

**NORTHERN WATERFRONT ECONOMIC DEVELOPMENT
INITIATIVE
AD-HOC COMMITTEE**

**Wednesday, May 13, 2015
12:30 p.m.**

**Zoning Administration Room
Department of Conservation and Development
30 Muir Rd., Martinez, CA**

AGENDA ITEMS:

1. Introductions
2. Public comment on any item not on this agenda (speakers may be limited to three minutes).
3. RECEIVE update regarding Northern Waterfront Economic Development activity.
 - a. Kolette Simonton, Economic Development Manager, City of Pittsburg
 - b. Alexandra Endress, Waterfront Development & Operations Manager, City of Pittsburg
 - c. Lashun Cross, Principal Planner, Department of Conservation and Development
4. RECEIVE presentation from Alexandra Endress, City of Pittsburg regarding California State Lands Commission Trust Lands and local jurisdiction control.
5. RECEIVE status report on Northern Waterfront Economic Development work program, including:
 - a. National/Regional engagement process
 - b. Community/Business engagement process
 - c. Policy Areas and Action Teams
 - d. White Paper
6. Next steps
 - a. Regional Action Plan
 - b. Website
 - c. Short-line Railroad feasibility
 - d. Industrial land-use study
 - e. Fiscalization study

**NORTHERN WATERFRONT ECONOMIC DEVELOPMENT INITIATIVE
AD-HOC COMMITTEE**

Wednesday, May 13, 2015
Agenda Item #3

To: Supervisor Federal Glover, District V
Supervisor Mary Piepho, District III
Ad-Hoc Committee

From: Rich Seithel, Chief, Annexations and Economic Stimulus Programs

Subject: Update regarding Northern Waterfront Economic Development activity

Kolette Simonton, Economic Development Manager, City of Pittsburg, Alexandra Endress, Waterfront Development & Operations Manager, City of Pittsburg, and Lashun Cross, Principal Planner, Department of Conservation and Development, will provide verbal updates on economic development in the Northern Waterfront, as well as, Northern Waterfront Work Group planning activities.

**NORTHERN WATERFRONT ECONOMIC DEVELOPMENT INITIATIVE
AD-HOC COMMITTEE**

Wednesday, May 13, 2015
Agenda Item #4

To: Supervisor Federal Glover, District V
Supervisor Mary Piepho, District III
Ad-Hoc Committee

From: Rich Seithel, Chief, Annexations and Economic Stimulus Programs

Subject: Receive presentation from Alexandra Endress, City of Pittsburg, regarding California State Lands Commission Trust Lands and local jurisdiction control

The California State Lands Commission (CSLC) currently oversees the vast majority of the tidal and submerged lands in the Northern Waterfront. These lands are known as Public Trust Lands (Trust Lands). The SLC is charged with managing and protecting the state's tide and submerged lands for the public trust. Occupants of Public Trust Lands, from international companies with industrial wharfs to residential users with small docks, are required to lease the Trust Lands from the CSLC at fair market value. At present, these leases are being managed by the CSLC, and the CSLC receives 100% of the revenue. That revenue is required to be reinvested in the Trust Lands on uses that are consistent with the Public Trust Doctrine. At present, the revenue from the Trust Lands adjacent to the County limits may be expended on any of the Trust Lands in the state. With legislative approval, the SLC may grant state tidelands to local governments for their use and maintenance.

As a result of Senate Bill 551 (SB 551-DeSaulnier), the City of Pittsburg, within the Northern Waterfront, was granted control of the Trust Lands adjacent to their city limits. SB 551, Chapter 422, statues of 2011 repealed a grant of public trust land made in 2006 by the state to the City and enacted a new grant of public trust land that includes land in the 2006 grant plus land annexed to the City in 2009. As the trustee, the City is able to:

- Streamline lease approvals and permitting by being able to provide a "one-stop-shop";
- Provide local contact and improve accessibility for local businesses;
- Retain local control over business attraction efforts and implementation, and;
- Retain a percentage of the Trust Lands lease revenue, and reinvest it in the local waterfront.

The unincorporated area of the Northern Waterfront tidal and submerged lands, as well as the balance of the County's unincorporated tidal and submerged lands, may also benefit from a like arrangement with CSLC.

Alexandra Endress, Waterfront Development and Operations Manager, City of Pittsburg, is responsible for Pittsburg's CSLC program. Alexandra will be sharing with the Ad Hoc Committee the benefits, challenges, and experience of the City CSLC program.

**NORTHERN WATERFRONT ECONOMIC DEVELOPMENT INITIATIVE
AD-HOC COMMITTEE**

Wednesday, May 13, 2015
Agenda Item #5

To: Supervisor Federal Glover, District V
Supervisor Mary Piepho, District III
Ad-Hoc Committee

From: Rich Seithel, Chief, Annexations and Economic Stimulus Programs

Subject: Status report on Northern Waterfront Economic Development work program

The vitality and future economic prospects of Contra Costa County's Northern Waterfront are an important concern to all residents. Fundamental efforts critical to the success of the Northern Waterfront Economic Development Initiative are: a) national/regional collaboration, awareness, and engagement; b) community/business engagement; and c) policy areas and action teams. Following is an update on these efforts and the initiative's White Paper.

National/Regional collaboration, awareness, and engagement:

The Northern Waterfront work group continues to be engaged with several national and regional agencies, including: Metropolitan Transportation Commission (MTC), Association of Bay Area Governments (ABAG), Contra Costa Transportation Authority (CCTA); United States Environmental Protection Agency (EPA), and United States Economic Development Administration (EDA), as well as, the University of California-Berkeley.

In September 2014, the Regional Prosperity Plan Steering Committee's Joint Projects Team, composed of co-chairs of the three Prosperity Plan workings groups as well as staff from ABAG and MTC, recommended that the Steering Committee award \$30,000 from the Economic Opportunity Initiative of the Regional Prosperity Plan to Contra Costa County for the Northern Waterfront Economic Development Initiative (NWEDI). As a result of our efforts and that the NWEDI objectives parallel the Economic Prosperity Strategy objectives of Plan Bay Area, we were asked to participate in the Bay Area Regional Prosperity Plan-Capstone Conference that was held at the Oakland Asian Cultural Center April 13 as a panelist on the "Positioning Industrial Land for Middle Wage Job Growth" workshop. Plan Bay Area is comprised of ABAG and MTC in collaboration with Bay Area Air Quality Management District (BAAQMD) and Bay Conservation and Development Commission (BCDC).

CCTA continues working with the NWEDI regarding TriLink 239, as well as, other infrastructure issues and grant opportunities. In addition, staff has been contacted by the TriLink 239 CCTA consultant regarding goods movement to/from Northern Waterfront businesses.

Given the NWEDI experience and objective, staff has been invited by U.C. Berkeley and ABAG to serve on a Technical Advisory Team for the recently funded "Industrial Lands and Jobs Study". The study, funded by the University of California Transportation Center, complements several efforts including the ongoing MTC Goods Movement Study. According to the ABAG Planning and Research Director, "The goal of this project is to understand the opportunities and challenges in our industrial lands. How are we using our industrial land? How are the businesses and activities on this land changing? What are their needs and what role do they play in the regional economy? These questions will help us elevate existing successful strategies, and potentially develop new ones, that support a prosperous and diverse economy and workforce in the Bay Area."

The EPA Region 9 Brownsfield Project Manager, Nova Blazej, has been consulting and advising the NWEDI Work Group on EPA grant opportunities within the Northern Waterfront. Currently, the Work Group is discussing and considering an EPA coalition grant involving three or more Northern Waterfront jurisdictions.

The Seattle Regional Office of the United States Economic Development Administration (EDA) has reviewed the Craft Consulting Group's *Revitalizing Contra Costa's Northern Waterfront: How to be Competitive in the 21st Century Global Economy* and has determined that it meets the requirements for a comprehensive economic development strategy (CEDS). Given this determination, projects that support the implementation of this CEDS equivalent would be eligible for EDA funding.

Community/Business Engagement Process:

Meetings have been held with a variety of business and community groups to raise awareness about the NWEDI and to gather input about issues and the direction of the Initiative including: EC²i Monument Impact; Hazardous Materials Commission; Joint Municipal Advisory Council (MAC's); Rivertown Preservation Association (Antioch); East Contra Costa County Women's Leadership Group; and, Contra Costa County Industrial Association.

Policy Areas and Action Teams:

Action Teams, established around eight (8) policy areas, have been meeting on a periodic basis for the past 12 months following the Public Forum held on the Northern Waterfront in January 2014. These Action Teams are comprised of members of the public, business leaders, local government, community based organizations, environmental groups, and other stakeholders. Each Action Team was asked to identify

issues and opportunities; gather relevant information; receive input from the public, industry, technical experts, and other interested stakeholders; raise concerns about conditions that might affect or limit economic development along the Northern Waterfront; identify industries-of-opportunity; recommend potential solutions for revitalizing the Northern Waterfront; and prioritize the issues and recommendations that were considered of most importance in each of the eight policy areas.

Most of the action teams have completed or are nearing completion of the issue identification and information gathering process. Information gathered by the Action Teams will be incorporated into a white paper that will inform the development of a regional economic development strategy and action plan that would build on the existing base of manufacturing firms, expand local supply chains, help small and medium sized businesses grow and expand, and to cultivate an environment supporting the growth of the manufacturing sector along the Northern Waterfront in five targeted industry clusters including clean-tech, advanced transportation fuels, food & beverage processing, diversified manufacturing, and biomedical/biotechnology.

By way of example, the Business Climate and Regulatory Environment Action Team has held eight (8) monthly meetings to gather input, engage in discussions about the type of industrial uses, identify issues, and draft an issues paper with recommended goals and strategies. Planning Directors and staff from the County and each of the six participating cities made presentations to the Action Team regarding their industrial zoning and economic development issues. The Planning Directors voluntarily organized a series of strategy meetings to discuss how to update their zoning ordinances, general plans, streamline the permitting process, and develop performance standards for industrial uses. The Planners made a presentation to the County's Hazard Materials Commission to engage them in the process of developing appropriate performance standards. Additional meetings and work is required to complete the efforts that are currently underway. Funding will be required for technical and legal consultants to prepare model ordinances and performance standards. In order to determine how much industrial land is available for development, further land use studies will be required to build on work done to date to accurately identify the industrial zoned parcels, acreage, developed, underutilized and vacant parcels, and environmental constraints associated with these properties. Conceptual planning studies, leading to specific plans, will be critical to identify appropriate land uses, access and circulation, and utility requirements for infrastructure investments. Environmental assessments also will be needed as part of the revitalization studies. These planning studies will lead to the identification and marketing of priority employment areas for business attraction and the creation of manufacturing jobs.

White Paper:

A draft White Paper is being prepared summarizing the information, issues, and recommendations gathered from the Action Teams and community/business engagement process. The White Paper will be used to help inform the development of a

regional economic development strategy and action plan that would build on the existing base of manufacturing firms, expand local supply chains, help small and medium sized businesses grow and expand, and to cultivate a climate of support for manufacturing firms.

**NORTHERN WATERFRONT ECONOMIC DEVELOPMENT INITIATIVE
AD-HOC COMMITTEE**

Wednesday, May 13, 2015
Agenda Item #6

To: Supervisor Federal Glover, District V
Supervisor Mary Piepho, District III
Ad-Hoc Committee

From: Rich Seithel, Chief, Annexations and Economic Stimulus Programs

Subject: Next Steps

Regional Action Plan:

A regional economic development strategy will be developed with specific actions to address the issues identified by the Action Teams and community/business engagement process. The Action Plan will include goals and objectives, along with specific actions in each of the eight policy areas that will enhance the Northern Waterfront as a manufacturing hub. The action plan will include a strategy framework to inform local and regional economic development activities, workforce training and job placement programs, small business development initiatives, and regional transportation infrastructure investments. Ultimately, the strategic action plan will be reviewed and adopted by the Board of Supervisors and each of the participating Cities and Special Service Districts following public hearings. Estimated delivery date is late 2015.

Website:

Given the Northern Waterfront's historical legacy as a working waterfront and its competitive advantages (industrial zoned land, goods movement infrastructure, etc.), the Northern Waterfront offers an attractive location for production, repair, and distribution industries. In order to market and promote as a prime location for industrial development a website will be developed that focuses on attracting new businesses, assisting existing companies to grow and expand, and supporting the formation of new businesses in the targeted industry clusters. A website would identify and promote: key regional assets and competitive advantages, targeted industry clusters, business resources and incentives, skilled workforce and training programs, and key infrastructure, and other site location information. A website would:

- Link each of the cities and the County's economic development websites;
- Establish a regional brand image and identity for the Northern Waterfront and promote the region as a 21st century advanced manufacturing hub;

- Provide information about the region and its competitive advantages as a manufacturing location, serve as a medium to showcase the region, and;
- Provide 24/7/365 access.

Funding will be required to hire a web designer to develop and maintain the website. Estimated cost is \$8,000 for the website.

Short-line Railroad feasibility:

Short-line railroads play an important role in the overall transportation picture in California. As defined by the American Association Railroads, short-line railroads fall into two categories: Local railroads are line-haul railroads below the Regional criteria or Switching & Terminal railroads that are either jointly owned by two railroads for the purpose of transferring cars between railroads or operate solely within a facility or group of facilities. A regional railroad is a line-haul railroad operating at least 350 miles of road and earning less revenue than the Class I railroad threshold (\$250 million+). Short-line railroads haul a wide variety of products: everything from imported goods in containers to agricultural products, lumber to steel.

Currently, the Northern Waterfront is served by two Class I railroads: the BNSF and the UPRR. However, not all rail-served businesses are able to be served by both railroads. A significant competitive advantage lies with companies that have access to two or more Class I lines connected by a short-line railroad. This situation provides a means for a shipper to better manage the risks of service interruptions on one carrier by gaining efficient access to an alternative rail route. It also creates an environment of long-term competitive pricing while opening a wealth of shipping options. Short-line and regional railroads provide dependable, timely, high-quality service at significantly lower transportation costs compared to companies that have only one rail carrier option. In addition, the Northern Waterfront has industrial-zoned property, with rail potential, that is large enough to accommodate unit-trains. These properties have a distinct competitive advantage if able to take advantage of rail their rail potential.

Estimated cost for a feasibility study is \$50,000.

Industrial land-use study:

Industrial zoned land is under increasing pressure from other types of development, typically big box commercial, residential, and institutional uses. It is critical that the county and six cities determine how much land is zoned for industrial use. How much is currently developed, underutilized, vacant, or has development constraints and how much of this job-producing land should be preserved for the future. The purpose of this study to assess the supply of existing industrial lands and determine how much industrial land will be needed for the future development and job growth. This

information will be used by the county and cities to inform their industrial land use policies. Funding will be required to hire a consultant to inventory and assess the industrially zoned land along the Northern Waterfront to provide an updated database that can be used for planning and marketing purposes. Estimated cost is \$50,000 - \$75,000.

Fiscalization study:

Balanced communities provide a mix of land uses to meet the needs of its citizens. Local governments, however, often pursue land use policies based on the need to generate revenue without evaluating the revenues and costs associated with different classes of land use development such as residential, commercial, and industrial. With residential land values rising there will be increased pressure to convert industrial land. This fiscalization of land use often does not lead to a balanced community. Fiscal or Cost of Community Service (COCS) studies look at average revenues and expenditures to provide a budgetary baseline from which to make informed decisions on land use policies. Three land use categories are commonly defined for COCS studies: residential, commercial, and industrial. Preservation of industrial zoned land is necessary in order to retain and expand the number of middle income jobs and protect local government tax bases along the Northern Waterfront. Funding will be required to hire a consultant to conduct an independent analysis documenting the cost and revenue associated with alternative land uses. Estimated cost is \$75,000 - \$100,000.

