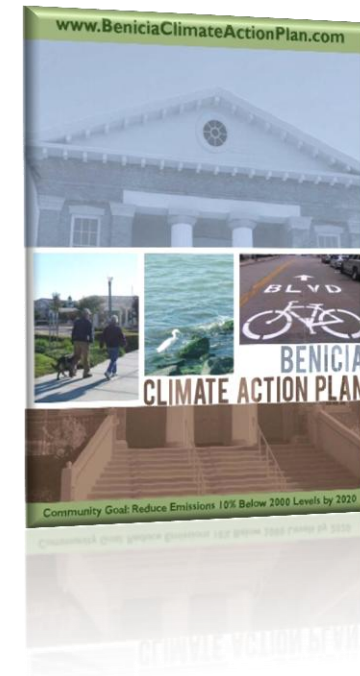
- 1.1** As the Park is large with over 450 businesses, segment the Park to economic hubs to facilitate calls (staff has developed an initial map segmenting the Park).
- 1.2** Use Executive Pulse Business Intelligence System as the customer-relation database and communications platform<sup>29</sup>.
- 1.3** Coordinate program with Chamber's Benicia Industrial Park Association (BIPA) and BizNet. Also there could be an opportunity to partner with Workforce Investment Board of Solano County. Also inform Solano EDC and SBDC on program implementation.
- 1.4** Prepare a package of the business assistance programs available (some of these programs will be provided by partner organizations and will require some meetings to identify how their resources can be brought to existing businesses in Benicia), such as:
  - Access to capital – loans, angel, venture and other non-traditional financing
  - Business counseling
  - EB-5 Visa program
  - Innovation programs, research development, commercialization
  - Workforce development, hiring or incumbent workers
  - Permitting Assistance
  - Deferred fees or structured fee payments



<sup>28</sup> Note this action incorporates the Business Retention/Recruitment Subcommittee Goal #1 & #4.

<sup>29</sup> ExecutivePulse, <http://www.executivepulse.com/>

- 1.5** As part of the Business Retention Program, “Business is a Priority Program”, the city should identify those companies incurring State Use Tax (purchase of equipment, materials and fixtures from out of state) and initiate a Business Cooperation<sup>30</sup> review, which designates Benicia as the first function use of the equipment.
- 1.6** As part of the Business Retention & Expansion Program, align economic development program with sustainability strategy so as not to be in conflict with goals as well as avert any perception of new regulations or business risk.
- Institute a direct service program, BIP Sustainable Management Program that supports and assists businesses in the Industrial Park with initiating sustainability practices and developing a company Sustainability Plan. A specific BIP Sustainable Management Program would:
    - support businesses with a value-added service,
    - create collaboration with the Chamber’s BIPA and Green Business Committee<sup>31</sup> and
    - align economic development services with the City’s Climate Action Plan.
  - Review program outline<sup>32</sup> with VIP/GNSC for funding (see Appendix BIP Sustainable Management Program).
  - Formalize the program to be offered to businesses at the Industrial Park (a service to assist the businesses with planning and implementing their sustainability strategies).
  - The City should also provide grant funds (from the VIP/GNSC Agreement) to businesses to implement sustainability recommendations and actions, i.e., landscaping, recycling, energy efficiency or other programs/training. Work with VIP/GNSC on creating a Sustainability Set Aside Fund for BIP businesses.
- 1.7** In addition to the sustainable business assessments, perform a sustainable landscaping assessment of the Industrial Park for opportunities for “curb appeal” improvements.
- 1.9** Green Business Projects, work with the Chamber to identify businesses that may be developing new green products that may need assistance in the development or launch phase of the businesses. Review with VIP potential for a grant/loan program for new green product development assistance.



<sup>30</sup> Business Cooperation Program, City of San Jose <http://www.sjeconomy.com/bcp/overview.bcp.brochure.pdf>

<sup>31</sup> The Chamber of Commerce has formed a **Green Business Committee** and will be initiating a Green Recognition Program similar to the Lafayette Green and other Bay Area programs.

<sup>32</sup> BIP Sustainable Management Program Outline

- 1.9 Promote the Business Retention/Expansion program and the businesses through a new economic development website.
- 1.10 Coordinate with BIPA on an electronic newsletter and LinkedIn Group.
- 1.11 Initiate a business recognition program. Institute a formal presentation (10-min) of the company, their products, employees and contributions to the City starting with the top 20 business that have the largest economic impact on the City Presentation should be made to the Economic Development Board and the City Council

**2.0 Industrial Park Competitiveness.** The EDB Retention & Recruitment Committee, in collaboration with staff and the Benicia Industrial Park Association (BIPA), should lay out a “competitiveness plan” for the Industrial Park<sup>33</sup>. As noted in Section 1.5 *Industrial Park Competitiveness* the Benicia Industrial Park is competing with multiple available sites and buildings in over 19 industrial parks within the region. According to real estate brokers, many of these parks have newer buildings at very competitive lease rates (see Chart 11, Section 1.5). Also, brokers and existing businesses interviewed indicated because of the age of the park there are three primary infrastructure issues that are of concern to existing businesses and potentially new businesses – street conditions (i.e., flooding), broadband and curb appeal. The Industrial Park’s competitiveness is important to both the retention of existing business and the attraction of new businesses. The competitiveness plan should encompass:

### 2.1 Infrastructure

- Re-start the Benicia Industrial Park Needs Assessment Committee, which previously had two representatives from the EDB, two from the BIPA and one-at-large. This committee, or the representatives, could become members of the Retention & Recruitment Committee. The Committee should review and update the infrastructure needs report (prepared in 2009<sup>34</sup>), identify priorities and potential funding sources (such as, CDBG).<sup>32</sup>
- Coordinate completing a more in-depth infrastructure evaluation and assessment which would determine the lifespan and capacity of all BIP infrastructure, transportation, sewer, water, utilities, broadband, etc.
- Review and determine next steps of the completed Broadband Study to begin resolving the issues – broadband is a critical infrastructure for all businesses.
- This could become a disincentive for existing and new businesses at the Industrial Park.
- Discuss with broker’s the “curb appeal” issue and best methods to address critical locations for improvements.
- Receive input from BIPA on other services, issues and opportunities at the Industrial Park, such as, safety. During interviews businesses commented on the safety aspect of the Industrial Park, the businesses appreciate the dedicated service of the city to provide security at the Industrial Park, it is highly valued. This could be a key selling point for the Industrial Park. Safety and security are major concerns for most businesses.

<sup>33</sup> Note this action incorporates the Business Retention/Recruitment Committee’s Goal #2 & #3

<sup>34</sup> Reports of infrastructure needs and priorities were developed in mid-2009 and capital improvements are listed in the City’s Capital Improvement Program (CIP).



- Depending on the outcome of redevelopment in California, creating a redevelopment for the BIP should be investigated.

## **2.2 Streamline Permitting Process**

- Identify specific actions/commitments that will create competitiveness by being more responsive to business. In particular, pledge certainty in the permitting process and streamlining the permit process.
- Form a permit streamlining task force which would include City Planning, Building Official, ED Manager and real estate brokers to recommend improving the efficiencies of the permitting processes (administrative and discretionary) and increasing internal coordination.
- For the priority buildings to be marketed (top 10), Task Force should tour and review these buildings to assist the ED Manager in identifying allowable uses and providing any comments that would assist in marketing the buildings Institute any “pre” actions to help shorten the timeline for permit and location.
- Create a “14 days or less” permit pledge/process for pre-permitted uses for buildings in the BIP. The streamlined process should be promoted as faster than any one in Solano County or the East Bay.
- The Task Force would review current processes, develop recommendations for efficiencies for permitting uses in the BIP, create Plan Check Flow Chart, which designates how permits (for permitted uses) will be issued in 14-days<sup>35</sup> and identify any other potential methods to reduce time. Take recommendations to EDB and Council.
- Post 14-Day Plan Check Flow Chart on City website along with the CEQA Guidelines (posted now).

## **2.3 Sites / Buildings**

- Inventory and prioritize the existing buildings to determine the best use for the building (which should be tied to the permitting task of reviewing buildings for expedited permits). Also identify those that may need maintenance or curb appeal improvements, which should be referred to the BIPA for action. These buildings would then be aligned to prospects for Business Attraction.
- Inventory sites which are rail-served. Contact rail provider to ensure that rail service is available to the building and any requirements for service.

## **2.4 Business Resources / Incentives**

- This action would be started with the Business Retention Program but is also needed for the Business Attraction program, documenting all the resources available to businesses (list of resources is included in 1.0 Retention & Expansion Program).
- Prepare any documentation or criteria for incentives, such as, fee deferral programs or Business Cooperation assistance.

<sup>35</sup> Sample Plan Check Flow Chart, [http://www.ci.porterville.ca.us/depts/CommunityDevelopment/documents/Flowchart\\_Final.pdf](http://www.ci.porterville.ca.us/depts/CommunityDevelopment/documents/Flowchart_Final.pdf)



- Schedule meetings with regional and state organizations on opportunities to leverage existing programs and initiatives, such as, Innovation Hubs (iHubs) – how can Benicia tap these resources for their business retention/expansion program as well as attraction program.

## **2.5 Website**

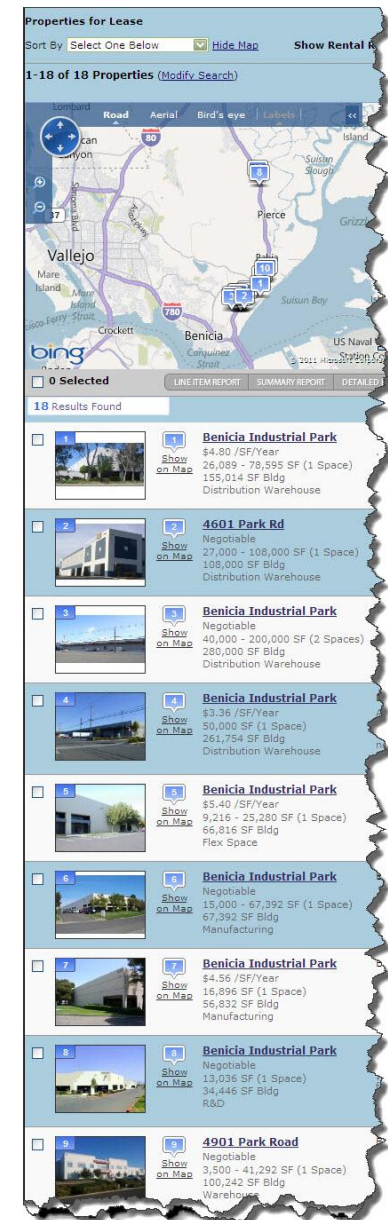
- Develop a stand-alone economic development website with updated information, overview of the Benicia Industrial Park and featured properties and buildings, maps, permitting process and other key information for businesses. This website should have a separate URL but linked to the City’s main website.
- Recommend using the EDsuite<sup>36</sup> economic development website platform, an easy to use website platform that has:
  - Content Management System, allows staff to manage all content,
  - Community Profile,
  - Custom Profile Builder,
  - News & Press Release,
  - Site & Buildings Database,
  - On-line Proposal System and
  - Mobile Website Option
- Remove and update data and reports on City’s main website. Currently there is out-of-date information residing on the website.

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<sup>36</sup> EDsuite, <http://www.edsuite.com/EDs/>

### 3.0 Initiate a Business Attraction Program

- 3.1** With the existing vacant space of over 1.5 million sq. ft. there is opportunity to structure an aggressive and proactive attraction program. It will require some initial meetings with key stakeholders, BIPA, brokers, owners, Solano EDC, etc. to identify who is doing what and where the best opportunities exist for attraction.
- 3.2** The Business Attraction Program should be built on Business Attraction Marketing principles 1) *Product available to new businesses (buildings)*; 2) *Targets – who is mostly likely candidate to locate* and 3) *Benefit to that business for locating in Benicia*. Basic steps are listed below:
- Buildings – inventory all available space; obtain flyers sheets and floor plans from brokers. As noted in BIP Action Plan 2.2. Permitting, at minimum do “walk-throughs” of building to determine readiness for permitting.
  - Targets – Because Benicia is mainly marketing available buildings, the buildings should be aligned with potential targets. Solano EDC has identified target industries (Section 1.0) BioTech, Food & Beverage, Transportation, Construction, Research & Development and Clean-Tech. It will be best to match buildings to certain industry type users within these categories as well as identify potential value chain or supplier industries that support existing businesses, such as the new CODA operations. Many communities conduct separate target industry analysis to facilitate identifying the target and business case of why the business should be located in Benicia. After the targets have been identified and business case developed, a marketing campaign and call program on those specific targets can be initiated.
  - Targets – Benicia is fortunate to have an active real estate broker’s network to work with on this effort as well as involving the BIPA who could assist in identifying targets that could be key suppliers to businesses in the park (including the Health Clinic, identified in 2009, which may or may not still be a priority of the businesses).
  - Business Benefit - Create, prepare and develop marketing pieces (also post on website)
    - Business Resource and Assistance Programs/Policies (this is included in Retention and Competitiveness),
    - Expedited permitting policies,
    - Maps and flyers on priority buildings to market;



- Business case (why a business should locate in Benicia),
- Develop key selling points – product, access, cost, safety, workforce, local initiatives.
- Selling the benefit. MetroComp<sup>37</sup> is a software model that can compare a business' annual operating costs in Benicia to competitor areas. This can be very useful to demonstrate the cost advantages of a location in the Industrial Park plus other advantages provided by the city.
- Prepare a marketing campaign schedule, procedures and define roles and responsibilities of all involved.

**4.0 Document, report and publicize** City activities and results of industrial retention, expansion and recruitment to EDB, business owners and other key stakeholders.

<b>Lead Organization</b>	City of Benicia
<b>Collaborators:</b>	Benicia Chamber of Commerce, Benicia Industrial Park Association, Solano EDC & Real Estate Brokers
<b>Expected Outcomes of the BIP Action Plan:</b>	Create a reputation for a proactive, business oriented (retention and attraction) program; create plan and timeline for infrastructure development; through business calls retain and expand existing businesses and attract new tenants to the Industrial Park.

<sup>37</sup> MetroComp, developed by Applied Economics, <http://www.appliedeconomics.net/impact.html> – Appendix 11

## Action Initiative 3.2: Downtown

### Why Downtown is Important:

- Downtown Benicia is the community's main destination for visitors and local residents —the Waterfront, Shopping/Dining and History are all key tourist attractions. Downtown is also the heart of the community and closely linked to Benicia's identity. Although downtown is a relatively small contributor to sales/property tax revenues compared to the Industrial Park, its health and vitality have a significant impact on business location decisions and contribute to Benicia's quality of life.
- Downtown was identified as one of the key priorities in the 2007 Economic Development Strategy: *Support and Maintain Downtown as the Community's Core*. This is still relevant today.

### Current Efforts in Downtown:

- Benicia Main Street is one of only 25 **certified** California Main Street Districts that follow the Four-Point Main Street approach. The Four-Point Main Street program approach focuses on Design, Organization, Promotion and Economic Restructuring. The City provides a significant annual operating contract to Benicia Main Street (*which is unusual for many Cities, Main Street are most often funded by a BID and membership*).
- Benicia Main Street is the primary customer marketing organization for downtown and the community at large with 27 events annually.
- The City of Benicia's annual financial support for downtown through Benicia Main Street (\$127,000/annually) remains strong though contributions are declining with City revenues as a whole.
- The City has made significant capital improvements to the downtown (streetscape, marina, signage, and promenade) and provides extensive staff time assisting in events and projects.
- City and Main Street staff shares business visitation activities.
- City-funded Business Improvement District (BID) feasibility study is underway.

## Recommended Actions for Downtown:

- 1.0 BID Feasibility Study** – Complete BID feasibility study and delegate recommended action plan to the business community. This is a very good opportunity to shift the responsibility for setting priorities and working together to those who have the most to benefit and who would like to better control what goes on downtown. Depending on the study outcome ('go or no go') and the types of services and/or improvements desired by businesses (EX: promotion and marketing, lighting/décor, pedestrian improvements, etc.) discuss and determine how the work funded through the BID could be incorporated into the work plans of an existing organization or committee.
- 2.0 Benicia Main Street** – Continue to support Benicia Main Street as lead event organizer for downtown and visitors. Continue to detail and augment measurement of event results and impacts (local vs. visitor foot traffic, business sales, event visitor surveys, community PR value, etc.). Encourage expanded, 'fresh' merchant/business participation in Promotion/event activities and organization. Conduct annual business satisfaction survey as part of business visits. Identify and respond to top recommendations for downtown program.
- 3.0 Business Retention and Attraction** – Prepare a specific Downtown Business Development Work Plan that focuses on improving the business mix, filling vacant space and enhancing properties. This is a prime opportunity for the City to collaborate with its key downtown partner, Benicia Main Street on business retention and attraction. Together a highly functioning business assistance and recruitment team could implement a downtown business development work plan. Steps to create work plan include:
  - 3.1** Focus business development on blocks identified in Downtown Master Plan at the heart of the retail core and which are the highest foot traffic shopping areas.
  - 3.2** Review Retail Market Indicators; expand on local preferences, shopping patterns and resident needs.
  - 3.3** Block by block; prepare a generalized business clustering plan to help guide the types of businesses to be targeted<sup>38</sup> for expansion and recruitment.
  - 3.4** Identify and inventory key properties that provide the chance to influence the *business mix*: vacancies in the prime retail blocks as well as properties where leases may soon be up.
  - 3.5** Assess the condition of priority properties and with property owners, create a game plan for any needed improvements.

### Key Retail Themes

Nationwide, historic downtown and neighborhoods are recognized and celebrated as the center of unique, specialty, one-of-a-kind merchandise and entrepreneurs. Successful downtown streets are lined with independent, creative retailers many focused on the themes below:

- Lifestyle and wellness retail
- Community gathering places
- Retailers that celebrate heritage
- Stores that entertain
- Stores that celebrate local arts
- Stores that educate
- Stores with a global perspective
- Gifts and indulgences

<sup>38</sup> Appendix 3: Sample Business Clustering

- 3.6** Identify and promote property improvement incentives that can be developed, such as, façade program.
  - 3.7** Formulate a business/merchandise-type target list using Retail Market Indicators findings and identified gaps in the retail base.
  - 3.8** Cross match properties and business types, target particular businesses to locations.
  - 3.9** Package the ‘Downtown Benicia Opportunity’, a sales package to promote to targets – why they should be located in Benicia.
  - 3.10** Prepare a prospect list including established businesses in nearby communities, established businesses and well-prepared entrepreneurs. The list should include national brands and owner/operators, the best fit with Benicia will be the owner-operator retail business.
  - 3.11** Prepare the Business Retention & Recruitment Committee, and others, for prospect calls – key messages, data, selling points, and assistance. Actively track and manage the process.
  - 3.12** Institute communications link with businesses, organizations and realtors/brokers (locally and outside of Benicia) about the retail business development initiatives and opportunities.
- 4.0 Streamline Permitting** – As with the BIP, there is a lot of room for improving time efficiency and permit processing efficiencies to facilitate locating and establishing business in the downtown, such as, signage permits and exterior changes. The Permit Streamlining Task Force, BIP Action Plan 2.2, should also address streamlining permits for downtown.
- 5.0 Capital Improvements** — Prepare a list of priorities with a timeline. At this time, it will be very difficult to finance capital improvements but a goal should be to continue with investments as the opportunities are presented and funding is found. This is an opportunity for collaboration with Downtown businesses.

Downtown stakeholders shared a number of ideas during the assessment process including: finish the streetscape at the end of 1<sup>st</sup> Street; create a commercial destination at the pier/edge of waterfront; provide traffic calming, pedestrian safety improvements on 1<sup>st</sup> Street; make design improvements to break up the linear nature of 1<sup>st</sup> Street; create safe and clear separation for all traffic modes—bike, vehicular and pedestrian. Many of these capital investments require City leadership. The City/EDB should lead or facilitate discussions with the downtown businesses to create consensus and development of the capital improvement priority list.

**6.0 Encourage Collaboration — Discourage** the formation of another downtown organization or merchants’ group as some business owners have discussed. There should be one organization focused on the main street centric orientation, identified as the 12 blocks along First Street from Military Road north and Peninsula Pier to the south. Other commercial centers should be represented separately but have a strong connection with downtown. Commercial Centers are addressed in Action Initiative 3.4 Commercial Centers.

As special projects, issues or opportunities come to light encourage formation of a task force through the appropriate existing organization — Main Street, Chamber, Tourism Committee, Historical Society, City, Arts Benicia, etc. Encourage/ask groups to collaborate on marketing/promotion/business assistance/downtown appearance, etc., perhaps even as a stipulation for receiving funds or staff assistance.

<b>Lead Organization:</b>	City of Benicia
<b>Collaborators:</b>	Benicia Main Street, Merchants
<b>Expected Outcomes of the Downtown Action Plan:</b>	Clarity on downtown business development approach and implementation; increased collaboration with all stakeholders, increase number of businesses retained, expanded, attracted; City staff time refocused to business development.

## Action Initiative 3.3: Tourism Marketing

### Why Tourism is Important:

- Tourism development is widely recognized and supported as an important economic development strategy to retain and nurture key community assets including downtown, historic venues and the arts, as well as to support the Benicia small business base.
- Tourism marketing is critical to attracting/importing consumer spending to support City services and business vitality.

### Current Efforts in Tourism Marketing:

- Tourism program identifies the Arts, Waterfront, History and Downtown Shopping/Dining as key pillars. There are four identified visitors centers – Art Benicia, Historical Museum, Benicia Main Street and Chamber of Commerce.
- Main Street Benicia currently serves as the lead promotional organization for visitors along with the arts and historical organizations promoting and marketing to their key audiences.
- The 2008 Tourism Marketing Plan and brand is largely implemented through contract with Wolf Communications, (advertising, website, social media, PR, tracking).
- Measuring tourism marketing results through Wolf Communications, though that is shifting some to City staff.
- Excellent leveraging of the Sunset Magazine coverage with participation at the Sunset Tourism Weekend event, visitor bus tours and related activities.
- Tourism marketing/branding emphasizes increasing traffic from the day visitor. The City provides operating support for Arts Benicia, Historic Museum, Benicia Main Street as well as significant investment in physical improvements and specific sites (Museum/Camel Barns), and technical assistance/support as needed, (EX: negotiating future control of historic state capitol building).
- Staff assistance with Tourism Committee.



## Recommended Actions for Tourism Marketing:

- 1.0 Marketing & Public Relations:** Continue to support Wolf Communications marketing contract. The service is a valuable, results-oriented means to gain media coverage and capture an increasing share of the Bay area visitor market.
- 2.0 Marketing Support:** Clarify City staff responsibilities for *essential* visitor marketing functions identified as a result of reductions in Wolf Communication's original contract to current 2011 contract. Responsibilities include:
  - 2.1 Actively updating/posting/managing the VisitBenicia.org website, Facebook page and Wiggio
  - 2.2 Cross-promoting among these resources and several local information websites for cross-promotion.
  - 2.3 Closely monitor the results from these efforts (quarterly) and the 'cost-benefit' of Wolf Communication.
  - 2.4 Clearly communicate to tourism stakeholders whose responsibility is what and what the time/budget resources are as part of 'managing expectations' for what can be added to the plate.
- 3.0 Collaboration:** Continue to reinvigorate and build the capacity of the Tourism Committee. The Committee has recently begun monthly meetings. The Committee should take leadership and more responsibility for stakeholder communication, coordination, cross-promotion and tourism tracking. Encourage core leadership development including volunteer chairperson with a focus on specific work plan activities. As part of this effort, create a Tourism Committee Charter with clear roles/responsibilities. Build well organized meeting agendas/purpose/activities.
- 4.0 Annual Work Plan:** For the Tourism Committee to be most effective in leadership and collaboration, create an annual work plan based on priorities from the 2008 Tourism Marketing Plan. In a work session update the 2008 Tourism Marketing Plan with current projects, updates, venues, collaborations and priorities.
  - 4.1 Align annual tasks and expenditures based on the expected City and partner resources/capacity to focus on tourism.
  - 4.2 Identify tasks where partners can collaborate and leverage resources, particularly for events and marketing.
  - 4.3 Utilize this annual work plan to guide resource distribution, organizational collaboration, volunteer interest and ideas for new initiatives that could be pursued.
  - 4.4 Create a clear process for adding new projects/tasks and ensuring implementation of those identified.
  - 4.5 Include strategies for cross-promoting existing assets/events for increased visitor attraction and visitor spending. For example, several City park/recreation assets are actively utilized by out of towners ('Big Slide' Park and City Park), yet no business promotion or event promotion is done for or at the parks to capture those visitors into other local venues.

<b>Lead Organization:</b>	Economic Development Board, Tourism Committee, City Staff
<b>Collaborators:</b>	Glass Arts, Lodging, Marketing, Merchants, Parks/Recreation, Performing Arts, Real Estate, Restaurants, Visitor Centers
<b>Expected Outcomes for Tourism Action Plan:</b>	Annual work plan to track progress, clear priorities and focus for action, increased collaboration and leverage of resources, increased tourism.

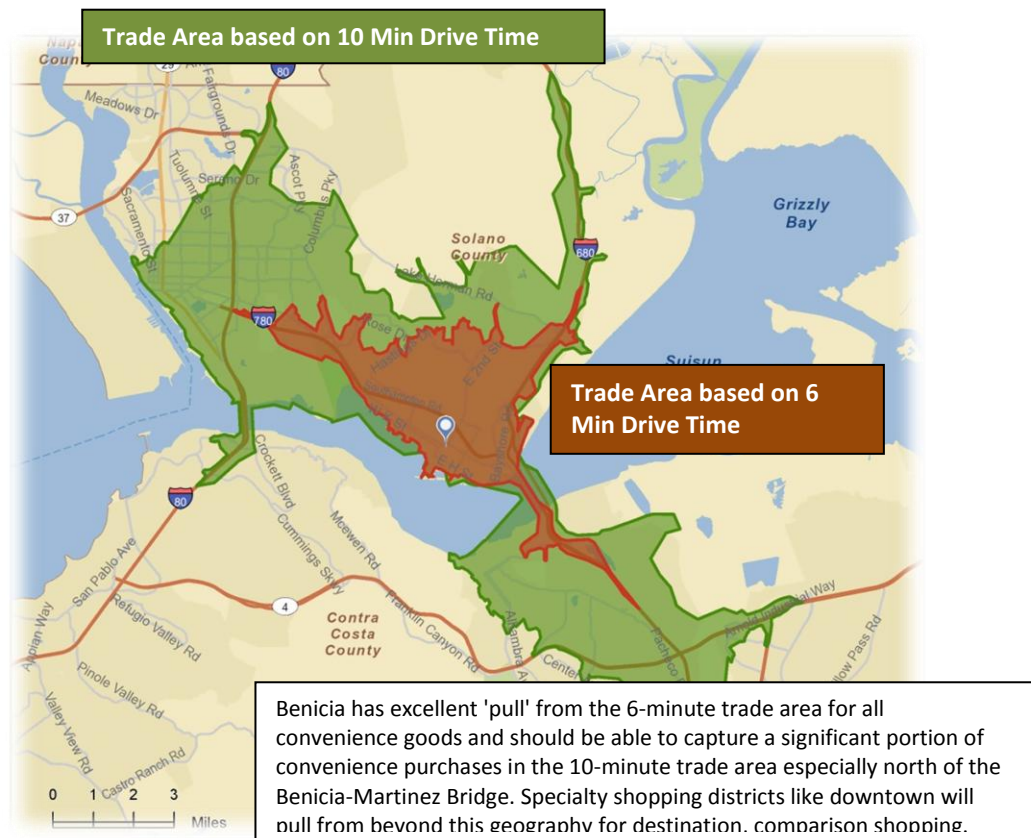
## Action Initiative 3.4: Commercial Centers

### Why Commercial Centers Important:

- Benicia's commercial centers contribute 18% of City sales tax and are the primary convenience, community-serving shopping centers for City residents.
- With \$342 million in retail leakage<sup>39</sup> from the Benicia market area, there is strong opportunity to grow and enhance the commercial base.
- Existing centers vary in their economic health with vacancies ranging from 2% to 31%.

### Current Efforts in Commercial Centers:

- City provides commercial real estate listings on website through LoopNet.
- Business resources are mainly offered in partnership with the Solano SBDC and include business education/finance services, Microenterprise Assistance Program and Mystery Shopper Program.
- Prime incentives are: fast track permitting, fee deferral offered on a case-by-case project and a local preference initiative, where the City commits to making 10% of selected purchases with local businesses.



<sup>39</sup> Appendix – Retail Market Indicators, 2011

## Recommended Actions for Commercial Centers:

- 1.0 Outreach with Centers:** EDB Business Retention/Recruitment Committee and staff meet/contact owners and/or managers of Benicia's commercial shopping centers semi-annually, starting in Fall 2011. Purpose is to understand their issues, opportunities and plans for center success and to identify and respond to any concerns that the City can control or influence.
- 2.0 Business Retention:** Implement business walk program for Benicia's commercial centers to understand business issues, challenges/opportunities for expansion and ways the City and partners may help.
- 2.1 Utilize a consistent business outreach survey that incorporates key indicators for measuring change/results.
  - 2.2 Conduct work session with EDB and SBDC as part of Business Outreach Team on key messages, information to gather, information to share, such as, Retail Market Indicators and how they could use and the City programs.
  - 2.3 Prepare leave-behind packet.
  - 2.4 Organize timely follow-up regarding City issues or concerns. *This outreach program would also utilize the Executive Pulse model for tracking.*
- 3.0 Business Attraction:** Following the same process as outlined for Downtown – inventory space, identify key spaces to be filled, match with potential types of users, package opportunity and call on prospects – organize a commercial business attraction/development Team with Chamber and commercial strip managers.
- 3.1 Inventory vacant space and post to website
  - 3.2 Identify “targets” by using the Retail Market Indicators as a first screen of potential types of businesses that could locate in specific spaces. Preliminary business targets identified from the Retail Market Indicators Report include Grocery downtown (Ex: Fresh & Easy), Recreational Apparel (Ex: Lululemon Athletica, Inc., Title Nine Sports), Bookshop downtown (independent), Wine Shop (Ex: Solano County Wineries) and Urban farm/garden store. A prospect list can be provided by an experienced retail attraction professional.



- 3.3 Coordinate with the Downtown business attraction effort to ensure specific target businesses are not duplicated and leverage calls to retailers. Although both will be calling on “retailers” most often the users for a commercial center will be different than for the Downtown, such as centers may target certain national brands and Downtown owner/operators and entrepreneurs. Coordination will reduce any duplication.
- 3.4 Staff should be the lead for intake and follow-through process with prospects.
- 3.5 Develop recruitment campaigns<sup>40</sup> for independent and chain stores as a Phase II for this Business Development Action Plan.
- 3.6 Determine a communications plan with the key targets. Add a “retail” section to the proposed Economic Development website, post available spaces along with Retail Market Indicators and incentives.
- 3.7 From target business list work with brokers (especially those active in ICSC<sup>41</sup>) on effective strategies to promote Benicia as a business location.

<b>Lead Organization:</b>	Economic Development Board, Retention/Recruitment Committee, City of Benicia
<b>Collaborators:</b>	Solano County SBDC, Benicia Chamber of Commerce
<b>Expected Outcomes for Commercial Center Action Plan:</b>	Clear approach and roles/responsibilities for commercial attraction; increased businesses retained, expanded, attracted

<sup>40</sup> Appendix: Business Clustering and Recruitment Campaign Samples

<sup>41</sup> International Council of Shopping Centers

## Summary of Business Development Action Plan

A summary overview of the recommended **Business Development Action Plan** initiatives is provided below.





## 4.0 Implementing the Business Development Action Plan

The Business Development Action Plan is very extensive and comprehensive. As noted throughout this report, it is critical that the City of Benicia have a pro-active economic development program to maintain and enhance the City's economic prosperity and quality of life.

There are a number of additional operational actions that need to be resolved prior to actually implementing any initiative. These recommended operational items are listed below:

### 4.1 Benicia Economic Development Board

- ◆ The Benicia Economic Development Board (EDB) currently has two committees – Tourism Committee and Business Retention/ Recruitment Committee. Given the Business Development Action Plan is focused on the three economic generator and employment centers, recommend the EDB realign their committees to three committees. This would allow each committee to focus their efforts on key initiative priorities:
  - Tourism Committee,
  - Benicia Industrial Park (BIP) Committee, and
  - Commercial Business Development Committee. *This committee would focus on implementing the commercial business development actions for downtown and the commercial centers while coordinating with the Tourism Committee.*
- ◆ To accelerate implementation, begin immediately with work sessions on each element of the Business Development Action Plan to prioritize actions, identify clear and specific tasks where members of the EDB can add value to the ED Division, confirm “move forward” strategy and methods to report progress.
- ◆ Organize and host an annual work sessions with the EDB and council to provide an update on local economic generators, regional/state trends and clarify the work plan for the committees.

### 4.2 Staffing – Economic Development Division, Business Development Team & Initiatives

#### 4.2.1 Staff – Economic Development Division

- ◆ Designate three full time positions for economic development activities — ED Manager, ED Analyst and Administrative Support.
- ◆ Fill Economic Development Manager position and appoint new ED Manager as the “go to person” for economic development activities and projects.
- ◆ Redistribute staff time to shift the ED Manager's focus to industrial business development (50%) with other assignments as follows: strategic downtown/tourism initiatives (30%), administration (10%), and special ED projects (10%).



- ◆ Consolidate all tourism responsibilities to the ED Analyst position at 50% of total time, with 30% time focused on downtown and support the ED Manager and 20% on reporting, marketing and other duties.
- ◆ Administrative Support would work directly with ED Manager and ED Analyst, handle, with direction, business marketing (newsletters, website, etc.).
- ◆ Relocate/delegate special projects and other assignments not related to ED to appropriate departments.
- ◆ Provide staff with clear priorities, roles and responsibilities.

#### **4.2.2 City Manager's Business Development Team**

- ◆ Institute economic development as a priority for all departments.
- ◆ City Manager has created a Business Development Team comprised of the City's department heads who meet monthly or more frequently as needed. Include Economic Development Manager in meetings. Establish additional meetings around Economic Development projects with all department heads if needed.
- ◆ Drive a culture of business service. Create an Economic Development Mission Statement, such as, *"The mission of the Economic Development Team is to enhance Benicia's quality of life through the creation and preservation of healthy, sustainable businesses and good jobs. We accomplish our mission by working with local companies to start or expand, provide and connect businesses to services and resources, streamline permit process, implement strategic actions to attract new businesses and jobs (commercial and industrial) and work with local merchants and organizations to attract visitors to our Downtown, Waterfront, Historical and Art venues."*

#### **4.2.3 Partner Organizations**

- ◆ For all community/economic organizations receiving City financial assistance, clarify/connect expectations, activities and deliverables to ED goals/strategies. This includes Chamber, SBDC, Solano EDC, Museum, Main Street, Arts –all those who participate in business development and tourism/marketing.
- ◆ Be as specific as possible in encouraging each group's direct participation in City ED projects and performance results.
- ◆ In addition, there should be clear procedures to define roles and responsibilities that produce results.

#### **Economic Development Division**

The Economic Development Division is assigned to the [City Manager's Office](#). Economic Development is responsible for implementing the adopted Economic Development Strategy (2007), facilitating businesses relocating to or expanding within Benicia, monitoring the status of the City's economy, recommending strategies, initiatives, and projects to improve economic vitality citywide, and representing the City's developable real estate interests. The Economic Development Division serves as staff liaison to the [Economic Development Board](#).

[Source: http://ci.benicia.ca.us](http://ci.benicia.ca.us)

#### **4.2.4 Specialized Services (Outsource specialized services as needed, not full time)**

- ◆ City should continue to use expertise for start-up of new initiatives and to supplement staff – similar to contract with Wolf Communications. Examples of services the City may wish to outsource include:
  - Prepare business target profiles and target lists, industrial and commercial,
  - Assistance with business call program,
  - Set up and begin implement Business Retention and Recruitment Program,
  - Assist Economic Development Manager identify projects that could utilize CDBG financing for expansion,
  - Identify state/federal resources for business or infrastructure projects,
  - Website development and data collection for the website,
  - Organize and development incentive fund programs for BIP,
  - Organize and implement a Sustainable Management Program,
  - Organize business attraction and marketing campaigns,
  - Create a Business Cooperation program,
  - Grant writing,
  - Facilitated work session, and
  - Annual Economic Indicators Report.

#### **4.3 Economic Development Tools**

The following tools should become part of the Economic Development Tool Kit:

- ◆ Economic Development Website
- ◆ Executive Pulse (Business Retention/Expansion and Business Attraction tracking software)
- ◆ Metro Comp (Business Operating Cost Module)

- ◆ Economic Impact Analysis<sup>42</sup> (measure specific project's economic impact and revenue potential)
- ◆ Marketing pieces/packages for Industrial/Commercial and Communications Plan
- ◆ Prospect Lists
- ◆ Programs:
  - Business Cooperation
  - Sustainable Management Program for business in BIP
  - Annual Economic Indicators Report

#### 4.4 Budget

The current Economic Development Division budget is \$233,700 (not including staff time). However, \$190,000 of the budget is allocated to Tourism/Downtown, \$18,700 to membership with Chamber, Solano EDC and SBDC and the remainder, \$25,000 is for Economic Development Division activities.

This budget is insufficient to implement the initiatives outlined in this Business Development Action Plan. To accelerate business expansion, investment and job growth in the City, the budget will need to be increased, most for one-time activities to create effective programs and processes. The currently budget is sufficient only to keep the status quo which will not accomplish the goal of generating economic impact over the next 18-36 months.

To implement the Business Development Action Plan, recommend the budget be increased by \$269,000 for 2011-12 to focus on implementing the Business Development Action Plan, with priority implementation of Action Initiative: Benicia Industrial Park, Commercial Attraction and development of economic development tools, including website and marketing. After initial development the annual budget for the Division should be in the \$330-\$450,000 range.

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<sup>42</sup> Economic Impact Analysis, <http://www.appliedeconomics.net/impact.html>, Appendix 12

Chart 14 – City of Benicia Economic Development Division Proposed Operating Budget		Proposed Additional Budget
	Current 2011-12	
<b>1.0 Benicia Industrial Park</b>		
Chamber of Commerce, Solano EDC	\$15,700	
<i><b>Implement Initiative:</b> Business Retention Program organization and kick-off, Create Competitiveness Plan, Business Attraction - inventory, marketing, prospect lists, campaign</i>		\$125,000
<b>2.0 Downtown &amp; Tourism</b>		
Existing Budget-Main Street, Wolf, Bid, Sunset Weekend	\$190,000	
<i><b>Implement Initiative:</b></i>		
<i>Tourism Annual Work Plan facilitated work sessions</i>		\$15,000
<i>Business Attraction, coordinate with Commercial Center effort.</i>		\$15,000
<b>3.0 Commercial Centers</b>		
Solano SBDC	\$3,000	
<i><b>Implement Initiative:</b> Work sessions on Retail Retention/Recruitment, Business Clustering Plan, Inventory of Space, Target Business Location Requirements, Prospect Lists, Retail Market Campaigns, Business Calls</i>		\$35,000
<i>Tools – One Time Costs for Economic Development Website, Executive Pulse, Metro Comp &amp; Impact Analysis Software</i>		\$50,000
Materials, Brochures	\$8,000	\$10,000
Annual Economic Indicators Update		\$4,000
Training, Travel, Memberships, Publications	\$4,500	\$15,000
Contract Services – Miscellaneous	\$12,500	Inc. with programs
Total Current & Proposed New Economic Development Budget	\$233,700	\$269,000
<b>TOTAL BUDGET 2011-12</b>		<b>\$502,700</b>

#### Notes to the Proposed Budget:

- ◆ Budget does not include Capital Improvements for Downtown, Commercial Centers or Industrial Park – as recommended Capital Improvement list should be developed for each of the economic employment centers in participation with stakeholders.
- ◆ Budget does not include the development of an incentive fund for the BIP Businesses. There are several methods to establish an incentive fund which will be dependent on the size of the fund (amount to be invested). Many communities invest in Revolving Loan Funds, where funds are loaned to businesses at low interest based on investment and job criteria. A loan fund though will require additional staff to manage the loan fund unless there is another entity that can manage the loan fund, underwriting and loan monitoring. To support additional staff in managing a loan fund, the loan fund should be at minimum \$1.5m. Given the City is Small Cities CDBG Eligible, an effective method to set up a revolving loan fund would be to identify an expansion project or new project that could utilize the CDBG Over-the-Counter financing mechanism.
- ◆ If the City is interested in establishing an Incentive Fund (which is recommended to be competitive), staff should provide EDB with “incentive” options with criteria to set up incentive packages and policies, and pros/cons of each incentive program, such as fee deferral/waivers, infrastructure improvements in the industrial park tied to expansion or new location projects, revolving loan fund, grant program for investment in capital equipment. Staff should use the capital improvement priority list, which is to be developed with BIPA.
- ◆ At the June 29, 2011 EDB meeting the Sustainability Commission presented the Benicia Business Climate Action Plan reviewing sustainability and opportunities to partner as well as the VIP/GNSC funds for sustainable or green projects. It was recommended the EDB consider this an opportunity to apply for funds to assist businesses with sustainable and green initiatives.
- ◆ An incentive program that can easily be implemented and aligned to Benicia’s Climate Action plan is the proposed Sustainability Management Program, recommended Action Initiative: Benicia Industrial Park 1.6. The Sustainable Management Program is a “program in a box”. A team of sustainable management professionals does actual outreach and full sustainability evaluations for businesses, looking beyond energy efficiency to all areas of sustainability providing a report back to the company of actions they can take to implement sustainable management practices which will result in reducing greenhouse gas emissions. The program would include working with the Chamber to issue Green Business Certificates as well as teaching a local team on performing the evaluation and reports – job creation. Because this program gives the business a report of “sustainability actions” from small actions to major improvements, a Sustainability Grant Fund would be of great assistance to help business implement conservation recommendations.

**Chart 15 – Proposed Sustainability Management Program for BIP Businesses**

Propose <b>BIP Sustainability Management Program</b> to VIP/GNSC for funding. Estimate Sustainability Management Assessment & Report cost, \$1500-\$3500 depending on size of company. Target 50 businesses.	\$125,000
<b>Sustainability Grant Fund</b> – recommend a fund set aside from the VIP/GNSC Agreement specifically for BIP businesses to apply for grants or loans to fund sustainability report recommendations which reduce greenhouse gas emissions.	\$ 500,000

#### 4.5 Priority Initiatives

The City has “seeded” and continues to fund Tourism and Downtown initiatives. These initiatives continue to need work, mainly, collaboration, leveraging of resources and an annual work plan. The priority focus now should be on **Business Development**, *business retention and recruitment of industrial and commercial businesses*.

#### 4.6 Measuring Economic Performance and Effectiveness

The goals and initiatives of the Business Development Action Plan should drive how the program is measured. The baseline goal is to Increase prosperity, jobs and revenue. To measure the actual economic performance and effectiveness three measuring tools should be used:

- ◆ **Key Economic Indicators Report** – a baseline Economic Indicators Report was prepared for the project. This should be updated annually to provide decisions makers with trend and data. The original baseline was compared to Solano County and the State of California. As recommended by the Economic Development Board, the comparison data should be to other similar or aspiring areas to Benicia and outside of Solano County. This can easily be added. The Economic Indicators Report should include:
  - Population
  - Quality of Life
  - Median Income
  - Labor Force & Unemployment
  - Economy
  - Construction
  - Municipal Revenues (by employment center)
  - Assessed Value
  - Taxable Sales (by employment center)
- ◆ **Economic Impact Analysis** – using the economic impact model recommended, reports should be prepared for each business assistance is provided. Staff will be documenting individual company impacts, capital investments, job created/retained, at the end of the year an analysis could be prepared based on the data of each company to provide a report of the total economic impact of these companies.
- ◆ **Key Initiative Implementation & Results** – the Business Development Plan has many actions for the three economic generators that staff, Economic Development Board and the Council will want to review to ensure the program is having a positive impact on business and the City’s business climate. We recommend the following:

Program Measurements	
Public Investment	<ul style="list-style-type: none"> <li>• Capital improvements – infrastructure</li> <li>• Streamline Permitting Process</li> <li>• Sustainability Management Program</li> <li>• Plans for Benicia Industrial Park needs</li> <li>• Business Resource and Incentive Program</li> <li>• BID Feasibility</li> <li>• Organization Support</li> </ul>
Private Investment	<ul style="list-style-type: none"> <li>• Business, property or equipment investment</li> <li>• Leverage of organizations funding</li> </ul>
Business Outreach	<ul style="list-style-type: none"> <li>• Number of Businesses Visited – BRE Program</li> <li>• Number of Businesses Participating in the Sustainability Management Program</li> <li>• Number of New Business Visits</li> <li>• Target niches filled (Retail)</li> </ul>
Real Estate	<ul style="list-style-type: none"> <li>• Inventory – Industrial, Commercial &amp; Retail</li> <li>• Square Footage</li> <li>• Occupancy Rates</li> <li>• Lease &amp; Sales Rate (compared to previous year)</li> </ul>
Economic Vitality	<ul style="list-style-type: none"> <li>• New Locations / Closures</li> <li>• Business Expansion / Retention</li> <li>• Full and part time jobs (net) for each employment center</li> <li>• Sales growth</li> <li>• Business Inquiries</li> </ul>
Promotion / Marketing	<ul style="list-style-type: none"> <li>• Develop website, website counts</li> <li>• Marketing Materials complete</li> <li>• Event counts</li> </ul>

#### 4.7 Implementation

As noted above, implementing the Business Development Action Plan will require additional staffing, funding and outside assistance during start-up until the programs are fully operational. The following were identified as the top priorities to launch the Business Development Action Plan in the next 120 days:

- ◆ Set-up a formal Business Retention/Expansion and Business Attraction Program – including software, surveys and schedule
- ◆ Form a Streamline Permit Process Task Force
- ◆ Begin reviewing incentive and investment options for the Benicia Industrial Park, including Sustainable Management Program.
- ◆ Begin creation of the Economic Development Website
- ◆ Continue to work with CODA & Amports on opportunities to expand this niche market
- ◆ Begin meetings with BIPA on infrastructure needs in the Benicia Industrial Park
- ◆ Finalize operational structure (EDB, Staffing, Budget)

#### 4.8 General Plan Goals

Chart 14 on the following page is a visual matrix aligning the Business Development Action Initiatives with the General Plan Goals.



**Chart 16 – General Plan Goals Aligned with Business Development Action Plan**

General Plan Goals	Reference	Business Development Action Initiative
Goal 2.5: Facilitate and encourage new uses and development which provide substantial and sustainable fiscal and economic benefits to the City and the community while maintaining health, safety and quality of life.	Section 3.0	<ul style="list-style-type: none"> <li>Implementation of Benicia Business Development Action Plan</li> </ul>
Goal 2.6: Attract and retain a balance of different kinds of industrial uses to Benicia.	Action 3.1: Benicia Industrial Park	BIP 1.0 Initiate formal Business Retention Program BIP 3.0 Initiative Business Attraction Program
Goal 2.7: Attract and retain industrial facilities that provide fiscal and economic benefits to – and meet the present and future needs of – Benicia.	Action 3.1: Benicia Industrial Park	BIP 1.0 Initiate formal Business Retention Program BIP 3.0 Initiative Business Attraction Program
Goal 2.8: Maintain the viability of the Port now and in the future to benefit the City of Benicia.	Action 3.1: Benicia Industrial Park	BIP 2.0 Benicia Industrial Park Competitiveness
Goal 2.9: Ensure adequate land for port activity.	Action 3.1: Benicia Industrial Park	BIP 2.0 Benicia Industrial Park Competitiveness
Goal 2.10: Provide for carefully-defined visual and physical public access where security and safety considerations permit.	Action 3.1: Benicia Industrial Park	BIP 2.0 Benicia Industrial Park Competitiveness
Goal 2.11: Encourage the retention and continued evolution of the lower Arsenal into a historic, cultural, commercial, industrial center of mutually compatible uses.	Action 3.3: Tourism Marketing Action: Commercial Centers	TM 3.0 Collaboration TM 4.0 Annual Work Plan CC 2.0 Business Retention CC 3.0 Business Attraction
Goal 2.12: Strengthen the Downtown as the City's central commercial zone.	Action 3.2: Downtown	DT 1.0 BID Feasibility DT 2.0 Benicia Main Street DT 3.0 Business Retention and Attraction DT 4.0 Capital Improvements DT 4.0 Encourage Collaboration
Goal 2.13: Support the economic viability of existing commercial centers.	Action 3.4: Commercial Centers	CC 2.0 Business Retention CC 3.0 Business Attraction

## About the Consulting Team

Chabin Concepts' core competency is strategic thinking, creative marketing and economic development program implementation.

We are more than a consulting group – we are a solutions **network**. We use our network to bring our clients the best practices of renowned experts in urban and rural economic development, site location analysis and hands-on experience in implementing and managing competitive and results-oriented economic development programs.

Our goal is to assist in positioning cities, counties, regions and states to win new jobs and investment by engaging the community and leadership in strategic planning **and** tactical implementation – *delivering a “Roadmap” to accomplish the mission.*

The consulting team for the City of Benicia included Audrey Taylor, Mary Bosch and Sarah Murley:



**Audrey Taylor, President and CEO, Chabin Concepts, [www.chabinconcepts.com](http://www.chabinconcepts.com)**

With over 30 years' experience, Audrey has assisted and represented over 300 communities in California, Colorado, Oregon, Washington, Nevada, New Mexico, Oklahoma, Hawaii, and Alaska. She has worked with companies such as 3M, Sony, Spectra-Physics, Joy Signal, Rio Pluma and NCI Building in strategic location analysis. Audrey is a member of the California Workforce Investment Board, Green Collar Jobs Council and also serves as the Marketing Chair for TeamCalifornia.



**Mary Bosch, President, Marketek, [www.marketekinc.com](http://www.marketekinc.com)**

Mary has completed market research, business development and management projects for a wide range of public sector and business clients during her 25 years of experience. Mary's specialty is downtown development where she has conducted assignments for well over 130 communities throughout the United States on various aspects of downtown development including market analysis, business retention and recruitment programming, niche marketing and cluster planning.



**Sarah Murley, Co-founding Partner, Applied Economics**

Sarah has working for 19 plus years in urban and regional economic analysis, particularly in economic development and public finance. She has conducted economic base analyses, business climate assessments, target industry analyses, supplier identification strategies, occupational assessments and labor market analyses, community improvement plans and economic impact analysis for numerous cities, counties, utilities and economic development agencies.



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