



ECONOMIC VITALITY COMMITTEE REPORT

June 15, 2023
Economic Development

TITLE: RECEIVE AN OVERVIEW OF THE DRAFT ECONOMIC DEVELOPMENT STRATEGIC PLAN AND PROVIDE A RECOMMENDATION TO THE CITY COUNCIL FOR ADOPTION

BACKGROUND

In 2013, the City Council adopted the current Economic Development Strategic Plan (Strategic Plan) as a policy document to guide the City's economic development priorities and activities over a period of three to five years. After the changing economic landscape of the past several years exacerbated by the global COVID-19 pandemic, City staff determined that it is an opportune time to review and update the Strategic Plan to meet the business needs of the City for the five-year period from fiscal year 2023/2024 to fiscal year 2027/2028.

The Strategic Plan update began in August 2022 with collection and analysis of data outlining demographic, economic, business, fiscal, and market conditions. The findings from that analysis, which are summarized in the draft Economic Profile Report (Attachment 1), identify opportunities and recommendations to advance the City's economic development goals over the next five years. At key milestones during the Strategic Plan update process, the Economic Vitality Committee (EVC) was provided updates and given the opportunity to share ongoing feedback for consideration. An overview of the initial findings was presented to the EVC at its November 2022 meeting. A draft Economic Profile Report was provided to the EVC at its April 20, 2023, and most recently, the EVC participated in small working group sessions which took place in May 2023.

The findings from the Economic Profile Report, as well as these discussions with the EVC informed the development of the strategies and implementation actions in this final draft report. These strategies are designed to strengthen the City's existing advantages and address disadvantages over the next five years, with a focus on five Priority Areas:

1. Economic Development Organizational Capacity Building
2. Business Retention, Expansion and Attraction
3. Local Revenue Growth
4. Entrepreneurship and Innovation Outreach
5. Major Projects Accelerator

DISCUSSION

Since August 2022, City staff and the EVC have worked with Willdan Financial & Economic Consulting Services to prepare an update to the City's existing Economic Development Strategic Plan. The initial focus was on the collection and analysis of data for an Economic Profile Report, known in the last strategic plan process as a Background Report, which would provide a foundation for the development of strategies for business support and growth. The Economic Profile Report is an assessment of Pleasanton's economic, fiscal, and business strengths and opportunities, and includes review and analysis of citywide demographic and employment patterns, commercial real estate market, and industry sub-areas.

Based on the Economic Profile analysis and findings and discussions with the EVC, the principal section of the Strategic Plan defines **five Priority Areas** for economic development activities in Pleasanton over the next five years. Each priority includes programs, services, or initiatives with actions tied to a proposed timeframe for implementation. For each of these five priority areas, the Strategic Plan defines key initiatives or implementation actions for Economic Development staff and strategic partners to implement over the next five years. The following is a description of each Priority Area.

1.0 Economic Development Organizational Capacity Building

This priority area recommends strategies to increase the organizational effectiveness of the Economic Development Division, with an emphasis on performance management, best practices, and strategic partnerships. This capacity building initiative will require building ongoing consensus around the City's top economic development priorities, programs, and major projects.

2.0 Business Retention, Attraction and Expansion Program

Pleasanton's superior location and supply of high-value, cost-competitive office and flex space have allowed it to attract a wide variety of employers, including large headquarters and small start-ups. This program further capitalizes on Pleasanton's success and formalizes actions to accelerate the City's advancement towards a proactive and intentional approach to business retention, attraction, and expansion, with a focus on employer engagement and workforce development.

3.0 Local Growth Revenue Initiative

Pleasanton has retail centers, employment centers, and hotels which contribute to the City's economic resilience. With increasing competition for retail and commercial development, there is a need for reinvestment and support of existing businesses, as well as opportunities to attract new spending through tourism and hospitality. This initiative consists of programs and strategies that promote local revenue growth by supporting retail tenants, encouraging local spending, and exploring new opportunities to market Pleasanton as a great place to shop, dine and play so the City can continue to provide high-quality public services and amenities.

4.0 Entrepreneurship and Innovation Outreach Program

Entrepreneurship and innovation programming builds on the City's existing ecosystem. To extend and strengthen these important regional partnerships, the City should develop a sustained focus on networking and program development. This program will extend and strengthen important regional partnerships to foster entrepreneurship and innovation.

5.0 Major Projects Accelerator Program

Pleasanton's mix of office, industrial, retail, and residential land uses provide for a diversity of revenue sources and ensures economic and fiscal stability. In recent years Pleasanton has faced increasing competition from neighboring communities, coupled with a shortage of vacant, developable sites. This program consists of initiatives to formalize business and developer programs and provide support for navigating the City's internal processes for zoning and permitting.

These five priority areas were presented to the EVC at its April 20, 2023, meeting, at which time the committee requested that small working groups be formed to discuss the priority areas in detail and provide feedback. The committee was divided into three working groups based on industry expertise with each group assigned a priority area. The following working groups met on the dates noted:

- **Priority 2.0 – Business Retention, Attraction and Expansion + Priority 5.0 Major Projects Accelerator Program**
 - May 10, 2023, 2 – 3 p.m.
 - James Cooper, Roderick O'Brien, and Brian Wilson attended. Justin Brown and Dan Watson were included in this group but were unable to attend.
- **Priority 3.0 – Local Revenue Growth**
 - May 8, 2023, 10:30 – 11:30 a.m.
 - Tracy Farhad, Bridget Karl, and Andres Ripa attended.
- **Priority 4.0 – Entrepreneurship and Innovation Outreach Program + Key Initiative 2.4 Workforce Development**
 - May 10, 2023, 1 – 2 p.m.
 - William Doerlich, Reena Gupta, and Sylvia Tian attended. Shareef Mahdavi and Steve McCoy-Thompson were included in this group but were unable to attend.

Jade Shipman from the Willdan Project Team facilitated the working group meetings with Economic Development Manager Lisa Adamos. Feedback from the working groups was compiled and reviewed by City staff and the Willdan team and incorporated into the final draft Economic Development Strategic Plan provided as Attachment 2.

Jade Shipman will provide an overview of the key initiatives and corresponding implementation actions at the meeting.

EVC Input

The EVC is asked to provide feedback and provide a recommendation to the City Council for adoption of the 2023-2028 Economic Development Strategic Plan update.

ACTION: RECEIVE AN OVERVIEW OF DRAFT ECONOMIC DEVELOPMENT STRATEGIC PLAN AND PROVIDE A RECOMMENDATION TO THE CITY COUNCIL FOR ADOPTION

Attachment 1 – Economic Profile Report, *June 2023*

Attachment 2 – Economic Development Strategic Plan, *Draft June 2023*