


Population Driven Economy
Commercial Centers



Visitor Driven Economy
Downtown • Arts • Waterfront • History



Export Driven Economy
Benicia Industrial Park • Port

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
- 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
 - 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 small¹, 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.

¹ Population as Jan 2011, 27,118, CA Dept. of Finance, US Census



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:

- ▲ 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 goals² 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 Plan³ 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.

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

³ City of Benicia, Strategic Plan, FY 2009-2011, 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 interests⁴.

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.

⁴ 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 goals⁵:

- 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.

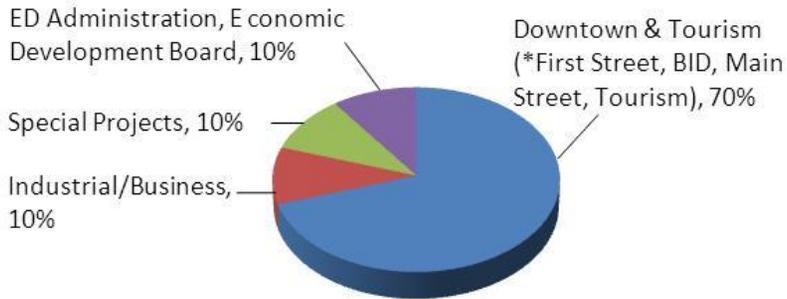
Oct. 2010-Present: Management Analyst on loan from City’s Parks & Community Services Department is Acting Economic Development Manager (full time) with support from Administrative Secretary at approximately 30%.

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.

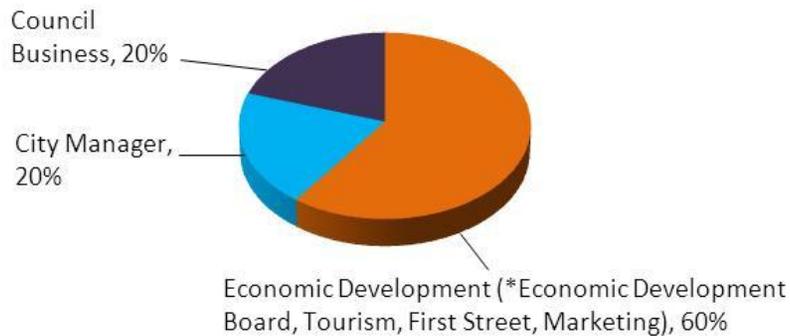
⁵ Economic Development Board, Feb 23, 2011, Agenda Item – Business Retention/Recruitment Sub-Committee Draft Report

**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
Total Economic Development Operating Budget (not including staffing)	\$233,700

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"> ◆ 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. ◆ Implemented directional and interpretative signage upgrades. ◆ Hosted successful Sunset Magazine bus tour event. ◆ Refined and implemented expanded downtown Benicia event calendar.
2. Encourage first-floor retail uses on First Street.	<ul style="list-style-type: none"> ◆ 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. ◆ Main Street Benicia promotes retail uses on ground floor.
3. Fund Business Improvement District (BID) start-up costs if requested by a ratepayers' committee.	<ul style="list-style-type: none"> ◆ Awarded contract to Civitas (April 2011) to complete feasibility study; ongoing.
4. Invest in capital improvements downtown: <ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> ◆ Benches have been added. ◆ Nighttime accent lighting on trees and street poles, under review. ◆ Way finding signage created.

Chart 3 – 2007 Economic Development Strategy – Recommendations & Status

Recommendations	Status
<ul style="list-style-type: none"> • 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. • Develop E Street lot as mixed-use residential over commercial building with public parking component. • News rack ordinance leading to standardized racks. 	<ul style="list-style-type: none"> ◆ Parking Study completed. ◆ Mixed Use Master Plan (DMUMP) addresses circulation improvements. ◆ City actively pursued E Street lot development with private developer; on hold due to economy. ◆ Painted Ts installed. ◆ Bicycle Racks to be installed ◆ News rack ordinance enacted <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&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"> ◆ 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. <p><i>Note: The current industrial use classifications⁶ allow for a breadth of permitted uses in the industrial park, including clean energy, high-tech, and R&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"> ◆ BIP Broadband Survey and Final Report were completed September, 2010⁷. 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.

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

⁷ 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	<ul style="list-style-type: none"> ◆ 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 ⁸
Jobs	477	355 ⁹
<i>Rental Rates (Source: LoopNet)</i>		
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
<i>Rental Rates (Source: Colliers International)</i>		
Warehouse	\$0.33-\$0.75	\$0.42
Manufacturing Flex	\$0.52-\$0.80	\$0.59-\$0.65

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

⁹ 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
Total Annual	\$309,660	\$422,920	\$437,920	\$331,490
Total 2008-2011				\$1,501,990

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
Total Investment	\$3,824,504

1.3 Economic Indicators Analysis 2005-2010¹⁰

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).

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.

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.

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

¹⁰ 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.

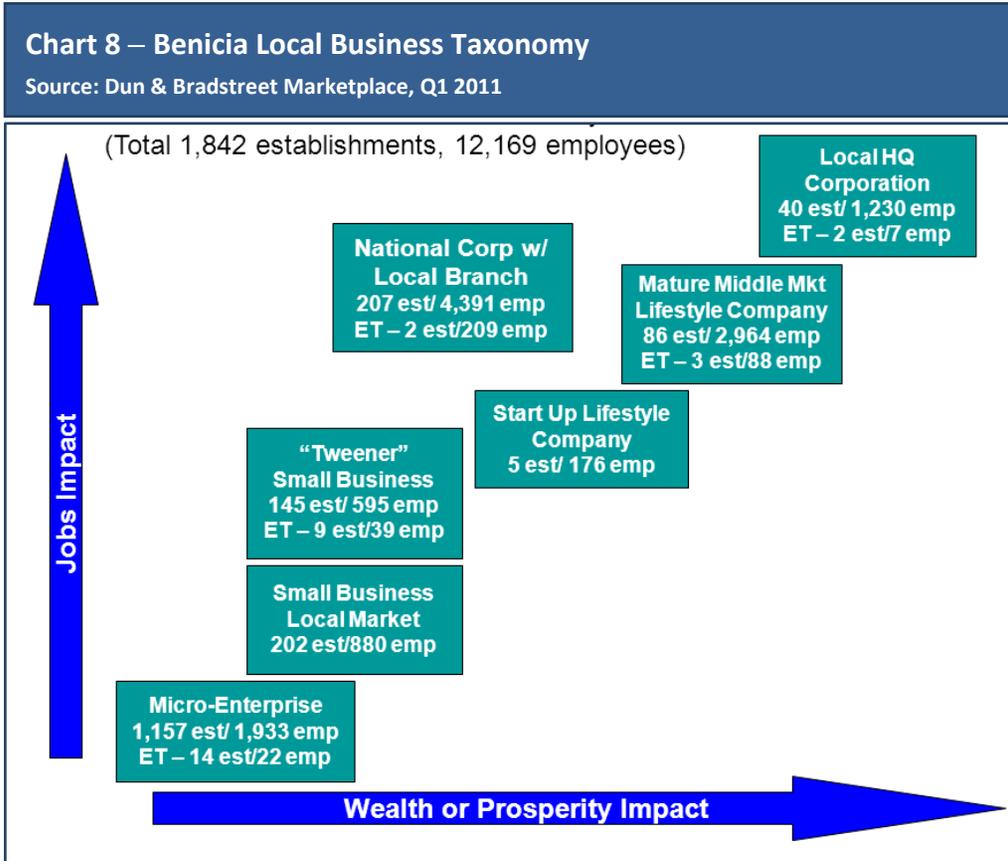
The Taxonomy Chart is a snapshot of the business **segments** based on both a jobs impact and a wealth/prosperity impact.

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.

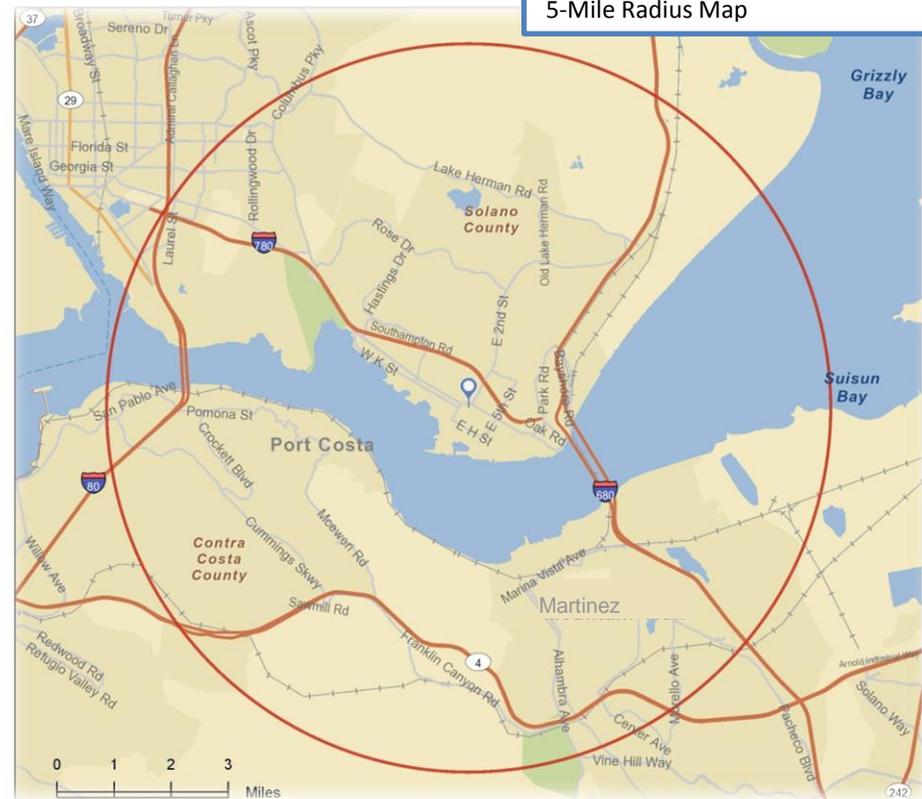


1.4 Retail Market Indicators, July 2011

An updated Retail Market Indicators¹¹ 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.



The Retail Market Area is the geographic area from which the majority (75%-80%) of Benicia's customers emanates. This market area is used to estimate demand from local consumers. Visitor spending is not included.

¹¹ 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 revenue¹² to the City annually.

The BIP has approximately 1.5 million square feet vacant and available¹³ 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 region¹⁴. Over 19 Industrial Parks are directly competing with the BIP as depicted in Chart 8 Industrial Park Competitors.

Address	Location	Size	Price	Features
1660 Lewis Brown Dr	Vallejo, CA	6,530 SF	Negotiable	Property Features> 6,530 total sq. ft.4,580 sq. ft. warehouse1,980 sq. ft. office> 3.05 gross...
101 Yola	Vallejo, CA	30,000±s.t		mezzanine showroom Keegan &
226 Curt	Vallejo, CA			This is an comprisim office for m
1080 Nin	Vallejo, CA	1,300 SF		combined CB Richar
145 Vall	Vallejo, CA			Office with sewer, wa charges.
1175 Nin	Island (E			
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 sf I-80 visibility and signage Building #1 = 16,800 sf... 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

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

¹³ LoopNet Search, properties 10,000-100,000 sq. ft.

¹⁴ Sources: Colliers International Research & Forecast Reports

Chart 10 – Industrial Park Competitors

City	Industrial or Business Park	Location	Zoning
Fairfield	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
	Solano Business Park	Between Chadbourne Road and Beck Avenue	Limited Industrial, Industrial Business Park
	Busch Corporate Center	I-80 and Hwy 12	Limited Industrial, Industrial Business Park
	Tolenas Industrial Park	NE Fairfield along Air Base Parkway & Peabody Road	Heavy Industrial, Limited Industrial
	South Cordelia Park	I-680, along Fulton Drive	Limited Industrial
Vallejo	Gateway 80 Business Park	I-80 and Hwy 12	Light Industrial
	39 acre site	790 Derr Street	IU Industrial Use
Vacaville	Vacaville 140	I-80	Industrial Park & Ag 20
Dixon	Interstate 80 & State Hwy 113	I-80 & Hwy 113	Highway Commercial, Light Industrial, Office
Suisun City	Lambie Industrial Park/Creed Road	12 miles East of I-80 (East of Travis AFB)	Zoning: MG3 General Manufacturing, minimum 3 acres
Richmond	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
Solano & Napa Counties	25.1%	12.4%	21.5%	15.4%	14.7%
Benicia	1.7%	15.4%	22.0%	8.8%	18.6%
Fairfield	31.1%	16.5%	11.4%	16.8%	12.7%
Vacaville	28.3%	13.0%	18.0%	65.4%	17.8%
Vallejo	10.9%	7.5%	n/a	n/a	5.9%
Walnut Creek/North I-680 Corridor	1.5%	10.9%	26.3%	14.3%	13.6%
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%
Oakland I-80/I-880 Corridor	15.7%	6.8%	10.3%	12.4%	8.8%
Richmond	n/a	19.7%	10.9%	8.7%	13.8%
Oakland	11.1%	4.9%	11.1%	n/a	6.9%
Stockton/San Joaquin County	19.5%	13.4%	16.6%	19.1%	15.6%
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.

Chart 12 – Vacant Square Feet					
	Overall Office	Industrial/ Manufacturing	Warehouse	R&D/Flex	Total Industrial
Solano & Napa Counties	1,162,881	1,574,788	4,225,322	294,835	6,094,945
Benicia	2,142	568,160	953,139	23,042	1,544,341
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
Walnut Creek/North I-680 Corridor	3,358,565	1,488,462	750,885	165,009	2,404,356
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
Oakland I-80/I-880 Corridor	5,187,382	4,363,439	5,923,578	1,204,811	11,491,828
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.)						
	Class A Office	Class B Office	Office/ Flex	Industrial/ Manufacturing	Warehouse	R&D/Flex
Solano & Napa Counties	\$2.13	\$1.61	\$1.59	\$0.68	\$0.45	\$0.85
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
Walnut Creek/North I-680 Corridor	\$2.24	\$ 1.70	n/a	\$ 0.83	\$ 0.30	\$0.90
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
Oakland I-80/I-880 Corridor	\$2.34	\$1.71	\$1.71	\$0.57	\$0.38	\$0.64
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
Stockton/San Joaquin County	\$1.80	\$1.25	n/a	n/a	\$0.28-0.35	n/a

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

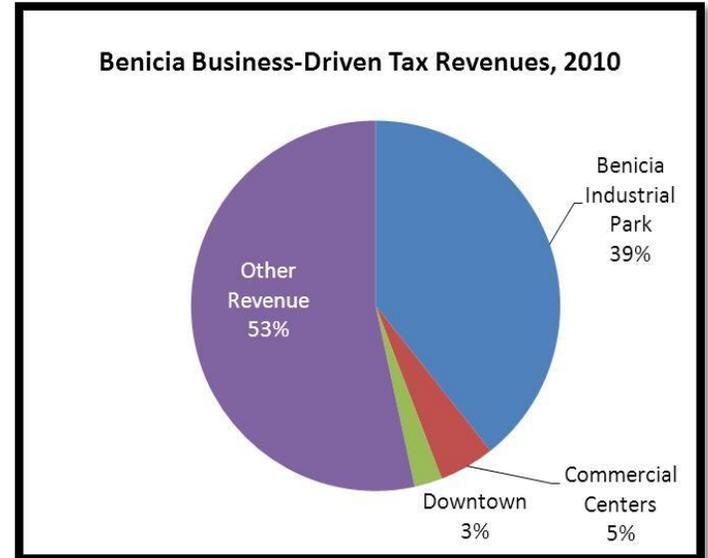
1.6 Key Drivers of Economy & City Revenue

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

	Benicia Industrial Park	Commercial Centers	Downtown
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
Total Tax Revenue	\$11,793,434	\$1,458,578	\$730,756

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



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:

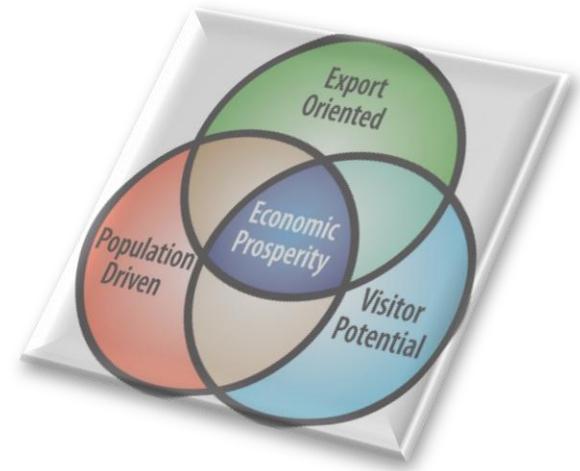


Figure 3 - Benicia Economic Generators & Employment Centers

**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%
- Anchors: Safeway, Rite Aid

**Southampton
Center**

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

**Parkway
Plaza**

- 30,000 sq ft, vacancy 31%
- Anchors: 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

- ◆ **Industrial Park** – 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%¹⁵ as compared to the State’s 12.1% and Solano County’s 12.0%, June 2011.
- ◆ **Available Space** – 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 County¹⁶. There is a variety of space available from older industrial to newer, more modern warehouse and warehouse/office and some R&D.
- ◆ **Location, Access & Transportation** – 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.
- ◆ **Port** – 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.
- ◆ **Existing businesses** – 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.
- ◆ **Safety** – businesses interviewed valued the safety and security of the park.
- ◆ **Labor** – 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.
- ◆ **Job Rich Community** – 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.
- ◆ **Business Climate** – “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.
- ◆ **Benicia Industrial Park Association (BIPA)** – 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.

¹⁵ Labor Force and Unemployment, California Employment Development Department, LMID, June 2011 Data

¹⁶ 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 600¹⁷ to the current 452 businesses and from 7,000 to 6,500 employees since 2006¹⁸.
- ◆ **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.

¹⁷ Benicia Community Profile March 2006, City Website

¹⁸ 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.*¹⁹

◆ **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.

¹⁹ 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"> ◆ Several documents guide downtown actions including the Downtown Mixed Use Master Plan (2006) and Tourism Marketing Plan (2008). ◆ Benicia Main Street spearheads downtown promotion and other efforts and organizes and manages 27 events a year. ◆ 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. ◆ City’s support of tourism has also been very strong, >\$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. ◆ 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. ◆ 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. ◆ Diverse multi-faceted marketplace: local residents, area employees, visitors and highway travelers/business visitors²⁰. ◆ In addition to arts, there has been a growing retail element in the Arsenal including clothing, furniture, and consignment stores. 	<ul style="list-style-type: none"> ◆ Downtown makes a very positive impression with recent streetscape improvements, on-street parking and most properties in good condition. ◆ Benicia is becoming positioned as a Bay Area visitor draw — especially for day trips (arts, history, shopping) ◆ 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. ◆ 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. ◆ Main Street reports a 92% ground floor occupancy rate, which is very good in the current economic climate. ◆ Benicia Main Street historically has had strong public and private (EX: Valero Oil & Allied Waste) partners/funders. ◆ Depot Visitor Center is open 7 days a week with increasing numbers of visitors. In June 2011, 1,554 people were counted. ◆ Tourism Committee was formed in December 2008 and with City staff support seeks to coordinate all local visitor attraction efforts. ◆ There are buildings and site, such as the Majestic Theatre, that are important assets for downtown.

²⁰ Retail Market Analysis, Appendix, reports market demographics

Challenges – Downtown & Tourism

- ◆ Local retail market area population is relatively small (27,000 City, 87,500 in 5-mile radius) and is not growing.
- ◆ 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 shoppers²¹.
- ◆ 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.
- ◆ 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.
- ◆ Downtown needs to clearly distinguish itself and create a market position as a unique waterfront specialty shopping and entertainment district within the region.
- ◆ 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.
- ◆ 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.
- ◆ 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.
- ◆ 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.
- ◆ 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.
- ◆ 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.
- ◆ Visitor spending within Solano County has declined in recent years (Source: Dean Runyan) and will hopefully turn around with increased advertising and marketing.
- ◆ 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).

²¹ 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%.²²

Strengths/Assets – Commercial Base	Challenges – Commercial Base
<ul style="list-style-type: none"> ◆ Very good selection of convenience goods merchandise in Solano Square and Southampton Centers in particular. ◆ Household incomes are well above the state average—attracting attention from expanding retailers. ◆ Over 1,600 businesses (including industrial park) and almost 13,000 employees in the City of Benicia²³ — a very strong daytime marketplace that supports/expands the local resident market. ◆ Solano Square and downtown Benicia are nearly adjacent providing the opportunity for cross-marketing and connecting customers, promotions and activities. ◆ 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. 	<ul style="list-style-type: none"> ◆ Limited residential growth may limit retail attraction. Retailers focus mainly on ‘rooftops’ not visitor numbers in making location decision. ◆ Retail competition is significant within a short drive, especially for comparison goods shopping, i.e., major regional centers. ◆ Retail vacancy rates are uneven at shopping centers throughout town; help may be needed to ‘fill gaps’ or reposition centers in lagging locations. ◆ 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. ◆ Commercial incentives are minimal. This could be a competitive disadvantage. (Note the City has had incentive agreements in the past). ◆ The City does not have an organized retail recruitment effort to fill retail gaps. ◆ Benicia has limited commercially zoned developable acreage²⁴ 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.

²² Benicia Commercial Center Overview, Appendix

²³ Business Data Source: InfoUSA

²⁴ 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)²⁵, 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 '*1st 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.

²⁵ 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 centers²⁶ 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.

²⁶ 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:

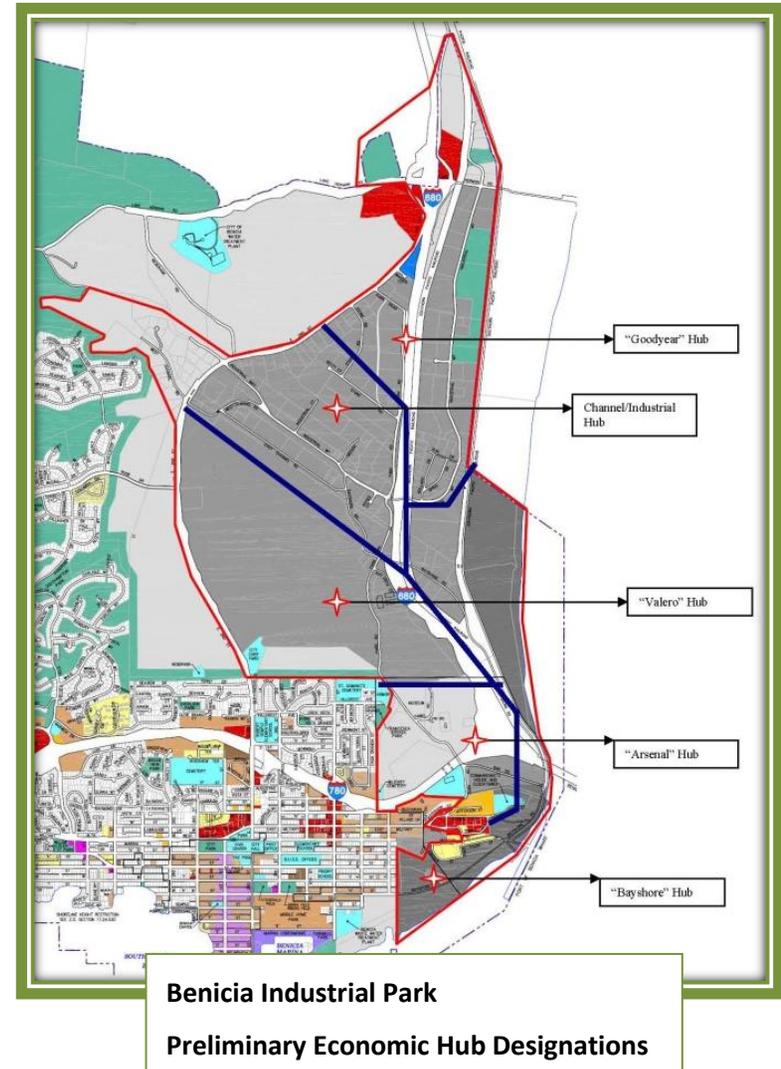
- City Manager and Acting Economic Development Manager meeting one-on-one with businesses in the Park;
- Meetings organized with Solano EDC and real estate brokers regarding best methods to market the Park and service existing businesses;
- City completed a Broadband Study in July 2010 and have continued 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 signs²⁷.

²⁷ June 7, 2011 Letter to BIPA President Subject: Industrial Park Information Request

Recommended Actions for Benicia Industrial Park:

1.0 Business Retention/Expansion Program²⁸. 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 platform²⁹.
- 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



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

²⁹ 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 Cooperation³⁰ 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 Committee³¹ and
 - align economic development services with the City’s Climate Action Plan.
 - Review program outline³² 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.



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

³¹ 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.

³² 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 Park³³. 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 2009³⁴), identify priorities and potential funding sources (such as, CDBG).³²
- 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.

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

³⁴ 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-days³⁵ 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.

³⁵ Sample Plan Check Flow Chart, 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 EDsuite³⁶ 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.

³⁶ 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. MetroComp³⁷ 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.

Lead Organization	City of Benicia
Collaborators:	Benicia Chamber of Commerce, Benicia Industrial Park Association, Solano EDC & Real Estate Brokers
Expected Outcomes of the BIP Action Plan:	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.

³⁷ MetroComp, developed by Applied Economics, <http://www.applieconomics.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 targeted³⁸ 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

³⁸ 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 1st Street; create a commercial destination at the pier/edge of waterfront; provide traffic calming, pedestrian safety improvements on 1st Street; make design improvements to break up the linear nature of 1st 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.

Lead Organization:	City of Benicia
Collaborators:	Benicia Main Street, Merchants
Expected Outcomes of the Downtown Action Plan:	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.

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

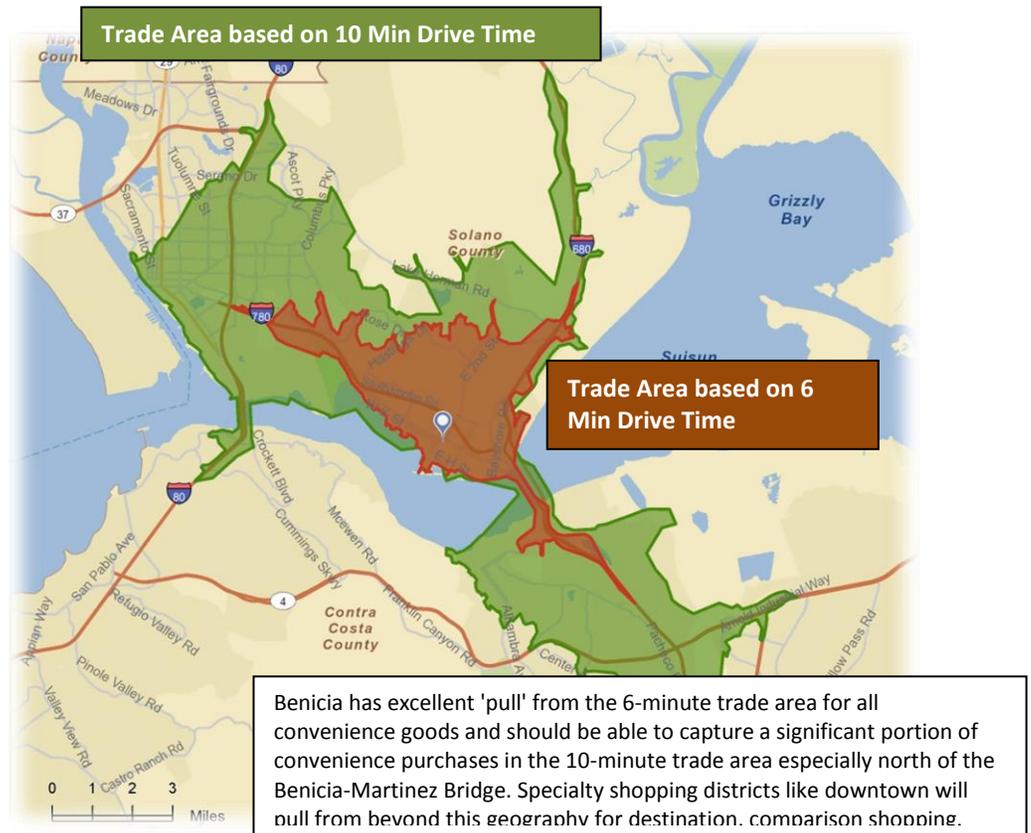
Action Initiative 3.4: Commercial Centers

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 leakage³⁹ 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.



³⁹ 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 campaigns⁴⁰ 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 ICSC⁴¹) on effective strategies to promote Benicia as a business location.

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

⁴⁰ Appendix: Business Clustering and Recruitment Campaign Samples

⁴¹ 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 Analysis⁴² (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.

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

**Chart 14 – City of Benicia
Economic Development Division Proposed Operating Budget**

	Current 2011-12	Proposed Additional Budget
1.0 Benicia Industrial Park		
Chamber of Commerce, Solano EDC	\$15,700	
<i>Implement Initiative: Business Retention Program organization and kick-off, Create Competitiveness Plan, Business Attraction - inventory, marketing, prospect lists, campaign</i>		\$125,000
2.0 Downtown & Tourism		
Existing Budget-Main Street, Wolf, Bid, Sunset Weekend	\$190,000	
<i>Implement Initiative:</i>		
<i>Tourism Annual Work Plan facilitated work sessions</i>		\$15,000
<i>Business Attraction, coordinate with Commercial Center effort.</i>		\$15,000
3.0 Commercial Centers		
Solano SBDC	\$3,000	
<i>Implement Initiative: 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 & 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
	TOTAL BUDGET 2011-12	\$502,700

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 BIP Sustainability Management Program to VIP/GNSC for funding. Estimate Sustainability Management Assessment & Report cost, \$1500-\$3500 depending on size of company. Target 50 businesses.	\$125,000
Sustainability Grant Fund – 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 decision 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 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"> • Capital improvements – infrastructure • Streamline Permitting Process • Sustainability Management Program • Plans for Benicia Industrial Park needs • Business Resource and Incentive Program • BID Feasibility • Organization Support
Private Investment	<ul style="list-style-type: none"> • Business, property or equipment investment • Leverage of organizations funding
Business Outreach	<ul style="list-style-type: none"> • Number of Businesses Visited – BRE Program • Number of Businesses Participating in the Sustainability Management Program • Number of New Business Visits • Target niches filled (Retail)
Real Estate	<ul style="list-style-type: none"> • Inventory – Industrial, Commercial & Retail • Square Footage • Occupancy Rates • Lease & Sales Rate (compared to previous year)
Economic Vitality	<ul style="list-style-type: none"> • New Locations / Closures • Business Expansion / Retention • Full and part time jobs (net) for each employment center • Sales growth • Business Inquiries
Promotion / Marketing	<ul style="list-style-type: none"> • Develop website, website counts • Marketing Materials complete • Event counts

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"> Implementation of Benicia Business Development Action Plan
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

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

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.



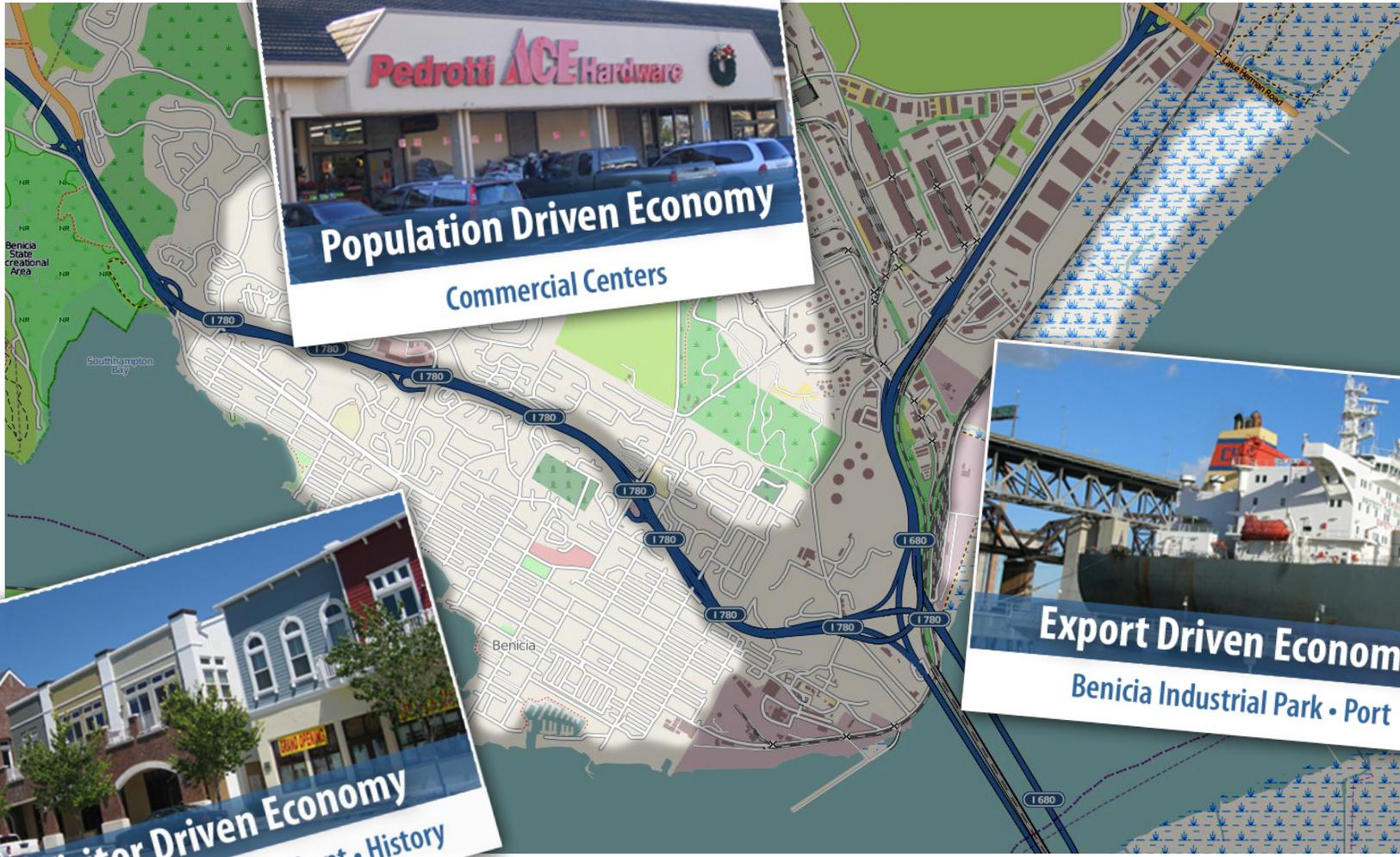
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Population Driven Economy
Commercial Centers

Visitor Driven Economy
Downtown • Arts • Waterfront • History

Export Driven Economy
Benicia Industrial Park • Port

Prepared by Sarah Murley
Applied Economics / Chabin Concepts

Economic Indicators Report 2005 – Current
Benicia, California August 2011

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Introduction

The economic indicators report is intended to provide a look at how the City of Benicia's economy has performed over the past five to six years. It includes nine topic areas—population, labor force, income, economy, taxable sales, construction activity, assessed value, municipal revenues and quality of life. For each topic area, trends in the City of Benicia are compared to Solano County and the State of California over the 2005 to 2011 period. Growth rates and per capita measures are used to allow for direct comparisons to these larger geographies. The objective is to identify areas in which the City has made measurable improvements, as well as areas where there may be red flags. Although the recent recession has resulted in downward trends in many economic indicators, this report allows the city to determine if it has generally fared better or worse than the region and the state.

The following key trends emerge from the economic indicators report.

- ▶ Benicia is a very stable community both economically and demographically. The City has a slightly older resident base than the state and the region and has experienced limited growth over the past five years.
- ▶ The city has a well educated labor force and been able to maintain much lower unemployment rates than the state despite the recession.
- ▶ Per capita and household income levels are well above state averages, consistent with the more educated populace in Benicia
- ▶ The local business base reflects a very strong manufacturing base that has continued to grow despite the economic downturn.

- ▶ While Benicia has a relative small retail base, taxable sales have remained strong due to the large proportion of non-retail business-to-business sales.
- ▶ Local tax collections have remained fairly stable over the past six years. The modest declines in total governmental revenues have been primarily due to non-tax sources. Per capita revenues have declined less than 2 percent since their peak in 2008.

Quality of life indicators reflect low crime rates and above average educational achievement.



Population

Benicia's had almost no net population growth since 2005 with an average annual growth rate of 0.1 percent.

By comparison, the state average growth rate over this time period has been about 0.8 percent per year and the county average was 0.3 percent.

Benicia's population is slightly older than the state and county averages with 12.5 percent of the population over 65, compared to 11.3 percent countywide.

There are also fewer children under 18 in Benicia, 23.4 percent versus 24.6 percent countywide.

Public school enrollment has declined by about 307 students since 2005, although it appears that a higher percentage of children in Benicia attend public schools than in the county as a whole.

Figure 1 – Population Growth, 2005-2011

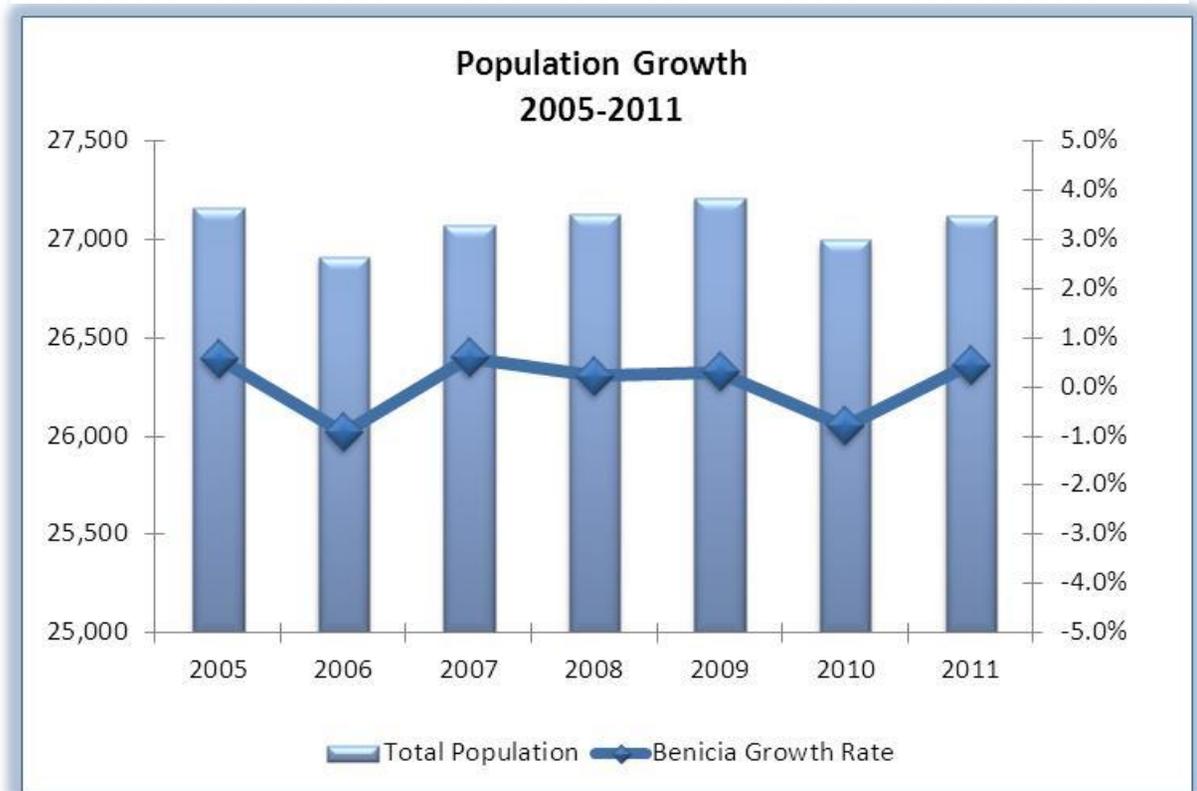


Table 1 – Population Comparison 2005-2011

Population Comparison, 2005-2011							
	2005	2006	2007	2008	2009	2010	2011
Total Population							
City of Benicia	27,163	26,909	27,068	27,130	27,212	26,997	27,118
Solano County	405,323	404,923	404,485	404,838	405,670	413,344	414,509
State of California	35,770,688	35,947,461	36,185,908	36,538,008	36,887,615	37,253,956	37,510,766
Annual Growth Rate							
City of Benicia	0.6%	-0.9%	0.6%	0.2%	0.3%	-0.8%	0.4%
Solano County	-0.4%	-0.1%	-0.1%	0.1%	0.2%	1.9%	0.3%
State of California	0.7%	0.5%	0.7%	1.0%	1.0%	1.0%	0.7%
Population by Age							
Population Under 18							
City of Benicia							
Number	6,319	6,311	6,400	6,549	6,704	6,317	na
Share	23.3%	23.5%	23.6%	24.1%	24.6%	23.4%	
Solano County							
Number	108,342	107,016	105,527	103,583	102,344	101,535	na
Share	25.3%	25.0%	26.3%	25.6%	25.2%	24.6%	
State of California							
Number	9,701,862	9,532,614	9,383,924	9,364,530	9,435,682	9,295,040	na
Share	27.1%	26.5%	25.9%	25.6%	25.6%	25.0%	
Population Over 64							
City of Benicia							
Number	3,264	3,303	3,392	3,399	3,409	3,367	na
Share	12.0%	12.3%	12.5%	12.5%	12.5%	12.5%	
Solano County							
Number	42,016	42,859	43,857	45,436	46,804	46,847	na
Share	11.3%	11.4%	11.6%	11.2%	11.5%	11.3%	
State of California							
Number	3,868,574	3,931,514	4,003,593	4,114,496	4,148,055	4,246,514	na
Share	10.8%	10.9%	11.1%	11.3%	11.2%	11.4%	

Sources:

California Department of Finance; U.S. Census Bureau; California Department of Social Services, Annual Recipient Report.

*Includes CALWorks, Nonassistance Food Stamps, Welfare to Work, Refugee Cash Assistance, Cash Assistance for Immigrants.

Table 2 – Population Comparison, 2005-2011 (continued)

Population Comparison, 2005-2011							
	2005	2006	2007	2008	2009	2010	2011
School Enrollment							
School Enrollment							
Benicia Unified	5,283	5,130	5,020	5,015	4,959	4,993	4,976
Solano County	71,489	70,424	69,048	68,267	67,117	65,674	64,495
State of California	6,322,141	6,312,436	6,286,943	6,275,469	6,252,029	6,189,908	6,217,113
Annual Growth Rate							
Benicia Unified	-1.5%	-2.9%	-2.1%	-0.1%	-1.1%	0.7%	-0.3%
Solano County	-0.3%	-1.5%	-2.0%	-1.1%	-1.7%	-2.1%	-1.8%
State of California	0.4%	-0.2%	-0.4%	-0.2%	-0.4%	-1.0%	0.4%
Welfare Recipients							
Number of Welfare Recipients*							
Solano County	13,917	12,809	14,162	17,001	20,814	22,738	na
State of California	1,548,167	1,572,135	1,728,353	1,906,546	2,207,547	2,431,569	na
Annual Change							
Solano County	0.0%	-8.0%	10.6%	20.0%	22.4%	9.2%	na
State of California	-5.9%	1.5%	9.9%	10.3%	15.8%	10.1%	na

Sources:

California Department of Finance; U.S. Census Bureau; California Department of Social Services, Annual Recipient Report.

*Includes CALWorks, Nonassistance Food Stamps, Welfare to Work, Refugee Cash Assistance, Cash Assistance for Immigrants.



Quality of Life

Quality of life is an important measure of the overall economic and social health of a community.

Crime rates in Benicia are significantly lower than the county as a whole.

SAT Scores are an important indicator of the education quality. Scores in Benicia have increased slightly over time and are about 11% higher than the county average.

Housing prices declined steadily throughout the period from \$579,500 in 2005 to \$295,000 in 2011. Prices have dropped 49% in Benicia, compared to 58% in the county and 46% statewide as of June 2011.

Despite the drop, home prices in Benicia are still 54% higher than the county average.

Figure 2 – Median Existing Home Price Comparison, 2005-2011

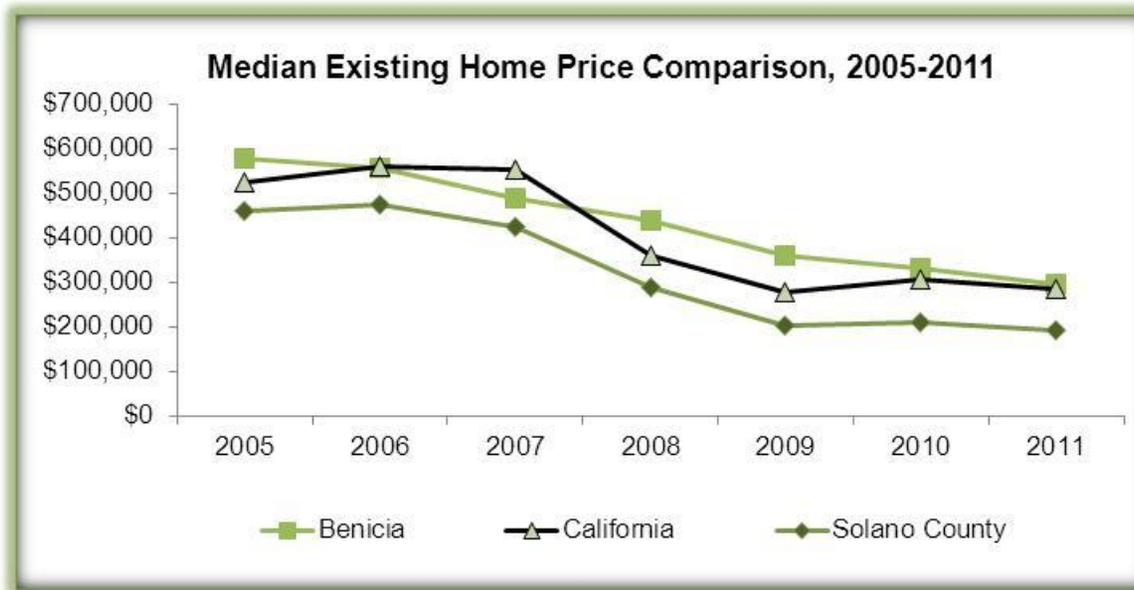


Table 3 – Quality of Life, 2005-2011

Quality of Life	2005	2006	2007	2008	2009	2010	2011
Crime Rates							
<i>Total Crimes (violent + property) per 100,000 Population</i>							
City of Benicia	1,538.5	1,363.2	1,422.8	1,521.4	1,274.2	na	na
Solano County	1,718.3	2,543.2	2,600.7	2,732.9	2,495.4	na	na
State of California	2,497.5	2,442.1	2,340.8	2,235.1	2,025.7	na	na
<i>Annual Change:</i>							
City of Benicia	6.3%	-11.4%	4.4%	6.9%	-16.2%	na	na
Solano County	-19.5%	48.0%	2.3%	5.1%	-8.7%	na	na
State of California	-0.9%	-2.2%	-4.1%	-4.5%	-9.4%	na	na
SAT Scores*							
Benicia Unified	1,085	1,640	1,612	1,663	1,652	na	na
Solano County	1,000	1,488	1,465	1,482	1,489	na	na
State of California	1,020	1,506	1,497	1,500	1,502	1,517	na
<i>Benicia Percent of State</i>	106%	109%	108%	111%	110%		
Median Single Family Existing Housing Prices							
City of Benicia	\$579,500	\$555,170	\$490,000	\$438,500	\$360,000	\$331,500	\$295,000
Solano County	\$459,475	\$475,755	\$424,803	\$287,629	\$205,017	\$211,327	\$191,367
State of California	\$525,960	\$560,641	\$554,450	\$360,790	\$276,700	\$305,100	\$286,415
<i>Annual Growth Rate:</i>							
City of Benicia	na	-4.2%	-11.7%	-10.5%	-17.9%	-7.9%	-11.0%
Solano County	21.4%	3.5%	-10.7%	-32.3%	-28.7%	3.1%	-9.4%
State of California	16.6%	6.6%	-1.1%	-34.9%	-23.3%	10.3%	-6.1%
Median Single Family Existing Housing Prices							
<i>Average Commute Time in Minutes</i>							
City of Benicia	30	30	30	30	30	na	na
Solano County	29	29	30	30	30	na	na
State of California	27	27	27	27	27	na	na
Sources:							
Federal Bureau of Investigation; California Department of Justice; California Department of Education; California Association of Realtors; DQ News; American Community Survey.							
Note:							
SAT Test changed to SAT I in 2006. Scores in previous years are not comparable to 2006 forward. Total possible score in 2000 thru 2005 is 1600. Total possible score in 2006 and 2007 is 2400.							



Median Income

The most valid available measure of increased prosperity at the local level is per capita income.

Per capita income levels increased 4 percent in Benicia from 2005 to 2011, compared to 12 percent statewide and 13 percent in Solano County.

However, per capita income locally is about 27 percent above the state average for 2011.

During the same period, median household income increased by about 10 percent in Benicia, although the annual growth rate fluctuated significantly.

The overall growth in household income is slightly below the state's 12 percent growth rate.

Mean household income is about 14 percent above state levels and 25 percent above the county average.

Figure 3 – Benicia Income Comparison, 2005-2011

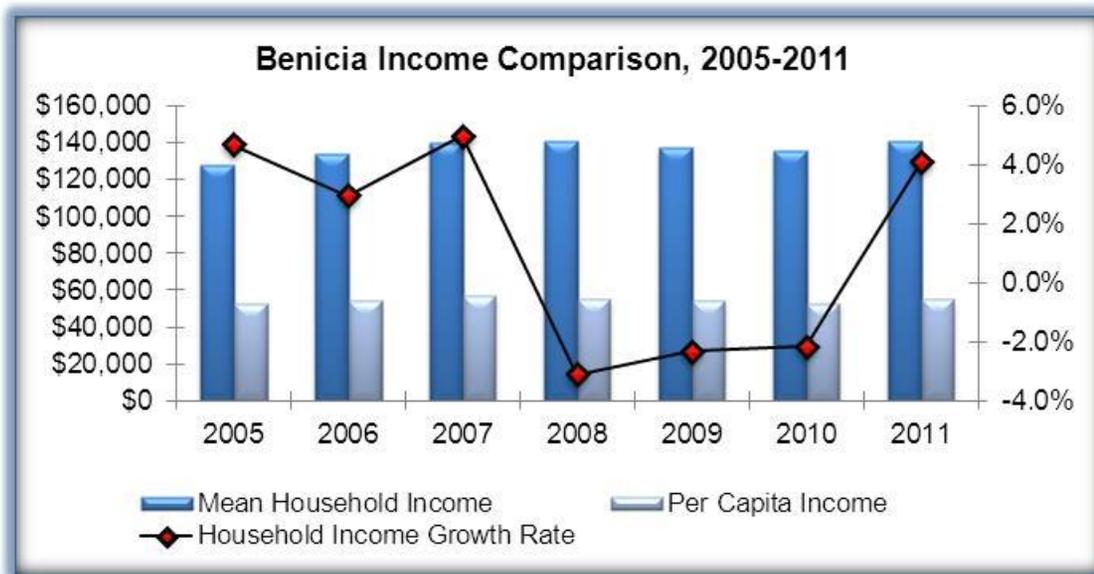


Table 4 – Income Comparison, 2005-2011

Income Comparison, 2005-2011							
	2005	2006	2007	2008	2009	2010	2011
HUD Median Family Income							
Solano County	\$73,900	\$74,000	\$75,400	\$74,300	\$79,400	\$79,200	\$81,500
State of California	\$62,500	\$64,100	\$65,000	\$67,800	\$70,400	\$71,000	\$70,400
Annual Growth Rate:							
Solano County	0.0%	0.1%	1.9%	-1.5%	6.9%	-0.3%	2.9%
State of California	0.0%	2.6%	1.4%	4.3%	3.8%	0.9%	-0.8%
Per Capita Income (current \$)							
City of Benicia	\$52,904	\$54,458	\$57,160	\$55,377	\$54,091	\$52,920	\$55,086
Solano County	\$34,691	\$36,623	\$38,440	\$39,442	\$38,526	\$37,692	\$39,235
State of California	\$38,767	\$41,567	\$43,402	\$43,852	\$42,324	\$41,769	\$43,496
Annual Growth Rate:							
City of Benicia	4.7%	2.9%	5.0%	-3.1%	-2.3%	-2.2%	4.1%
Solano County	4.7%	5.6%	5.0%	2.6%	-2.3%	-2.2%	4.1%
State of California	5.0%	7.2%	4.4%	1.0%	-3.5%	-1.3%	4.1%
Mean Household Income (current \$)							
City of Benicia	\$128,129	\$134,359	\$140,529	\$140,936	\$137,488	\$135,454	\$140,796
Solano County	\$99,945	\$105,132	\$109,960	\$112,479	\$109,727	\$108,104	\$112,367
State of California	\$110,534	\$118,152	\$123,127	\$124,005	\$119,435	\$118,762	\$123,558
Annual Growth Rate:							
City of Benicia	4.4%	4.9%	4.6%	0.3%	-2.4%	-1.5%	3.9%
Solano County	4.4%	5.2%	4.6%	2.3%	-2.4%	-1.5%	3.9%
State of California	4.7%	6.9%	4.2%	0.7%	-3.7%	-0.6%	4.0%

Sources:

U.S. Department of Commerce, Housing and Urban Development, 2011; Woods & Poole Economics, 2011.

Labor Force and Unemployment

Benicia's unemployment rate has remained significantly below state and county averages during the recent recession, with a current rate of 7.3% versus the state rate of 12.1%.

Benicia has historically been about 2% below the metro area and state averages.

The resident labor force in Benicia decreased in size by about 300 people from 2005 to 2011, compared to a loss in population of only about 45 people.

The city has been flat in terms of workforce and population growth over the past seven years.

Labor force participation by population over 18 is about 81%, which is significantly above the state average of 65%.

Figure 4 – Labor Force and Unemployment Trends, 2005-2011

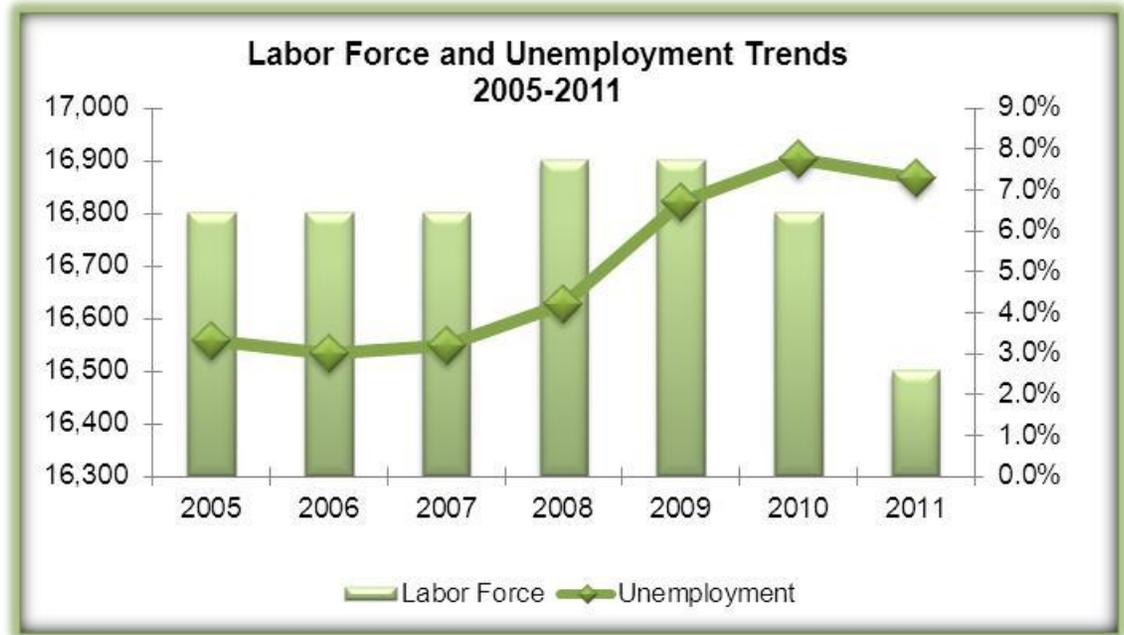


Table 5 – Labor Force Comparison, 2005-2011

Labor Force Comparison, 2005-2011							
	2005	2006	2007	2008	2009	2010	2011
Total Labor Force							
City of Benicia	16,800	16,800	16,800	16,900	16,900	16,800	16,500
Solano County	208,900	208,400	208,600	211,200	214,500	215,000	211,200
State of California	17,544,800	17,686,700	17,928,700	18,191,000	18,204,200	18,176,200	18,043,300
Annual Growth Rate							
City of Benicia	1.2%	0.0%	0.0%	0.6%	0.0%	-0.6%	-1.8%
Solano County	0.9%	-0.2%	0.1%	1.2%	1.6%	0.2%	-1.8%
State of California	0.6%	0.8%	1.4%	1.5%	0.1%	-0.2%	-0.7%
Employed Persons and Unemployment							
Employed Persons							
City of Benicia	16,200	16,300	16,200	16,200	15,700	15,500	15,300
Solano County	197,600	198,200	197,600	196,800	191,700	189,100	186,000
State of California	16,592,200	16,821,300	16,970,200	16,883,400	16,141,500	15,916,300	15,866,883
Employment Growth							
City of Benicia	1.3%	0.6%	-0.6%	0.0%	-3.1%	-1.3%	-1.3%
Solano County	1.3%	0.3%	-0.3%	-0.4%	-2.6%	-1.4%	-1.6%
State of California	1.5%	1.4%	0.9%	-0.5%	-4.4%	-1.4%	-0.3%
Unemployment Rate							
City of Benicia	3.3%	3.0%	3.2%	4.2%	6.7%	7.7%	7.3%
Solano County	5.4%	4.9%	5.3%	6.8%	10.6%	12.0%	11.9%
State of California	5.4%	4.9%	5.3%	7.2%	11.3%	12.4%	12.1%
Educational Attainment (population 25 and over)							
Percent HS Graduates							
City of Benicia	96%	96%	95%	95%	93%	na	na
Solano County	85%	85%	85%	85%	85%	na	na
State of California	80%	80%	80%	80%	81%	na	na
Percent College Graduates							
City of Benicia	47%	47%	43%	43%	40%	na	na
Solano County	22%	22%	23%	23%	24%	na	na
State of California	29%	29%	29%	29%	30%	na	na

Sources:

Bureau of Labor Statistics, 2011; California Employment Development Department. 2011 reflects data through June; American Community Survey 2005-2009 data.

Economy

Benicia's industry mix reflects an above average share of employment in construction (15% vs 6%), a significantly higher share of manufacturing (19% vs 10%), but significantly smaller share of retail and services employment (40% vs. 60%) than the State as a whole.

Benicia has a strong manufacturing base that supports basic industry jobs in the city. Basic industries, those that bring in wealth from outside the area, make up approximately 19% of Benicia's employment base, up from 16% in 2005.

This growth is mainly due to growth in manufacturing employment, despite declines in many manufacturing industries nationally over this time period.

About 99 percent of the net job growth in Benicia since 2005 has been in construction and manufacturing.

Basic industry is very important in terms of economic stability. While there are a number of large manufacturing employers, the city is dominated by small businesses with about 86% of firms having less than 10 employees.

Figure 5 – Distribution of Employment by Industry, 2010

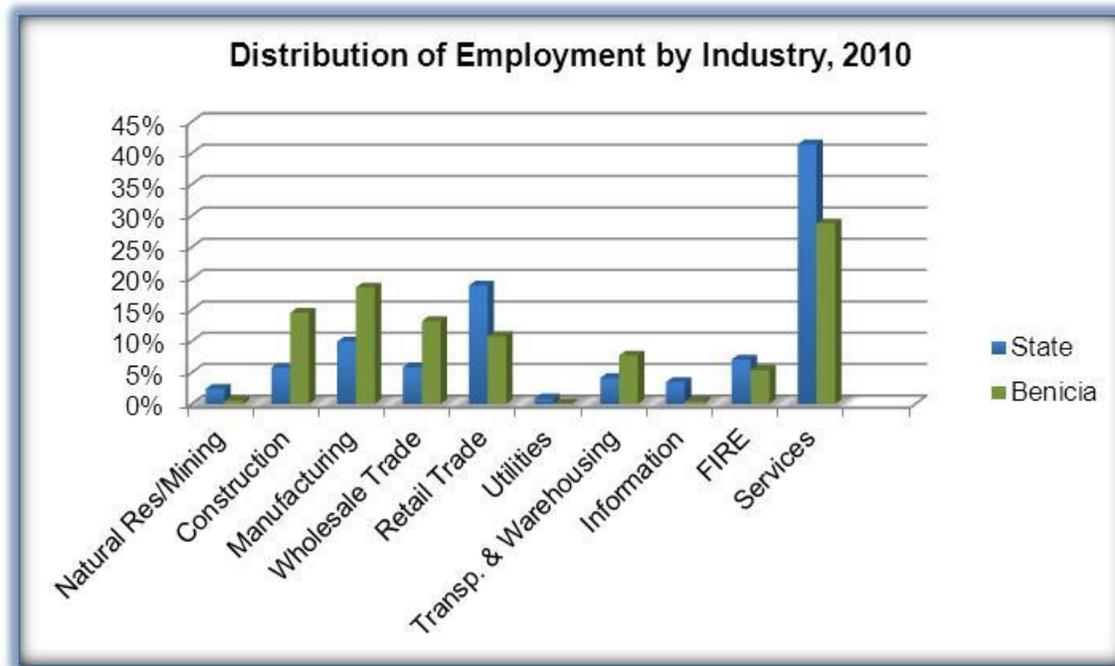


Table 6 – Economy Comparison, 2005-2010

Economy Comparison, 2005-2010						
	2005	2006	2007	2008	2009	2010
Employment by SIC Group						
<i>Number of Employees</i>						
Total	12,196	11,929	12,679	12,544	13,042	13,225
Agriculture	66	67	74	73	65	65
Mining	8	19	19	19	19	1
Utilities	8	9	10	9	10	9
Construction	2,170	1,705	2,029	2,005	2,116	1,922
Manufacturing	1,839	1,928	2,056	2,136	2,040	2,459
Wholesale Trade	1,346	1,472	1,321	1,387	1,668	1,748
Retail Trade	1,555	1,586	1,552	1,509	1,428	1,430
Transportation & Warehousing	1,038	1,132	1,345	1,176	1,127	1,019
Information	60	57	66	66	59	56
Finance, Insurance & Real Estate	481	457	535	604	639	713
Services	3,625	3,497	3,672	3,560	3,871	3,803
Basic Industry Share**	16%	17%	17%	18%	16%	19%
Establishments by Size						
<i>Number of Establishments</i>						
Total	1,582	1,532	1,627	1,819	1,864	1,782
1 to 4	1,146	1,078	1,138	1,330	1,360	1,307
5 to 9	194	204	221	230	232	222
10 to 24	137	148	160	154	153	139
25 to 49	59	54	58	58	62	58
50 to 99	23	27	29	27	33	35
100 to 249	18	18	18	18	21	18
250 to 499	4	2	2	1	2	2
500 or more	1	1	1	1	1	1
Share of Establishments < 10 emps	84.7%	83.7%	83.5%	85.8%	85.4%	85.8%
Sources:						
Dun & Bradstreet Marketplace; California Board of Equalization.						
** Basic sectors include agriculture, mining, and manufacturing.						



Table 7 – Economy Comparison, 2005-2010 (continued)

Economy Comparison, 2005-2010						
	2005	2006	2007	2008	2009	2010
Taxable Sales						
<i>Taxable Sales Per Capita</i>						
City of Benicia	\$15,711	\$18,996	\$19,675	\$20,659	\$20,487	na
Solano County	\$14,895	\$15,937	\$15,521	\$14,901	\$12,869	na
State of California	\$15,010	\$15,569	\$15,505	\$14,551	\$12,375	na
<i>Taxable Sales by Category</i>						
City of Benicia (\$000)						
Total	\$426,766	\$511,162	\$532,557	\$560,466	\$557,499	na
Retail and Food Services	\$216,863	\$229,966	\$222,109	\$199,719	\$171,468	na
All Other Outlets	\$209,903	\$281,196	\$310,448	\$360,747	\$386,031	na
<i>Share of Non-Retail Collections</i>	49.2%	55.0%	58.3%	64.4%	69.2%	na
Innovation and Business Formation						
<i>Patents Issued per 1,000 Workers</i>						
City of Benicia	1.36	2.70	2.04	1.73	2.68	4.13
Solano County	na	na	na	na	na	na
State of California	1.63	1.62	1.60	1.61	1.69	1.74
<i>Share of Establishments in Business for Less than One Year</i>						
City of Benicia	4.9%	9.2%	8.4%	10.9%	5.7%	8.9%
Solano County	5.4%	10.1%	9.1%	14.2%	9.3%	6.1%
State of California	4.6%	9.4%	8.7%	11.0%	7.1%	7.2%

Sources:

Dun & Bradstreet Marketplace; California Board of Equalization.

** Basic sectors include agriculture, mining, and manufacturing.



Construction

Since 2005 397 new housing units were built in Benicia, with 247 of those occurring in 2005. Since that time, permitting activity has continued to decrease with less than 20 new units per year in 2008 to 2010.

Similar declines in residential activity have occurred throughout the state as housing prices dropped.

The total value of permits in Benicia has also declined since 2005, both in terms of residential and nonresidential activity.

Residential permits represent an average of 88 percent of the total value. Nonresidential permit values have been variable from year to year, but activity in 2009 and 2010 has been well below previous years.



Figure 6 – Construction Activity, 2005-2010

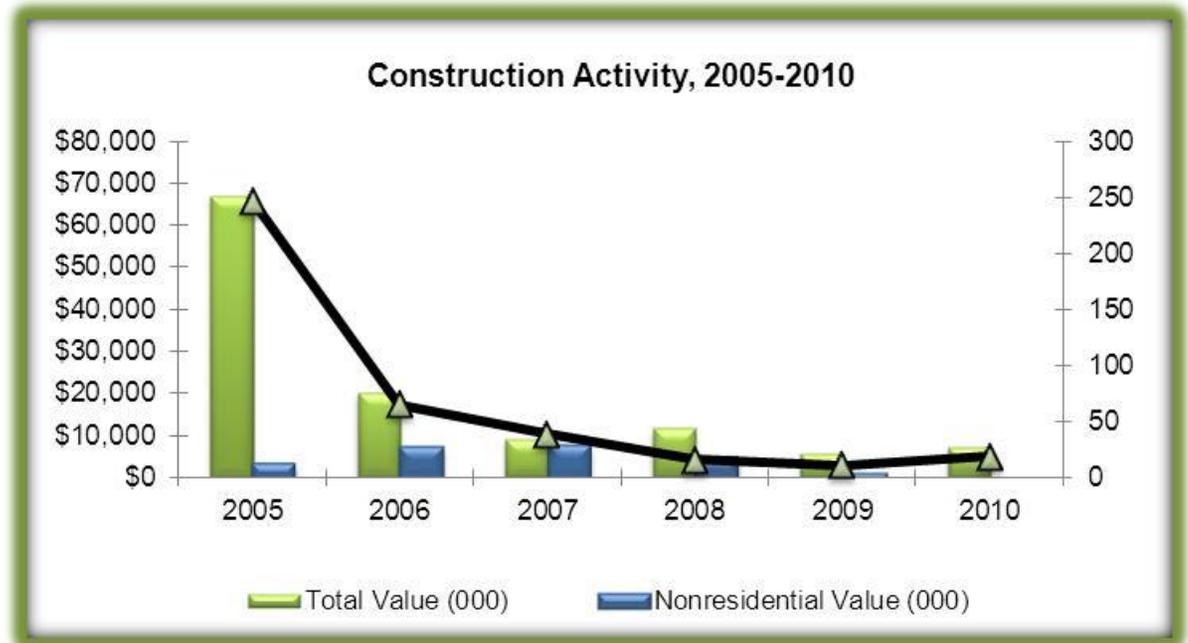


Table 8 – Construction Comparison, 2005-2010

Construction Comparison						
	2005	2006	2007	2008	2009	2010
Total New Building Permit Value						
<i>Value (000):</i>						
City of Benicia	\$66,747	\$20,072	\$9,000	\$11,575	\$5,679	\$7,136
Solano County	\$841,738	\$535,304	\$368,445	\$231,016	\$181,965	\$135,982
New Residential Permits and Value						
<i>New Housing Units:</i>						
City of Benicia	247	65	39	16	11	19
Solano County	2,553	1,300	973	562	559	441
State of California	205,020	160,502	110,073	62,681	35,069	43,716
<i>Value (000):</i>						
City of Benicia	\$64,794	\$16,729	\$7,690	\$5,545	\$3,941	\$6,559
Solano County	\$492,308	\$284,205	\$214,511	\$104,195	\$124,971	\$100,400
State of California	\$38,369,737	\$29,614,392	\$21,335,308	\$12,301,095	\$7,758,484	\$9,120,591
New Nonresidential Permit Value						
<i>New Comm/Ind Value (000):</i>						
City of Benicia	\$2,880	\$6,795	\$7,241	\$4,703	\$850	\$0
Solano County	\$311,779	\$101,422	\$75,476	\$103,258	\$43,613	\$21,400
<i>Other New Nonresidential Value (000):</i>						
City of Benicia	\$1,954	\$3,343	\$1,310	\$6,031	\$1,739	\$577
Solano County	\$37,651	\$149,677	\$78,459	\$23,564	\$13,381	\$14,183
Sources:						
Construction Industry Research Board, 2011.						

Municipal Revenues

City revenues generally increased each year from 2005 to 2009 then flattened out in 2010.

The largest share of revenues are from local taxes which increased by 3% to 17% per year in 2005 thru 2008, but declined modestly recent years with the on-set of the recession.

However, the majority of declines in governmental fund revenues were from non-tax sources.

The largest source of local revenues is property tax, accounting for 48% of local taxes and 35% of all governmental revenues. Property taxes, which grew by 12% over the past 6 years, are typically much more stable than sales taxes, even in economic downturns.

Overall, local tax collections have increased 75% over the 6 year period. General fund revenues grew by 29% over the same period. Per capita general fund revenues increased only 16% indicating that revenue growth is still exceeding population growth.



Figure 7 – Total and Percapital Governmental Fund Revenues, 2005-1020

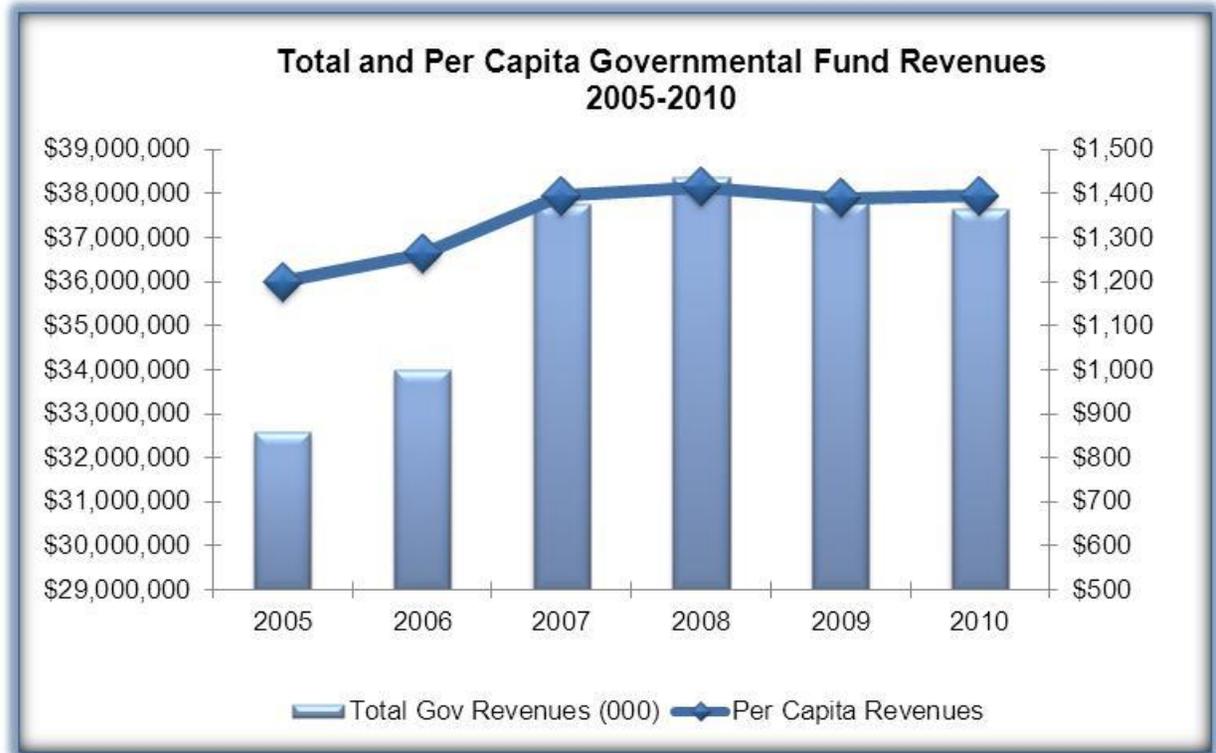


Table 9 – Municipal Revenues, 2005-2010

Municipal Revenues						
	2005	2006	2007	2008	2009	2010
Local Revenues						
General Property Tax						
City of Benicia	\$11,853,045	\$12,780,912	\$13,633,623	\$14,275,801	\$13,812,912	\$13,266,103
Annual Change	5.1%	7.8%	6.7%	4.7%	-3.2%	-4.0%
Sales Tax						
City of Benicia	\$4,890,592	\$5,974,307	\$6,986,922	\$7,514,258	\$7,688,775	\$7,196,964
Annual Change	2.8%	22.2%	16.9%	7.5%	2.3%	-6.4%
Utility User Tax						
City of Benicia	\$2,826,370	\$3,001,316	\$5,056,904	\$4,190,517	\$4,413,428	\$4,938,585
Annual Change	2.9%	6.2%	68.5%	-17.1%	5.3%	11.9%
Franchise Fees						
City of Benicia	\$0	\$0	\$0	\$1,589,752	\$1,851,511	\$1,292,872
Annual Change	na	na	na	na	16.5%	-30.2%
Other Taxes						
City of Benicia	\$1,702,584	\$985,088	\$1,032,343	\$2,390,562	\$2,598,979	\$2,067,433
Annual Change	-12.0%	-42.1%	4.8%	131.6%	8.7%	-20.5%
Total Local Tax Collections**						
City of Benicia	\$21,272,591	\$22,741,623	\$26,709,792	\$28,371,138	\$28,514,094	\$27,469,085
Annual Change	2.7%	6.9%	17.4%	6.2%	0.5%	-3.7%
General Fund Revenues						
Total Governmental Fund Revenues						
City of Benicia	\$32,581,961	\$34,002,582	\$37,743,667	\$38,387,125	\$37,811,276	\$37,654,609
Annual Change	13.7%	4.4%	11.0%	1.7%	-1.5%	-0.4%
Governmental Fund Revenues per Capita						
City of Benicia	\$1,199	\$1,264	\$1,394	\$1,415	\$1,390	\$1,395
Annual Change	13.1%	5.3%	10.4%	1.5%	-1.8%	0.4%
Sources:						
City of Benicia Annual Budgets and Consolidated Annual Financial Reports.						

Assessed Value

Total assessed value in Benicia increased by 27 percent from 2005 to 2009, then dropped by 5 percent in 2010.

Residential property value increased by 31 percent despite drops in 2010, while commercial/industrial value increased only 10 percent.

Values in Benicia grew more slowly than the statewide average of 40 percent over the 6 year period due to the lack of construction activity. However, per capita residential assessed value in Benicia grew 31 percent, which is well above county overall losses of 4 percent.

Commercial/industrial assessed value per employee has increased modestly since 2005 showing 15 percent growth compared to 45 percent countywide.

Both assessed value per capita and per employee are 1.5 to 2 times county averages indicating high capital investment among local businesses and above average housing values.

Figure 8 – Assessed Value, 2005-2010

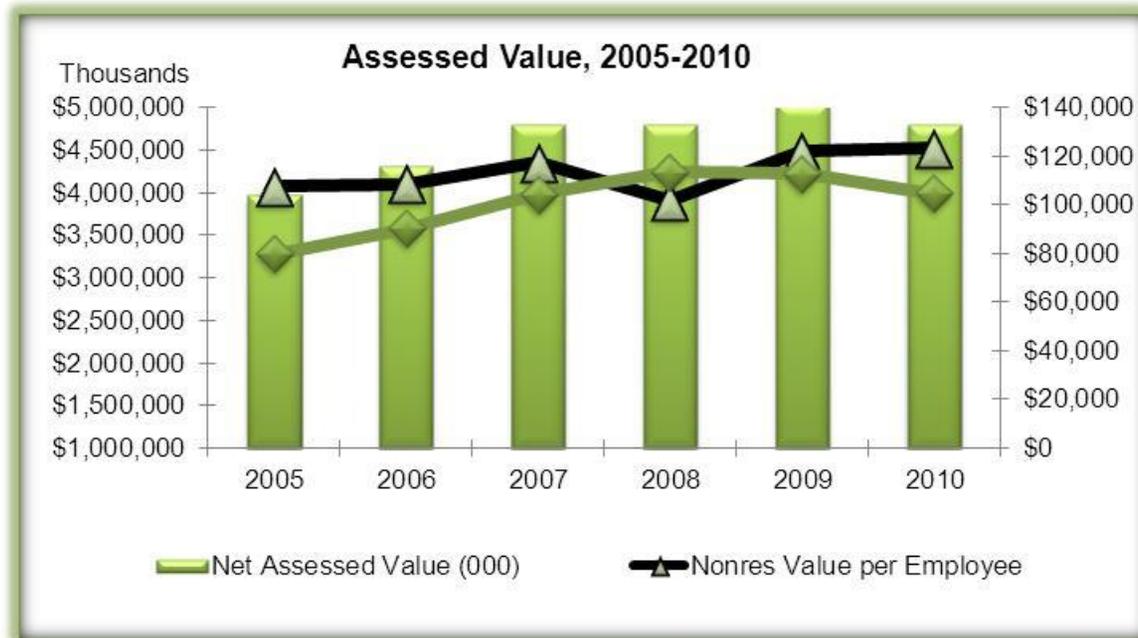


Table 10 – Assessed Value Comparison, 2005-2010

Assessed Value Comparison						
	2005	2006	2007	2008	2009	2010
Total Net Assessed Value (000)						
City of Benicia	\$3,976,464	\$4,313,837	\$4,807,895	\$4,806,963	\$5,053,001	\$4,806,780
Solano County	\$36,386,372	\$41,544,353	\$45,688,693	\$45,318,103	\$40,873,043	\$39,256,945
State of California	\$3,153,065,108	\$3,492,830,140	\$3,927,421,514	\$4,312,253,496	\$4,516,532,131	\$4,410,239,818
Growth Rate:						
City of Benicia	5.4%	8.5%	11.5%	0.0%	5.1%	-4.9%
Solano County	12.7%	14.2%	10.0%	-0.8%	-9.8%	-4.0%
State of California	8.1%	10.8%	12.4%	9.8%	4.7%	-2.4%
Residential Net Assessed Value (000)						
City of Benicia	\$2,165,142	\$2,426,739	\$2,823,114	\$3,082,711	\$3,068,157	\$2,828,919
Solano County	\$27,646,850	\$31,908,619	\$34,906,817	\$33,516,048	\$28,395,282	\$27,075,952
Per Capita:						
City of Benicia	\$79,709	\$90,183	\$104,297	\$113,627	\$112,750	\$104,786
Solano County	\$68,209	\$78,802	\$86,299	\$82,789	\$69,996	\$65,505
Commercial/Industrial Net Assessed Value (000)						
City of Benicia	\$1,741,665	\$1,770,459	\$1,901,762	\$1,646,078	\$1,914,424	\$1,910,236
Solano County	\$8,661,969	\$9,494,055	\$10,637,324	\$11,544,794	\$12,261,807	\$12,004,338
Per Employee:						
City of Benicia	\$107,510	\$108,617	\$117,393	\$101,610	\$121,938	\$123,241
Solano County	\$43,836	\$47,901	\$53,833	\$58,663	\$63,964	\$63,481
Sources: California Board of Equalization; Consolidated Annual Financial Reports for City of Benicia and Solano County, 2010.						



Taxable Sales

Taxable sales include both retail sales to consumers, and business-to-business sales by non-retail businesses.

Benicia is unique in that about 69 percent of total taxable sales come from **non-retail** businesses in Benicia's industrial base. By comparison, only 32 percent of taxable sales statewide are non-retail.

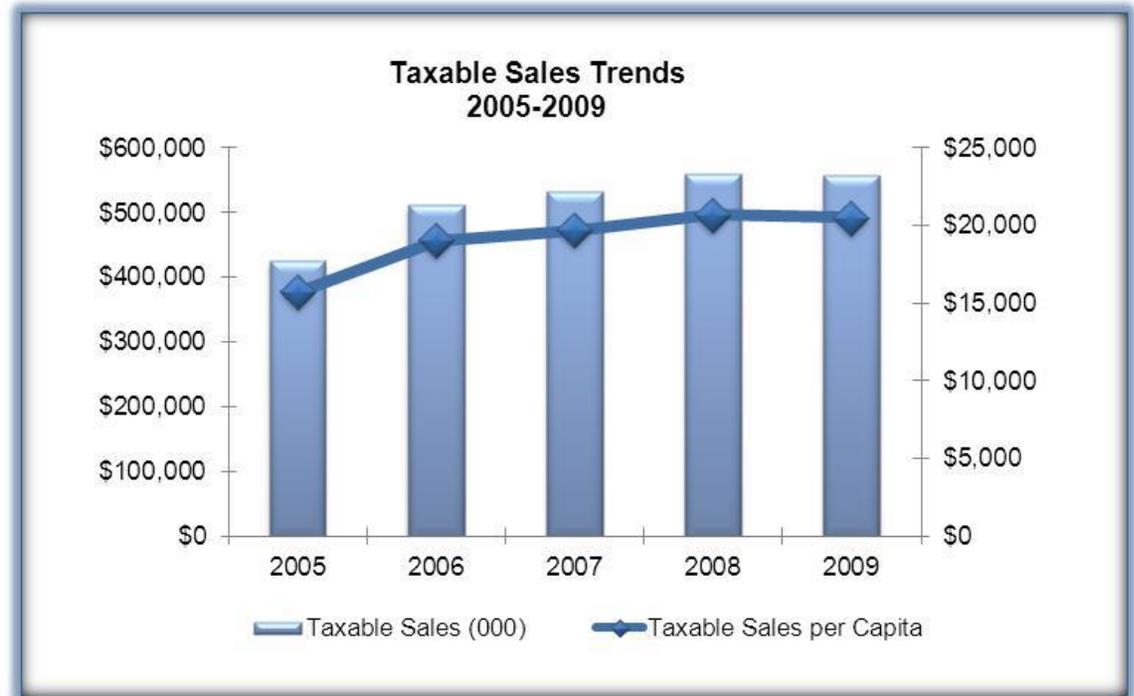
Despite a 21 percent decline in retail sales in the city over the past five years, total taxable sales grew by 31 percent.

Additionally, the level of taxable sales per capita in the city is about 66 percent greater than the statewide average and 59 percent greater than the county average.

The city's strong base of non-retail sales provides a strong non-cyclical tax base for the city.



Figure 9 – Taxable Sales Trends, 2005-2009





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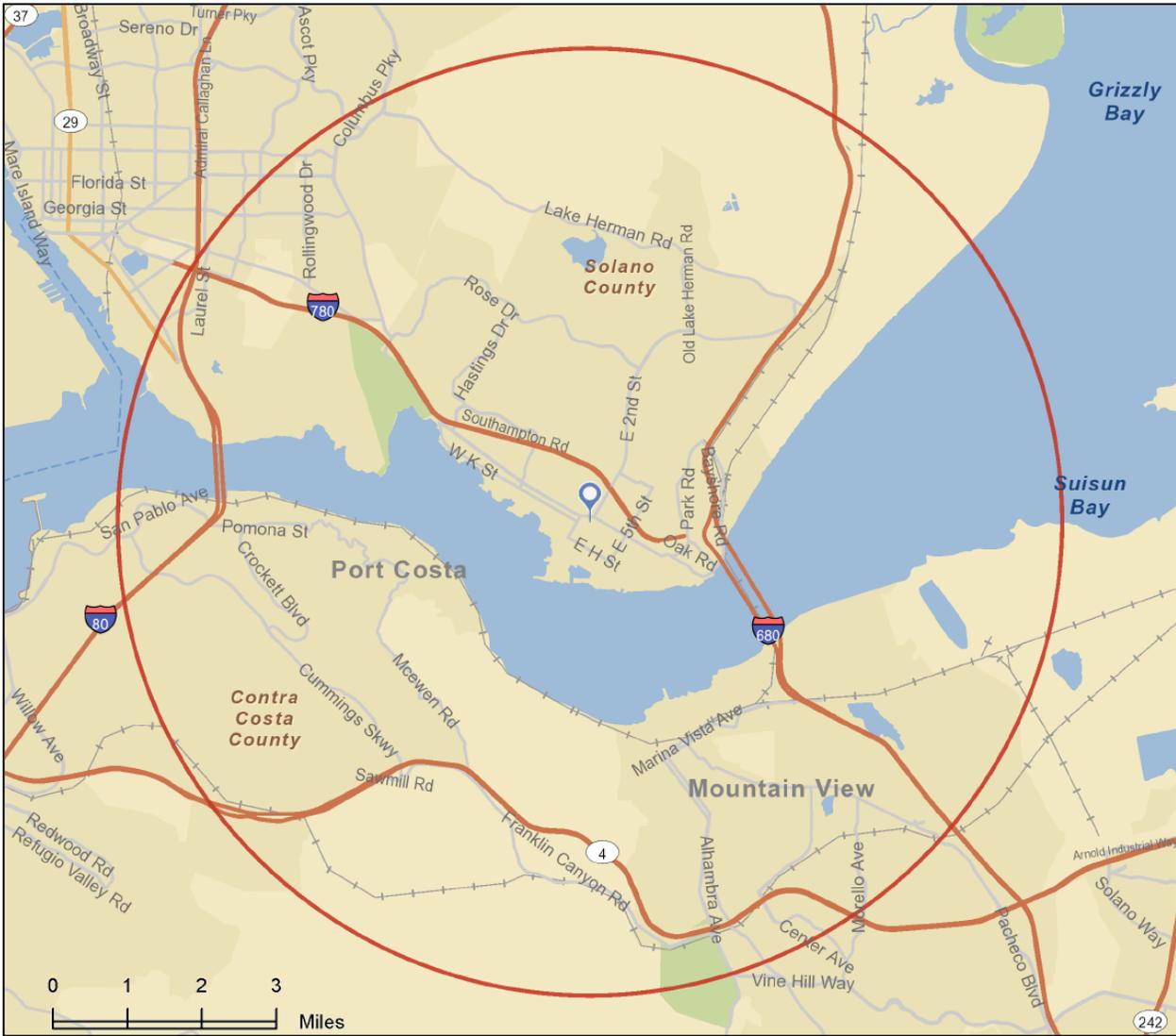
(602) 765-2400 | www.applieconomics.net



Retail Market Indicators Benicia, California July 2011

Prepared by Marketek
9220 SW Barbur Blvd
Portland, OR 97219
(503) 636-1659 | mary@marketekinc.com
www.marketekinc.com

**Benicia Retail Market Area:
5-Mile Radius from City Hall**

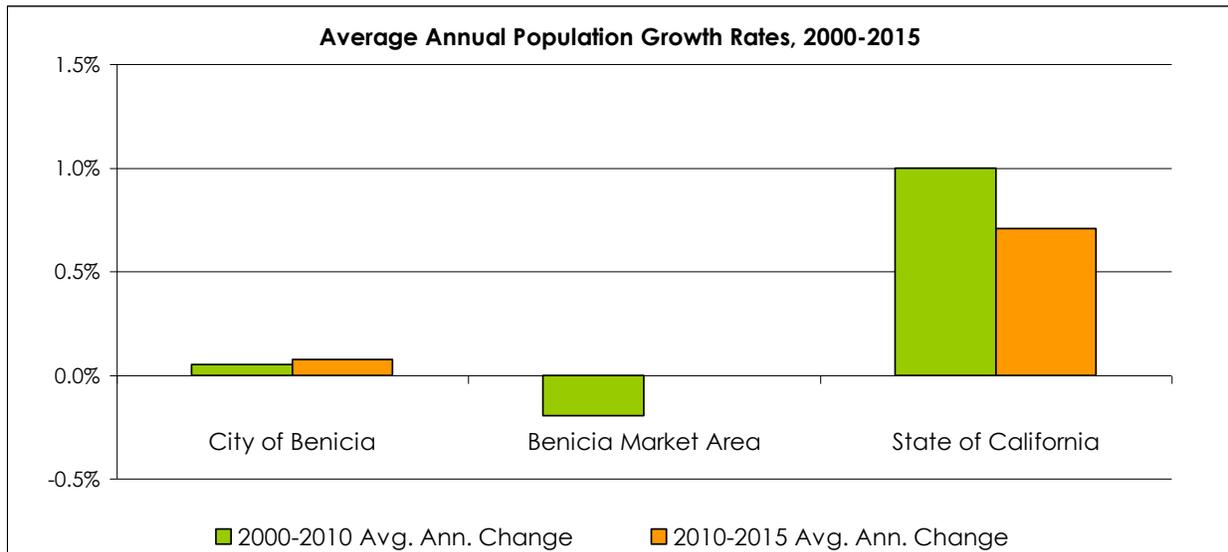


DEMOGRAPHIC & HOUSING SNAPSHOT City of Benicia, Benicia Market Area and State of California 2010			
Demographic Indicator	City of Benicia	Benicia Market Area	State of California
Population			
2010	26,997	87,555	37,253,956
2015 (forecast)	27,097	87,555	38,572,507
Avg. Ann. % Change ('00 to '10)	0.05%	-0.20%	1.00%
Avg. Ann. % Change ('10 to '15)	0.07%	0.00%	0.71%
Households			
2010	10,686	33,330	12,577,498
2015 (forecast)	10,705	33,330	12,975,769
Avg. Ann. % Change ('00 to '10)	0.35%	-0.02%	0.93%
Avg. Ann. % Change ('10 to '15)	0.04%	0.00%	0.63%
Average Household Size	2.59	2.62	2.93
Median Household Income	\$80,072	\$73,801	\$60,992
Median Age (Years)	41.4	39.5	34.4
Race			
Percent White Alone	72.5%	59.9%	57.6%
Percent Other Race/2+ Races	27.5%	40.1%	42.4%
Percent Hispanic	12.0%	17.0%	37.6%
Homeownership	63.2%	60.6%	52.0%
Educational Attainment			
Associate Degree	12.1%	10.8%	7.7%
Four Year Degree or More	39.6%	32.0%	29.9%

Source: ESRI BIS

Residents

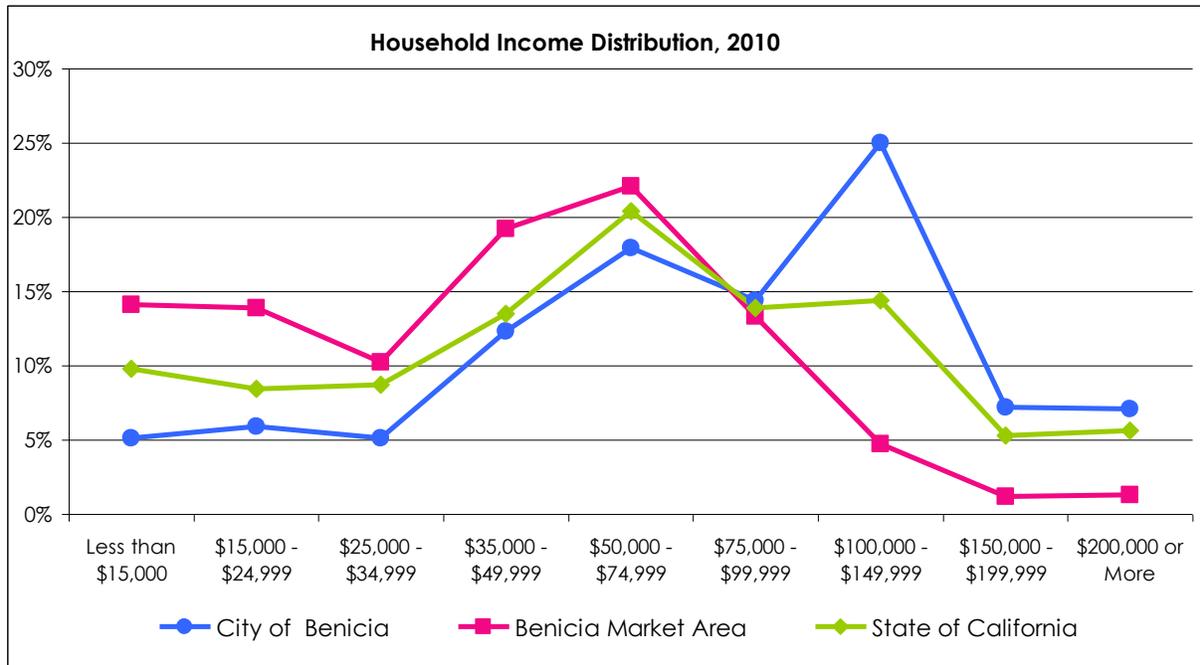
POPULATION & HOUSEHOLD GROWTH City of Benicia, Benicia Market Area and State of California 2000-2015							
Geographic Area	Avg. Ann. Change 2000-2010				Avg. Ann. Change 2010-2015		
	2000	2010	Number	Percent	2015 (Forecast)	Number	Percent
City of Benicia							
Population	26,865	26,997	13	0.05%	27,097	20	0.07%
Households	10,328	10,686	36	0.35%	10,705	4	0.04%
Avg. Household Size	2.60	2.59	-0.001		2.59	0.000	
Benicia Market Area							
Population	89,324	87,555	-177	-0.20%	87,555	0	0.00%
Households	33,399	33,330	-7	-0.02%	33,330	0	0.00%
Avg. Household Size	2.64	2.62	-0.002		2.62	0.000	
State of California							
Population	33,871,648	37,253,956	338,231	1.00%	38,572,507	263,710	0.71%
Households	11,502,870	12,577,498	107,463	0.93%	12,975,769	79,654	0.63%
Avg. Household Size	2.87	2.93	0.006		2.94	0.002	



Source: ESRI BIS

Residents

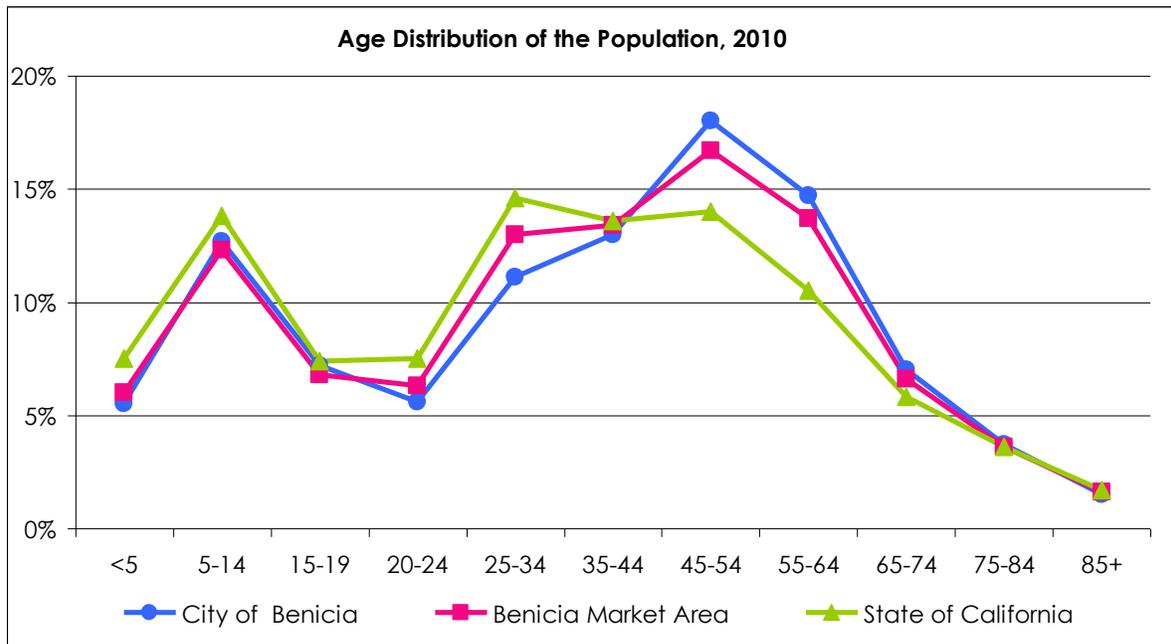
HOUSEHOLD INCOME City of Benicia, Benicia Market Area and State of California 2010			
Income	City of Benicia	Benicia Market Area	State of California
Less than \$15,000	5.1%	14.1%	9.8%
\$15,000 - \$24,999	5.9%	13.9%	8.4%
\$25,000 - \$34,999	5.1%	10.2%	8.7%
\$35,000 - \$49,999	12.3%	19.2%	13.5%
\$50,000 - \$74,999	17.9%	22.1%	20.4%
\$75,000 - \$99,999	14.4%	13.3%	13.9%
\$100,000 - \$149,999	25.0%	4.7%	14.4%
\$150,000 - \$199,999	7.2%	1.2%	5.3%
\$200,000 or More	7.1%	1.3%	5.6%
Total	10,686	33,330	12,577,498
Median Household Income	\$80,072	\$73,801	\$60,992



Source: ESRI BIS

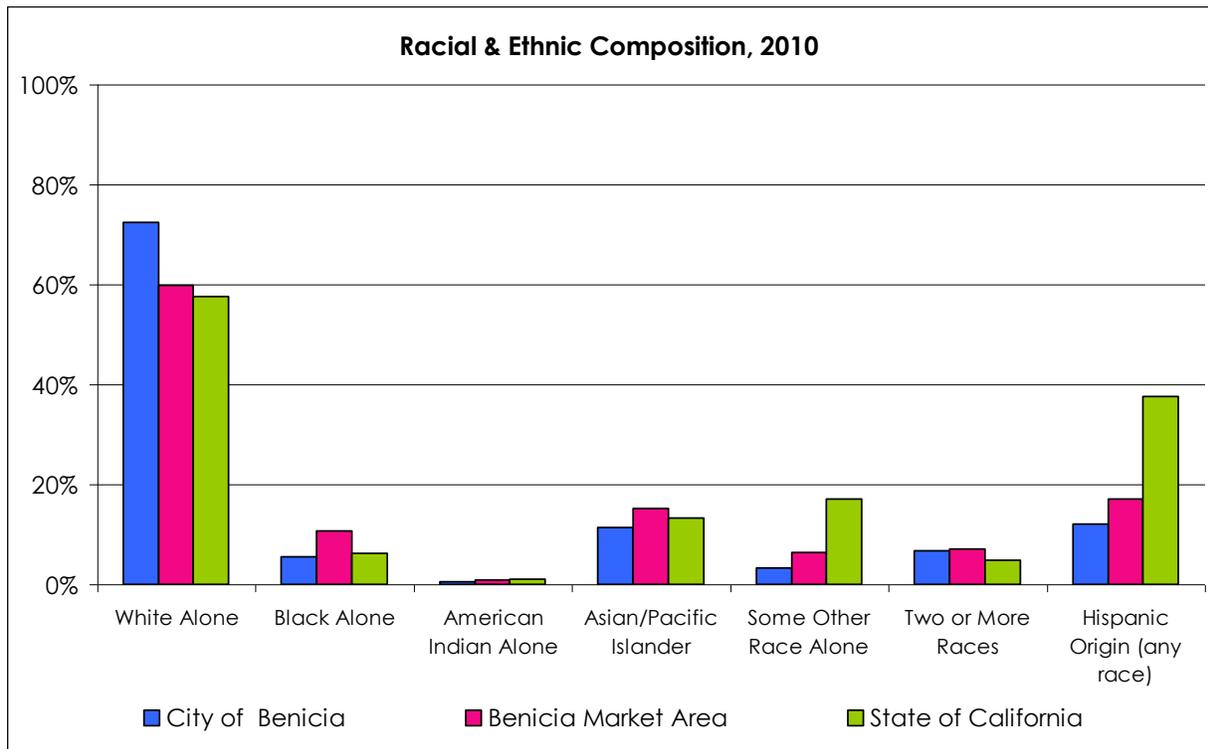
Residents

POPULATION BY AGE City of Benicia, Benicia Market Area and State of California 2010			
Age Category	City of Benicia	Benicia Market Area	State of California
<5	5.5%	6.0%	7.5%
5-14	12.7%	12.3%	13.8%
15-19	7.2%	6.8%	7.4%
20-24	5.6%	6.3%	7.5%
25-34	11.1%	13.0%	14.6%
35-44	13.0%	13.4%	13.6%
45-54	18.0%	16.7%	14.0%
55-64	14.7%	13.7%	10.5%
65-74	7.0%	6.6%	5.8%
75-84	3.7%	3.6%	3.6%
85+	1.5%	1.6%	1.7%
Total	26,997	87,555	37,253,956
Median Age	41.4	39.5	34.4



Source: ESRI BIS

RACIAL & ETHNIC COMPOSITION City of Benicia, Benicia Market Area and State of California 2010			
Race/Ethnicity	City of Benicia	Benicia Market Area	State of California
White Alone	72.5%	59.9%	57.6%
Black Alone	5.6%	10.7%	6.2%
American Indian Alone	0.5%	0.8%	1.0%
Asian/Pacific Islander	11.4%	15.2%	13.3%
Some Other Race Alone	3.3%	6.3%	17.0%
Two or More Races	6.7%	7.1%	4.9%
Hispanic Origin (any race)	12.0%	17.0%	37.6%
Total	26,997	87,555	37,253,956



Source: ESRI BIS

Residents

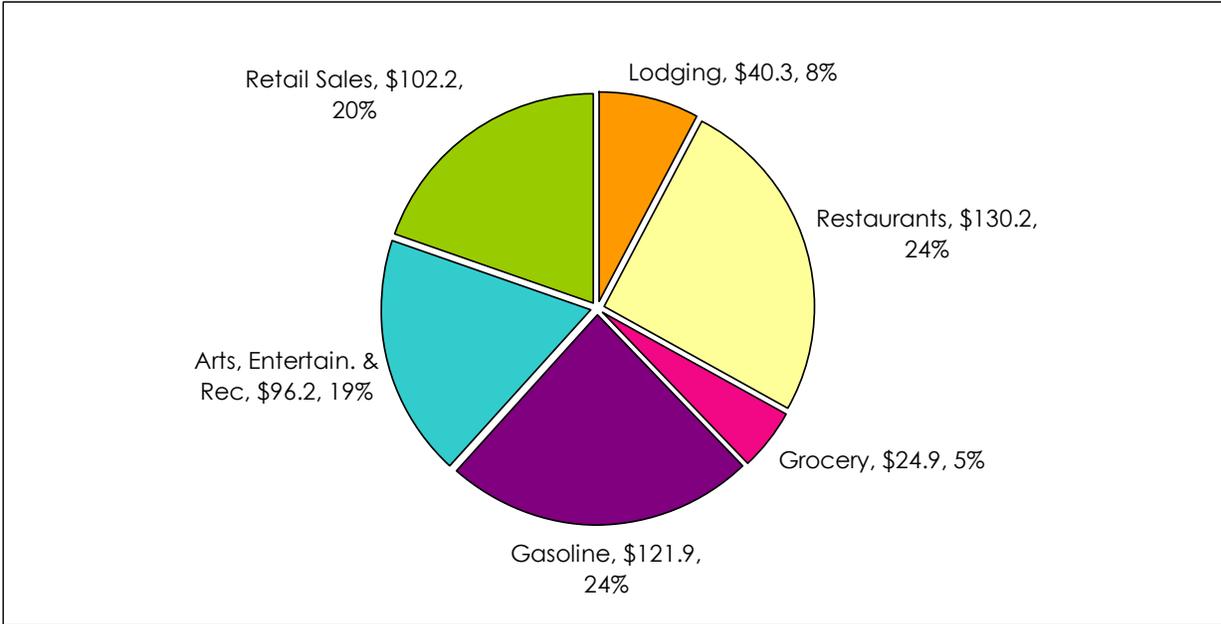
TOP TEN TAPESTRY MARKET SEGMENTS Benicia Market Area 2010						
Market Segment		% of Hholds	Hhold Type	Median Age	Median Income	Consumer Preferences & Purchases
1	Pleasant-Ville	13.5%	Married couples/ Families	40	\$77,930	Families and middle-aged couples w/ labor force participation, incomes and net worth above the national average. Home improvement projects are a priority. Enjoy spending time with family and dining out.
2	In Style	13.5%	Married couples/ Singles	40	\$70,745	Prosperous and more educated relative to the national average. Many work in managerial positions. Health and fitness, attending musical performances and reading are favorite pastimes.
3	Main Street, USA	10.2%	Married couples/ Singles	37	\$57,196	Family-oriented and frugal. Enjoy watching rental movies or playing with their children. Small "do-it-yourself" home improvement and remodeling projects are a common.
4	Urban Chic	7.5%	Married couples/ Singles	43	\$87,202	Well educated and fairly affluent, more than half with bachelor's or graduate degree. Enjoy an active lifestyle that includes traveling, attending cultural events, outdoor fitness and yoga. Tech-savvy. Shop at upscale stores.
5	Suburban Splendor	6.9%	Married couples	42	\$121,661	Affluent, upwardly mobile, and well educated. Income and net worth well above national averages. Enjoy home improvement/remodeling projects (performed by contractors), spending time with family, traveling and fitness.
6	Old and Newcomers	6.3%	Singles/ Shared households	37	\$44,601	Transitional neighborhoods. Residents are either beginning careers or retiring. Over 60 percent rent. Spend less at the grocery store than larger households, drive small cars and enjoy a variety of pastimes.
7	City Lights	5.4%	Families/ Singles	39	\$63,959	White-collar professionals and service workers living in urban settings. More likely to buy household furnishings than home maintenance goods. Shop at Target, Macy's, Coscto, Kroger and Stop & Shop. Enjoy travel and entertainment.
8	Wealthy Seaboard Suburbs	4.3%	Married couples / Families	43	\$96,498	Affluent households, many employed in professional and management positions. Top market for remodeling expenditures. Shop at Macy's, Nordstrom, warehouse stores and online. Enjoy leisure travel.
9	Metropolitans	4.1%	Singles/ Married couples	38	\$60,191	Half are singles. Employed in professional or managerial positions. Live in older homes and partake in home improvement projects. Financially savvy and civic-minded. Lead active, urban lifestyles.
10	Boomburbs	4.0%	Families	34	\$110,681	Prosperous and well-educated young families w/ many two-income households. Own homes and spend on household furnishings, toys and games, big-screen TVs and laptop computers. Shop and bank online. Vacation with family.
Total Households		75.7%				

Source: ESRI BIS

JOBS BY ECONOMIC SECTOR City of Benicia 2010				
Industry	Businesses		Employees	
	#	%	#	%
Agriculture & Mining	22	1.3%	56	0.4%
Construction	158	9.7%	1,647	12.8%
Manufacturing	105	6.4%	2,245	17.5%
Transportation	45	2.8%	453	3.5%
Communication	12	0.7%	27	0.2%
Electric/Gas/Water/Sanitary Services	6	0.4%	172	1.3%
Wholesale Trade	126	7.7%	1,701	13.2%
Retail Trade	280	17.1%	1,741	13.5%
Finance/Insurance/Real Estate	134	8.2%	473	3.7%
Services	684	41.8%	4,056	31.5%
Hotels & Lodging	3	0.2%	28	0.2%
Automotive Repair, Services, Parking	50	3.1%	483	3.8%
Motion Picture & Amusements	39	2.4%	155	1.2%
Health	54	3.3%	267	2.1%
Legal	26	1.6%	44	0.3%
Education Institutions & Libraries	21	1.3%	582	4.5%
Other Services	491	30.0%	2,497	19.4%
Government	31	1.9%	271	2.1%
Other	33	2.0%	16	0.1%
Total Employment	1,636	100.0%	12,858	100.0%

Source: ESRI BIS

VISITOR SPENDING BY COMMODITY PURCHASED
Solano County
2009



Source: Dean Runyan Associates

EXISTING RETAIL POTENTIAL Benicia Retail Market Area 2010						
Merchandise Category	Demand/ Spending Potential	Supply/ Retail Sales	Leakage (or Surplus)	Sales per Sq. Ft.*	Potential Space (Sq. Ft.)	
Shoppers Goods						
Apparel	\$46,213,263	\$5,396,803	\$40,816,460	\$209	195,294	
Home Furnishings	\$30,678,238	\$11,847,567	\$18,830,671	\$199	94,626	
Electronics & Appliances	\$26,485,149	\$6,453,598	\$20,031,551	\$199	100,661	
Home Improvement & Gardening	\$39,902,148	\$49,253,503	(\$9,351,355)	--	--	
Sporting Goods, Hobbies, Books & Music	\$11,144,155	\$6,172,676	\$4,971,479	\$216	23,016	
General Merchandise	\$152,914,741	\$53,199,667	\$99,715,074	\$216	461,644	
Miscellaneous Specialty Retail (florist, office supplies, gift stores, etc.)	\$23,481,666	\$8,035,821	\$15,445,845	\$216	71,509	
Convenience Goods						
Grocery	\$175,549,468	\$121,269,531	\$54,279,937	\$390	139,179	
Health & Personal Care	\$38,382,540	\$15,260,536	\$23,122,004	\$365	63,348	
Restaurants	\$159,436,510	\$94,897,388	\$64,539,122	\$263	245,396	
Total Leakage					\$341,752,143	
Total Supportable Square Footage					1,394,673	

* Target sales are based on the Urban Land Institute, "Dollars and Cents of Shopping Centers."

Source: ESRI BIS; Marketek, Inc.

Note: Retail leakage (or surplus) reflects the difference between the existing supply of retail goods/services in the market area (based on sales figures) and potential demand from market area resident (based upon household income and spending patterns.)

Competitive Regional Retail Centers Within 20-minute Drive-time of Benicia City Hall

Vallejo

Vallejo Plaza Shopping Center

Location: 3505 Sonoma Boulevard

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 Parkway

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, Party City, Pep Boys, PETCO, Ross Dress For Less

Park Place

Location: Sonoma Boulevard and Yolano Drive

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 Boulevard

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: Applebees, AT&T Wireless Store, Hollister, Lane Bryant, LensCrafters Radio Shack, Wet Seal

Winery Square

Location: 1955 West Texas Street

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 Walmart-anchored center with a Dollar Tree is currently under construction in Fairfield

Martinez

Walmart

Location: 1021 Arnold Drive

GLA: est. 115,000 SF

Pleasant Hill

Downtown Pleasant Hill

Location: 15-140 Crescent Drive, 155-157 rescent Plaza, 60 Gregory Lane

Year Built: est. 2000

GLA: 345,687 SF

Vacancy: 42,496 SF (12%) – spaces range from 932 SF to 25,000 SF

Asking Rent: negotiable

Anchors: Bed Bath & Beyond, Century Theatres, Lucky Supermarket, Michael's, Ross

Other Retail: Fleet Feet Sports, GNC, Hallmark Creations, Jamba Juice, Pasta Pomodoro,

Paul Mitchell The School, Peets Coffee & Tea, Sweet Tomatoes, UPS Store

Concord

Sunvalley Shopping Center

Location: 1 Sunvalley Mall

Year Built: 1967 with additions over the years; major renovation in 1985

GLA: est. 1,400,000 SF

Vacancy: unknown

Asking Rent: unknown

Anchors: 24-Hour Fitness, H&M, JCPenney, Macy's Men's/Home, Macy's Women's, Sears, Sports Authority, XXI Forever

Cotenants: Abercrombie & Fitch, American Eagle Outfitters, Coach, Disney Store, Gap, Hollister Co., Lane Bryant, Men's Wearhouse and Tux, The Children's Place, Victoria's Secret

Pleasant Hill

Downtown Pleasant Hill

Location: 15-140 Crescent Drive, 155-157 Crescent Plaza, 60 Gregory Lane

Year Built: est. 2000

GLA: 345,687 SF

Vacancy: 42,496 SF (12%) – spaces range from 932 SF to 25,000 SF

Asking Rent: negotiable

Anchors: Bed Bath & Beyond, Century Theatres, Lucky Supermarket, Michael's, Ross Dress For Less

Other Retail: Fleet Feet Sports, GNC, Hallmark Creations, Jamba Juice, Pasta Pomodoro, Paul Mitchell The School, Peets Coffee & Tea, Sweet Tomatoes, UPS Store

Walnut Creek Broadway Plaza

Location: 1275 Broadway Plaza

Year Built: varies from 1950s to present; major renovation in 1995

GLA: 698,985 SF

Vacancy: unknown

Asking Rent: unknown

Anchors: Crate & Barrel, Macy's, Neiman Marcus (opening in 2012), Nordstrom

Co-tenants: Banana Republic, BCBGMAXAZRIA, Burberry's, Coldwater Creek, J. Crew, J. Jill, Juicy Couture, Victoria's Secret

Broadway Plaza

Location: 1275 Broadway Plaza

Year Built: varies from 1950s to present; major renovation in 1995

GLA: 698,985 SF

Vacancy: unknown

Asking Rent: unknown

Anchors: Crate & Barrel, Macy's, Neiman Marcus (opening in 2012), Nordstrom

Cotenants: Banana Republic, BCBGMAXAZRIA, Burberry's, Coldwater Creek, J. Crew, J. Jill, Juicy Couture, Victoria's Secret

Appendix

1. Benicia Economic Indicators Report, 2005 –Current
2. Benicia Retail Market Indicators Report, July 2011
3. Commercial Business Clustering Guidelines
4. Sample Commercial Targets & Marketing Campaigns
5. LoopNet Property for Lease and 10,000-100,000 sq ft Facility Search & Map
6. Sample – Industrial Attraction Research & Marketing
7. Proposed BIP Sustainable Management Program
8. Sample – “Lafayette Green” Business Recognition
9. Sample – San Jose Business Cooperation Program
10. Sample Plan Check Flowcharts
11. Applied Economics, MetroComp
12. Applied Economics, Economic Impact Analysis

Appendix

3. Commercial Business Clustering Guidelines

In the same way that the physical environment and business anchors can reveal a great deal about pedestrian or shopper patterns, so too can clusters of businesses in downtown Benicia. All of these factors together will significantly influence the location of future businesses.

Goals

1. Create a Unified Shopping & Business District
2. Create a Critical Mass of Stores to Encourage Circular Pedestrian Traffic
3. Increase Sales!

Principles

Clustering is a long-established management tactic that groups businesses together in such a way as to enable them to benefit from each other's customers and sales. All successful shopping centers use clustering techniques.

- Business clusters may be a grouping of similar businesses serving a target market with a variety of choices, such as having a number of apparel and accessory shops in downtown Benicia. This is often called a *competitive cluster*.
- The *complementary cluster* includes businesses offering different products or services but appealing to the same customer profile or niche. For example, a home furnishing cluster serving newly forming households may include a wide variety of businesses—lighting fixtures, framing, home accessories, antiques, kitchen store, etc.
- *Compatible clusters* are the most common. They offer a variety of merchandise and are based upon a “one-stop” shopping concept.

Knowing the current mix of businesses and cluster patterns will help the downtown Economic Restructuring team guide new businesses to the optimal downtown Benicia location. Clustering businesses that share customers or have complementary goods will strengthen downtown Benicia's perception in the trade area as a “shopping center.”

To implement a clustering strategy, it is important to understand existing assets or clusters, to know where building vacancies exist and to identify and actively target businesses to suitable locations. Clustering strategies include locating businesses near compatible businesses, complementary businesses, competitive businesses or traffic generators.

General clustering guidelines follow:

- Professional service/office uses should be located in upper stories and on secondary streets out of the retail core.
- Beauty and personal cares services can be scattered throughout the district.
- Restaurants can be located as entertainment anchors throughout the district with sensitivity to avoiding conflicts with neighboring businesses that may serve a different market segment.
- Convenience businesses like grocery and drugstores are ideally located close to concentrations of housing. This will be an important consideration in the future as downtown Benicia's residential base expands.

In an effort to create a critical mass of interesting shopping, dining and activities to attract a larger group of consumers, business expansion and attraction should build upon downtown Benicia's existing clusters. These include: Dining, Boutique apparel, Hair salons/spas, Health/wellness and Arts/gifts.

Appendix

4. Sample Commercial Targets & Marketing

Samples

**Commercial Targeting
and
Marketing Campaigns**

Canby Restaurant Targets

Restaurant	Target Market	Other Location Requirements (parking, etc.)	Preferred GLA	Comments	Portland Locations	Key Contact Info
Applebee's International	Pop: 20,000-50,000 Core Customer Age: Adult Senior Income: Mid Traffic count: 20,000 Vehicles/day	Parking: 65-110 parking spaces Preferred lease terms and renewal options: 15 yr. w/4 5-yr. opt.	5,300 sq. ft.	Entertainment, Discount, Grocery/supermarket	3 - Portland 5 - Suburban	11201 Renner Boulevard Lenexa, KS 66219 Phone: 913-967-4000 ron.herman@applebees.com realestate@applebees.com
Baja Fresh	Not Available	Preferred lease terms and renewal options: 10 yr. w/2 5-yr. opt. Minimum frontage required: 70 feet	1,500 - 3,000 sq. ft.	All considered	4 - Portland 6 - Suburban	Deborah Larson 5900A Katella Ave, Suite 101 Cypress, CA 90630 562-391-2400 dlarson@bajafresh.com
Buffalo Wild Wings	Pop Density: 40,000 Core customer income level: Mid Core customer age: Child, Teen, Adult Traffic count: 25,000 Vehicles/day	Preferred lease terms and renewal options: 10 yr. w/2 5-yr. opt.	5,000 - 7,000 sq. ft.	Entertainment, Grocery/supermarket	3 - Portland 1 - Suburban	Wray Hutchinson MBH Holding, LLC 327 SW Morrison St. Portland, OR 97204 Phone: 503-227-8862 wrayhutchinson@comcast.net
California Pizza Kitchen*	Min Pop: 250,000 Core customer income level: High Core customer age: Child, Teen, Adult Traffic count: 50,000 Vehicles/day					
Chick-fil-A	Min Pop: 45,000 Core customer income level: Mid, High Core customer age: Child, Teen, Adult Traffic count: 35,000 Vehicles/day	Preferred lease terms and renewal options: 10 yr. w/5 5-yr. opt. Special requirements: 60 parking spaces; one acre for freestanding sites	800 - 5,000 sq. ft.	Fashion-oriented, Entertainment, Upscale, Discount, Outlet	NA	Blake Goodman, Real Estate Manager 5200 Buffington Road Atlanta, GA 30349 Phone: 404-684-8737 blake.goodman@chick-fil-a.com
Chili's Bar & Grill*	Min Pop: 150,000 in 5 mi radius Traffic count: 35,000 vehicles/day					
Chipotle Mexican Grill	Min Pop: 30,000 in 2 mi radius Core customer income level: Mid, High Core customer age: Teen, Adult Traffic count: 25,000 Vehicles/day	Preferred lease terms and renewal options: 5 yr. w/5 5-yr. opt. Minimum frontage required 27 feet Special requirements: Area for patio seating; liquor license	1,200 - 2,800 sq. ft.	Entertainment, Upscale, Grocery/supermarket	4 - Portland 5 - Suburban	Mark New New & Neville 900 SW 13th Ave Suite Portland, OR 97205 503-241-1222 mark@newneville.com
Coyote Ugly*	Min Pop: 1,000,000 Core customer age: Adult					
Dave & Buster's*	Min Pop: 500,000 in 15 mi radius Core customer income level: Mid, High Traffic count: 100,000 Vehicles/day					

Five Guys	Not Available	Minimum frontage required: 28 feet	2,000 - 3,000 sq. All considered ft.	3 - Suburban	Email questions only 10440 Furnace Road Suite 205 Lorton, VA 22079 Phone: 703-339-3312 site@fiveguys.com
Fuddruckers (Magic Restaurant, LLC)	Min Pop: 50,000 in 4 mi radius Core customer income level: High Core customer age: Child, Adult Traffic count: 20,000 Vehicles/day	Preferred lease terms and renewal options: 10 yr. w/5 5-yr. opt. Does company prefer to own its locations: Yes Special requirements: 80-100 parking spaces; excellent visibility; high traffic	4,500 - 7,000 sq. ft.	Entertainment, Upscale	1 - Suburban Holland Wiler, Broker 13101 El Camino Road Austin, TX 78727 Phone: 512-244-6100 hwiler@austin.rr.com
Lone Star Steakhouse*	Min Pop: 100,000 in 5 mi radius Core customer age: Adult Traffic count: 20,000 Vehicles/day				
McMenamins	Not Available		1,500 - 6,500 sq. All considered ft.	20 - Portland 15 - Suburban	Dan McMenamin, General Manager 430 North Killingsworth Portland, OR 97217 Phone: 503-223-0109 DanM@mcmenamins.com
Olive Garden*	Min Pop: 75,000-150,000 in 5 mi rad Traffic count: 30,000 vehicles/day				
Outback Steakhouse*	Min Pop: 70,000 in 5 mi radius Core customer income level: Mid, High Core customer age: Adult, Senior Traffic count: 25,000 Vehicles/day				
Panera Bread*	Min Pop: 50,000 in 3 mi radius Core customer income level: Mid, High Core customer age: Adult Traffic count: 20,000 Vehicles/day				
Paradise Bakery*	Min Pop: 50,000 in 1 mi radius Core customer income level: Mid, High Core customer age: Adult Core customer gender: Female				
Pizzicato	Not Available		2,000 - 5,000 sq. All considered ft.	11 - Portland 4 - Suburban	Mark Frankel, Owner 2523 SE Ninth Avenue Portland, OR 97202-1048 Phone: 503-274-0375 MarkF@pizzicatopizza.com

Red Robin*	Min Pop: 70,000 in 5 mi radius Core customer income level: Mid, High Core customer age: Child, Teen, Adult Customer requirement: Families				
Ruby Tuesday (Ruby Restaurant Group)	Min Pop: 25,000-50,000 Core customer income level: Mid, High Traffic count: 25,000 Vehicles/day	Preferred lease terms and renewal options: 15 yr. w/3 5-yr. opt. Minimum frontage required: 200 feet Special requirements: 100 parking spaces	4,500 - 5,200 sq. ft.	Fashion-oriented, Upscale	1 - Suburban Steve Merrill, Franchisee 503-544-3284 smerrill@rubytuesday.com Maura, the person I spoke with, indicated he was not developing. Did not provide a physical address.
Tucanos Brazilian Grill *	Pop: 400,000+ in 20 min radius Avg household income: \$65,000 or more Traffic counts: strong weekday & weekend				

*Indicates restaurants whose market requirements do not match Canby.



April 7, 2010

Contact Name
Company
Street Address
City, State and Zip

Dear _____:

The City of Canby is excited to let you know about opportunities for new restaurant development at the Village at Canby Station. Located in the heart of downtown Canby, the Village is a mixed-use development that will include XX,XXX square feet of retail space XXX new residences at build-out. Canby Cinema 8 recently opened there, and is already exceeding expectations.

The Village is easily accessible to the Portland metro area via Highway 99E, which carries more than 20,000 cars through the city each day. Within a five-mile radius, there are 39,000 residents and 14,600 households, with a median income of \$64,586. Additionally, 6,800 employees work in Canby's 97013 zip code.

Recent market research shows potential for 66,600 square feet of new restaurant space in the five-mile trade area over the next ten years. The City is looking forward to this opportunity to bring unique, high-quality restaurants and cafés to its downtown. Please take a moment to review the enclosed information regarding development potential in Canby. We also invite you to visit our website at www.canbybusiness.com.

I will call you in the next week to talk further about business expansion possibilities in Canby. In the meantime, feel free to contact me if you have any questions or would like to set up an appointment. I can be reached by phone at 503-266-7001 or by email to comerc@ci.canby.or.us. I look forward to speaking with you.

Sincerely,

Catherine Comer, Director
Economic Development & Urban Renewal
City of Canby

Restaurant Market Opportunities Canby, Oregon



Village at Canby Station

Nestled in the heart of the Willamette Valley, Canby, Oregon offers all the amenities of a larger city while maintaining a friendly, small town feel. Construction is currently underway at the city's newest mixed-use development, the Village at Canby Station. The Village will include over XXX,XXX square feet of commercial space and XXX residences. It is already home to Canby Cinema 8, making adjacent commercial space an ideal location for new or expanding restaurants, cafes and snack shops.



Restaurant Market Area



5-Mile Market Area

Population Almost 39,000 people and 14,600 households

Growth Rates Average annual population growth of 1.7% since 2000, above state level

New Households Expected to add over 2,000 households by 2010

Age 40% of population between ages 25 and 54; median of 38 years

Income 26% with incomes above \$100,000; median above metro and state

Employees 6,800 employees in the 97013 zip code

Restaurant Market Potential

- Spending Gap** Market area residents spent \$8.7 million dining outside of the market area in 2009
- Future Demand** Potential for an additional \$8.8 million of market area restaurant spending by 2020
- New Restaurant Space** Existing spending gap and future demand translate to potential for 66,600 square feet of new restaurant space in the market area by 2020



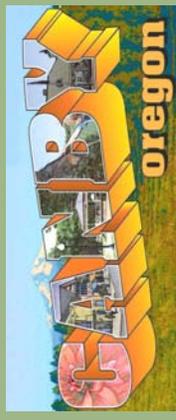
Why Canby?

- Accessibility** Easy access to Portland and Salem; Daily traffic count of 20,800 cars on Hwy 99E through Canby
- Ready Property** Space at the Village, in downtown and along Hwy 99E
- Growing Business Base** Recent and planned projects include Willamette Valley Health Center and American Steel
- Commitment to Downtown** And to enhancing the city's commercial cores
- Dedication to Business** Low operating costs, efficient services and welcoming business climate



Contact:

Catherine Comer, Director
Economic Development & Urban Renewal
City of Canby
170 NW Second Avenue
Canby, Oregon 97013
504.266.7001
www.canbybusiness.com



Appendix

5. LoopNet Property for Lease and 10,000-100,000 sq ft Facility Search & Map

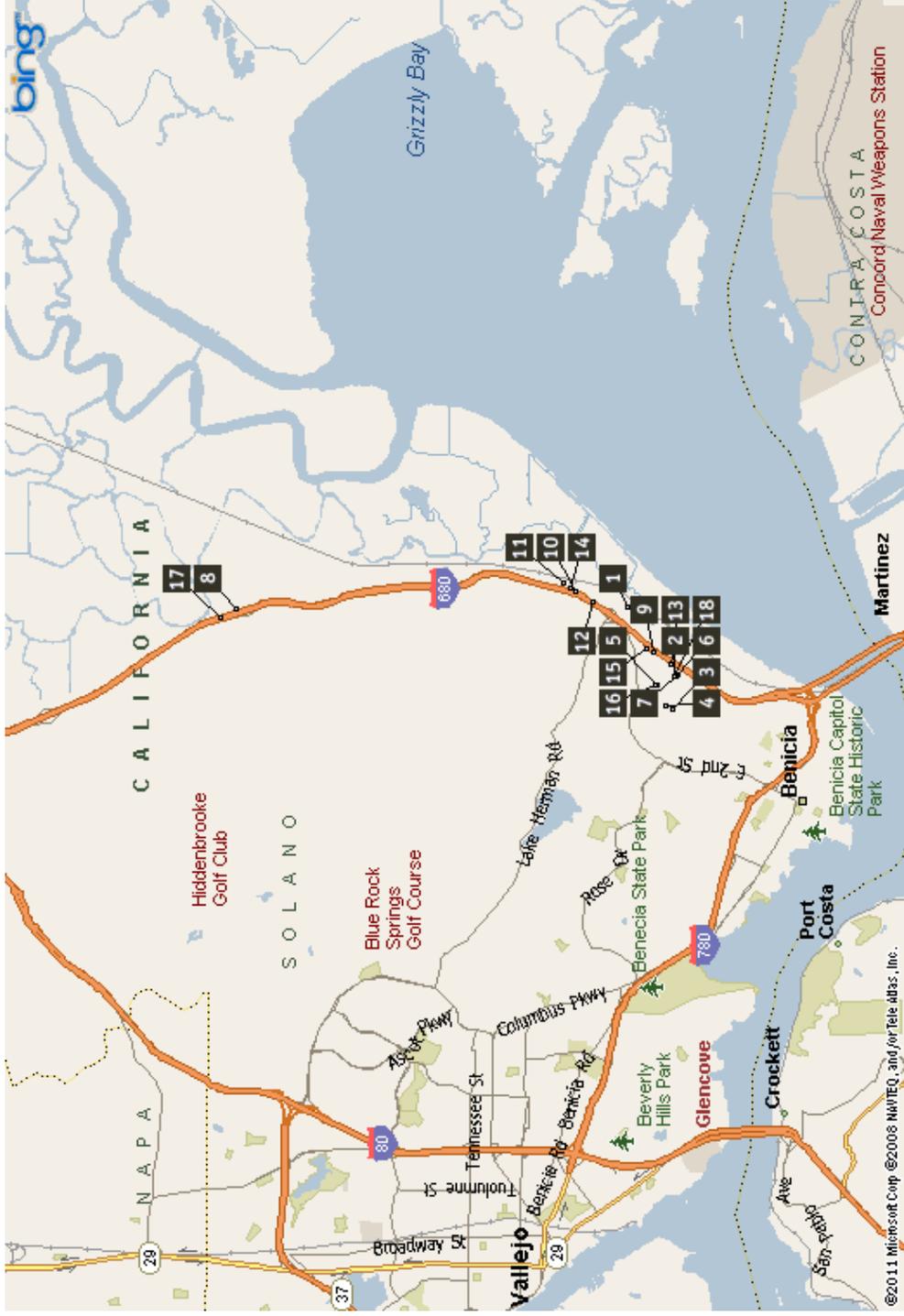
Property For Lease

Property Name City, State	Suite/Floor; Date Avail; Lease Type	Space Available Rental Rate	Property Type	Status Name LoopNet ID
Benicia Industrial Park Benicia, CA	5301&5341; Immediate Direct Lease; NNN	78,595 SF \$4.80/SF/Year	Industrial Distribution Warehouse	Available 16029749
4601 Park Rd Benicia, CA	ALL; Immediate Direct Lease	108,000 SF Negotiable	Industrial Distribution Warehouse	Available 15210729
Benicia Industrial Park Benicia, CA	451/457/3919; Immediate Direct Lease	120,000 SF Negotiable	Industrial Distribution Warehouse	Available 16592487
Benicia Industrial Park Benicia, CA	437; Immediate Direct Lease	80,000 SF Negotiable	Industrial Distribution Warehouse	Available 16592487
Benicia Industrial Park Benicia, CA	ALL; Immediate Direct Lease; NNN	50,000 SF \$3.36/SF/Year	Industrial Distribution Warehouse	Available 16669034
Benicia Industrial Park Benicia, CA	C; Immediate Direct Lease; NNN	25,280 SF \$5.40/SF/Year	Industrial Flex Space	Available 16556303
Benicia Industrial Park Benicia, CA	ALL; 12/1/2011 Direct Lease	67,392 SF Negotiable	Industrial Manufacturing	Available 16904611
Benicia Industrial Park Benicia, CA	D; Immediate Direct Lease; NNN	16,896 SF \$4.56/SF/Year	Industrial Manufacturing	Available 15750839
Benicia Industrial Park Benicia, CA	ALL; 9/1/2011 Direct Lease	13,036 SF Negotiable	Industrial R&D	Available 17237966
4901 Park Road Benicia, CA	Space 1; Immediate Direct Lease; N/A	41,292 SF Negotiable	Industrial Warehouse	Available 17263659
6620 Goodyear Road - Sublease Benicia, CA	Space 1; Immediate Direct Lease; N/A	12,983 SF \$7.80/SF/Year	Industrial Warehouse	Available 16352309

Property For Lease

Property Name City, State	Suite/Floor; Date Avail; Lease Type	Space Available Rental Rate	Property Type	Status Name LoopNet ID
Benicia Industrial Park Benicia, CA	ALL; Immediate Direct Lease; NNN	11,292 SF \$5.40/SF/Year	Industrial Warehouse	Available 15547951
Benicia Industrial Park Benicia, CA	ALL; Immediate Direct Lease; NNN	11,438 SF \$6.00/SF/Year	Industrial Warehouse	Available 16756345
Benicia Industrial Park Benicia, CA	B; Immediate Direct Lease; NNN	15,488 SF \$3.84/SF/Year	Industrial Warehouse	Available 15708355
Benicia Industrial Park Benicia, CA	ALL; Immediate Direct Lease; NNN	16,090 SF \$4.80/SF/Year	Industrial Warehouse	Available 14667031
5400 East 2nd Street, Benicia Benicia, CA	5080 Park Rd.; Immediate Direct Lease; NNN	17,482 SF \$3.84/SF/Year	Industrial Warehouse	Available 14873885
Benicia Industrial Park Benicia, CA	G & H; Immediate Direct Lease; NNN	20,160 SF \$5.40/SF/Year	Industrial Warehouse	Available 16800452
Benicia Industrial Park Benicia, CA	ALL; Immediate Sublease	41,920 SF Negotiable	Industrial Warehouse	Available 17073570
Benicia Industrial Park Benicia, CA	ALL; Immediate Direct Lease	122,000 SF Negotiable	Industrial Warehouse	Available 17161595

Property Map



Legend

- | | | | |
|-----------|---|-----------|---|
| 1 | Benicia Industrial Park
5341 Industrial Way, Benicia, CA | 2 | 4601 Park Rd
4601 Park Rd, Benicia, CA |
| 3 | Benicia Industrial Park
433-459 Industrial Way, Benicia, CA | 4 | Benicia Industrial Park
363 Industrial Ct, Benicia, CA |
| 5 | Benicia Industrial Park
531 Getty Ct, Benicia, CA | 6 | Benicia Industrial Park
524 Stone Rd, Benicia, CA |
| 7 | Benicia Industrial Park
533 Stone Rd, Benicia, CA | 8 | Benicia Industrial Park
6200 Goodyear Rd, Benicia, CA |
| 9 | 4901 Park Road
4901 Park Road, Benicia, CA | 10 | 6620 Goodyear Road - Sublease
6620 Goodyear Road, Benicia, CA |
| 11 | Benicia Industrial Park
6840 Goodyear Rd, Benicia, CA | 12 | Benicia Industrial Park
6320 Goodyear Rd, Benicia, CA |
| 13 | Benicia Industrial Park
537 Stone Rd, Benicia, CA | 14 | Benicia Industrial Park
6730 Goodyear Rd, Benicia, CA |
| 15 | 5400 East 2nd Street, Benicia
5000 Park Road, Benicia, CA | 16 | Benicia Industrial Park
535 Getty Ct, Benicia, CA |
| | Benicia Industrial Park | | Benicia Industrial Park |

Created: 8/9/2011

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This information comes from users and sources believed to be reliable, but is not guaranteed.

Property Map

17 6500 Goodyear Rd, Benicia, CA

18 539 Stone Rd, Benicia, CA

Appendix

6. Sample – Industrial Attraction Research & Marketing



Benicia Business Development Action Plan

SAMPLES

Industrial Attraction Industry Research
Marketing Venues
Marketing Materials



2515 Ceanothus, Ste 100, Chico, CA 95973
www.chabinconcepts.com 530-345-0364



SIC CODES: 3211, 3221, 3229, 3231, 3357

NAICS CODES: 3272, 335921

Trends & Opportunities

BUSINESS TRENDS

Consolidation - Due to the large economies of scale in producing big batch quantities of a commodity product, industry consolidation has resulted in only a few primary manufacturers. Although 60 glass container producers operate in the US, about three hold 90 percent of the market. In flat glass, about 35 US producers operate, although only six are major.

Mature Industry - Very few significant technological innovations have developed in the glass industry since the "float" method for producing flat glass was invented 40 years ago. The container and flat glass segments are mature businesses with low growth rates. Employment in these segments has fallen 30 percent in the last ten years.

Diversification - Traditional glass producers have diversified into adjacent fields. Some producers have expanded into plastic packaging, chemicals, automotive supply, or fiber optics.

Higher Value-added in Telecommunications, Computer Industries - The technological edge in the industry has come not from the mass manufacturers but from the telecommunications and computer industries, which have spawned new uses for glass products with a much higher value-added.

New Energy-Generating Technology - Following long-standing trends in Europe, American designers are now using power-generating technology that uses glass products to create buildings with improved access to daylight, better indoor air quality, and improved energy efficiency. Photovoltaic (PV) technology, which uses sunlight to generate power for buildings, could become commonplace in the US. PV panels, designed into a building's glass exterior facade, could potentially generate 60 percent of a building's electricity requirements.

INDUSTRY OPPORTUNITIES

Steady Growth in World Demand - World demand for flat glass will rise more than 4 percent per year, according to Freedonia Group. In developed regions, demand for architectural glass will reflect tighter energy standards, while in developing regions, need for adequate housing and the ongoing expansion in the commercial and industrial sectors will be the primary drivers behind gains. Structural fiberglass components are increasingly being used in building construction and autos.

Computer Industry Expansion - Expansion of the computer industry provides glass manufacturers with a growing market. Although flat-panel displays are likely to displace picture tubes, glass is the preferred medium for these displays, too.

Energy Efficiency - With more energy conservation regulations, energy-efficient glass products continue to gain favor with builders and architects. Energy surcharges on flat glass purchases have been critical in sharing energy cost inflation; energy conservation is a key driver for future product development.

Glass Properties Provide Competitive Advantages - Glass has special physical properties that create advantages in new product development where corrosion resistance (fiberglass); heat resistance (headlights); light transmission (optic fiber); and rigidity (computer screens) are as important as transparency.

Material Research - Material research is producing new types of glass, but the already low cost of window and container glass suggests that most new applications will be in specialized markets. Many glass companies have turned to value-added innovative products to compensate for weaker overall demand. Among the fastest-growing products are solar control glass (low-emissivity glass, reflective glass, and "smart" glass, which can be lightened and darkened on command); security glass (bullet- and burglary-resistant and fire-rated glass); heads-up display (HUD) windscreens; ultraclear glass; and self-cleaning glass.

New Melting Technology - A few flat glass production facilities are investing in oxy-fuel firing, which reduces air emissions and natural gas consumption for melting raw materials. This technology provides greater control over the combustion process and assists in making high-tech glass.

Self-Cleaning Glass - A major innovation in flat glass is self-cleaning glass for use on external windows. Self-cleaning glass products, like Pilkington's Activ, Saint-Gobain's BIOCLEAN, and Sunrise Windows' SunClean, represent one of the most significant advances in windows in decades. The product reacts chemically with the sun to break down unwanted dirt and causes water to form a sheet on the surface that washes away dirt and dust. Self-cleaning glass basically uses the sun's ultraviolet rays to dissolve organic dirt through a photocatalytic effect while reducing the surface tension of water, causing water to sheet and wash windows clean.

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"The purpose of the Profiles is for sales call preparation and general business and industry analysis. Profiles provide general background information only and are not intended to furnish detailed information about the creditworthiness of any individual borrower or purchaser or to be used for making any loans, leases or extension of credit to any individual borrower or purchaser. First Research, Inc. is not an investment advisor, nor is it in the business of advising others as to the value of securities or the advisability of investing in securities, and the Profiles are not intended to be relied upon or used for investment purposes."

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SIC CODES: 2673, 3011, 3021, 3052, 3053, 3061, 3069, 3081, 3082, 3083

NAICS CODES: 326

Trends & Opportunities

BUSINESS TRENDS

Niche Products Keep Industry Fragmented - Because products often have very specialized applications, or are made to customer specifications, most manufacturers remain small, partly because few economies of scale are gained by combining companies. Although latex gloves and plastic bottles can be considered commodity items, most products in this industry are produced in relatively low volume for special applications.

Changing Technology, Innovation - Companies are finding new uses for existing plastic and rubber materials, and chemists are producing newer plastics with novel physical properties that make them suitable for new uses. Production equipment and new ways of producing plastics are constantly evolving. Rapid technological innovation forces companies to stay abreast of new developments.

New Materials Used - Natural fibers are one of the fastest-growing additives for thermoplastics. Demand for wood and agricultural fiber used as plastic additives may increase rapidly for automotive applications and building products.

Bioplastics - Most large chemical companies are exploring the development of and uses for bioplastics, which are derived from biomass such as vegetable oil or corn starch instead of petroleum. Plastic companies anticipate that bioplastics will eventually outpace traditional petro polymers, as bioplastics are competitive in terms of cost and performance. Bioplastics also earn good grades in economics and environmental protection.

INDUSTRY OPPORTUNITIES

Plastics Replace Other Materials - Demand for rubber and plastics to replace metal parts in autos and aircraft continues, as manufacturers prefer low-weight components. High-temperature, high-performance plastics are replacing aluminum, brass, steel, and other metals historically used in manufacturing. Demand is also increasing in the packaging and container market, as plastic is preferred over glass and metal for containers, and in the medical supplies industry for tubing, containers, and instruments.

More Plastics in Construction - The use of plastics in residential and commercial construction is expected to increase. Currently, PVC piping is the major use of plastics in construction, but plastics for insulation, electronics, and structural use will be more common.

Auto Parts Market - The use of plastics in autos has grown from primarily interior and trim components to include body panels, bumpers, and other parts. Plastics offer several advantages in auto design: lighter and less expensive than steel, plastics make autos cheaper to build, and help them get better fuel economy. Auto designers and engineers are also using post-consumer recycled plastic, which offers environmental benefits.

Electronics Market - Research has opened up new ways to incorporate plastics into electronics. Plastic-based transistors and organic light emitting displays are being used in new ways including in electronic billboards, HDTV screens, and flexible laptop computers. Because transistors made of plastic are cheaper and easier to manufacture than those made of the traditional silicon, research into other plastics applications in electronics will continue.

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Trends & Opportunities

BUSINESS TRENDS

Increased Product Variety - Wood window and door manufacturers have introduced more variety to maintain market share amid competition from comparable and often less-expensive products. Companies have increased the number of available designs, shapes, sizes, and finishes customers can choose. Manufacturers also are supplementing their usual high-end offerings with mid-priced products to appeal to a wider range of customers.

Sustainable Construction - Concern among consumers about the impact of construction on the environment is affecting the practices of wood window and door manufacturers. Manufacturers increasingly ensure the wood they use is harvested in a sustainable way. Some companies also have developed composite materials that combine their wood waste with post-consumer recycled materials to make new products that are friendlier to the environment.

Advantages of Wood - Manufacturers tout to consumers the many benefits wood has over competing materials. Wood is sustainable and can be renewed while steel and aluminum have to be mined and vinyl is produced from petroleum. Wood window and door production uses less energy and fewer chemicals than many other materials. The insulating properties of wood are 400 times more effective than those of steel and 1,800 times more efficient than aluminum.

INDUSTRY OPPORTUNITIES

Energy Efficiency - As consumers are increasingly mindful of energy costs, US wood window and door manufacturers are looking for new ways to make their products more energy efficient. Technologies, such as multiple panes, low-E glass, and insulating gas between panes, aim to reduce solar heat gain in the summer while preventing heat loss in cold weather. Most manufacturers strive to design their products to meet EPA and Department of Energy standards and receive Energy Star qualification.

Remodeling Growth - Remodeling accounts for about 40 percent of all residential construction spending. Homeowners spend about \$280 billion per year on home renovations, according to Harvard's Joint Center for Housing Studies. The US government increasingly offers consumers tax credits to improve the energy efficiency of their homes. Consumers may choose wood window and door renovations over other improvements that do not offer energy-saving benefits.

Baby Boomer Demand - The 76 million members of the baby boom generation are likely to keep their current homes as they enter retirement. Nearly 90 percent of those age 50 or older desire to stay in their homes after retiring, according to the American Association of Retired Persons

(AARP). Home renovation by aging baby boomers is expected to drive demand for doors that offer easy entry and window-opening mechanisms that are simpler to operate.

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"The purpose of the Profiles is for sales call preparation and general business and industry analysis. Profiles provide general background information only and are not intended to furnish detailed information about the creditworthiness of any individual borrower or purchaser or to be used for making any loans, leases or extension of credit to any individual borrower or purchaser. First Research, Inc. is not an investment advisor, nor is it in the business of advising others as to the value of securities or the advisability of investing in securities, and the Profiles are not intended to be relied upon or used for investment purposes."

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List of Associations and Tradeshows

Industry Associations and Tradeshow Information	
Industry:	Renewable Energy
Association:	N/A
Tradeshow:	Sacramento Green Expo <i>(Recommended in Objective 5.3: Leverage existing membership with regional and state associations for marketing and tradeshow attendance)</i>
Date:	April 2010
Location:	CalExpo, Sacramento, CA
Website:	http://www.sacramentogreenexpo.com/
Industry:	Renewable Energy
Association:	Solar Electric Power Association (SEPA) & Solar Energy Industries Association (SEIA)
Tradeshow:	Solar Power International <i>(Recommended in Objective 5.3: Leverage existing membership with regional and state associations for marketing and tradeshow attendance)</i>
Date:	October 2010
Location:	Anaheim, CA
Website:	http://www.solarpowerinternational.com/
Industry:	Renewable Energy
Association:	N/A
Tradeshow:	Cleantech Forum XXVI
Date:	February 2010
Location:	San Francisco, CA
Website:	http://cleantech.com/cleantechforum/sanfrancisco10/
Industry:	Renewable Energy
Association:	American Solar Energy Society (ASES)
Tradeshow:	Solar 2010
Date:	May 17-22
Location:	Phoenix, AZ
Website:	http://www.ases.org/
Industry:	Renewable Energy
Association:	Intersolar America
Tradeshow:	Intersolar
Date:	July 13-15, 2010
Location:	San Francisco, CA
Website:	http://www.intersolar.us/
Industry:	Food Processing
Association:	California League of Food Processors
Tradeshow:	California League of Food Processors Expo
Date:	February 2010
Location:	Sacramento, CA
Website:	http://clfp.com/schedule-information

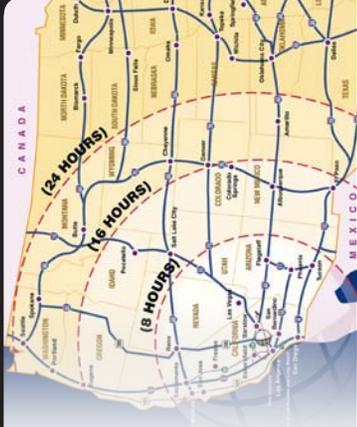


List of Associations and Tradeshows

Industry Associations and Tradeshow Information	
Industry: Food Processing Association: Northwest Food Processors Association Tradeshow: Northwest Food Mfg & Pkg Expo Date: January 2010 Location: Portland, OR Website: http://www.nwfpa.org/	
Industry: Food Processing Association: The National Association for the Specialty Food Trade (NASFT) Tradeshow: Fancy Food & Confections Date: January 2010 Location: San Francisco, CA Website: http://www.specialtyfood.com/do/fancyFoodShow/LocationsAndDates	
Industry: Medical Devices Association: N/A Tradeshow: Medical Design Manufacturing Date: February 2010 Location: Anaheim, CA Website: http://www.devicelink.com/expo/west10/	

Logistics in Victor Valley, California

www.VictorValleyCA.com



Road, Rail, and Air Access, Less than 100 Miles from Los Angeles

- >> **Major Transportation Corridor:** Experience immediate access to Southern California— one of the largest U.S. consumer markets – and extend your reach around the world.
- >> **Multimodal Services:** Move product through Victor Valley’s hub of full intermodal services: air access through SCLA, rail lines provided by Union Pacific and BNSF, major freeways and interstates.
- >> **Import/Export Resources:** Direct inbound clearance at SCLA. Onsite U.S. Customs Port of Entry offers 24/7 service and frequently clears 747s in less than two hours.
- >> **Large Sites:** Victor Valley offers a rare commodity in Southern California: access to a variety of large-scale sites.
- >> **Speedy Processing:** Get up and running with a 90-120 day entitlement process and California’s first SCE Certified Site by McCallum Sweeney.

Transportation Assets

Air

Southern California Logistics Airport (SCLA) features 15,050 ft and 9,100 ft runways, international cargo support.

Rail

- BNSF’s third rail through the Cajon Pass will increase capacity to 100-150 trains per day.
- Southern California Rail Complex (SCRC) will offer a 430 acre intermodal yard.
- Hesperia Industrial Rail Park will be completed 2011.

Highways

Victor Valley is the hub of three major transportation routes—Interstate 15, Interstate 10, and U.S. Hwy 395. Together, they provide an east-west corridor to Los Angeles, Nevada, and the Western U.S.

Foreign Trade Zone

Activated Foreign Trade Zone (FTZ #243) – defer, reduce, or eliminate duties



Operating Cost Comparison – Logistics

Metro Area	Employee Payroll	Fringe & Mandated Benefits	Utilities	Building/ Lease Payments	Property Tax	Total Operating Cost
Victor Valley	\$12,058,092	\$3,936,617	\$82,781	\$5,241,714	\$656,459	\$21,975,663
Las Vegas	\$12,027,570	\$3,502,629	\$71,823	\$6,001,084	\$657,935	\$22,261,041
Beaumont/ Banning	\$12,083,122	\$3,944,541	\$85,512	\$5,601,497	\$676,890	\$22,391,561
Riverside/San Bern.	\$12,070,607	\$3,940,579	\$80,894	\$5,742,985	\$643,894	\$22,478,959
Moreno Valley	\$12,083,122	\$3,944,541	\$78,317	\$5,759,748	\$638,319	\$22,504,046
Los Angeles	\$12,671,972	\$4,132,079	\$90,331	\$8,734,367	\$968,934	\$26,597,682

Project Description:

Investment: New building, 500,000 sf, 25.5 acres; \$5 million capital investment

Monthly Utilities: Electricity: 75KW / 50,000KWh; Water & Wastewater: 50,000cf, 2 meter; Natural Gas: none

Workforce (FTE): Warehouse Worker 150, Forklift Operator 90; Materials Handler 50; Heavy Truck Driver 50; General Clerk 20; Shipping Clerk 20; Production Supervisor 10

Source: MetroComp June 2008

“The Victor Valley plant will enable us to get both our carbonated and non-carbonated brands to our customers and consumers more efficiently than ever before and will lay the foundation for future growth in that region.”

[LARRY YOUNG, PRESIDENT AND CEO, DR PEPPER SNAPPLE GROUP]

Major Logistics/Distribution Employers in Victor Valley

Company	City	Size (s.f.)	Empl	Products/Services
Walmart Distribution Company	Apple Valley	1,340,000	1100	Distribution of consumer goods to company stores
Dr. Pepper Snapple Group	Victorville	850,000	200	Beverage manufacture/distribution
Goodyear Tires (Excel Inc.)	Victorville	840,000	140	General warehousing
M&W/Mars (Aspen Distribution)	Victorville	660,000	65	Food/candy distribution
Graco Baby Products/ Amerock/Rubbermaid/Lenox	Hesperia	413,092	101	Baby & infant products, kitchen and bath hardware, hand and power tools
Newell Rubbermaid	Victorville	407,000	150	Office products, cleaning, organization and décor, tools and hardware and home and family
ConAgra Foods (Americold)	Victorville	350,000	90	Packaged food; cold storage
Double Eagle Transportation	Hesperia	85,000	130	Haul dry cement & other bulk products
Fresenius Medical Care	Apple Valley	70,000	30	Dialysis machines, dialyzers and other dialysis-related supplies
Reid Products	Apple Valley	15,000	50	Fasteners for aerospace industry
Hi Desert Transfer & Storage	Victorville	10,000	25	Household goods transport
USA Transport Inc	Adelanto	5,000	50	Local trucking with storage
Coca-Cola	Victorville	1,821	50	Bottled and canned soft drinks
Aartman Jim, Inc.	Victorville		38	Food grade carrier
Gemini Traffic Sales Inc	Adelanto		80	Trucking, except local

Source: Dunn & Bradstreet, local communities; Updated: March 2008.

Resources

Industry Associations

Distribution Management Association of Southern California
www.dmasocal.org

International Warehouse Logistics Association
www.iwla.com/about/chapters.aspx

Training Programs

Logistics Training Consortium of Southern California
www.ltsocal.com

Transportation Center at the San Bernardino Valley College
sbvc.sbccd.cc.ca.us/Transportation/index.php

Trucking Companies

Apex Bulk Commodities / Adelanto
Apple Valley Transf & Stor Inc / Apple Valley

Aspen Distribution III Inc / Victorville

Blue Diamond Enterprise / Hesperia

Bridge Transport Systems Inc / Apple Valley

Dalton Trucking Adelanto / Adelanto

Dee Jay Transportation Inc / Adelanto

Double Eagle Transportation / Hesperia
Excel Inc / Victorville

Gemini Traffic Sales Inc / Adelanto

H & H Truck Terminal / Victorville

Halls Brothers Trucking Inc / Victorville

HI Desert Transfer & Storage / Hesperia

Jay Dee Transportation Inc / Adelanto

Juniors Trucking Inc / Victorville

Landforce Express Corporation / Victorville

O'Brien Trucking Inc / Apple Valley

Raider Trucking Inc / Hesperia

Roadway Express Inc / Adelanto

Unique Trucking / Victorville

United Enterprises Inc / Victorville

USA Transport Inc / Adelanto

USA Services Inc / Adelanto

Valley Bulk Inc / Victorville

Westcoast Bulk Transportation / Victorville

Wyatt Corporation / Apple Valley

Featured Sites

Adelanto Gateway Logistics Center

Location: Air Expressway, Adelanto
Size: 400 acre development with sites up to 74 acres
Buildings: spec or build to suit
Developer: AMB Property Corporation

AMB will develop up to 9 warehouse-distribution facilities at this location, directly across from Southern California Logistics Airport. Available for sale or lease, the buildings will also include manufacturing space, and will range from 550,000 to 1.5 million square feet.



Prospective industrial building at Adelanto Gateway Logistics Center.

Hesperia Industrial Rail Park

Location: Between E and G streets, Hesperia
Size: Approximately 100 acres
Buildings: Industrial land for sale and lease
Developer: City of Hesperia Redevelopment Agency

The City of Hesperia Redevelopment Agency will construct a rail spur connecting this park to the BNSF line. The park is located in a Redevelopment Project Area, qualifying it for tax increment financing for offsite improvements.



Construction of track at Hesperia Industrial Rail Park will be completed by 2011.

Southern California Logistics Airport (SCLA)

Location: Victorville
Size: 5,000 acre commercial and industrial complex
Buildings: spec and build to suit
Developer: Stirling

Multimodal logistics center near I-15 and U.S. 395, featuring manufacturing/distribution facilities from 2,500 to 2 million square feet. International air cargo facilities, executive jet travel, aviation maintenance, and corporate office campus settings available.



1 million sf Distribution Center is available at Southern California Logistics Airport.

North Apple Valley Industrial Specific Plan (NAVISP)

Location: near I-15 in north Apple Valley
Size: 5,100 acre industrial specific plan area
Buildings: industrial land for sale/lease; spec and build-to-suit
Developers: First Industrial Realty Trust, Watson Land Company, others

With shovel-ready industrial sites, a certified EIR and a streamlined entitlement process, a NAVISP project can break ground 120 days after submittal of a complete application (45 days under certain circumstances). It is home to the first certified site under the McCallum Sweeney/Southern California Edison Site Certification Program.



At buildout, NAVISP will comprise 30 million sf of industrial space.



Distance to Markets

City	Miles/Direction	Drive Time
Irvine, CA	79 mi / SW	1 hr, 20 min
San Diego, CA	143 mi / SW	2 hr, 20 min
Fresno, CA	245 mi / NW	4 hr, 17 min
Phoenix, AZ	361 mi / W	5 hr, 23 min
San Jose, CA	391 mi / N	6 hr, 41 min
Reno, NV	421 mi / N	8 hr, 14 min
Salt Lake City, UT	608 mi / NE	8 hr, 47 min
Boise, ID	811 mi / N	12 hr, 47 min
Denver, CO	935 mi / NE	13 hr, 39 min
Portland, OR	991 mi / N	15 hr, 27 min
Seattle, WA	1,173 mi / N	19 hr, 0 min
Dallas, TX	1,419 mi / SE	20 hr, 53 min

Contact:



(800) 747-5840 toll free
 info@victorvalleyca.com
 www.victorvalleyca.com

OPPORTUNITY STARTS HERE

— Oroville California



Bateman, Robert - Roplast Industries - Since 1987

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www.cityoforoville.org

Phone: (530) 538-2401

Oroville City Hall, 1735 Montgomery Street Oroville, CA 95965

OROVILLE

OPPORTUNITY
STARTS HERE





OROVILLE OPPORTUNITY STARTS HERE



The Oroville Gateway 04



River Front Beautification 06



Upper Feather River White Water Park 08



Historic Downtown 10



Oroville's Commercial Core 12



Myers St. Rejuvenation 14



Airport Business Park 16



Industrial Parks 18

Pellentesque habitant morbi tristique senectus et netus et malesuada fames ac turpis egestas. Sed pharetra turpis at nibh facilisis rutrum. Vestibulum pretium, diam non scelerisque imperdiet, nisl neque elementum turpis, a gravida nunc urna id velit. Curabitur vel sapien sapien, sit amet molestie enim. Praesent eros est, mattis sit amet dapibus nec, gravida ac nibh. Nullam lectus tellus, ullamcorper non eleifend ut, pulvinar id eros. Quisque nisl justo, lacinia vitae euismod nec, elementum non lectus. Aliquam ultrices nibh sit amet turpis rutrum imperdiet. Nullam velit dui, dapibus in pretium non, consectetur at dolor. In hac habitasse platea dictumst. Mauris libero justo, placerat ut luctus id, tincidunt at magna. Sed sit amet libero nisi. Nunc nec magna elit. Sed consectetur mi est, id dapibus nunc.

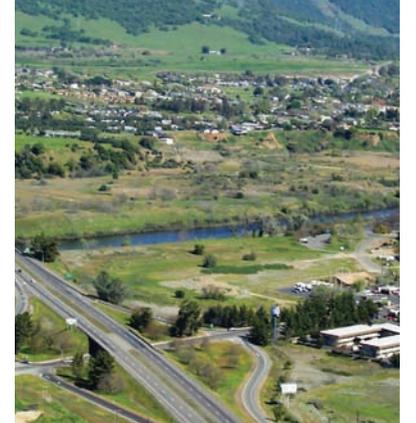
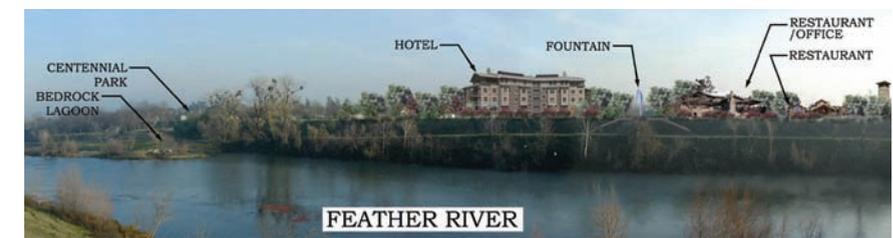


Create The Vision at The Oroville Gateway

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Proposed Gateway renovation area



Park renovations have already begun

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PROJECT COMPLETION

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STEPS TO COMPLETION

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Development and beautification is well underway along the river

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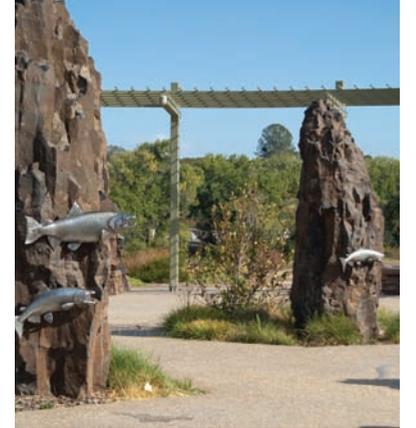
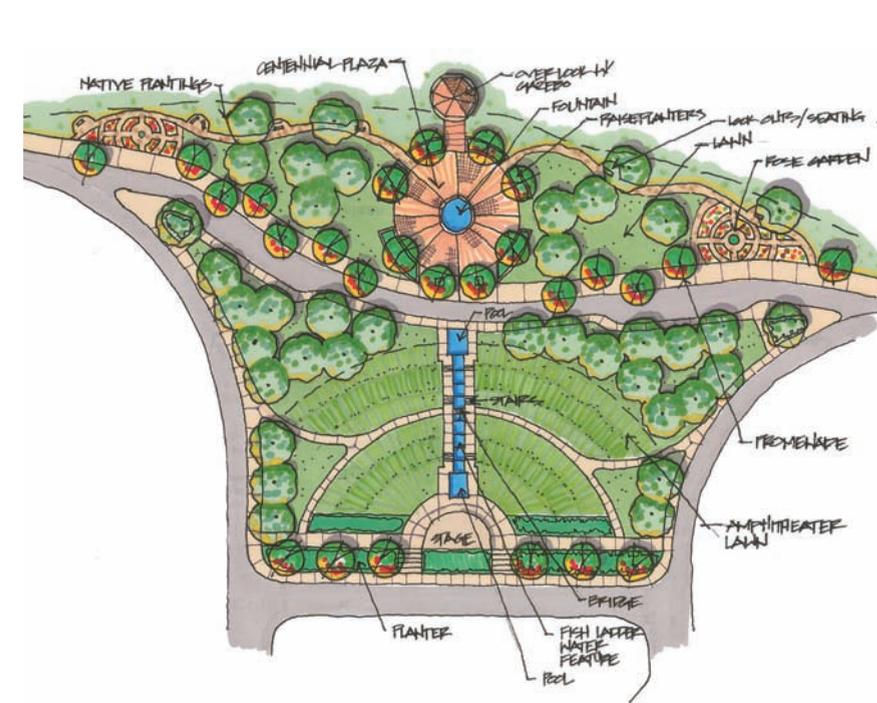


Explore Bountiful Opportunities by Oroville's Scenic Riverfront

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“Aliquam ultrices nibh sit am sapien, sit amet mole
Praesent eros est, mattis sit amet dapibus.”



Sculpture in the Centennial Park



Completed Centennial Park

FPO

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PROJECT COMPLETION

Pellentesque habitant morbi tristique senectus et netus et malesuada fames ac turpis egestas. Sed pharetra turpis at nibh facilisis rutrum. Vestibulum pretium, diam non scel erisque imperdiet, nisl neque elementum turpis, a gravida nunc urna id velit. Curab itur vel sapien sapien, sit amet molestie enim. Praesent eros est, mattis sit amet dapibus nec, gravida ac nibh. Vestibulum pretium, diam.

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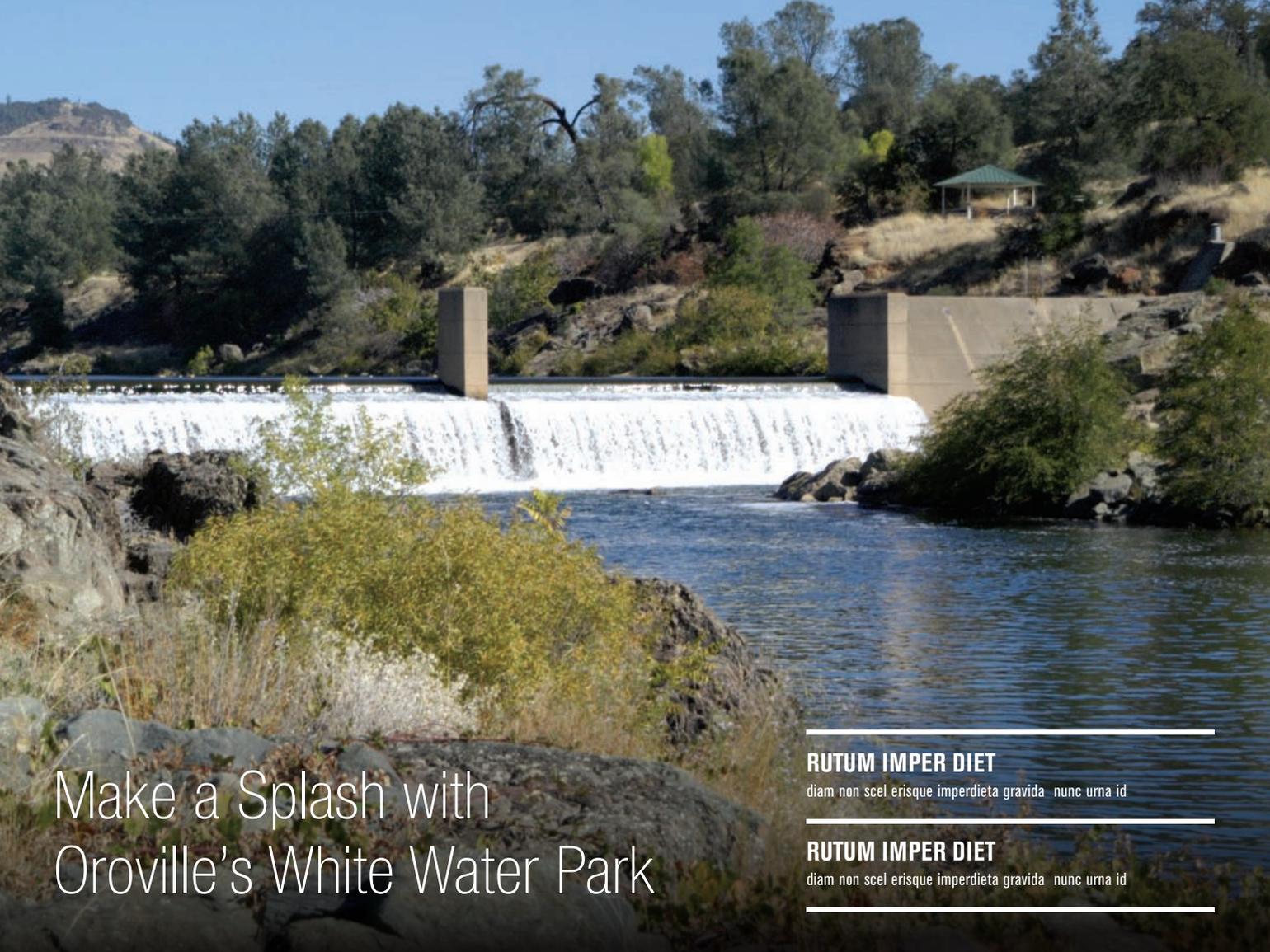
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Development and beautification is well underway along the river

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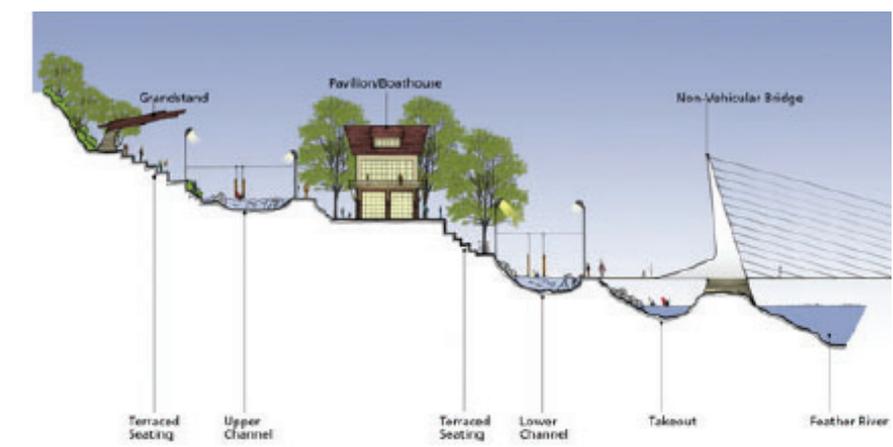
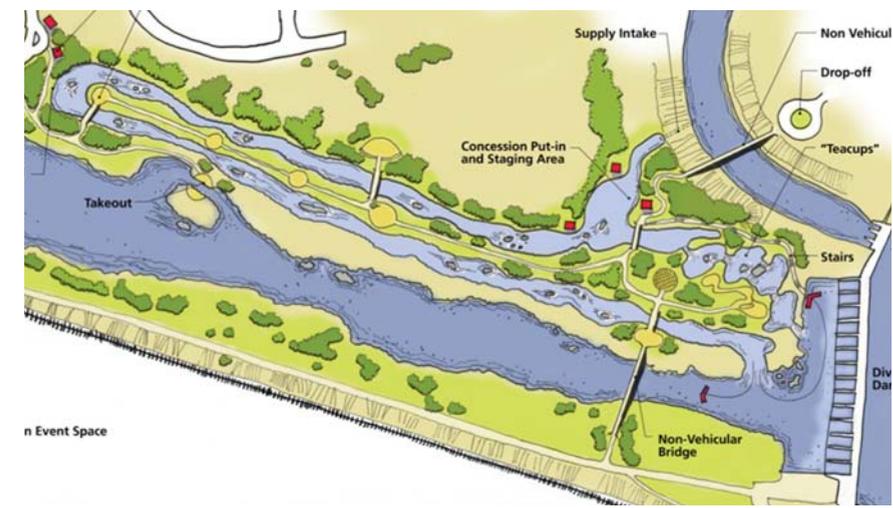


Make a Splash with Oroville's White Water Park

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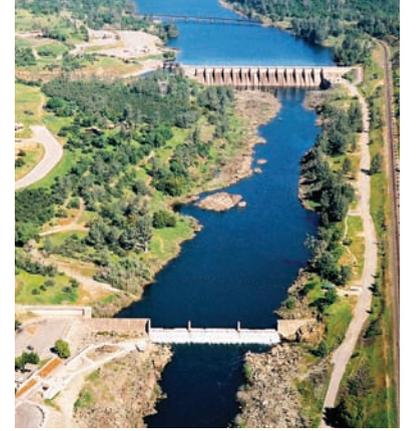
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PROJECT COMPLETION

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STEPS TO COMPLETION

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- STEP 7** diam non scel erisque imperdieta gravida nunc urna id velit phas ellus sapien urna.



Proposed white water rafting park area



Park renovations have already begun

Development and beautification is well underway along the river

Pellentesque habitant morbi tristique senectus et netus et malesuada fames ac turpis egestas. Sed pharetra turpis at nibh facilisis rutrum. Vestibulum pretium, diam non scel erisque imperdiet, nisl neque elementum turpis, a gravida nunc urna id velit. Curab itur vel sapien sapien, sit amet molestie enim. Praesent eros est, mattis sit amet dapibus nec, gravida ac nibh. Vestibulum pretium, diam.



Be a Part of Oroville's Newly Renovated Historic Downtown

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Join Oroville's Growing Commercial Core

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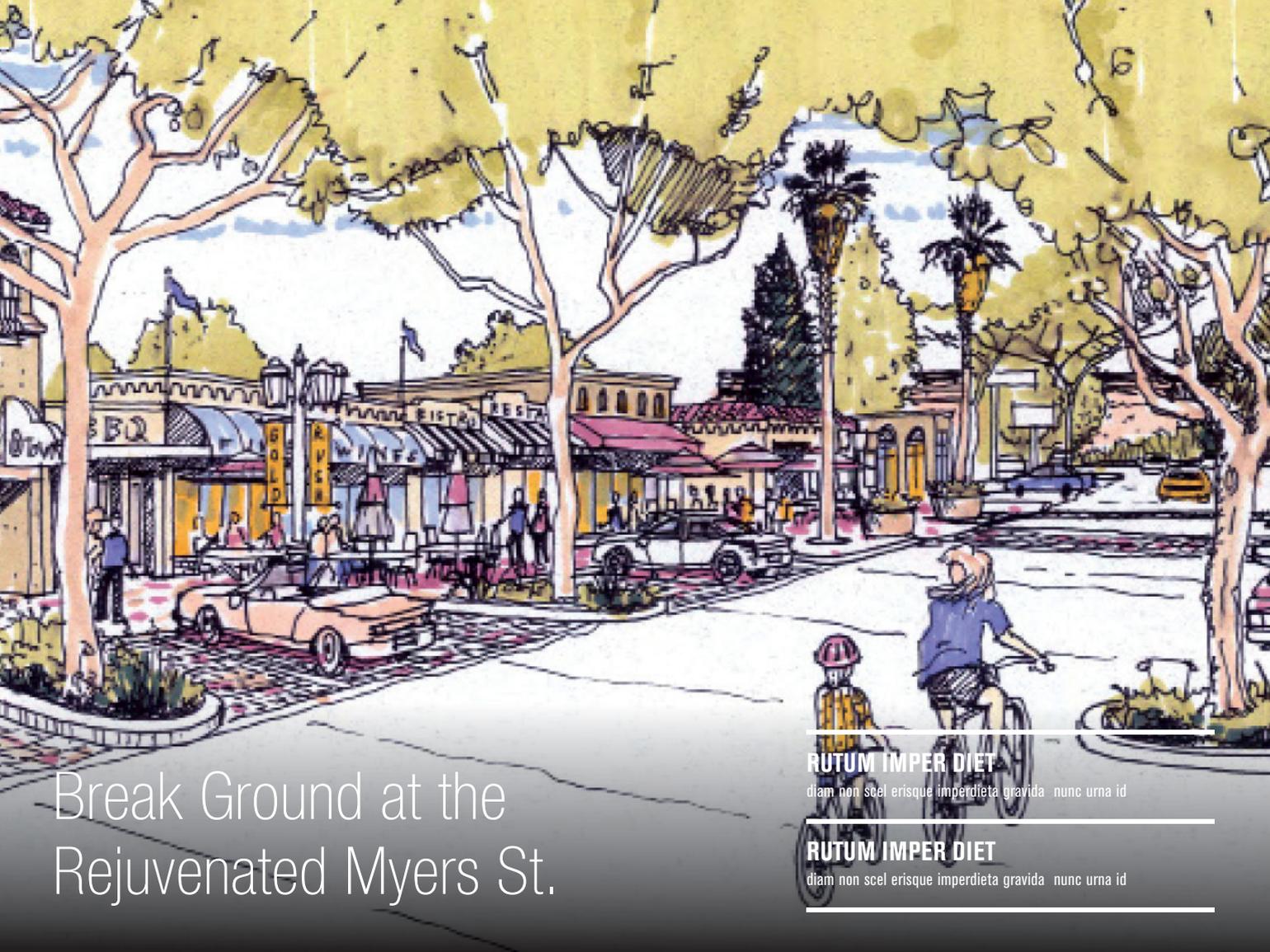
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“Phasellus sapien urna, tristique eu mattis et, pretium tristique eu mattis et, pretium.”



Break Ground at the Rejuvenated Myers St.

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Similar light post placed downtown



Roundabout placed at Washington Ave.

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PROJECT COMPLETION

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Plant Roots at Oroville's Airport Business Park

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Manufacture Your Future in Oroville's Industrial Park

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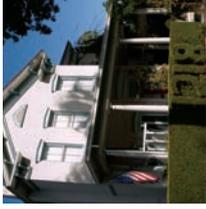
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www.cityoforoville.org
Phone: (530) 538-2401 Or Email: info@cityoforoville.org
Oroville City Hall, 1735 Montgomery Street Oroville, CA 95965

Annual Report

El Dorado County Economic Development

2005-2006



Mission

El Dorado County Office of Economic Development was established by the Board of Supervisors in 1998 with the following mission:



To expand employment and business opportunities for El Dorado County residents, entrepreneurs and property owners with particular focus on increasing the participation of traditionally underserved areas and populations of the County. To generate a healthy business climate that maintains and enhances the environmental quality of the county while producing tax revenues to support civic goals that provide goods and services for the populace. To support artistic, tourism and cultural activities and the growth of cultural resources for the community.

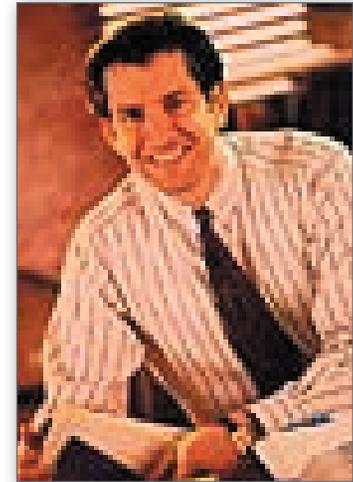
Welcome

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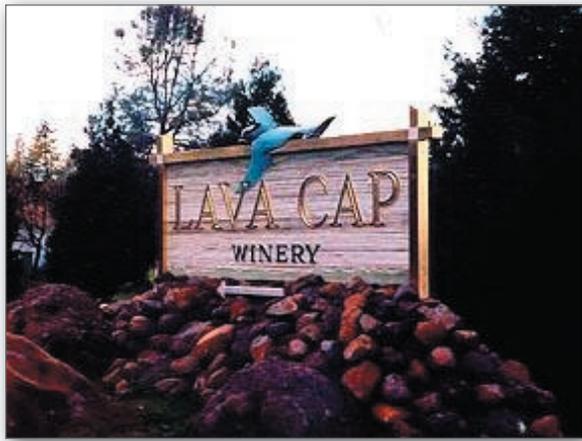


*Photo, Name and Title
of person writing letter*

Signature (Scanned)

Spell Out Name and Title of Person Writing Letter

Entrepreneurship



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Business Assistance

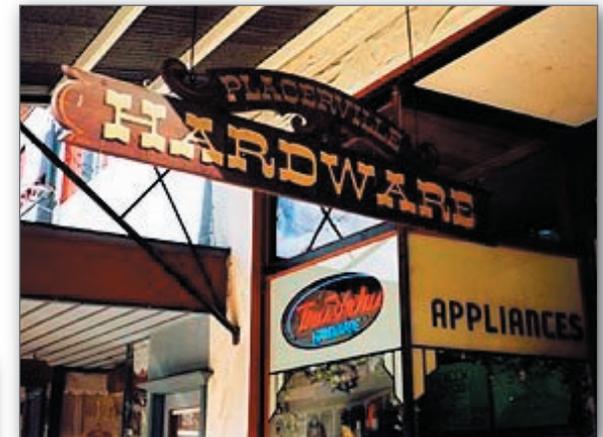
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International Trade

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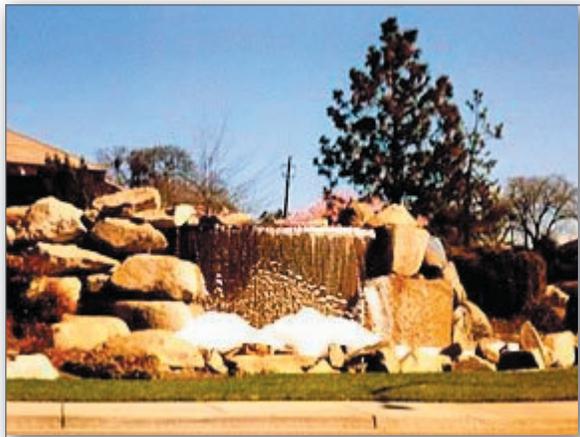
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Workforce Development



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Arts & Resources



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Business Climate

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Financial Report

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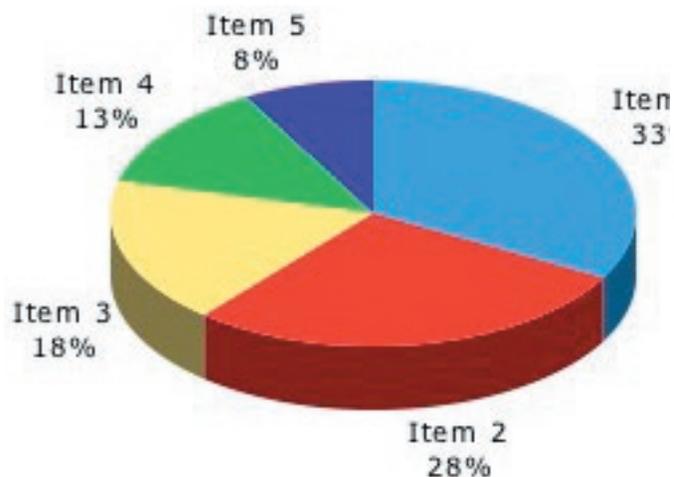
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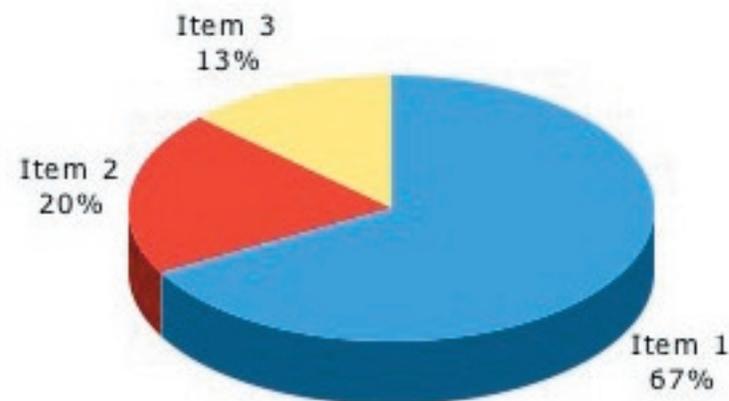
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SPENDING CATEGORIES



SOURCES OF FUNDING



Contacts

El Dorado County Board of Supervisors

Firstname Lastname
Title
Phone
e-mail

Economic Development Staff

Firstname Lastname
Title
Phone
e-mail

Other Contacts as Needed

**(Business advisory council?
workforce agencies? Board of
Directors? etc.)**
center content as necessary, depend-
ing on length

Firstname Lastname
Title
Phone
e-mail



330 Fair Lane
Placerville, CA 95667
(530) 621-5570

Appendix

7. Proposed BIP Sustainable Management Program

Appendix – Proposed BIP Sustainable Management Program Reference: Section 3.0, Business Development Action Plan, Action Initiative Benicia Industrial Park



As part of the Benicia Industrial Park Business Retention/Expansion program, **align economic development 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 1) support businesses with a value-add service, 2) create collaboration with the Chamber’s BIPA and **Green Business Committee** and 3) align with the City’s Climate Action Plan.

Proposed BIP Sustainable Management Program Outline

Program is offered to all BIP businesses at no cost. Program would include the following assessment performed by professionally-trained Sustainability Managers.

Baseline Sustainability Assessment Scorecard:

- ◆ Company Goals & Objectives
- ◆ Identify Current Sustainability Practices
- ◆ Energy Efficiency & Conservation
- ◆ Waste and Recycling Management
- ◆ Procurement
- ◆ Water Conservation
- ◆ Transportation

Report deliverable to company:

- ◆ Recognize existing practices;
- ◆ Identify opportunities which result in cost savings as well as reduction in environmental impacts;
- ◆ Recommendations for improvements (depending on the size of the businesses, Sustainability Assessments have resulted in identifying cost savings from low of \$1,000/year to upwards of \$500,000 per year to a business’s bottom line – *not including the intrinsic value of going green*;
- ◆ A Sustainability Management System policy for the company to introduce to employees (if needed);
- ◆ Prepare and submit paperwork to the Chamber for the Green Business Recognition Program; and
- ◆ Certificate

Additional services could include:

- ◆ Carbon foot printing calculation,
- ◆ Sustainability reports to accompany or integrate with company’s annual reports. The Global Reporting Initiative and Dow Jones Sustainability Index SAM methodology are used to prepare report for stockholders/stakeholders on sustainability management progress,
- ◆ LEAN Manufacturing Evaluation
- ◆ Sustainability Manager Training and Certificate

The City should also provide grant funds (Sustainability Fund) to businesses to implement sustainability recommendations and actions, i.e., landscaping, recycling, energy efficiency or other programs/training, work with VIP on an set aside fund for BIPA businesses.

Appendix

8. Sample – “Lafayette Green” Business Recognition
(file attached)

Appendix

9. Sample – San Jose Business Cooperation Program

Benefits of Program

- *Your liability in terms of allocation errors from 3rd Party vendors is reduced*
- *You enhance City revenue without increasing additional tax liabilities*
- *You are compensated for undertaking the allocation process*
- *Provides you the additional opportunity to publically recognize the important contributions that you make to our community.*



City of San Jose
Office of Economic Development
200 E. Santa Clara Street, 17th Floor
San Jose, CA 95113
Address Correction Required



Business Cooperation Program

City of San Jose



Capital of Silicon Valley

Phone: 408-535-8178
Web site: www.sjeconomy.com

What is the Business Cooperation Program

The Business Cooperation Program is an effort where the City and you work together for mutual benefit in allocating use tax dollars back to the City of San Jose. In exchange for undertaking the tax liability and reporting to the State of California, the City of San Jose will reimburse you a portion of the local tax that was collected.

This program results in:

- Your tax liability in terms of allocation errors from 3rd Party vendors being reduced
- You enhance City revenue without increasing additional tax liabilities
- Provides you the additional opportunity to publically recognize the important contributions that you make to our community.



Process

Firms making purchases of equipment, materials and fixtures from out of state will remit use tax to the State of California through either a:

- Direct Pay Permit
- Sub Seller's Permit

Firms designate "San Jose" as the first function use of the equipment. The City will reimburse you for the administrative burden of monitoring and allocating the tax.

Business Cooperation Example

Purchase Price of Widget	\$5,000,000
Santa Clara Co. Tax Rate	8.25%
Total Tax Collected by Buyer	\$412,500
Use Tax Rec'd by SBOE	\$412,500
State of CA Portion 6.25%	\$312,500
County/VTA Portion 1%	\$ 50,000
City of San Jose Portion 1%	\$ 50,000
You are Reimbursed 20%	\$ 10,000
Resulting San Jose Share	\$ 40,000

FAQ

Is this Common in other communities?

Yes, the CA State Board of Equalization has provided the two avenues, Sub-Sellers Permit and Direct Pay Permit to allocate use tax to communities.

Is there a cost?

There is no cost to obtain a Direct Pay Permit. There is also no cost to acquire a sub seller's permit.

Do I pay more tax?

No. You will not pay any more tax than you would normally. The difference is you accrue the liability and remit the tax instead of having a reseller accrue and remit the tax.

Getting Started

Getting started with the Business Cooperation Program is simple as 1-2-3.

1. **Contact the Office of Economic Development (OED) regarding your interest in the Program BEFORE you make specific purchases of equipment or machinery.**
2. The City will determine if your particular purchase is subject to use tax and works within the State approved allocation process
3. The City will assist you with either acquiring a sub sellers permits or direct pay permit

Once a sub sellers permit or direct pay permit is in place, you are now ready to accrue and remit the appropriate tax liability.

Claims Process

Participating companies in the Business Cooperation Program will request in writing 45 days after the close of the reporting quarter a claim for rebate to the City. City staff will verify the claim to ensure the California State Board of Equalization has received the use tax allocation. Upon verification, the City will process the appropriate rebate for the participating company as outlined below.

Net New Use Tax Received by the City of San Jose	Rebate Percentage
Tier 1: 0-\$200,000	20%
Tier 2: \$200,001-\$500,000	25%
Tier 3: \$500,001 and greater	30%

If the total allocation for four consecutive quarters exceeds Tier one or Tier two, there will be a one time true up payment in the fourth quarter from the City at the next higher Tier. However, if a firm over four consecutive quarters does not exceed Tier one threshold, they receive the minimum 20%.

City of San Jose
Office of Economic Development
200 E. Santa Clara Street
San Jose, CA 95113

p: 408.535.8178
f: 408.292.6719
economic.development@sanjoseca.gov

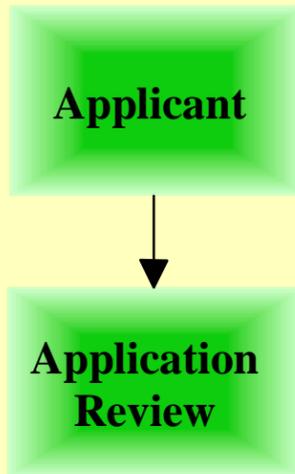
Appendix

10. Sample Plan Check Flowcharts

Start

Applicant submits three (3) copies of the plans for permit along with a copy of the Project Review Committee (PRC) letter (if applicable), and the building permit checklist.

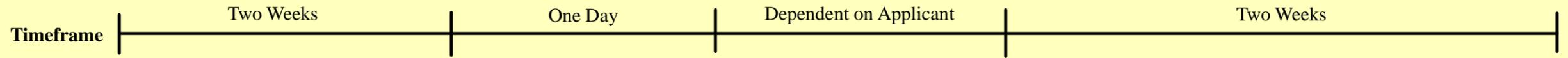
The application must contain ALL of the required materials and plans must meet minimum standards prior to acceptance over the counter.



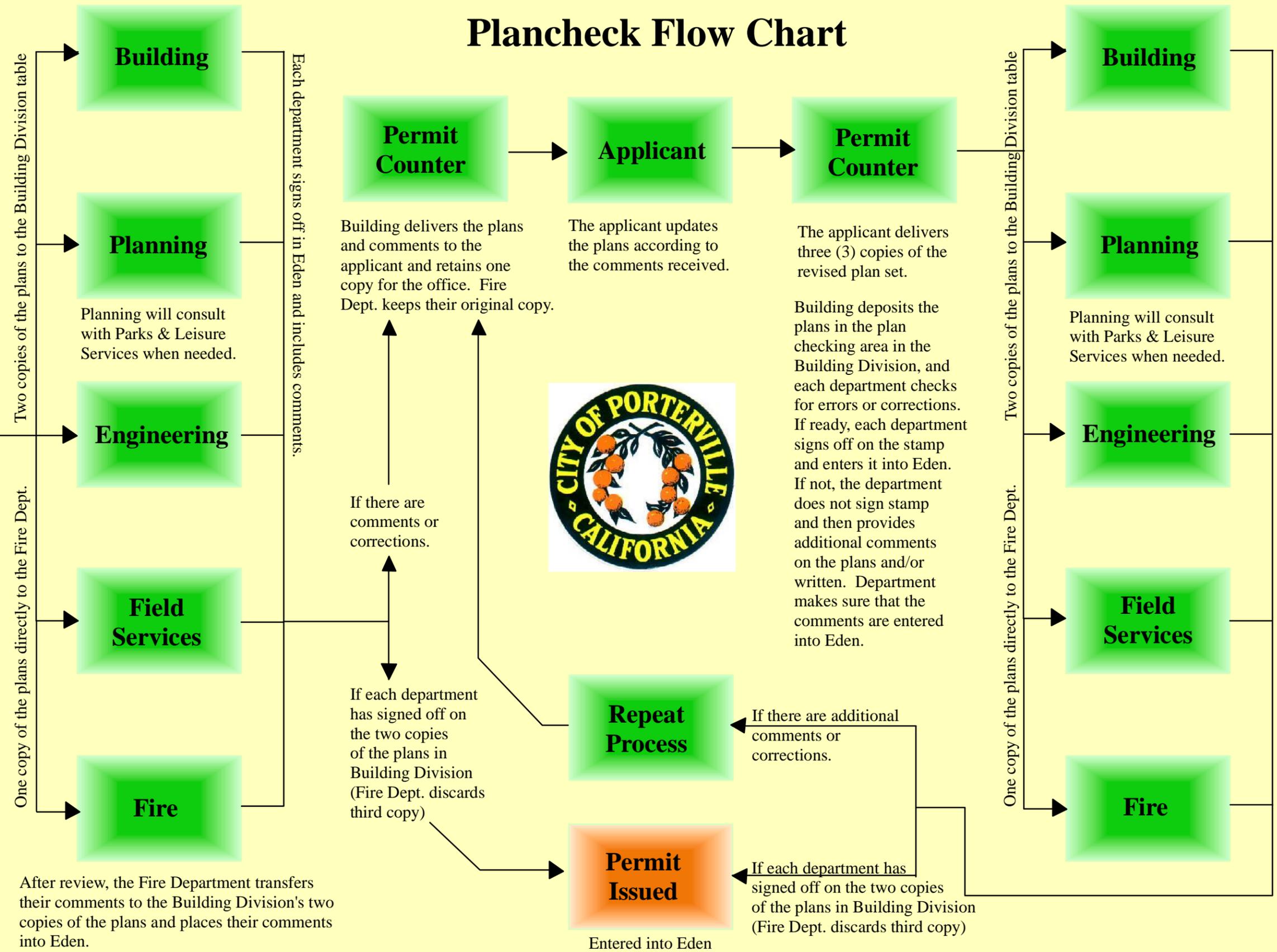
Staff from the Engineering and Planning Divisions* reviews the application, PRC letter and checklist with the applicant. If the application is complete, the counter staff enters the permit information into Eden, deposits the plans plan checking area in the Building Division, and sends an email out to each department regarding the new plans.

Other than the Fire Department, each department reviews the plans at the Building Division table, makes comments on the plans and enters their comments into Eden. Additional written comments may be left with the Building Division.

* - For the application review process, The Engineering staff used shall be (1) Dave Behrens, (2) Javier Sanchez, (3) Michael Reed. The Planning staff used shall be the project planner (when applicable). If there is no project Planner assigned, the Planner assigned to counter at the time of submittal shall be used.



Plancheck Flow Chart



Two copies of the plans to the Building Division table

One copy of the plans directly to the Fire Dept.

Each department signs off in Eden and includes comments.

Two copies of the plans to the Building Division table

One copy of the plans directly to the Fire Dept.

After review, the Fire Department transfers their comments to the Building Division's two copies of the plans and places their comments into Eden.



Permit Counter → **Applicant** → **Permit Counter**

Permit Counter: Building delivers the plans and comments to the applicant and retains one copy for the office. Fire Dept. keeps their original copy.

Applicant: The applicant updates the plans according to the comments received.

Permit Counter: The applicant delivers three (3) copies of the revised plan set.

Building: Building deposits the plans in the plan checking area in the Building Division, and each department checks for errors or corrections. If ready, each department signs off on the stamp and enters it into Eden. If not, the department does not sign stamp and then provides additional comments on the plans and/or written. Department makes sure that the comments are entered into Eden.

Repeat Process: If there are additional comments or corrections.

Permit Issued: Entered into Eden. If each department has signed off on the two copies of the plans in Building Division (Fire Dept. discards third copy).

If not complete the application is returned to the applicant.

If there are comments or corrections.

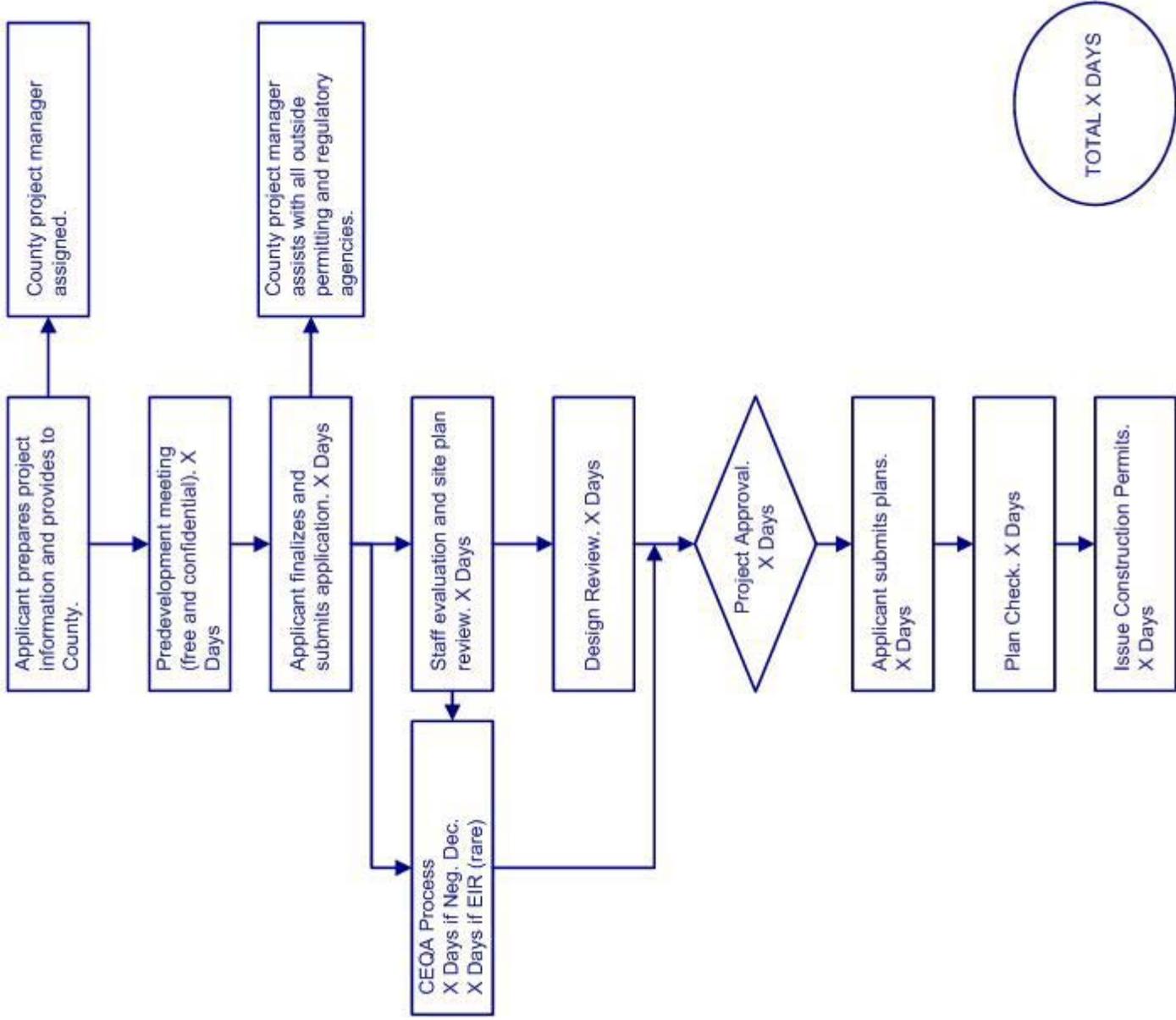
If each department has signed off on the two copies of the plans in Building Division (Fire Dept. discards third copy)

If there are additional comments or corrections.

If each department has signed off on the two copies of the plans in Building Division (Fire Dept. discards third copy)

Sample Permit Process Flowchart

COUNTY TYPICAL PERMIT PROCESS



Appendix

11. Applied Economics, MetroComp

MetroComp™

Interactive Business Operating Cost Comparison Database

MetroComp is a complete interactive operating cost comparison module. This module allows you to select from several pre-defined prototype operations, or define your own prototype facility based on building size and type, work force size and occupational mix, utility usage, and capital investment. The pre-defined business operations generally include standard manufacturing, distribution, back office, research and development, and headquarters operations or they can be customized to a specific industry being targeted. You can select the comparative areas for each operating cost comparison from any of the metro area locations included in your database. The results of the annual operating cost comparison are detailed in easy-to-read charts and graphs that can be viewed on-screen or printed. These results include the following:

- | | |
|---|---|
| <ul style="list-style-type: none"> Pro-Forma Description Selected Wage Rates by Occupation by Area Comparative Benefit Costs Comparative Property Taxes Business Taxes Housing Overview Cost of Living | <ul style="list-style-type: none"> Total Annual Operating Costs by Area Comparative Overall Average Wages Comparative Utility Costs Building Lease or Land & Construction Costs Health Insurance Personal Taxes |
|---|---|

MetroComp can be installed on an individual PC, or on a network. It requires at least 10MB of hard disk space, Windows 98 operating system and Microsoft Access 2000 or higher.

METROCOMP ANNUAL OPERATING COST COMPARISON MODULE

Pro-Forma Description (the project information is entered into the module for each project)

- Type of Operation (specific industry selected)
- Number of Employees
- Breakdown of Employees by Occupation (85 occupational categories)
- Building Size and Type (office, warehouse, high tech, manufacturing)
- Choice of building lease or construction
- Site acreage if new construction
- Utility Usage Levels (6 water and wastewater levels, 8 electric levels, 6 natural gas levels)
- Capital Investment
- Comparative Areas

From the Project Information inputted the following reports are created compared to the Metro Areas selected:

<p>Annual Operating Cost Comparison by Area</p> <ul style="list-style-type: none"> Total Annual Cost Total Payroll Fringe and Mandated Benefits Utility Costs Building Lease or Amortized Payment Property Taxes <p>Selected Wage Rates by Occupation by Area</p> <p>Comparative Overall Average Wages by Area</p> <p>Comparative Benefits</p> <ul style="list-style-type: none"> Retirement and Savings Life and Health Insurance Workers Compensation Unemployment Insurance Social Security 	<p>Comparative Utility Costs</p> <ul style="list-style-type: none"> Water Wastewater Electricity Natural Gas <p>Comparative Building Lease or Land and Construction Costs</p> <ul style="list-style-type: none"> Lease Rate per Square Foot Total Annual Lease Cost or Land Cost per Acre Total Land Cost Building Construction Cost per Square Foot Total Construction Cost Total Building and Land Cost <p>Property Tax</p> <ul style="list-style-type: none"> Tax Rate Assessment Ratio Effective Tax Rate Property Tax Cost
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MetroComp™ Interactive Business Operating Cost Comparison Database

OPERATING CONDITIONS COMPARISON MODULE

The reports generate from this section of MetroComp show comparison data for select metro areas on the following topics:

<p>Business Taxes by Area State & Local Sales Tax Corporate Income/Franchise Tax Inventory Tax Unemployment Insurance Rate Unemployment Taxable Wage Base Workers Compensation (per \$100 payroll)</p> <p>Housing Overview by Area Percent of Housing that is Single Family New Home Prices Resale Prices Percent of Housing that is Multi Family Typical Rents</p> <p>Cost of Living Index by Area Overall Index Food Housing Utilities Transportation Health Care Miscellaneous</p>	<p>Monthly Health Insurance Costs by Area Individual HMO Individual Indemnity Family HMO Family Indemnity Doctors per Capita Hospital Beds per Capita</p> <p>Personal Taxes by Area State Sales Tax County Sales Tax City Sales Tax Total Sales Tax Effective Property Tax Rate Personal Income Tax Rate – Low Personal Income Tax Rate - High</p>
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PRICING STRUCTURE

📌 Pricing depends on the number of areas, metropolitan or micropolitan/rural, you order. Industry pro formas are optional; you can create unlimited customized pro formas with the system. The researched pro formas priced below can give you guidelines for typical projects within you targets sectors.

METROCOMP Feature	Price/Unit	Notes
National Metro Areas	\$300/metro area	This price is based on a minimum of 10 Metro Areas purchased.
Micropolitan or Rural Areas	\$500/rural area	County or multi county region/region; no minimum for pricing.
Industry Pro Forma	\$350/pro forma	The operating costs pro forma would be designed for each industry cluster.

Contact Allison Larsen at Chabin Concepts (509) 972-0833, allison@chabinconcepts.com, or Sarah Murley at Applied Economics (602) 765-2400 ext 102, smurley@appliedeconomics.net, to place your order.

Appendix

12. Applied Economics, Economic Impact Analysis

APPLIED ECONOMICS COMMUNITY PROJECT ASSESSMENT SYSTEM

Local Economic and Fiscal Impacts of Economic Development Prospects

Product Overview

The Community Prospect Assessment System (CPAS) is a computer simulation model intended to assist local governments in evaluating the *net* impact that a new or existing business may have on the economy and on the community's operating budget. As such, it considers not only the benefits that a prospect would bring to the community such as jobs and revenues, but also the costs likely to be associated with it. This makes CPAS different from most impact models that only assess revenue impacts, ignoring the fact that a new business will also place demands on the services provided by the community. The CPAS approach results in a much more accurate and defensible evaluation of prospects, an especially important consideration when evaluating incentive offerings.

CPAS uses information about the operation of each prospect to estimate direct and total economic and fiscal impacts. Direct impacts are those resulting from the business itself, while total impacts take into account the suppliers and consumers that may also be supported by the prospect's operation. **Economic impacts** estimated by CPAS include employment and output by industry, personal income, supported population and households, and residential and non-residential real estate. Both construction and on-going operations impacts over a period of up to ten years are included. **Fiscal impacts** are modeled based on specific revenue and expenditure items of your jurisdiction, another unique feature of CPAS.

The model provides users with the ability to create, store and retrieve profiles of many prospects. Summary impacts of a prospect can be viewed on-screen, while printed reports show more detailed information about the impact analysis. This output can also be supplemented with summary charts.

Approach

Unlike impact models that rely on state or even national economic multipliers, the economic impacts generated by CPAS are based on industry-specific economic multipliers from the Minnesota IMPLAN Group, customized for your community. As a result, CPAS can more accurately predict how a particular prospect will fit with the balance of your economy. Prospects that make purchases from other industries present in your community will show correspondingly greater impacts than those that may not be able to make local purchases.

Prospect information including employment by skill level, payroll, building and equipment investment, infrastructure additions and utility consumption are all used as input for the CPAS. Corresponding direct, supplier and consumer impacts are then estimated based on the economic multipliers, development and operating cost information customized for your community.

The distinguishing features of the fiscal portion of the CPAS are again tied to customization. The fiscal impact portion of the CPAS is modified based on the particular revenue and expenditure categories used in your community's budget. The fiscal portion of the model uses population, employment and output changes calculated by the economic portion of the model, along with other information about your community and the prospect, to calculate the impact on revenues and expenditures. Based on current rates and fiscal conditions in your community, the output from the fiscal portion of the model shows the change in revenues and expenditures by type, and the overall balance (positive or negative) resulting from each prospect.

System Requirements

CPAS is a customized Microsoft Excel application. It can be installed on a stand-alone computer or on a network. It requires Microsoft Excel 2003 or higher software, at least 16 MB of RAM and 4 MB of available hard disk space. The system is very user friendly, offering menus and dialogue boxes that permit its operation by those who are not familiar with Excel.

Attachment 13 – Work Session Notes

The draft Business Development Action Plan was reviewed in three different public work sessions:

- September 21, 2011 – Plan review with the Economic Development Board
- October 12, 2011 – Three public work sessions overviewing each section of the plan – Downtown/Tourism, Commercial Centers and Benicia Industrial Park
- October 25, 2011 – Special Joint Meeting, City Council & Economic Development Board

The following are notes and comments provided at each work session.

September 21, 2011 – Economic Development Board Work Session Notes

1. Appendix 1 Economic Indicators, could additional information be added to the school information about the quality of the schools. Additional comments on quality of schools compared to Danville was cited from audience.
2. Economic Indicators, benchmark to other areas (competitors or comparative areas) vs. Solano. Feel that Benicia should “stretch” itself to the next level.
3. Update of the zoning ordinance is a priority and deserves attention.
4. Projections on tax revenue numbers 2010 reflect refinery expansion which will end this year.
5. Audience comment: Can do the Sustainable Management Program immediately through the Good Neighborhood, recommend the Board submit application, very interested in funding...have done two already with residence, Ron Myska volunteered to be the pilot project.
6. Question from audience “What would be the comparison of sales tax leakage to other cities” (*cities would need to be selected and report run, there could be major difference depending on the retail mix of the cities chosen for comparison*).
7. Staff should be concierge to people coming to the city.
8. Need to fund it.
9. Change “work together to get results” to “working together to get results”.
10. Concierge for BIP.
11. What are good “measures” for tourism.
12. Question on marketing – would there be key message platform?

October 12, 2011 – Public Work Sessions

1. Downtown / Tourism Work Session

- Impediments to new business locating or expanding in downtown – Historic Preservation and Design Review Board
- Curb Appeal is needed at the major entrance off the freeway
- Update – the Park Committee has received a grant for Waterfront Master Plan
- A concern brought up about the Traffic Flow of Main Street
- Comments from several attendees the “modern-type” businesses that attract the young working classes is not located in downtown
- Socially responsible planning should be done for key buildings in the downtown
- Business Retention is a priority, however, not sure “who is on first”. Need to clearly articulate the team and what tools are available to assist business (note one business in attendance who needed immediate help with relocation)
- Gap in the business mix of the 12-19 year old group demographic, which represents 10% of the populations who feel not welcome downtown and creates wandering teens

- Question from an attendee: is there a ratio of retail to service business for a vibrant downtown? Also are there methods to control the ratio via zoning
- Recommendation from attendee that the plan, or some planning should be done to bridge all the economic generators, particularly the downtown and Industrial Park

2. Commercial Centers Work Session

- Discussion about Buying Local. An attendee mentioned a website call New Rules Project, The Institute for Local Self-Reliance (ILSR), www.newrules.org.
- The Business Alliance for Local Living Economies is also a good resource for Think Local First. www.livingeconomies.org
- An attendee asked about implementing a Buy Local Campaign – several other attendees noted there was a campaign by the Chamber Benicia First. The Buy Local Campaign may need to be “refreshed”. <http://www.newrules.org/retail/tools-growing-local-businesses>
- Agreement that there needed to be better Internal Marketing to Benicia’s residents
- Technology in the Downtown may also need to be evaluated
- Trader Joe’s is a desired business and should be targeted
- Recommendation from attendee to look at what big boxes offer that we would like to have in the community and that are not currently being offered, be entrepreneurial and design own small footprint stores to provide those goods
- Should also have connections with businesses in Napa to promote their products locally

3. Benicia Industrial Park

- Communications on the status of the DTSC needs to be improved. Quarterly Meeting w/property owners was promised but have been missed. Brad Kilger, City Manager, responded to direct inquiry and status and acknowledged could do a better job of informing owners and those affected
- Rail most likely not viable
- Toll are a cost factor that is being considered by companies when looking for a location.

October 25, 2011 Joint City Council & Economic Development Board Work Session Notes

The draft Business Development Action Plan was reviewed with the Council and EDB by sections, with comments from public at end of each section:

Section 1 – Situational Analysis

- Reallocation of staff time
- Parking study (revisit)
- Timeline – entry to recession late / may come out late
- Historic Overlay affects the location of businesses
- Width of First Street – build-outs, vehicular & pedestrian traffic
- Rents downtown – price of rents attracts new business
- Building bridges between 3 economic generators
- Merchants have a voice
- DTSC in Industrial Park
- Higher rent, higher occupancy – better infrastructure

Section 2 – Assessment Findings

- Views of the waterfront are an asset, should take better advantage of it
- Coastal Conservancy Master Plan
- Majestic Theater – explore asset that could be better used
 - Majestic Theater Corporation is 501 (c) (3) – Larry Whitney
- Specific ways businesses are/can be collaborating between the 3 economic generators – downtown, Arsenal and Benicia Industrial Park
- Need a map to help tie everything together (this would help residents better understand what is available)
- Revenue from Industrial Park not sufficiently considered in budget. Need to continue to focus on this
- Refocus on commercial centers and Industrial Park
- Working together to achieve results is important
- Who takes the lead?
- Need examples or Best Practices of similar demographics
 - Industrial Park, commercial centers, population downtown
 - Uniqueness creates opportunity
- Employees in vibrant commercial park will drive to other retail businesses

Section 3 – Business Development Action Plan

- Zoning – priority streamlined permitting
- CEQA – Environmental Review/Plan

Section 4 – Implementing the Action

- How do We Measure Success?
 - Performance Measurement Tool (add bullet 120 day launch schedule)

- BIP Infrastructure Priorities – future
- Matrix for Assessment/Action (EDB)
- Incubator
- Benchmarking/Measurement
- Technical Advisory Taskforce
- BIPA list of needs/priorities with staff help
- Website Business Directory

Final Comments

The City Council and the Economic Development Board accepted the Draft Business Development Action Plan and directed staff to move forward with implementation of the 120-day launch for priorities with the added performance measures and reporting back to Council at the end of that time.