



**CITY OF PACIFICA
COUNCIL AGENDA SUMMARY REPORT**

1/23/2023

SUBJECT:

Joint City Council and Planning Commission Study Session to hear a presentation and discuss the Pacifica Economic Opportunities Study report.

RECOMMENDED ACTION:

Receive and discuss the Economic Opportunities Study report prepared by Kosmont Companies and provide direction on next steps for integrating and prioritizing the report's findings and recommendations into the Pacifica Economic Development program.

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INTRODUCTION:

On October 12, 2020, the City Council adopted the Project Purpose Statement and Scope of Work for the Vision 2025 and Beyond Fiscal Sustainability Plan. A Council Study Session to further develop the Vision 2025 and Beyond Plan was held on December 13, 2021. At that meeting, the Council reviewed the results of a Marketing Study and Plan for the City of Pacifica and authorized a Request for Proposal (RFP) for an Economic Opportunities Study (EOS).

On April 25, 2022, the City Council Awarded a Contract to Kosmont Companies for the preparation of the EOS for the City of Pacifica with an estimated completion date of the study in December 2022. That work has been completed as scheduled and the EOS study is now ready for presentation to the City Council. In light of the land use recommendations included in the draft report, the Planning Commission has been invited to join the City Council in tonight's presentation and discussion of the EOS report.

Tonight's Council Study Session will include:

1. A presentation of the EOS Executive Summary by members of the Kosmont Companies team that developed the report.
2. Time for the City Council and Planning Commission members to delve into the full report with a representative of the Kosmont Team and to receive Public Comment.
3. An opportunity to provide initial input and direction to City Staff prior to the development of initial Economic Development priorities for follow up and implementation by the City Staff.

PACIFICA ECONOMIC OPPORTUNITES STUDY (EOS)

The Pacifica Economic Opportunities Study is attached to this Council Report and includes a 10-page Executive Summary (**Attachment 1**) and a 173-page Final Study document (**Attachment 2**). The study is divided into 5 sections:

1. Executive Summary (Attachment 1 and Attachment 2, pages 4-26)

A 10-page letter to the City presented in Attachment 1 and Section 1 of the Draft Economic Opportunities Study (pages 4-26) presented in the Attachment 2. This includes the highlights and high-level summary of the study findings.

2. Economic and Land Use Trends (Attachment 2, pages 27-42)

Section 2 in the Draft EOS (pages 27-42) discusses Economic and Land Use Trends in the Retail, Office, Industrial, Residential and Hospitality sectors. This includes discussions of the growth of Work From Home and eCommerce Sales, Essential and Experiential Retail and Blended Uses. It also includes Case Studies in California communities that illustrate these changes.

3. Business District Analysis (Attachment 2, pages 43-85)

Section 3 (pages 43-85) provides maps and detailed SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis of each of Pacifica’s 5 Business Districts as outlined in the EOS Study RFP:

- Pacific Manor/Fairmont
- Sharp Park/Eureka Square
- Rockaway Beach/Valleamar
- Linda Mar/Sun Valley
- Pedro Point

Also included in this section are information on demographics, attractions, restaurants, sales tax trends, aerial photographs, visitor analytics including visitor home location, findings, and recommendations for each of the 5 business districts in Pacifica. This information will be helpful to both the City and local businesses in developing marketing and economic development programs in the future.

4. Opportunity Sites (Attachment 2, pages 86-104)

Section 4 (pages 86-104) provides a map and detailed discussion of 8 Opportunity Sites that were identified and explored by the Kosmont study team. These sites are as follows:

- | | |
|--------------------------------------|-----------------------------------|
| • 2212 Beach Boulevard | Publicly Owned (City) |
| • Palmetto Avenue - 5 Parcels | Privately Owned |
| • Quarry Site - Flat Area | Privately Owned |
| • Sea Bowl - Parking Area | Privately Owned |
| • Linda Mar Center - Surplus Parking | Privately Owned |
| • Park Mall - 3 Parcels | Privately & Publicly Owned (City) |
| • SamTrans Park & Ride | Publicly Owned (SamTrans) |
| • Community Center Property | Publicly Owned (City) |

For each of these sites, the draft study provides information on the size, ownership, surrounding uses and opportunities for each. The opportunities include potential uses such as Hotel, Retail, Commercial, Downtown Anchor, Community Center, Blended Use, Multifamily Residential, Open Space, Residential, High End Hospitality, Trailer Hotel, Food Court, Mixed Use and Public/Private Partnership.

5. Data Appendix (Attachment 2, pages 105-172)

Section 5 (pages 105-172) provides additional data and information on Pacifica. This includes demographics, market data, location analysis and revenue data.

This section also provides the results of the Community and Stakeholder Outreach work done during the study. The City Staff and the Kosmont Team worked with a Council Community Outreach Subcommittee appointed by the City Council (Council Member Beckmeyer and former Council Member O'Neill) to develop the outreach process. This included:

- Community Workshop #1 - via Zoom - August 2022
- Online Survey of Pacifica Residents and Businesses - August & September 2022
- Stakeholder Outreach Meetings - August & September 2022
- Community Workshop # 2 - In Person - November 2022

ANALYSIS & ATTACHMENTS

During the review and analysis of the Final EOS Report by the City Staff, three additional attachments have been developed. They will facilitate the review and discussion of the EOS Report.

List of Economic Opportunities

Attachment 3 to this report is a comprehensive List of all Economic Opportunities that are identified and presented in the EOS. This is a table color-coded by business district with a brief description of each opportunity, the business district it applies to (or Citywide in some cases), and the page(s) that the recommendation appears on.

Opportunity Site Revenue Estimates

Attachment 4 lists the 8 Opportunity Sites described in the EOS along with a revenue estimate for each site from the report developed by the Kosmont Team. This attachment provides an overview of the revenue potential to the City outlined in the draft study.

Proposed Economic Opportunity Timing

Attachment 5 is a list of the 30 Economic Opportunities in the EOS report sorted by the projected potential implementation timeline of each opportunity. This list is an initial look at how the Staff believes these study objectives could be developed and implemented if approved by the City Council.

Staff recognizes that with 30 opportunities in the study, they will require time and resources to review, develop, and potentially implement. Our vision is that the opportunities could be explored and implemented in these categories:

- Short Term - 1 to 2 years
- Medium Term - 3 to 4 years
- Long Term - 5 years or longer

Staff looks forward to the Council's comments on which opportunities are of interest and in what sequence and priority the Council may wish to see the desired opportunities move ahead.

NEXT STEPS

The implementation scope of the Economic Opportunities Study is yet to be determined, pending the City Council's input on the opportunities outlined in the report. If the Council approves the recommendation to proceed with the development of initial Economic Development priorities from the EOS, this item will be returned to the City Council for further discussion and consideration at a Council meeting in early 2023.

RELATION TO CITY COUNCIL GOALS AND WORK PLAN:

The Economic Opportunities Study will advance the Vision 2025 & Beyond City Council Priority

Item # 4 - Economic Development Strategies and the City Council's Strategic Plan goal of **Fiscal Sustainability**.

FISCAL IMPACT:

This is an informational item. There is no immediate fiscal impact associated with the review of the EOS. Pursuing the Economic Opportunities outlined in the EOS Study document could require additional funding in the current and upcoming fiscal years. Implementing these opportunities could generate up to \$1.45 Million to \$2.75 Million per year in new revenues for the City in future years at the 8 Opportunity Sites outlined in the EOS (see **Attachment 4**) if approved by Council. Other recommendations in the EOS report could result in additional revenues for the City as well.

ORIGINATED BY:

City Manager's Office

ATTACHMENT LIST:

- Attachment 1 - Executive Summary - Economic Opportunities Study (PDF)
- Attachment 2 - Pacifica Economic Opportunity Study (PDF)
- Attachment 3 - List of Economic Opportunities (PDF)
- Attachment 4 - Opportunity Site Revenue Estimates(PDF)
- Attachment 5 - Economic Opportunity Timing List (PDF)