



CITY OF PLEASANT HILL

ECONOMIC DEVELOPMENT STRATEGIC PLAN

June 20, 2005

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Introduction

Every community can benefit from a strong, well coordinated economic development program. A comprehensive economic development program can help expand the employment opportunities, strengthen the economic base and generally improve the environment in which the citizens live and work.

There are many elements that contribute to the economic well being and quality of life of the community, including employment opportunities, workforce characteristics, education, housing, transportation, and government. The independent actions of many contributors, the majority of whom operate primarily in the private sector, impact any economic development efforts. Our economy is shaped by the decisions of elected officials, consumers, investors, workers, corporate officials, business owners, entrepreneurs and students, all of whom make choices and take actions that directly affect our economic well being and quality of life.

There is a strong link between the economic health of the community and local government's efforts to support and implement economic development. Local government should not only recognize the importance of economic development, but be prepared to participate in and lead coordinated efforts to improve the local economy. This was acknowledged in the City of Pleasant Hill comprehensive General Plan adopted in 2003. The General Plan was prepared in collaboration and partnership with the community through a 19-person citizen task force appointed by the City Council to represent a broad range of perspectives in Pleasant Hill. The Task Force worked over a period of one year to formulate the goals, policies and programs of the General Plan. The Economic Strategy Element of the General Plan has provided the framework for this Economic Development Strategic Plan, and more specifically for the implementation and action plan component of this document.

The intent of this document is to describe the various ways of reaching the goals of the General Plan Economic Strategy Element and the paths for implementation/action and assessment of the City's Economic Development Program. It is essential to note that many elements of the implementation/action component of the plan will likely change as economic trends and conditions in the City of Pleasant Hill and surrounding communities change. It is important to view the Economic Development Strategic Plan as a dynamic plan that is a continuous work in progress changing and growing to meet the specific needs of the City.

Purpose and Design of the Economic Development Strategic Plan

The purpose of the Economic Development Strategic Plan is to assist the Redevelopment Agency and the City in preserving, protecting and enhancing the economic investments that have already been made and will continue to be made throughout the City.

The Economic Development Strategic Plan is designed to communicate the City's goals and policies and to complement the City's General Plan – Economic Strategy Element that was adopted in July 2003. The Economic Development Strategic Plan provides guidelines for implementation and future actions by the City of Pleasant Hill, and includes a summary of economic trends that currently exist. These economic trends help to assess and describe the competitive advantages and competitive challenges of future economic development efforts in Pleasant Hill.

The formulation of this Plan was assisted by the East Bay Economic Development Alliance for Business (EDAB) and the Pleasant Hill Chamber of Commerce, Economic Development Working Group. The Working Group met several times over the past year to review the General Plan Economic Strategy Element, and to formulate ideas and recommendations for the community assessment process. The Working Group reviewed and offered suggestions and recommendations for the community assessment process and for specific implementation/action plan elements contained in this plan.

Program Standards

A baseline analysis for this plan was prepared by staff of the East Bay Economic Development Alliance for Business (EDAB). In addition, staff, EDAB and the Executive Director of the Chamber of Commerce participated in interviews with several Pleasant Hill business and education sector representatives. Information gathered from these interviews was used in the formulation of the Economic Development Strategic Plan.

In 2004 the Redevelopment Agency and the City of Pleasant Hill joined EDAB as a member city. EDAB membership has provided the City with a number of services that have assisted in the creation of the Economic Development Strategic Plan. In addition EDAB provided assistance in developing the first-year work program that included the following elements:

- Assess the City's existing economic base in order to target marketing efforts.
- Assess the community and its business climate.
- Identify community strengths to promote business expansion, retention and attraction.

The first phase of the work program focused on a community assessment, including data collection and analysis of current conditions, opportunities, constraints, trends, and evaluation of target industries. The second phase of the work program will focus on the implementation of the Economic Development Strategic Plan for the City of Pleasant Hill.

Economic development programs can take many forms and can take place in the community by capitalizing on opportunities that already exist and by creating new opportunities from existing resources.

The responsibility for measurement and assessment of each category of an economic development program is primarily that of the people who administer it. The process for assessment can be as simple as the evaluation of the program against program standards, or a more in-depth evaluation using various techniques such as surveys, community meetings and consulting with outside experts. It is important to determine on a regular basis if the program is meeting the needs of the community and how it can continue to meet future economic needs.

Economic Trends in the City of Pleasant Hill

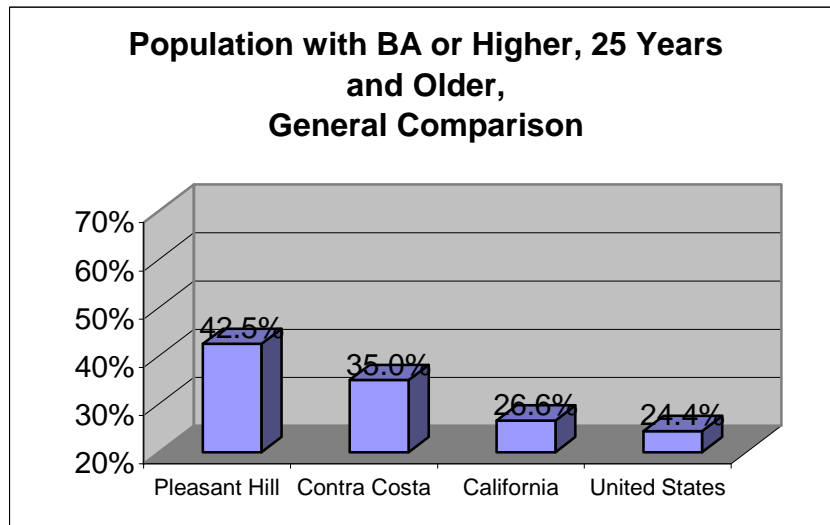
Competitive Advantages

The City of Pleasant Hill is a relatively affluent community that has a significant amount of purchasing power within a 15-mile radius. The City also has a very well educated workforce and a strong entrepreneurial culture that has translated into a greater than average disposable income. Pleasant Hill has a high percentage of self-employed persons and home occupation permits, and reports 9.3% of residents are self-employed compared to 8.5% for the state and 6.6% for the nation.

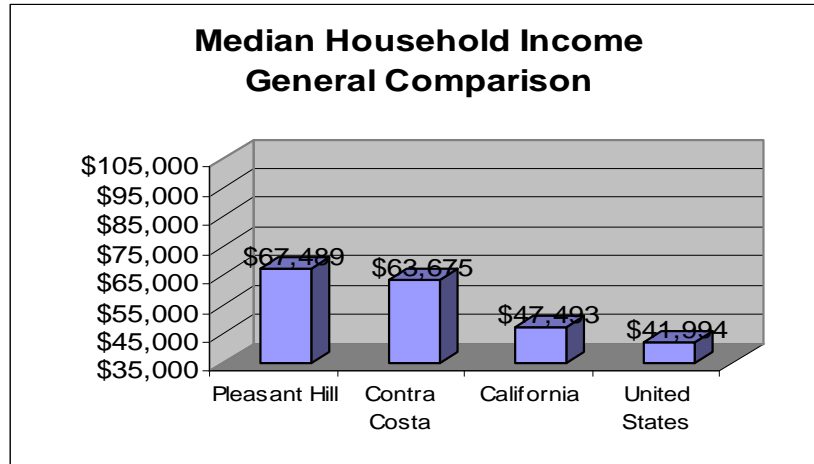
Pleasant Hill’s primarily older population is very similar to that of its neighbors, Walnut Creek and Lafayette. There are relatively more women in the Pleasant Hill population compared to the nation and surrounding cities except for Walnut Creek.

Although married couples make up most of the households in Pleasant Hill, a large percentage, 38.9%, are non-family households. Nationally and in the state, the percentage is approximately 31%. Household vacancy rates are lower in Pleasant Hill than in the rest of the state or nation.

Pleasant Hill residents are well educated. Among the population age 25 or older, 93% are high school graduates or better, and over 42% have a Bachelor’s degree or better. This compares to 35% for Contra Costa County, 26.6% for California, and 24.4% for the United States.



Compared to the rest of the country Pleasant Hill and the region generally have more households and families with incomes of \$50,000 or more. Also as expected, the percentage of residents on public assistance is much lower in this region than in the rest of the state or nation.



The two most common occupations for all Pleasant Hill workers 16 years and older are “management, professional and related occupations” and “sales and office occupations.” This pattern is similar to that of Walnut Creek and the 48.9% employed in “management, professional and related occupations” is considerably higher than the 36.0% in the state or 33.6% in the nation.

Pleasant Hill’s workforce is most likely to be employed in “educational, health and social services” and “professional, scientific, management and waste management services” industries.

		3/01 - 3/04
	04 Empl	Difference
Education and Health Services	5,162	51
Professional and Business Services	2,940	549
Retail Trade	2,540	13
Leisure and Hospitality Subsector	1,817	254
Finance and Insurance	1,291	-605
Other Services (except Public Administration)	586	88
Construction	535	93
Information	488	-36
Public Administration	408	135
Manufacturing	262	-190
Wholesale Trade	189	-30
Transportation & Warehousing	69	-9

The communities in this region differ in the types of housing that are available. Compared to the state and the nation, Concord, Martinez and Lafayette have more single-family unit detached housing, while Walnut Creek and Pleasant Hill have more multiple family unit structures. Most of Pleasant Hill's housing was built between 1940 and 1989 with a dramatic drop thereafter.

While almost 84% of Pleasant Hill's home prices are in the \$400,000 to \$600,000 range – compared to 41% for the state and 18% for the nation – the range for Walnut Creek and Lafayette is even higher. Of particular significance in Pleasant Hill is the possibility that many housing units that have been occupied by long-term residents could experience a surge in turnover. As many residents age, the possibility of selling or down-sizing their existing housing increases. This could result in an increase in available housing units and a potentially significant increase in property tax revenues.

Assessment of Opportunities and Resources

The City of Pleasant Hill supports and encourages a dynamic and diverse economy. The community serves a concentration of service, retail and other jobs due to its proximity to major employment centers, freeway and transit accessibility, office space and a balance of urban and semi-suburban amenities combined with a very high quality of life. The City continues to serve as a retail center for both local and surrounding area residents. A primary purpose of the community assessment process was to assess the advantages and identify the opportunities for the City to further build its revenue base to support a nurturing environment of the highest quality for businesses, residents and families.

An important dimension of a community's economic base is whether its businesses bring new revenue into the community. Businesses located in the city that serve a substantial number of customers outside the city – such as business-to-business sales, transportation or manufacturing – bring new revenue into the City and are considered 'external' businesses. On the other hand, 'internal' businesses do not typically bring in new revenue. They are based on the discretionary spending power already in the community, and are typically retail and service businesses, such as department stores, grocery stores, dry cleaners, nail salons and neighborhood supporting businesses.

As a community with suburban roots, it is not surprising that Pleasant Hill's economic base appears oriented to an internal market. Retail is the largest sector, calculated by number of firms, and it also has one of the highest numbers of employees. Retail is critically important because it directly generates sales tax revenues for the City.

Although retail is often thought of primarily as an internal economic activity, it can also be external if it attracts shoppers and revenues from outside the City. It can also produce new revenues if it recaptures purchases that local residents are making in surrounding communities.

As a suburban community, Pleasant Hill's businesses fit a retail culture that is typical of thousands of similar mainstream communities across the nation. The businesses are local market companies, grocery stores, clothing and other stores that serve a local residential population. Since residents only have a certain amount of total disposable income, if sales tax revenue from these businesses is to increase, the customer base of these companies has to increase beyond city boundaries. Or if local residents are shopping in neighboring cities, local merchants must recapture the sales that are going to other cities. Securing the sales dollars that are going elsewhere is often difficult if the products and stores are the same on both sides of the competition. What ultimately makes the biggest impact in consumer buying habits, if products and services are equal, is the shopping experience that is influenced by the environment of the stores and the surrounding area.

Of special interest is the potential of Pleasant Hill's retail sector to bring in new revenue by serving a wider population. A simple way to measure the current situation is to

compare the concentration of retail employment locally with the national average. Nationally the retail sector accounts for 13.8% of employment across all sectors. In Pleasant Hill it accounts for 17.3%, or about 25% more than the national average. This difference in employment concentration indicates there are approximately 510 more sales jobs in Pleasant Hill than would normally be expected and suggests that Pleasant Hill’s retail customer base already includes a substantial number of shoppers from outside the City. This is impressive considering the other nearby shopping choices, Sun Valley Mall and Walnut Creek’s downtown shopping district.

Preliminary “key stakeholder” business interviews with some of Pleasant Hill’s larger retailers confirm this data analysis. Store managers consistently reported a customer base extending from Martinez to Walnut Creek. One store manager reported customers coming from a much greater distance, even out of state. The presence of shopping alternatives close by in neighboring communities makes it important to thoroughly understand why these customers choose Pleasant Hill’s retailers over surrounding areas. Other comments suggest Pleasant Hill’s excellent freeway access and convenience for non-resident customers makes it a destination for every day necessities.

This is also consistent with the retail subsector data in the table below. Pleasant Hill’s location quotient for the “General Merchandise” subsector indicates a concentration that is about 1.2 times the nation as a whole. “Miscellaneous Store Retailers” which includes florists, office supplies and used merchandise, is 1.8 times more concentrated and “Sporting Goods, Hobbies, Books and Music” retail is 4.3 times more concentrated.

Not all the external sales are for everyday goods, however. There are heavy concentrations in several other subsectors related to housing – “Electronics and Appliances”, 3.6 times; “Furniture and Home Furnishings”, 2.7 times; and “Building Materials and Garden Equipment”, 1.3 times more concentrated than the national averages.

Employment Concentration in Pleasant Hill Retail Subsectors Compared to the Nation, March 2004

# of Jobs	Location Quotient	NAICS Retail Subsector
375	4.358027	451 Sporting Goods, Hobby, Book and Music Stores
255	3.629794	443 Electronics and Appliance Stores
210	2.752639	442 Furniture and Home Furnishings Stores
224	1.819957	453 Miscellaneous Store Retailers
210	1.279656	444 Building Material and Garden Equipment and Supplies Dealers
454	1.195687	452 General Merchandise Stores
349	1.037527	445 Food and Beverage Stores
167	0.926857	448 Clothing and Clothing Accessories Stores
95	0.737602	446 Health and Personal Care Stores

Source: Bureau of Labor Statistics data for March 2004, EDAB Calculation of location quotient
 Note: 441 Motor Vehicle and Parts Dealers; 447 Gasoline Stations; and 454 Nonstore Retailers not included due to insufficient data.

Based on the “key stakeholder” interviews conducted so far, Pleasant Hill’s niche in the regional retail market is supplying daily needs, including clothing. The daily needs market is an essential and normally more recession resistant market than the high-end clothing and jewelry market. The requirements for success in this market are also somewhat different. Merchants mentioned that for these customers ease of access to and from the freeway and easy and abundant parking are major considerations. In one case, insufficient parking space was seen as the critical factor limiting the future growth of sales. Several retailers also commented that many of their customers were older and had been shopping at their stores for many years. Easy access for seniors, perhaps by shuttle or transit system were seen as important aids to retaining this customer base.

The demographics and income level of the population in and around Pleasant Hill suggests additional external retail might be possible by expanding upscale specialty shops and restaurants. However, some well-known, high-end restaurants require a certain level of foot traffic or density of business activity, making Pleasant Hill an uncertain fit for them. Other stores have other requirements. Further investigation with retail specialists would be required to find the best matches between local needs and retail industry needs.

As indicated by the location quotient Pleasant Hill is particularly strong in retail for leisure activities. Further research is necessary to determine whether there are opportunities to build on this success by adding upscale hobbies such as rare books, specialty yarn or quilting shops, antiques, international crafts, gardening or specialty sporting goods stores. These types of stores plus boutique clothing stores, art galleries, bakeries, restaurants and delicatessens have all been part of transformations of neighborhood shopping areas into successful regional shopping destinations. Unique neighborhood shopping is also proving to be an important complement to more traditional shopping centers and malls. Fourth Street and Solano Avenue in Berkeley, as well as Rockridge in Oakland, are examples of successful shopping districts that are based on individual shops and stores in a neighborhood setting. These examples suggest that it is the total aggregation of establishments with some portion representing unique stores and restaurants that make the shopping area attractive.

If Pleasant Hill can find the right retail niches it will better serve the needs of the local population while taking advantage of an important local revenue resource at the same time. The additional advantage of building this type of retail base is that it can be done incrementally, shop-by-shop, over a period of time.

The City’s economic base also includes a number of companies that engage in traditional ‘external’ business activity. Pleasant Hill has several companies that produce medical/dental devices and one that distributes petroleum products in several surrounding counties. While these companies are small in number, business-to-business sales have the potential to return sales tax to the city at a much higher rate than retail sales. To help strengthen the diversity of the City’s economic base, such companies should be given special encouragement. Further interviews will help determine the advantages and challenges presented by a Pleasant Hill location, as well as the potential to attract other similar business-to-business enterprises.

Pleasant Hill's second largest sector in terms of number of firms, "Professional, Scientific and Technical Services" also is likely to bring in outside revenue because they provide services to the region. The heaviest concentrations of employment in this sector tend to be in employment services and security, but there are also higher than average concentrations for architects and specialized design services. Because these companies sell services rather than tangible products, they do not generate sales tax directly. The City does benefit, however, when the businesses or the employees make local purchases, and the community benefits from the jobs and services that are provided. The number of small firms in this sector suggests the importance of the availability of small office spaces for the continued growth of these companies. Similarly, Pleasant Hill's two institutions of higher education, Diablo Valley College and John F. Kennedy University, are potential sources of new external retail sales. There may be opportunities to make additional sales to the approximately 25,000 students that attend these institutions.

Another economic development opportunity exists among Pleasant Hill's large number of self-employed entrepreneurs. As of April 2005, the City of Pleasant Hill has 656 licensed home businesses. Many are undoubtedly providing local services. Others, however, may be consultants and others engaged in external economic activity. Another focus of the plan, then is to find out more about who these entrepreneurs are and how best to support their growth, particularly if they are oriented to a larger market area.

Pleasant Hill is in a unique position to benefit from the growth of this entrepreneurial climate and culture. While many communities struggle with mainstreaming their home based business communities by encouraging them to obtain business licenses and home occupation permits this seems to have been occurring over the last few years in Pleasant Hill. This is a testament to the superior skills and educational levels of Pleasant Hill residents, as well as their strong ties to the community.

Home occupation businesses can also serve as business incubators by assisting the entrepreneur with reduced overhead costs during the initial start-up phase of business operations. It is important to note that new and emerging entrepreneurial growth companies generate the vast majority of new jobs and innovations in our economy. Entrepreneurs not only create jobs and/or new products and services, they also have significant impacts on our international competitiveness.

According to research done by the Kauffman Center for Entrepreneurial Leadership, most new businesses are launched by people between the ages of 25 and 44. In the United States people in this age group account for more than 50 percent of the entrepreneurial activity in America. At the other end of the age spectrum, young people in the United States are also greatly interested in entrepreneurship. Entrepreneurs typically locate in areas that support their businesses through:

- Access to talent – an educated workforce
- Access to capital
- Networks – access to peers
- Infrastructure

One of the best ways for Pleasant Hill to continue to grow its economy is to encourage more people to become entrepreneurs. The common thread that continues to exist between conventional storefront businesses and entrepreneurs or home based businesses is the quality of life in the community. Providing good roads, good schools, a clean environment, jobs/housing balance and a supportive business infrastructure is critical to the success of entrepreneurs and businesses in Pleasant Hill.

Another key opportunity in Pleasant Hill is working collaboratively in building on the needs and objectives of the local educational institutions. A closer connection between Pleasant Hill colleges and the health sector industry may create the kind of mutually supportive working relationship that has on a different scale helped to drive the development of the biotech industry in Vacaville.

Perhaps Pleasant Hill's most important asset and opportunity is its quality of life. In a global economy, economic success is increasingly tied to highly trained and educated workers. These workers are in great demand and can choose to live in the areas best suited to their families and lifestyle. Pleasant Hill's demographics show that the most important resource for the emerging economy, a desirable lifestyle, already exists in the community. Pleasant Hill provides these workers and their families the opportunity to live in a community with great schools, recreation opportunities, easy freeway access, proximity to major employment centers and public transportation. It is the responsibility of the community and civic leaders, to maintain and improve on the high standards already set and to catalyze the community's high level of energy that is displayed through Art, Jazz & Wine Fest, Farmers' Market, 4th of July Celebration, Summer Concerts, and numerous other community events.

Competitive Challenges

Pleasant Hill is a primarily residential community that is almost entirely built out, with only about 5 acres of raw land zoned for non-residential use. As a consequence, future development in the City is likely to be mostly limited to reuse of existing lots and in-fill development projects.

The City's economy is also highly dependent on the service and retail employment industry and its future revenue-generating base is somewhat limited. As noted in the previous section, there are opportunities to be explored in the retail sectors, but there are also challenges that must be acknowledged. Two store managers of successful local retail operations attributed their success to "older" and "loyal" customers, some of whom are now having more difficulty getting to the store. In one respect customer loyalty speaks to the quality of the Pleasant Hill shopping experience, but it also raises the question of whether there are enough new customers being attracted to replace an aging and possibly declining clientele.

One aspect of this problem can be seen in the downtown area. Some retailers find young people to be an attractive target market and young people seem to find downtown an attractive place to hang out. With Diablo Valley College located nearby, there is a large customer base of students that could be further developed. At the same time, however, many older residents may feel intimidated by large numbers of young people congregating in and among the restaurants and stores. Is it possible for the City's retail sector to serve the needs of both? Regardless of whether either one or both of these groups becomes the target for Pleasant Hill retail, each strategy requires a different mix of retail stores and possibly City policies to maximize retail sales.

Another challenge to increasing Pleasant Hill's taxable sales is parking. When asked to describe the appeal of Pleasant Hill's retail environment, most store managers described it as a "convenient" and "pleasant" place to buy everyday necessities. To increase taxable sales from low margin necessities requires increasing the volume of customers traveling to the store and more parking to accommodate them. For this reason, available, convenient parking is relatively more important to Pleasant Hill than to shopping areas selling higher end merchandise. Local retailers were almost unanimous in noting the lack of sufficient parking as an important factor in limiting future sales growth.

Retail sales itself could become problematic in a future business cycle decline. Although retail sales, housing, real estate, housing construction, and finance were hardly affected by the most recent recession, in every previously recorded recession these sectors were among the first to suffer. Without a more diversified economic base the City will be particularly vulnerable if the East Bay suffers a traditional, consumer-led recession, or the sale of new homes declines. One economic forecasting service has projected such a recession by the end of the decade and possibly as early as 2006. A mitigating factor in Pleasant Hill's favor is that usually everyday necessities are less vulnerable to swings in the economy than higher end luxury items.

While a diversified economic base offers the greatest stability and should be encouraged, Pleasant Hill has limited options for achieving this end. Less than 10 percent of developed land is devoted to revenue-generating commercial, office or industrial uses. There are, however, several large, underutilized sites that may have the potential for re-use or redevelopment, including the southern portion of the Contra Costa Shopping Center area, the DVC Plaza (Big K) Shopping Center and other commercial areas along Contra Costa Boulevard.

The City faces other challenges as well. As the Bay Area's economy becomes increasingly global, the Bay Area's advantage continues to lie increasingly in its people - its innovators, entrepreneurs and highly skilled workers. These people have chosen to live in the Bay Area, including Pleasant Hill, because of the excellent quality of life that the region provides for them and their families. Maintaining a high quality of life in our communities has become an even more significant factor in retaining human capital and maintaining the region's competitive advantage.

In June 2000 the City Council contracted with a consultant team to assist with updating the Pleasant Hill General Plan. In April 2001, the team published a Background Report describing conditions in the City and summarizing key issues that had been raised by citizens.

- *Traffic* – Residents tend to associate high traffic volumes and delay with specific streets, and with uses such as Diablo Valley College and surrounding schools.
- *Schools* – Excellence of public education is a very high priority. Many residents are desirous of more control over the Pleasant Hill schools than is currently afforded through the Mt. Diablo Unified School District.
- *Housing* – Home purchase is beyond the reach of many City residents and rental properties, especially those with more than two bedrooms are becoming scarce in the City. Rising regional housing costs and lack of vacant land for new housing in the City suggest that intensive redevelopment, new mixed-use development and new sites for housing will be needed in the future, especially as many older homeowners begin “down-sizing” their housing. Residents of the City also have a strong desire to see remodeled single-family homes remain compatible with the surrounding neighborhoods.
- *Recreation and Parks* – The community needs more sports fields, a variety of recreational facilities (particularly for youth activities) and a new senior center.
- *Economic Development* – Residents appear to prefer small, friendly stores that will help Pleasant Hill retain its small-town atmosphere. Although the

size of the City's retail base is overshadowed by development in the adjacent cities of Concord and Walnut Creek, the success of the downtown and the potential for new retail business will likely improve commercial viability and economic diversity in the City.

- *Visual Quality* – Streetscape and architectural enhancements could help bring together otherwise separate or isolated parts of the community. A unified design theme along Contra Costa Boulevard and future redevelopment of the southern portion of the Contra Costa Shopping Center could extend the downtown identity and link the east side with the rest of the City. Signs and amenities at City gateways could promote a distinct City image.
- *Buchanan Field* – Airport operations affect quality of life and safety in Pleasant Hill. Two members representing the interests of Pleasant Hill residents serve on the 11-member Aviation Advisory Committee (AAC). This committee reports to the Contra Costa County Board of Supervisors and can initiate discussions, observations or investigations related to economic viability and security of the Buchanan Field Airport.

Economic Development Mission and Goals

Economic Development Mission Statement

To implement an Economic Development Program for the City of Pleasant Hill that will promote the economic diversity and strength of the City through the retention, expansion, and attraction of businesses.

Economic Development Strategic Plan Goals

The primary Economic Development Plan goals are consistent with the Economic Strategy Element of the General Plan:

Goal 1: Promote the Economic Health of Downtown and the City

Goal 2: Create and Maintain a Dynamic and Diverse Economic Base

Goal 3: Facilitate Additional Retail and Commercial Opportunities

Goal 4: Enlarge the City's Revenue Base to Sustain and Support the Community

Implementation Plan

The Implementation/Action Plan Matrix on the following pages highlights the goals and strategies as well as actions for Fiscal Years 2005-2007 and Fiscal Years 2007-2009. The Implementation/Action Plan also recommends “lead” and “support” departments/and or organizations for implementation actions.

During the implementation of the Economic Development Strategic Plan, it is important for both City elected officials and staff to develop conversations in the community about the roles that different organizations can take and the collaborative, problem-solving or creative approaches that can be made to further the efforts of economic development in the City of Pleasant Hill.

Specific guiding principles should also align with the goals and strategies of economic development in Pleasant Hill and should be collaboratively approached by City elected officials, City staff and leadership in the community.

Guiding Principles:

- Economic Development is a *citywide business* and crosses all department boundaries.
- Economic Development and quality of life are *interdependent priorities*.
- *Employers are customers*, just like residents.
- Each City staff member is an *Ambassador* for the entire City.
- An efficient economic development strategy accepts the City’s market position and builds on its strengths while mitigating its weaknesses.

The desired outcomes of the City’s Implementation/Action Plan should include the following:

- A growing and diverse economy
- Increased economic opportunity and prosperity for residents
- Increased revenue growth to fund City services

Goal 1: Promote the Economic Health of the Downtown and the City.

<u>Goals/Policies</u>	<u>Strategies</u>	<u>Actions 2005-2007</u>	<u>Lead/Support</u>	<u>Actions 2007-2009</u>
Goal 1: Promote the Economic Health of the Downtown and the City.				
	Promote the Downtown as the social, cultural and entertainment center of the community	Facilitate downtown promotions, Art, Jazz & Wine Fest, 4 th of July Celebration, Farmer’s Market, Summer Concert Series and holiday events.	Lead: Economic Development Support: City Departments	Continue
	Refine the City’s development review and permitting process through the implementation of “ACT” Application Coordination Team meetings with customers. Facilitate high-quality customer service oriented process for timely development of new projects and permit approvals.	Evaluate current process and develop procedures for “ACT” Team meetings that fully address the customer’s needs.	Lead: Public Works & Community Development Support: Economic Development	Monitor effectiveness of City progress with customer service surveys.
	Cultivate and build relationships with business community.	City-Chamber Teams to contact existing businesses.	Lead Economic Development Support: PW, CD & Finance, Chamber of Commerce	Continue
	Cultivate and build relationships/partnerships with education community and workforce training programs that include Diablo Valley College, John F. Kennedy University, Cal State East Bay and the Workforce Development Board of Contra Costa County.	Provide resources and referrals to area businesses and individuals to meet workforce-training needs.	Lead: EDAB, DVC, JFK, The Workforce Development Board of Contra Costa County. Support: Economic Development	Continue
	Identify and provide data on areas of the City to support the retention and expansion of business opportunities or identify available commercial/retail space in the City.	Work with consultant to develop Zoom Prospector, Property Locator Website for online property location assistance and market and demographic analysis.	Lead: Economic Development Support: GIS Planning, City Network Administrator	Re-evaluate and assess effectiveness of on-line Zoom Prospector.
	Maintain and review City economic indicators, demographics and industry sectors.	Work with EDAB to analyze City economic indicators, demographics and industry sectors on an annual basis and communicate through Outlook Newsletter and on City website.	Lead: Economic Development Support: EDAB	Continue

Goal 2: Create and Maintain a Dynamic and Diverse Economic Base

<u>Goals/Policies</u>	<u>Strategies</u>	<u>Actions 2005-2007</u>	<u>Lead/Support</u>	<u>Actions 2007-2009</u>
Goal 2: Create and Maintain a Dynamic and Diverse Economic Base.	Support expansion and revitalization of retail sector in Downtown and neighborhood serving retail shopping centers.	Explore feasibility of doing a retail study to identify missing or complementary retail stores that will enhance Downtown and neighborhood serving retail.	Lead Economic Development Support EDAB, Chamber of Commerce	Continue
	Create and develop City economic development database to identify and track all City businesses and resources available for business assistance.	Support existing networks of workforce training, DVC, JFK, Workforce Development Board & Regional Training Institute (RTI).	Lead: Economic Development. Support: DVC, JFK, Workforce Development Board, RTI	Continue – Reevaluate
	Participate in business events and community activities that support, retain and maintain tax generating local businesses to support the economic vitality of the City.	Send welcome letters, signed by the Mayor and City Manager, to new businesses in Pleasant Hill. Attend and support local business recognition events.	Lead Economic Development. Support: Finance Dept/Business Licenses, Chamber of Commerce	Continue
	Analyze the economic impact of local medical & dental device manufacturers cluster in Pleasant Hill and connect skilled workers to employment opportunities.	Link existing medical & dental training programs to local businesses and explore linkages for workforce training.	Lead Economic Development Support: EDAB, DVC, JFK, The Workforce Development Board of Contra Costa County.	Re-evaluate need and assess to continue or discontinue.
	Promote, maintain and expand City programs that improve “Quality of Life” and support the economic vitality of the City.	Incorporate economic development goals into other City plans and programs.	Lead: City-wide	Continue
	Institute a “HELP” (Helping Encourage Local Prosperity) Team for businesses at risk of closing in the City.	Utilize internal and external staff and programs to facilitate retention of local business at risk of closing or relocating out of the City.	Lead: Economic Development Support: City-Wide, Chamber of Commerce	Continue
	Promote City amenities: high quality of life, ease of access, proximity to employment centers, public transportation and education.	Develop and support promotional campaigns to attract customers to centers of commercial activity. Use City web site to promote economic development.	Lead: Economic Development Support: Chamber of Commerce	Continue
	Establish guidelines - aids for Emergency Preparedness for City Businesses.	Work with the Chamber of Commerce to develop guidelines/aids for Emergency Preparedness for City Businesses.	Lead: Economic Development Support: Chamber of Commerce	Work with Chamber of Commerce to promote and support Emergency Preparedness for City Businesses.

Goal 3: Facilitate Additional Retail and Commercial Opportunities in the City.

<u>Goals/Policies</u>	<u>Strategies</u>	<u>Actions 2005-2007</u>	<u>Lead/Support</u>	<u>Actions 2007-2009</u>
Goal 3: Facilitate additional retail and commercial opportunities in the City.				
	Explore feasibility of doing home-based business survey to determine needs of home-based businesses.	Gather information about home based businesses and evaluate and identify business problems or opportunities for expansion and growth.	Lead: Economic Development	
	Assess the needs of local business.	Develop a "Business Satisfaction Survey" to determine the needs of local businesses and determine their level of satisfaction in doing business in Pleasant Hill.	Lead: Economic Development Support: Finance Department Business Licensing.	
	Target Business attraction efforts on businesses that generate sales tax revenues.	Pursue a retail-marketing program to broaden City's retail base.	Lead: Economic Development Support: Local Brokers	Continue
	Develop/Support promotional campaigns to attract customers to centers of commercial activity.	Develop	Lead: Economic Development	Continue
	Promote Business-to-Business Transactions.	Facilitate linkages between business suppliers and customers in the community by providing information on local businesses.	Lead: Economic Development Support: Finance Department- Business Licenses	Continue
	Attract growth industries and businesses that require higher level skills and pay higher wages.	Use City web site to target industries and businesses in technology and professional services.	Lead: Economic Development Support: Economic Development Alliance for Business (EDAB)	Continue

Goal 4: Enlarge the City’s Revenue Base to Sustain and Support the Community.

Goals/Policies	Strategies	Actions 2005-2007	Lead/Support	Actions 2007-2009
Goal 4: Enlarge the City’s Revenue Base to Sustain and Support the Community.				
	Analyze feasibility of including Contra Costa Boulevard commercial corridor in existing redevelopment project area.	Assess feasibility of expanding boundaries of existing Commons Redevelopment Plan or adoption of new redevelopment project area to include Contra Costa Boulevard commercial corridor.	Lead: Redevelopment Support: Economic Development	
	Analyze feasibility of establishing a Business Improvement District (BID) or a Property Based Business Improvement District (PBID) to include the Contra Costa Boulevard commercial corridor.	Assess feasibility of a BID or PBID for the revitalization of the Contra Costa Boulevard commercial corridor.	Lead: Economic Development	
	Encourage retention of high-quality small professional office space to promote expansion of small businesses, medical and health industries, law offices, and entrepreneurial start-up companies.	Support retention of existing professional office space.	Lead: Economic Development	Continue

Program Assessments

Jobs and Employment by Industry Sector

This information will be obtained on an annual basis through the City's membership affiliation with EDAB. This information is confidential and individual companies cannot be identified in any public documents; however, business sectors can be identified and analyzed to determine both growth and decline in sectors operating in the City. It is important to track this information to provide rates of growth and/or decline in comparison to the state and national economy. This information can be compared against the baseline information that was prepared by EDAB for this plan, in order to monitor and track changes by business sector.

Taxable Retail Sales

This information is provided to the City of Pleasant Hill by an outside vendor on a quarterly basis. This information is also unpublished in public documents and is confidential. Data is provided to the City on each store's taxable sales and is collapsed into geographical sub-area contributors for various segments of the City. Published data for comparison purposes is available from the State Board of Equalization but it typically lags by one or two fiscal years.

Sales tax data can be analyzed and tracked by reported dollar amounts, by type of store, by sub-area of the City or over time to show increases or decreases in sales tax generation.

It is also recommended that quarterly sales taxes be tracked to monitor any significant changes that are occurring. Any downturn from one quarter compared to the same quarter of the previous year should be analyzed by store type to isolate and help identify any problems.

Business License Data

Business License information can be tracked to determine annual renewals. This measure will provide information on businesses that cease operations and new businesses that begin operation. Business License data collected in the City also uses the traditional Standard Industrial Classification System (SIC) Codes that have now been replaced by the North American Industrial Classification System (NAICs). This change in coding will enable a more efficient tracking of local businesses by industry sector. Using the business license data to track changes in business operations ceasing and beginning provides an overall measure of economic vitality. While a healthy economy will have both closed businesses and new businesses, the goal is to experience more new than closed businesses.

Commercial Real Estate Data (Absorption, Vacancy and Lease Rates)

This information is available through commercial brokers that are active in the area, such as Colliers International and Cornish and Carey, as well as through the City's membership with EDAB. Most larger commercial brokerage firms publish information on commercial space, vacancy and lease rates on a quarterly or annual basis. This information can be used to track changes in absorption, vacancy and lease rates in Pleasant Hill.

Population Characteristics and Demographic Data

This data is available from the State Department of Finance and provides estimates of population and household growth. In addition, The Association of Bay Area Governments (ABAG) also publishes this information annually.

Assessed Property Values

This information is available annually from the County Assessors' office and is typically used to forecast property tax revenues. Properties are reassessed per Proposition 13 in March of each year. Properties that are located in redevelopment project areas should be analyzed separately, as the increase in the assessment in these areas flows to the Redevelopment Agency rather than to the City General Fund.

Hotel Occupancy Rates

This data can be obtained from private industry sources in order to analyze current trends in the lodging industry and to obtain current occupancy and room rates. The City also collects transient occupancy tax that can be used as another source for analysis; however, this data can often mask declines in occupancy rates because it is based on dollar revenues that can increase through room rate increases that would not reflect accurate declines in occupancy rates.