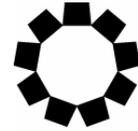


# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



ABAG

## AGENDA

### REGIONAL PLANNING COMMITTEE

Wednesday, April 01, 2015, 12:30 PM-2:30 PM (Lunch 12:00 PM)

Location:

Lawrence D. Dahms Auditorium

Joseph P. Bort MetroCenter

101 8<sup>th</sup> Street

Oakland, California

*The ABAG Regional Committee may act on any item on this agenda.*

*Agenda and attachments available at [abag.ca.gov](http://abag.ca.gov)*

*For information, contact Wally Charles, ABAG Planning and Research, at (510) 464 7993.*

#### 1. CALL TO ORDER / CONFIRM QUORUM

#### 2. PUBLIC COMMENT

Information

#### 3. APPROVAL OF SUMMARY MINUTES OF FEBRUARY 04, 2015

ACTION

*Attachment: Summary Minutes February 04, 2015*

#### 4. ANNOUNCEMENTS

Information

**A. Committee Members**

**B. Staff Members**

#### 5. SESSION OVERVIEW

Information

Miriam Chion, ABAG Planning and Research Director

*Attachment: Staff memo:*

## **6. REGIONAL ECONOMIC FRAMEWORK AND INDUSTRIAL ACTIVITIES**

### Information and Action

Miriam Chion will provide an overview of a Regional Economic Development framework. We will then focus on industrial jobs and land, receiving and discussing presentations by Rich Seithel about the Northern Waterfront Economic Development Initiative, Gil Kelly about San Francisco's Production/Distribution/Repair framework, and Carolyn Clevenger about MTC's goods movement study. We will solicit input on proposed regional approach and the role of industrial jobs and land in the region.

## **7. UPDATE ON REGIONAL PROSPERITY PLAN**

### Information

Duane Bay and Doug Johnson will provide an update on the Regional Prosperity Consortium project. Paul Peninger, will present work-in-progress on the capstone report, a primary means for conveying proposed findings and strategies to consortium member agencies and organizations for consideration of potential implementing actions.

## **8. ADJOURNMENT**

Next meeting: Wednesday, June 3, 2015

Submitted:

A handwritten signature in black ink that reads "Miriam Chion". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Miriam Chion  
Planning and Research Director

Date: 3/18/2015

# SUMMARY MINUTES

ABAG Regional Planning Committee Meeting  
Wednesday, February 4, 2015  
Joseph P. Bort MetroCenter  
101 8<sup>th</sup> Street, Oakland, California

## 1. CALL TO ORDER AND CONFIRM QUORUM

Acting Chair, Julie Pierce, Councilmember , City of Clayton, called the meeting of the Regional Planning Committee of the Association of Bay Area Governments to order at 12:07 p.m.

A quorum of the Committee was not present.

### **Committee Members Present    Jurisdiction**

Susan L. Adams	Public Health
Desley Brooks	Councilmember, City of Oakland
Paul Campos	Senior Vice President, Government Affairs, Building Industry of America
Tilly Chang	Executive Director, SFCTA (City of San Francisco)
Pat Eklund	Mayor Pro Tem, City of Novato
Pradeep Gupta	Councilmember, City of South San Francisco (Vice Chair)
Scott Haggerty	Supervisor, County of Alameda
Erin Hannigan	Supervisor, County of Solano
Pixie Hayward Schickele	California Teachers Association
John Holtzclaw	Sierra Club
Nancy Ianni	League of Women Voters--Bay Area
Michael Lane	Policy Director, Non-Profit Housing Association of Northern California
Mark Luce	Supervisor, County of Napa
Jeremy Madsen	Executive Director, Greenbelt Alliance
Nate Miley	Supervisor, County of Alameda
Karen Mitchoff	Supervisor, County of Contra Costa
Julie Pierce	Councilmember, City of Clayton (ABAG President)
Harry Price	Mayor, City of Fairfield
Matt Regan	Bay Area Council
Carlos Romero	Urban Ecology
Mark Ross	Councilmember, City of Martinez
Warren Slocum	Supervisor, County of San Mateo

James P. Spring	Supervisor, County of Solano
Jill Techel	Mayor, City of Napa
Egon Terplan	Planning Director, SPUR
Dyan Whyte	Assist. Exc. Officer, San Francisco Regional Waterboard

**Committee Members Absent      Jurisdiction**

Julie Combs	Councilmember, City of Santa Rosa
Dave Cortese	Supervisor, County of Santa Clara (RPC Chair)
Diane Dillon	Supervisor, County of Napa
Martin Engelmann	Deputy Executive Director of Planning, Contra Costa Transportation Agency
Russell Hancock	Joint Venture Silicon Valley
Eric Mar	Supervisor, City and County of San Francisco
Anu Natarajan	Director of Policy and Advocacy, MidPen Housing
Laurel Prevetti	Assistant Town Manager, Town of Los Gatos, (BAPDA)
David Rabbitt	Supervisor, County of Sonoma, (ABAG Vice President)

**2. PUBLIC COMMENT**

There were no public comments.

There was no quorum present.

The committee next took up Item 5.

**3. APPROVAL OF SUMMARY MINUTES OF DECEMBER 3, 2014**

Acting Chair Pierce recognized a motion by Member Susan Adams, Public Health, and a second by Member Harry Price, Mayor, City of Fairfield, to approve the summary minutes of the meeting on December 3, 2014.

There was no discussion.

The motion passed unanimously.

**4. ELECTION OF CHAIR AND VICE CHAIR FOR THE REGIONAL PLANNING COMMITTEE**

Member Mark Luce, Supervisor, County of Napa, recommended Member Dave Cortese, Supervisor, County of Santa Clara, as Chair and Member Pradeep Gupta, Councilmember, City of South San Francisco, as Vice Chair.

Chair Pierce recognized a motion by Member Mark Luce, Supervisor, County of Napa, and a second by Member Mark Ross, Councilmember, City of Martinez.

There was no discussion.

The motion passed unanimously.

The committee next took up Item 6.

## **5. ANNOUNCEMENTS**

### **A. COMMITTEE MEMBERS**

There were no committee member announcements.

### **B. STAFF MEMBERS**

Ezra Rapport, Executive Director at ABAG, gave an overview of the embezzlement allegations against Clarke Howatt, former Director of Financial Authority for Nonprofits (FAN). He explained the measures that ABAG is taking to resolve this issue.

A quorum of the Committee was present.

The committee next took up Items 3 and 4.

## **6. SESSION OVERVIEW**

Miriam Chion, ABAG Planning and Research Director, provided a session overview and status on Plan Bay Area implementation, including: the State of the Region conference scheduled for March 6, 2015; release of *People, Places and Prosperity, Complete Communities in the Bay Area* in Summer 2015; and the regional forecast for the update to Plan Bay Area at the end of 2015.

Ms. Chion said Dave Cortese is not present but would like the committee to consider changing the time and length of the meetings. After discussion, the committee decided to change the schedule of the meeting to 12:30 PM -2:30 PM and lunch starting at 12:00 PM (noon).

## **7. ENTITLEMENT EFFICIENCY**

Overview of Regional Strategies: Duane Bay, ABAG Assistant Director of Planning and Research, provided an overview of the various efforts to address entitlement efficiency to support the development of Priority Development Areas in the region.

State Initiatives: Chris Calfee discussed current initiatives by the State Office of Planning and Research.

Development and Planning Perspectives: Mark Rhoades, President and CEO of Rhoades Planning Group; Melanie Mintz, Community Development Director, City of El Cerrito; Aaron Aknin, Community Development Director, City of Redwood City; and Alan Talansky, Executive Vice President of Development, EBL&S Development provided in-depth input on the challenges to and opportunities for infill development.

**Member Campos** observed that everyone agrees that plans need to have implementation in order to receive grant money. He compared job growth and housing availability in the Bay Area to other regions, including the challenges and benefits to the community.

**Member Adams** asked how do we frame planning for housing in terms of climate change, sea level rise, water challenges, placemaking, transportation and air quality—which are all affected by new developments? How does this all affect the public?

**Mr. Aknin** responded that each project usually has a 10-year plan in which these issues are covered. It depends on the appetite for change and how desperate the situation is locally. For example, in Redwood City the first plan developed was for the downtown area because it lacked activity; as a result of this timing, it became the community's "living room" where people are happy to gather for concerts and other outdoor activities. The choice is not whether we may or may not grow; it is where will we grow first? Where is public transportation in place already? Before an area is developed all of these issues are taken into consideration combined with projections before the plan is adopted. You build the vision first and then you build the entitlement efficiency to deliver that vision.

**Mr. Talansky** discussed the San Mateo Rail Corridor Plan. That plan specified parks, open space, transportation, air and water policies. It was all considered in the plan that can be implemented in any area.

**Ms. Mintz** shared that in El Cerrito the city considers the impact of development on existing single family homes that are near transportation. There is a cost factor to take all of this into consideration, but it is necessary.

**Member Hotzclaw** thanked everyone for a very interesting presentation. He mentioned that we need more walkability, bike lanes, and good roads. He asked if there are any special credits for addressing Level of Service (LOS) requirements, which is a public health benefit. He asked if improved conditions for current residents are taken into account for infill development, which not only improves walk score for new residents but also for present residents and provides many other benefits.

**Mr. Calfee** answered the question, which is related to the California Environmental Quality Act (CEQA). The focus, under the status quo, is on LOS and auto travel. If there is a delay because of auto travel, the response is to widen the roads and encourage more driving. That has adverse impacts on active transportation like bicycling and walking. The new guidelines are to focus on vehicle miles traveled (VMT).

**Mr. Rhoades** acknowledged that public health involvement in land use planning has been important. Transit oriented development helps the health of existing and new residents. New residents propel more retail. TOD is a good public health perspective. More housing and secure housing will contribute to good public health.

**Ms. Mintz** said that at the time of El Cerrito's Environmental Impact Report (EIR) for a plan with 1700 units, they used the standard measurements to do transportation analysis. But in various sections the plan supports biking and walking.

**Member Romero** asked Mr. Aknin why the plan for Downtown Redwood City did not include a community benefits package. Was that missing from the original plan? The market cannot produce affordable housing.

**Mr. Aknin** answered that the plan was adopted in 2011 and redevelopment went away in 2012, and with that a lot of money that was expected to be used for community benefits. Four years ago nobody wanted to invest in Redwood City. Therefore there was no certainty in development feasibility. Now that Redwood City is a proven market, we can put public benefits into the second phase of the plan.

**Member Romero** asked if this contradicts Mr. Aknin's suggestion to have public benefits up front in the specific Plan.

**Mr. Aknin** responded that it does not because public benefits depend on the presence of a proven market. Redwood City did not have a proven market at the time that the plan was adopted.

**Acting Chair Pierce** recommended an action to accept the staff's proposed approach to providing technical assistance to jurisdictions that wish to increase entitlement efficiency in PDAs. (In the agenda Item 7 page 6).

**Member Eklund** said that in the planning process there is a need for certainty; she suggested that there needs to be transparency to the public for a more successful approval process. In terms of streamlining CEQA, help from the OPR would be appreciated in reducing sewer and water development fees. In Item 7 attachment 1 she is concerned why Transit Priority Areas are not included in this document.

**Mr. Bay** responded that in it is ABAG's approach and staff is planning on getting feedback from the committee, which will provide the basis for adjusting the entitlement efficiency advisory.

**Mr. Rapport** explained that Transit Priority Areas are an opportunity to take into consideration, not a law.

**Member Eklund** and **Mr. Rapport** had a short discussion and **Chair Pierce** said it is not mandatory but optional and recommended this to be discussed later due to time restrictions.

**Mr. Regan** asked if we track projects which are in each PDA.

**Mr. Bay** answered that staff currently tracks housing projects in PDAs.

**Member Terplan** indicated that from the discussion he understands that the availability of CEQA exemptions is not the problem, but rather that staff is not utilizing them. Member Terplan asked if field-testing and holding forums is enough to make cities aware of changes to the law.

**Chair Pierce** answered that one of the outcomes from this meeting is to create a working group of six people, which will work on this kind of subject and how we go forward.

**Mr. Rhoades** answered that planners are not at fault. It is the political context that they are working in that is what needs to be addressed.

**Member Spring** wanted to thank staff and panel for great presentation and information. He was very supportive of creating a working group; this group should help communities to deliver their vision to this application. He also highlighted that if MTC or ABAG are investing money into communities and their plan and they do not comply there should be a reimbursement of funds from the communities. He would like this working group to have a discussion about middle-class housing.

**Chair Pierce** recommended adopting the entitlement efficiency approach proposed by staff and indicated that they will put together a working group that will come back to staff to update the memo with recommendations based on today's meeting and bring it back to RPC. Chair Pierce recognized a motion by Member Chang and a second by Member Eklund to approve the recommendation of Chair Pierce.

There was no discussion.

The motion passed unanimously.

## 8. HOUSING DATA RELEASE 2015

Gillian Adams, Senior Regional Planner, and Pedro Galvao, Regional Planner, described the results of ABAG's ongoing housing research, including data on housing projects, policies, and opportunity sites.

**Member Campos** thanked staff for their presentation. He asked if the 2013 housing permitting activity does not include all of the Bay Area's housing permits but only those located in jurisdictions with PDAs.

**Mr. Galvao** answered yes.

**Mr. Campos** said this is a misleading survey; it needs to have all of Bay Area's housing permits in PDAs and outside PDAs. He asked could stakeholders make suggestions to housing policies that jurisdiction have and propose new ones?

**Mr. Terplan** asked can you survey what percentage of the housing permits are in Transportation Priority Areas (TPAs)?

**Ms. Adams** answered yes, they can do that.

**Member Spring** asked if TPAs include all transit corridors and, if not, can they get numbers for housing permits in transit corridors. Given major investments in all of these corridors this would be very important.

**Mr. Bay** answered yes we are working on this information.

**Member Gupta** thanked everyone for electing him as Vice Chair. He indicated that this is great data. He stated that developers are interested in building moderate to expensive housing. It is hard for cities to push programs which we had in our plan. There needs to be a lot of thought about how we go into the future with low/middle income housing. Building and economic activity are not in sync.

**Chair Pierce** said there are a lot of suggestions to address Regional Housing Need Allocation (RHNA) law and how to fund affordable housing. We should soon have a memo on this topic.

**Member Ross** said the conversation should include proximity to schools and industrial areas which are very important to low/medium income families.

**Chair Pierce** answered that ABAG is considering including Priority Industrial Areas in the update to Plan Bay Area.

**Member Regan** shared examples about moderate income housing not getting enough consideration.

**Chair Pierce** requested that all PowerPoint presentations from this meeting be posted on ABAG website.

**Member Chang** asked if staff will be providing figures regarding housing and job growth, including growth in PDAs.

**Ms. Chion** explained that the State of the Region Report will be available soon which will show job market increase and housing availability: three hundred thousand jobs and forty thousand units of housing. As Mr. Gupta mentioned, the economic cycle does not match the building cycle.

**Chair Pierce** asked to finalize the discussion about future meetings. The outcome of this discussion was to have lunch at 12:00 PM and the meeting from 12:30 PM-2:30 PM. Chair Pierce also shared upcoming schedule of conferences and meetings.

## 9. ADJOURNMENT

**Chair Pierce** adjourned the meeting of the Regional Planning Committee at 2:45 p.m.

The next meeting of the Committee will be on April 1, 2015.

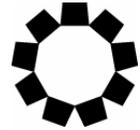
Submitted:

Miriam Chion, ABAG Planning and Research Director

Date Submitted: March 19, 2015

Approved: TBD

*For information or to review audio recordings of ABAG Regional Planning Committee meetings, contact Wally Charles, Administrative Secretary, Planning, at (510) 464 7993 or [WallyC@abag.ca.gov](mailto:WallyC@abag.ca.gov).*



Date: March 23, 2015

To: Regional Planning Committee

From: Miriam Chion, ABAG Planning & Research Director

Subject: Overview Session April 1, 2015

Since we met in February, we had a successful State of the Region conference. If you missed the conference, you can still access the online report (<http://reports.abag.ca.gov/sotr/2015/index.php>), which provides detailed data and interactive graphs. Also in March, the criteria for the Priority Development Areas was approved by the Executive Board, based on recommendations from the Regional Planning Committee and the Administrative Committee.

At our February meeting, we discussed ongoing efforts on entitlement efficiency and created a working group to follow up on potential opportunities. Drawing upon insight and feedback from the February meeting, this group will include committee members as well as developers and policy experts. It will identify opportunities to improve implementation of community-based plans in PDAs, focusing on steps to reduce barriers to development. The outcome of the Working Group will be a staff memo highlighting the group's key findings and recommendations. The group is currently being formed and will meet in the spring and summer of 2015, with deliverables provided to the RPC in late 2015.

This Spring meeting is focused on economic strategies and prosperity. Jobs and the regional economy were identified in the recent Plan Bay Area as a priority. The Joint Policy Committee also identified those tasks as an important component of regional policies and interjurisdictional collaboration. The first item of the agenda will include an overview of the regional framework followed by three presentations focused on industrial activities. The second item will include an update of the Regional Prosperity Plan, a three-year HUD grant that encompasses 50 projects and will conclude in the summer.

We are welcoming three new Regional Planning Committee members:

- Carmen Montano, Vice-Mayor of Milpitas, will represent cities in Santa Clara County. She is a school teacher and has worked on issues related to economic development, schools, flood control and planning.
- Katie Rice, Marin County Supervisor, will represent Marin County. One of her core concerns has been the protection of environmental resources. She has also played key roles in flood protection, recreation and infrastructure improvements.

- Diane Burgis, East Bay Regional Parks Board member, will represent Recreation and Open Space stakeholders. She has worked on protecting, restoring, and enhancing watersheds.

### **Ongoing efforts**

- In partnership with FEMA Region IX, the ABAG Resilience Program team is launching the planning process to support cities in the development of Local Hazard Mitigation and Climate Adaptation Plans.
- ABAG General Assembly: April 23, Oakland Asian Cultural Center.
- Regional Prosperity Plan Capstone conference: April 13-14, Oakland Asian Cultural Center
- We will have the first round of Plan Bay Area public workshops starting at the end of April. We will have one workshop per county.
- PDAs and PCAs revisions and designations deadline: May 2015.

*The ABAG Administrative Committee may act on any item on this agenda.*

# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



**ABAG**

Date: April 1, 2015

To: Regional Planning Committee

From: Miriam Chion, Planning and Research Director  
Johnny Jaramillo, Senior Planner

Subject: **Regional Economic Framework and Industrial Activities**

The purpose of this session is to provide a brief overview of the Regional Economic Framework, and focus on three projects that highlight local, sub-regional and regional approaches to industrial activities.

## **Framework**

On January 15<sup>th</sup>, 2015, staff presented a *draft Regional Economic Framework* to the Executive Board. The purpose of this presentation was to address the economic challenges and opportunities as a priority that was identified in Plan Bay Area and by the Joint Policy Committee. The Board directed staff to proceed with a comprehensive and inclusive process to assemble existing work by economic organizations. This body of work, in combination with the State of the Region Report, will be the foundation for identifying common themes and strategic solutions from throughout the region, improve our understanding of the local and regional economy, and identify specific ABAG actions to advance regional economic prosperity.

## **Industrial activities**

We will discuss three major efforts in the region that explore strategies to support the economic vitality of the region from the perspective of industrial land, industrial jobs and goods movement.

1. Rich Seithel, Contra Costa County Department of Conservation & Development, will present the Northern Waterfront Initiative, a multi-jurisdiction collaboration to support critical industrial and goods movement businesses along a 50-mile stretch of Contra Costa's northern waterfront.
2. Gil Kelley, San Francisco Chief of Comprehensive Planning, will present the Eastern Neighborhoods rezoning and area plan effort.
3. Carolyn Clevenger, MTC Principle Planner, will present initial findings from MTC's Goods Movement Study.

## **Next Steps**

Between April-December 2015, staff will focus on identifying high consensus strategies to support regional economic vitality including:

## **Regional Economic Strategy Framework**

April 1, 2015

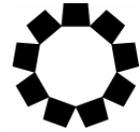
- Creating a Regional Economic Strategy subcommittee to identify high consensus strategies, reflecting a diversity of perspectives. This subcommittee will have broad representation from business, economic and research organizations, local jurisdictions, workforce advocates, and other stakeholders by May 2015..
- Identifying high level consensus strategies where ABAG plays a role for review by the Executive Board in July
- Further developing high consensus strategies by January 2016

### **Attachments**

1. Regional Economic Strategy Framework
2. Revitalizing Contra Costa's Northern Waterfront Executive Summary: How to be Competitive in the 21st Century Global Economy.
3. San Francisco Eastern Neighborhoods Brief
4. Goods Movement Study Overview

# ASSOCIATION OF BAY AREA GOVERNMENTS

Representing City and County Governments of the San Francisco Bay Area



**ABAG**

Date: April 1, 2015  
To: Regional Planning Committee  
From: Miriam Chion, Planning and Research Director  
Johnny Jaramillo, Senior Planner  
Subject: **Regional Economic Strategy Framework**

## Executive Summary

The economic growth of the San Francisco Bay Area is essential to the quality of life of our residents, the vitality of our neighborhoods, and the environmental and cultural amenities that make this region a special place for local residents. Addressing economic development was identified as a priority in Plan Bay Area and by the Joint Policy Committee (JPC). This memo outlines a process for developing a Regional Economic Strategy framework based on input from the Bay Area's economic development organizations, regional agencies, local jurisdictions and other stakeholders.

Over the last three years, ABAG has been an active participant in several efforts, including the Bay Area Council Economic Institute's Business Partnerships initiative, the HUD-sponsored Regional Prosperity Consortium and the PDA feasibility assessment. In a presentation to the Executive Board in October 2013, economic development was featured as one of four areas of focus for Plan Bay Area implementation. Staff is reviewing recommendations from these efforts and other completed reports by economic organizations as well as gathering input from local jurisdictions (**Appendix 1**).

## Why We Need to Assemble a Regional Economic Strategy Framework

We have an enviable economy, but this creates other challenges including strains on our infrastructure, high housing costs and improving our education and training systems. Addressing these challenges is essential to a healthy and sustainable regional economy.

The Regional Economic Strategy framework is an effort to summarize, synthesize and elevate the variety of strategies and efforts at the local, sub-regional and regional level relating to the Bay Area economy. Economic development programs that are successful build from local resources and talent, while recognizing the regional and global context. A Regional economic and workforce development role for ABAG could facilitate communication among jurisdictions within the region, offer resources that are applicable to multiple jurisdictions, and support the region's "brand" statewide, nationally and globally.

Attachment 1  
**Regional Economic Strategy Framework**  
April 1, 2015

Why ABAG

ABAG is well positioned to support this coordination. As the Council of Governments for the Bay Area, ABAG can convene jurisdictions, organizations and stakeholders from across the region to exchange ideas, and foster greater collaboration and understanding around land use planning, housing and infrastructure for a more resilient economy.

This also represents a natural outgrowth of our established regional economic forecasting and analysis regarding the region's economy and population. ABAG is also a founding member of the Bay Area Council Economic Institute and has worked with economic development organizations across the region for decades.

This coordination would support each organizations regional efforts and the Joint Policy Committee at several levels:

- **Communication.** ABAG can facilitate communication between jurisdictions, organizations and other stakeholders in different settings (for example, highlighting business requirements for local PDA planners) and with complementary interests (for example, community organizations and trade organizations). The findings of one project can inform the work in other projects helping each achieve more successful outcomes.
- **Advocacy & Policy Recommendations.** As an organization that works at the state, regional and local levels, ABAG can elevate local concerns to the appropriate level of government to affect needed change.
- **Analysis.** ABAG staff has extensive experience conducting regional analysis to support local jurisdictions and economic development organizations. ABAG can also provide assistance with methodological and conceptual approaches to research and interpretation of results for specific projects.
- **Vision.** As a Council of Governments representing local jurisdictions and elected officials, ABAG can communicate a regionwide vision of economic goals for different stakeholder groups.

Framework Elements

The revised regional economic strategy framework identifies areas to support a resilient and diverse economy in light of our demographic changes, environmental challenges, and infrastructure needs. The chart below shows the revised framework categories and highlights key organizations and projects that identify regional challenges and potential strategies. *This framework will be updated according to the development of new projects and input from the ABAG Executive Board.*



- **Infrastructure Quality & Resilience**
  - Goal: Invest in traditional & 21<sup>st</sup> century infrastructure, and resilient infrastructure, buildings, and homes for rapid economic recovery after a natural disaster
  - Example Projects: ABAG Resilience Program reports, BACEI Infrastructure report forthcoming
  - Implementation / Stakeholders: Local jurisdictions, regional agencies, state, transportation agencies, business community and utilities
  - Status: Several reports finished, BACEI Summer 2015
  - Schedule: Ongoing
- **Job Opportunities and Training for Trades**
  - Goal: Retain and expand access to middle income jobs, strengthen match between business needs and training programs
  - Example Projects: BACEI Higher Education, League Community Colleges, HUD Prosperity Report
  - Implementation / Stakeholders: Workforce boards, education, cities, business & workforce organizations
  - Status: Economic Prosperity Strategy Report completed
  - Schedule: Ongoing

Attachment 1  
**Regional Economic Strategy Framework**  
April 1, 2015

- **Business Partners**
  - Goal: Identify opportunities and specific actions to support a healthy business climate and job growth
  - Example Projects: BACEI Regional Economic Assessment Report & Process
  - Implementation / Stakeholders: Business leaders, organizations and agencies
  - Status: Underway
  - Schedule: Summer 2015
- **Industrial Land & Goods Movement**
  - Goal: Meet increasing demand for goods, industries, and jobs, address environmental and community impacts
  - Example Projects: UC Berkeley Industrial Land Study, MTC / ACTC Goods Movement
  - Implementation Stakeholders: Transportation agencies, cities, businesses
  - Status: Underway
  - Schedule: 2015
- **Jobs Housing Balance & Fit**
  - Goal: Housing proximity to jobs, workforce housing in the core, more housing overall at higher appropriate densities
  - Example Projects: ABAG Housing Program, BACEI Regional Economic Assessment, CA High Housing Costs Leg. Analyst
  - Implementation / Stakeholders: Local jurisdictions, Regional agencies, State, developers
  - Status: Several reports finished, others due Summer 2015
  - Schedule: Ongoing

This framework will help us build a better business climate in the Bay Area, by understanding the complementary roles of each project and how to facilitate collaboration across projects and across agencies including businesses and public agencies. Coordination of these projects can leverage the value of the economic analysis and strategies each contains. The distinct qualities and perspectives of these projects provide a rich platform from which to support employment growth, regional and local economic vitality, and quality job opportunities for the future.

Identifying Regional Trends, Challenges and Strategies

Starting with the State of the Region Report that contains an overview of recent economic trends, challenges and opportunities, staff will draw from various projects to develop a set of strategies that supports the growth pattern envisioned in the next Plan Bay Area.

- Given our understanding of the regional economy today, ABAG will prepare a Regional Forecast of population, jobs and housing by 2040 for Plan Bay Area 2017. This forecast will be developed based on a demographic model (Pitkins and Myers), economic model (REMI), and housing model.
- Staff will work with the Economic Strategies Subcommittee to identify additional sources and stakeholders and to identify high consensus strategies.
- Staff will summarize findings and potential strategies for discussion at the Executive Board.

Attachment 1  
**Regional Economic Strategy Framework**  
April 1, 2015

Work Program Schedule

Between April 2015 and January 2016, ABAG will refine the work program and schedule and work to identify and refine high consensus strategies as follows:

- May 2015: RPC Subcommittee meeting #1 to establish process for selecting high consensus strategies
- June 2015: RPC Subcommittee meeting #2 to select initial high level strategies
- Summer 2015: Executive Board endorses selection of high level consensus strategies
- December 2015: RPC review refined economic strategies
- January 2016: Executive Board review and endorse high consensus refined economic strategies

## Key Reports to Inform the Regional Economic Program

This set of reports was requested by the ABAG Executive Board on January 15<sup>th</sup>, 2015, when staff presented a *draft framework* of what ABAG could do to support regional economic development, a priority identified in Plan Bay Area and the Joint Policy Committee. The Board directed staff to begin the process of scoping a comprehensive, orderly and inclusive process to assemble and document a Regional Economic Development Framework, drawing in large part from existing work in this area. The intent of this framework is to elevate and support common themes and strategic solutions from various organizations throughout the region, improve our understanding of the structure of the local and regional economy, and to identify what specific actions ABAG can take to advance regional economic prosperity.

### Bay Area Council Economic Institute - Regional Economic Assessment and update

In 2012, the Bay Area Council Economic Institute (BACEI) Regional Economic Assessment found that the Bay Area enjoys unique economic assets that have enabled it to prosper across economic cycles. It also found growing economic inequality, and a risk that significant parts of the population won't share in the region's general economic success. The study asked if the economy could be even stronger and generate more jobs for its residents if regional challenges could be overcome including housing cost and availability, congestion, regulatory efficiency, and a lack of strategic focus on regional economic priorities. It found that there is a need for a more effective partnership between business and government on economic issues. <http://www.bayareaeconomy.org/media/files/pdf/BAEconAssessment.pdf>

As part of the Regional Economic Assessment update, the Bay Area Council Economic Institute in partnership with ABAG and MTC led six sub-regional meetings that highlighted local best practices in economic development and identified local priorities and concerns. These sub-regional meetings included local leaders and economic development organizations, with representation from entities focusing on business, workforce development, transportation, and education and took place in the North Bay, San Francisco, the East Bay, Santa Clara County, San Mateo County, and Solano County.

Each meeting addressed two broad questions: 1) What best practices and initiatives in support of economic vitality are taking place at the local level and have proven outcomes? 2) What potential regional-level actions do local leaders see as helpful to their own efforts? The following memo highlights the economic development themes that emerged over multiple meetings: [http://abag.ca.gov/planning/pdfs/RES\\_Memo\\_BACEI\\_Aug2014.pdf](http://abag.ca.gov/planning/pdfs/RES_Memo_BACEI_Aug2014.pdf)

The findings from these discussions will be integrated into a summary document. The final document will also include best practices research and a systematic review of findings from recent reports completed by the BACEI.

### Economic Prosperity Strategy

The San Francisco Bay Area is in the midst of a strong recovery from the past decade's economic downturn. However, the benefits of prosperity are not universally shared. In the Bay Area, more than 1.1 million workers — over a third of the total workforce — earn less than \$18 per hour.

How can we make sure the region's rising economic tide does more to lift all boats? The Economic Prosperity Strategy identifies a comprehensive, three-pronged approach to providing greater economic mobility to low- and moderate-wage workers in the Bay Area. First, create pathways that will help lower-wage workers move into middle-wage employment. Second, promote economic growth with an emphasis on middle-wage jobs — to ensure that there are sufficient opportunities for moving up. And third, improve the quality of jobs and economic conditions for lower-wage workers.

Another goal was not to develop prescriptive recommendations, but strategies for regional consideration that represent the diversity of perspectives in the nine county Bay Area. The research, outreach and drafting of the Economic Prosperity Strategy was carried out by a core team of four organizations informed by outreach to businesses, economists, local jurisdictions and labor including SPUR, Center for Continuing Study of the California Economy (CCSCE), San Mateo County Union Community Alliance, and Working Partnerships USA.

The strategies outlined in this report are grounded in the key findings. The study found that the continued success of the Bay Area economy requires growing middle-wage jobs and offering lower-wage workers more opportunities to advance. The region faces a number of critical issues in improving upward mobility for lower-wage workers.

The full report can be found here: <http://www.spur.org/publications/spur-report/2014-10-01/economic-prosperity-strategy>

### **BACEI, Reforming California Public Higher Education for the 21st Century**

This Bay Area Council Economic Institute White Paper assesses the changing environment for public higher education in California, and the changes required in the University of California, California State University and California Community Colleges systems to ensure that the state will continue to generate a globally competitive workforce.

This report can be found here:

<http://www.bayareaeconomy.org/media/files/pdf/ReformingCApublicHigherEdWhitePaperDec2014.pdf>

### **League for Innovation in the Community College, Role of Community Colleges in Regional Economic Prosperity**

In many regions in North America, community and technical colleges serve a critical role in supporting, and often lead, regional economic prosperity planning and collaboration. In this monograph, leaders from League for Innovation in the Community College member institutions share creative examples of how they are helping to advance economic prosperity in their regions.

The full report can be found here:

[http://www.league.org/publication/files/Regional\\_Economic\\_Prosperty.pdf](http://www.league.org/publication/files/Regional_Economic_Prosperty.pdf)

### **Regional Goods Movement Plan Update - Preliminary Findings**

Goods movement is a critical piece of the region's transportation system, supporting a strong economy and providing residents and businesses with the products they need. Goods movement activities create a diverse array of jobs, and generate tax revenues to support crucial public investments. At the same time, goods movement activities have significant environmental and public health impacts on those communities located in close proximity to goods movement activities. Plan Bay Area, the region's regional transportation plan and sustainable communities strategy, identifies goods movement as a key work item to advance as part of Plan implementation and to develop further for the Plan update in 2017.

MTC is developing an update to the Regional Goods Movement Plan. The regional work is being closely integrated with the [Alameda County Transportation Commission's \(ACTC\) countywide goods movement planning effort](#), as well as the ongoing state and federal freight planning and policy activity to ensure

consistency among all plans and to provide a more complete picture of the goods movement system in the Bay Area. In collaboration with ABAG, the goods movement effort involves updating the *regional and subregional analysis of goods movement* in terms of the transportation system, land use requirements, and air quality implications.

General information on the Regional Goods Movement Plan update can be found here:

<http://www.mtc.ca.gov/planning/rgm/>

A staff presentation on the Needs Assessment currently underway can be found here:

[http://apps.mtc.ca.gov/meeting\\_packet\\_documents/agenda\\_2341/5\\_Freight\\_Memo\\_and\\_PowerPoint.pdf](http://apps.mtc.ca.gov/meeting_packet_documents/agenda_2341/5_Freight_Memo_and_PowerPoint.pdf)

### **Industrial Land and Job Study – Summary Scope of Work**

The location of Industrial or *Production, Distribution, and Repair* (PDR) businesses within the nine-county Bay Area has important implications for regional sustainability and jobs. Locating wholesale distributors in particular near major trading ports and city centers on industrial lands where space is relatively more affordable provides access to key local markets helps ensure the efficient movement of goods. The recent growth of the Bay Area's lighter "maker and artisanal goods" industries, from catering businesses to pet facilities to coffee roasters and chocolatiers, gain productivity benefits from clustering in the core. Displacing these to outlying areas – a trend that is already occurring – has economic impacts and significantly increases vehicle miles traveled (VMT) from trucks (Hausrath Economics Group and Cambridge Systematics 2008). Displacement of these firms may also increase VMT for workers, should their job accessibility decrease, or result in a loss of employment if the firm moves outside the Bay Area altogether.

With research support from ABAG and in close coordination with MTC, this UC Berkeley study proposes to:

- Analyze the function of and demand for industrial/PDR land in the economy of today and tomorrow;
- Describe the current supply and location of industrial/PDR land, and develop a typology of businesses currently located on industrial land that includes their projected growth trends and location in the region;
- Analyze the economic, employment and transportation impacts of land conversion on job quality and accessibility, other industry sectors, and VMT;
- Estimate future needs for industrially zoned land and develop strategies for preserving industrially zoned land, as needed, to support the policy and planning approaches under development by MTC / ACTC to support sustainable goods movement in the region.

### **Summaries and Links to Other Bay Area Economic Development Organization Reports**

- *Joint Venture Silicon Valley Index*. This report finds that Silicon Valley is experiencing a level of innovation and economic activity that is impressive by any standard, and leads the nation. Yet the region also shows stark income and achievement gaps, and faces considerable challenges in accommodating sustained economic growth.

<http://www.jointventure.org/images/stories/pdf/index2014.pdf>

- *Silicon Valley Community Fund, Community Economic Development Brief.* This brief represents a summary of important trends and issues related to community economic development. [http://www.siliconvalleycf.org/sites/default/files/CEDBrief\\_web.pdf](http://www.siliconvalleycf.org/sites/default/files/CEDBrief_web.pdf)
- *East Bay Economic Development Alliance (EBEDA) Building on our Assets: Economic Development and Job Creation in the East Bay.* The purpose of this report is to better understand the dynamics of the East Bay economy to identify the East Bay region's opportunities and challenges for future growth. The project team conducted an in-depth analysis of employment, business, workforce, infrastructure, and land use characteristics, augmented with interviews with business executives. On the basis of the analyses, this study provides recommendations for elected officials, workforce development and education board members, city managers, city and regional planners, economic development specialists, regional agency commissioners, state officials, business leaders and other decision-makers to plan for a prosperous region. [http://www.eastbayeda.org/ebeda-assets/reports/2013/Econ%20Report\\_Building\\_on\\_Our\\_Assets\\_Report\\_2011.pdf](http://www.eastbayeda.org/ebeda-assets/reports/2013/Econ%20Report_Building_on_Our_Assets_Report_2011.pdf)
- *Northbay Leadership Council / Mckinsey, Education to Employment Designing a System that Works.* Around the world, governments and businesses face a conundrum: high levels of youth unemployment and a shortage of job seekers with critical skills. How can a country successfully move its young people from education to employment? What are the challenges? Which interventions work? How can these be scaled up? These are the crucial questions this report attempts to answer.

Executive Summary: [http://mckinseysociety.com/downloads/reports/Education/Education-to-Employment-exec-summary\\_FINAL.pdf](http://mckinseysociety.com/downloads/reports/Education/Education-to-Employment-exec-summary_FINAL.pdf)

Full Report: <http://mckinseysociety.com/education-to-employment/report/>

- *Tri-Valley Rising: Its Vital Role in the Bay Area Economy.* An examination of the Tri-Valley's assets and the transportation investments required for sustaining economic success. [http://www.bayareaeconomy.org/media/files/pdf/BACEI\\_Tri\\_Valley\\_report.pdf](http://www.bayareaeconomy.org/media/files/pdf/BACEI_Tri_Valley_report.pdf)
- *BACEI, In The Fast Lane: Improving Reliability, Stabilizing Local Funding, and Enabling the Transportation Systems of the Future in Alameda County.* This report is an exploration of Alameda County's transportation systems, how they are funded, what role they play in supporting economic growth, and what changes are needed to ensure a prosperous future. This report also provides an overview of the proposed TEP and how it addresses the region's current and future needs. [http://www.bayareaeconomy.org/media/files/pdf/BACEI\\_InTheFastLane\\_Report\\_20140627.pdf](http://www.bayareaeconomy.org/media/files/pdf/BACEI_InTheFastLane_Report_20140627.pdf)

As a next step, we will distribute a selection of reports from local economic development organizations, to ensure that economic development efforts at the local level are acknowledged as well.



# Revitalizing Contra Costa's Northern Waterfront

HOW TO BE COMPETITIVE IN THE 21ST CENTURY GLOBAL ECONOMY

January 2014



# Executive Summary

## Background

**C**ONTRA COSTA COUNTY'S NORTHERN WATERFRONT, a 55-mile stretch of shoreline extending from Hercules to Oakley, is an important economic asset to the local economy given its waterfront setting with deep-water channels, marine terminals, proximity to two Class 1 railroad lines, critical mass of manufacturing companies, electric generating capacity, industrial zoned land, skilled workforce, and proximity to growing markets in the Bay Area and Northern California. Regional goods movement infrastructure also provides access to U.S. and foreign markets. Although these assets support an active manufacturing base, employment has declined over the past several decades. Given the region's comparative advantages and emerging global economic trends, policy-makers see the potential to revitalize the industrial areas along the Northern Waterfront.

In early 2013, at the urging Supervisor Federal Glover, District 5, the County Board of Supervisors launched an initiative, with active participation by the cities of Hercules, Martinez, Concord, Pittsburg, Antioch, and Oakley, to engage stakeholders along the Northern Waterfront, including representatives from private industry, in a dialogue about the economic prospects for the area.

The consultant team of Craft Consulting Group and Cambridge Systematics, Inc. was commissioned to conduct a market assessment to better understand the economic development opportunities of the area from a real estate, transportation infrastructure, and economic perspective; examine how global and domestic trends might impact the Northern Waterfront; and assess the likelihood of attracting manufacturing companies to the Northern Waterfront, particularly in growth-oriented and emerging industries. This report evaluates both the opportunities and challenges facing the Northern Waterfront and provides a framework with recommended actions to help revitalize and transform the Northern Waterfront into a 21st century economic asset.

## Economic Significance of Manufacturing Sector

The Northern Waterfront plays an important role in the local economy, employing more than 26,000 workers spread across all employment sectors (of which 28% are in manufacturing jobs) and generating \$21.6 billion in economic output. **In 2012, the manufacturing sector along the Northern Waterfront accounted for more than 7,300 jobs and \$9.3 billion (13.9%) of the County's overall Gross Regional Product (GRP) of \$67 billion.** Given its economic assets, the Northern Waterfront has developed a comparative advantage as an industrial location with a concentration of manufacturing employment 2.2 times greater than the national average.

## Historical Role of Northern Waterfront

Historically, the Northern Waterfront provided access to water transportation for shipping, inexpensive land, and cheap labor. Communities along the Northern Waterfront were able to capitalize on these assets attracting large resource intensive manufacturing

plants that produced explosives, chemicals, refined petroleum products, sugar, cement, lumber, silver, lead, and steel. Resource-based industries dominated the Northern Waterfront's manufacturing sector during the early part of the 20th century with the processing of agriculture products, crude oil, metal ores, and other natural resources. Industrial development came early beginning in the late 1800's. With its wide-open land area, waterfront access, and railroads, the Northern Waterfront was an attractive location for the new large scale manufacturing facilities of that time. Companies such as Redwood Manufacturing, Selby Smelting & Lead, Union Oil, Mountain Copper, Hercules Powder Works, California Fruit Packers Association, C&H Sugar, and Columbia Steel built manufacturing plants along the shoreline. While the companies may have changed due to various business and economic reasons, many of these same industries are still operating today along the Northern Waterfront.

## Growth/Decline of Manufacturing Sector

Manufacturing employment in Contra Costa County and the Northern Waterfront grew from a small base in the early 1900's to become the dominated employment sector by mid-century. In 1962 almost 40% of the County's workforce was employed in manufacturing. Today less than 7% of the workforce is employed in the manufacturing sector. The Northern Waterfront has followed a similar pattern, as the county's manufacturing sector matured and the economy has transitioned from predominately manufacturing to increasingly more service sector employment. Over the past decade manufacturing employment in the Northern Waterfront declined by 21.5%, most of which occurred since the start of the Great Recession in late 2007.

During this same time period, the number of manufacturing firms also declined. Between 2001 and 2011 approximately 45 establishments closed their doors or moved out, almost all were small businesses with less than 50 employees. Today, the Northern Waterfront

includes approximately 180 manufacturing firms spread across various manufacturing subsectors. A survey of manufacturing firms in the Northern Waterfront during the third quarter of 2013 found that 44.8% of the manufacturers had plans to grow their business over the next three to five years by expanding into new markets, adding equipment, or hiring new employees.

The overall outlook for the manufacturing sector in the Northern Waterfront remains uncertain. Projections of historical trends indicate that the total number of manufacturing jobs will continue to decline over both the short and long-term. This scenario reflects "business as usual" where nothing will change as the global economy emerges from the recession with modest economic growth and productivity gains limiting the need for expansion of the manufacturing workforce. While this is a likely outcome, there are emerging global and national trends including the growth of advanced manufacturing firms, that if properly supported could lead to the reversal of the historical trends and the expansion of manufacturing employment in the Northern Waterfront.

## Building on Competitive Strengths

Today, the industrial areas along the Northern Waterfront include a combination of traditional and new industries such as oil refineries, petro-chemical plants, metal fabrication, sugar processing, and life science firms. These existing industries represent the core from which to build a more vibrant and diversified regional economy that continues to innovate and attract new emerging industries to the Northern Waterfront including clean technology, alternative energy, recycled materials processing, food & beverage companies, green building products, precision instruments, machinery, and transportation equipment.

By building on its competitive strengths the Northern Waterfront would benefit from the expansion of several industry clusters including:

1. Clusters anchored by global companies with products being produced for local and regional markets (such as chemical products, pharmaceuticals, and transportation parts and equipment). Research and innovation is taking place elsewhere, but products are being produced locally for domestic and global markets;
2. Clusters dominated by regional companies in industries (such as food & beverage, fabricated metals, and printing) producing products where time to market is important, high shipping costs, or proximity to customers dictate the need for local production facilities;
3. Clusters producing products which are energy and resource intensive that could utilize the electric power generation capacity or maritime facilities located along the Northern Waterfront (this would include primary metals, refined petroleum products, and nonmetallic mineral based construction materials);
4. Clusters consisting of emerging industries with innovative new products (in clean technology, recycled materials, alternative energy, and water technologies) being developed by Bay Area firms that would benefit by having their initial production activities located in close proximity to their research and product development headquarters.

## Responding to the Changing Economic Landscape

Despite its strengths, the Northern Waterfront has suffered from a changing economic landscape and a lack of investment in facilities and infrastructure. Impediments to business expansion and attraction exist including competition from neighboring regions, the brownfield character of some industrial parcels, and congested roads and highways that connect the Northern Waterfront to the Interstate system.

Most of the industrial real estate is older and borders on functional obsolescence or was built for 20th century manufacturing operations that required large footprint buildings. Today's advanced manufacturing firms are smaller and more efficient in their utilization of modern spaces. Conventional large-scale vertically integrated manufacturing operations are less common as companies seek to minimize costs and provide flexible manufacturing systems and platforms for responding to changing customer demands, technologies, and economics.

Although the area has attracted new businesses and investment, along with the upgrading of older facilities, it still struggles to make a successful transition from an economy based primarily on traditional manufacturing with large scale, resource-based processing industries to one based on advanced manufacturing, innovation, and emerging technologies.

Overcoming decades of neglect will require economic development strategies that are sustained over the long-term. Business attraction, expansion and retention efforts will involve more than just the availability of suitable industrial zoned land, low cost real estate, or the fast-tracking of building permits and project approvals. In order to remain competitive with other regions and manufacturing centers local governments must address a number of challenges including investing in goods movement infrastructure, preparing a pipeline of workers with advanced manufacturing skills, preserving and protecting existing industrial zoned lands, structuring a portfolio of financial and tax incentives, building advanced telecommunications infrastructure, fostering the growth of targeted industry clusters, and actively marketing the Northern Waterfront as a desirable location for advanced manufacturing firms and emerging industries.

Working collaboratively, local governments can help tilt site selection decisions by manufacturing firms in favor of the Northern Waterfront by focusing on providing reliable infrastructure, a skilled workforce, and a business friendly climate that supports industrial development. Financial incentives may be important

in the final determination, but they cannot turn a poor location into a good site. Companies are realizing that financial incentives cannot make up for high labor costs, poor highway access, a lack of skilled labor, or high energy and occupancy costs.

## Emerging Opportunities

The convergence of various global trends, market forces, new technologies, and public policies presents a unique opportunity for the Northern Waterfront to expand and diversify its industrial base.

Rising labor rates in China and other countries, along with increased productivity by American workers have reduced the labor cost advantage in other countries to a point where manufacturing in the U.S. is becoming more competitive, especially for high value-added, capital intensive industries. In addition, rising energy prices have made global transportation and overseas manufacturing more expensive for products sold in the U.S. At the same time, the recent boom in U.S. oil and gas production has increased the demand for machinery and chemicals to extract the oil and gas while providing U.S. manufacturers with an inexpensive reliable energy supply. Studies by Boston Consulting Group, PriceWaterhouseCoopers, McKenzie & Company, and others suggest that these trends may be the beginning of long-term structural changes supporting a U.S. manufacturing resurgence and reshoring.

New business models, processes, and technologies allow for flexible, customized production of specialty products that are competitive with the mass production of commodity products. New technologies (including robotics, 3D printing, computer aided modeling, and computer numerical controlled machines) and business models (such as lean manufacturing, global footprint design, and flexible manufacturing systems) will make manufacturing in the U.S. more competitive.

The emergence of new industries in clean technology, energy efficiency, alternative energy, and other sectors present opportunities to capture manufacturing firms in the early-stage when they are producing for regional markets and need to be located in proximity to their research and product development headquarters.

Industrial development, especially heavy industry, has fewer options when locating or expanding new facilities. A limited supply of industrial zoned land apportioned in large parcels with rail and water access exists in the Bay Area. Various studies have documented the loss of industrial lands creating an opportunity for preserving and modernizing industrial real estate along the Northern Waterfront for industries that are expanding or relocating.

Seizing these emerging opportunities and addressing development constraints faced by the Northern Waterfront will make the region a more competitive location and lead to a stronger more productive manufacturing sector. Accomplishing this objective will not happen overnight. A successful outcome resulting in job growth and business expansion will require a sustained long-term commitment by local governments acting together in a collective manner.

## Development Alternatives

A range of development alternatives and growth assumptions prepared by the consultant team, based on market trends and possible public policy actions, indicate the potential for new job growth over both the short and long terms. Mid-range employment projections show annual employment growth of 100 to 250 jobs with a cumulative total of 1,974 to 4,678 net new manufacturing jobs being created in the Northern Waterfront over the next 20 years with the support of local government policies and investment. The projected job growth could translate into demand for approximately 2 – 5 million square feet of additional industrial space.

Due to the multiplier effect manufacturing job growth would add another 11,000 to 28,000 jobs to the regional economy as a result of local spending for supplies, energy, repairs, new facilities, equipment, and professional services from a broad array of industries including engineering firms, wholesale trade, warehouse/distribution, transportation, and construction sectors required to support the production process.

## Target Industries

Given the emerging trends and an existing base of core companies, the Northern Waterfront has an opportunity to attract companies in emerging new industries and advanced manufacturing. A critical mass of existing companies form the basis for several industry clusters, which include transportation fuels, diversified manufacturing, clean technology, food and beverage processing, and life sciences. Properly supported, these industry clusters could increase the productivity and job creation of existing companies and attract new industries and related businesses.

## Intraregional Coordination of Economic Development Programs and Support Services

Local jurisdictions should collaborate to avoid competition among communities within the Northern Waterfront. Various degrees of intraregional coordination are possible ranging from the establishment of a formal organization to undertake economic development planning, financing, business recruitment, and retention activities to informal coordination that entails jurisdictions within the region talking to each other on a regular or ad-hoc basis as needed for specific issues. Intraregional coordination also could involve the pooling of resources to attract companies to the region and the investment in regional infrastructure. The motivating factor for collaboration is the recognition that job creation, business attraction, and regional infrastructure investment have economic benefits that spill over city boundaries.

## Public Policy Initiatives

Local policy-makers have a role to play in positioning the Northern Waterfront as a competitive location for manufacturing jobs. Public policy recommendations to enhance the Northern Waterfront's competitive advantages have been organized around the following seven categories:

1. **Business Climate and Regulatory Environment** - Improving and simplifying the regulatory process to improve outcome certainty, identifying high-priority development areas, and protecting industrial zoned land from conversion to non-industrial uses;
2. **Infrastructure Investment** - in water supply, sewers, roads, and advanced communications are critical components of the development capacity and long-term competitiveness of the Northern Waterfront. Businesses rely on infrastructure to conduct their work and transport their goods and services;
3. **Development Incentives and Financing** - for infrastructure and business expansion should be investigated and a package of financing programs and investment incentives developed that is tailored to the needs of the Northern Waterfront such as sales tax exemptions, hiring credits, industrial development bonds, SBA loans, PG&E rebates and rate reduction programs, and the Recycling Market Development Zone Loan Program;
4. **Regional Branding and Marketing** - to promote the competitive advantage of the Northern Waterfront as a location for advanced manufacturing and targeted industry clusters;
5. **Cluster Development, Innovation, and Productivity** - to support the growth of targeted industry clusters through increased business connectivity, industry interaction, adoption of innovative technologies and processes, and buy local programs;
6. **Business Development and Support Services** - that are coordinated and targeted to startups, and small and medium sized manufacturing businesses in the Northern Waterfront;
7. **Workforce Development** - focused on preparing a skilled workforce in advanced manufacturing that meets industry's needs.

## Conclusions

The outlook for industrial development along the Northern Waterfront, although uncertain, is favorable assuming that local governments act in a collaborative manner and take the necessary actions to capitalize on the emerging trends and overcome the challenges faced by the region. Local governments and stakeholders should work together to create a new framework for regional cooperation with a clear focus and objective of enhancing the Northern Waterfront as a competitive location for industrial development.

By adopting a regional economic development strategy, the Northern Waterfront has the potential to become a more attractive location, capable of capturing its share of the Bay Area's projected growth in manufacturing employment.

The window of opportunity will not remain open forever and competition from other regions is strong. The time for action is now. **By acting collectively, decisively, and strategically, local policy-makers have a unique opportunity to develop the Northern Waterfront into a 21st century economic asset.**



## ? Key Questions and Answers Related to the Eastern Neighborhoods Program

### Will the zoning on my property change?

Zoning is proposed to change on some parcels within the four neighborhoods. To determine if a zoning change is proposed for your property, locate your property on the Existing Zoning and Proposed Zoning Maps. These maps can be found on our website at: <http://en-hearings.sfplanning.org> (scroll down to the link entitled "Proposed Area Plans, Zoning and Heights Limits Maps")

### What changes are proposed for properties currently zoned Residential (RH, RM, RED)?

Generally, the proposal is to leave these existing exclusively residential zones unchanged. An exception to this is the area generally between South Van Ness Avenue and Guerrero Street, where the current residential zoning is proposed to be changed to a new "Residential Transit-Oriented" (RTO) designation. This new zoning category continues to require exclusively residential uses, except that it also allows small retail on corner parcels. In recognition of the good transit service in this area, the RTO zoning also removes the minimum parking requirements and relaxes density controls.

### What changes are proposed for properties currently zoned Industrial (M-1, M-2, C-M)?

Areas currently zoned industrial will generally be rezoned to one of following designations:

- **Production, Distribution and Repair Zones (PDR):** In these zones, everything that is permitted today would continue to be permitted, except new residential development, which would be prohibited, and retail stores and offices, which would be limited in size.
- **Urban Mixed-Use Zones (UMU):** These zones are designed to promote a mix of different types of activities. The rules applying to these new urban mixed-use zones are generally the same as the above PDR zones, however new residential development would also be permitted.

In both zones all existing offices, retail stores and residences which received a permit at the time they were built or established would be considered legal and allowed to remain indefinitely. For example, if a tenant of an office space were to move out, a similar office tenant would be able to move in to that space. In other words, all legal pre-existing offices, stores and residences are "grandfathered" with respect to the new zoning.

### What changes are proposed for properties currently zoned Neighborhood Commercial (NC)?

The neighborhood commercial zones will be rezoned to Neighborhood Commercial – Transit (NCT) districts, which differ from the old designations (NC) generally in that they remove parking minimums and relax density controls.

### What changes are proposed for properties in South of Market zoning districts?

The South of Market currently contains a series of specialized zoning districts intended to promote a mixture of activities. Proposed zoning controls update the existing zoning to encourage a greater

mixture of residential, office and PDR activities, while introducing increased open space requirements and new design guidelines.

### How much new housing and affordable housing will the Plans produce?

Under the proposed Plans, the Planning Department projects that over the next 20 years a total of 7,500 – 10,000 new housing units will be built in the four neighborhoods. Based on the affordable housing rules in the proposed new zoning, we expect that the majority of units built would be "market rate," while 20-30 percent of the units produced would be below market rate, affordable to a range of families and individuals earning from 30-150% of city's median income. (For context, the median income for a single individual in San Francisco is about \$58,000 per year, while for a family of four it is about \$83,000 per year. It requires an annual income of at least 200% of the median income to afford to buy a market rate priced house or condominium in San Francisco.)

### Does the Plan affect building height limits?

Height limits are proposed to change on some parcels within the four neighborhoods. To determine if a height limit change is proposed for your property, locate your property on the Existing Zoning and Proposed Zoning Maps found on our website: <http://en-hearings.sfplanning.org> (scroll down to the link entitled "Proposed Area Plans, Zoning and Heights Limits Maps.") In general, height limits are not proposed to increase by more than two stories.

### How does the Plan affect parking requirements?

Currently, parking is required, in varying amounts, for most new residential or commercial development. The zoning proposal would remove minimum parking requirements, and instead replace them with a maximum number of spaces allowed. These maximums vary by neighborhood. However, parking requirements are not proposed to change in areas whose zoning remains RH or RM.

### What are "Public Benefits" and how will they work in the Eastern Neighborhoods?

The Eastern Neighborhoods Plans propose to provide a full array of public benefits to ensure the development of "complete neighborhoods," including open space, improved public transit, transportation, streetscape improvements, community facilities, and affordable housing. To help fund these community improvements the Plans propose an impact fee on new residential and commercial development as well as identifying other funding sources.

### What outreach has been conducted?

The Planning Department has carried out an extensive outreach program over several years including mailed notices, workshops in each neighborhood, hundreds of smaller meetings with community groups and individuals, and over 20 Planning Commission hearings. Mailings have been sent twice during the outreach process to all property owners and tenants within the four plan areas.



## What is the Eastern Neighborhoods Program?

The Mission, Central Waterfront, East South of Market and Showplace Square/Potrero Hill neighborhoods are home to much of the city's industrially-zoned land. For the last 10 to 15 years, these neighborhoods have been changing and have seen growing land use conflicts, where residential and office development has begun to compete with industrial uses. How should we plan for the future of these areas? Should we allow housing and offices to gradually predominate or should we seek to create a balance of some sort? Does the City need to keep a place for "production, distribution and repair" businesses, as well as the arts? How much space should we provide for "high-tech" industries? How much new housing should be made "affordable?" How can necessary improvements to neighborhood parks and transit be funded? Resolving these difficult questions – with an emphasis on balance – is at the heart of the Eastern Neighborhoods Program.



Based on several years of community input and technical analysis, the Eastern Neighborhoods Program calls for transitioning about half of the existing industrial areas in these four neighborhoods to mixed use zones that encourage new housing. The other remaining half would be reserved for "Production, Distribution and Repair" districts, where a wide variety of functions such as Muni vehicle yards, caterers, and performance spaces can continue to thrive.

### The Process

The Eastern Neighborhoods community planning process began in 2001 with the goal of developing new zoning controls for the industrial portions of these neighborhoods. A series of workshops were conducted in each area where stakeholders articulated goals for their neighborhood, considered how new land use regulations (zoning) might promote these goals, and created several rezoning options representing variations on the amount of industrial land to retain for employment and business activity.



In February 2004, the Planning Commission established interim policies for East SoMa, the Mission, and Showplace Square/Potrero Hill to be in effect until permanent zoning is established.

Starting in 2005, the community planning process expanded to address other issues critical to these communities including affordable housing, transportation, parks and open space, urban design and community facilities. The Planning Department began working with the neighborhood stakeholders to create Area Plans for each neighborhood to articulate a vision for the future. Since then, the Planning Department has conducted an extensive outreach program, including several large workshops in each of the neighborhoods, hundreds of smaller meetings and discussions with community groups and individuals, over 15 planning commission hearings, office hours in the neighborhoods, surveys and focus groups with owners of PDR businesses, and a citywide summit on industrial land.

Draft Eastern Neighborhood Area Plans were released in December 2007 for public comment. In April 2008, the Planning Commission initiated the adoption process and held several hearings throughout the spring and summer. On August 7, 2008 the Planning Commission adopted the Area Plans and new zoning code for the Eastern Neighborhoods. Hearings at the Board of Supervisors will begin in September 2008.

## Key Components of the Community Planning Process

### 1. Area Plans - Building Complete Neighborhoods

In response to the goals and ongoing community input, an Area Plan was created for each neighborhood. Area Plans become a part of the city's General Plan and guide the long-term development of an area, responding to its unique characteristics by addressing issues around housing, jobs, transportation, parks and other neighborhood elements that contribute to creating complete neighborhoods.

The Plans generally contain the following sections: 1) Land Use; 2) Housing; 3) Built Form; 4) Transportation; 5) Streets and Open Space; 6) Economic Development; 7) Community Facilities and 8) Historic Resources.

Each Area Plan articulates a holistic vision for a neighborhood, by promoting areas that are transit, bicycle and pedestrian friendly, by strengthening and encouraging vibrant neighborhood-serving commercial areas; by providing and maintaining community facilities and open space to ensure neighborhood livability and by increasing both the supply and variety of housing for residents, with emphasis on affordable housing.

### 2. Zoning – Balancing the Use of Land

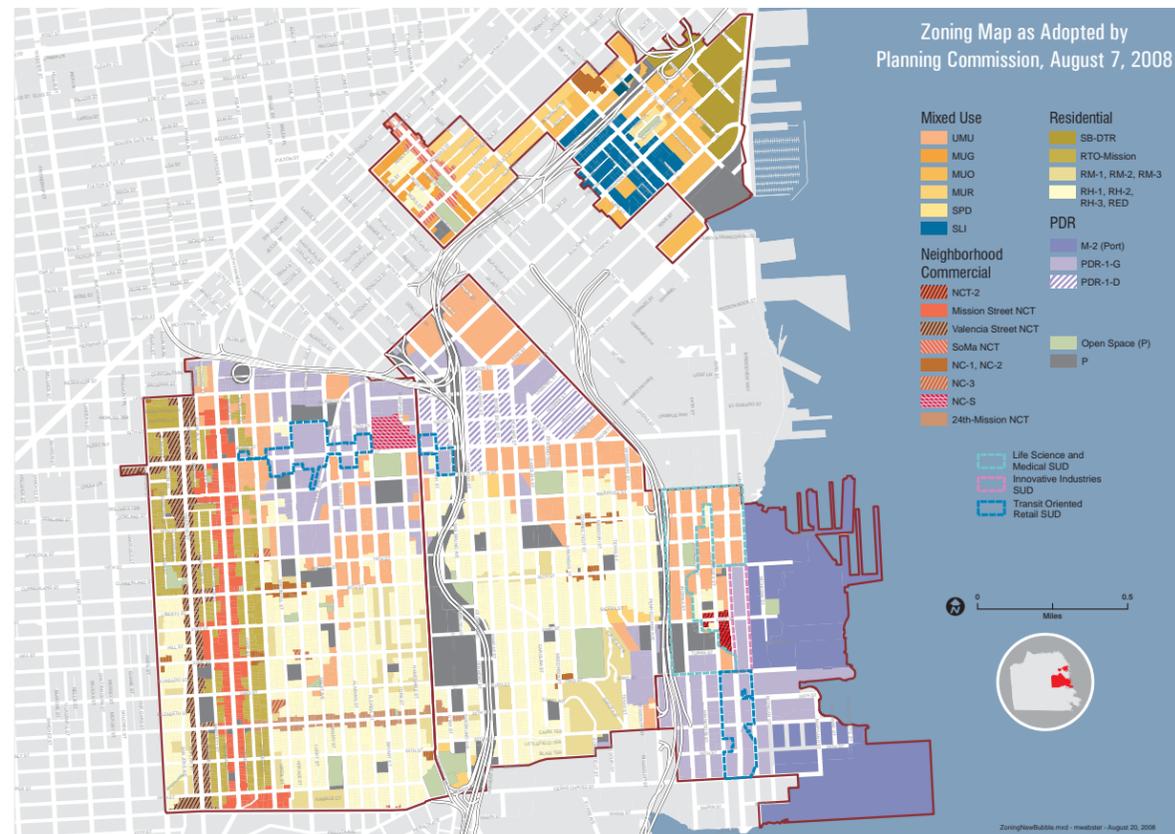
Zoning controls are the primary way that the city regulates the use of land. (It is zoning, for example, that allows tall buildings to be built downtown, while prohibiting them in outlying residential neighborhoods.) To implement the Area Plan policy

documents, the Eastern Neighborhoods Program will include new zoning controls that specify what land uses will be permitted in the future.

In general, the Planning Department is proposing three types of zoning in the Eastern Neighborhoods:

- 1. Residential Zones:** In areas which are currently zoned for residences only (generally portions of the Mission, Potrero Hill and Dogpatch) the proposal is to leave this zoning intact, with some changes intended to encourage development near strong transit service.
- 2. PDR Zones:** The intent of these districts is to ensure space for existing and new PDR businesses and activities. In order to protect PDR, residential development would be prohibited, while office, retail, and institutional uses (schools, hospitals, etc.) would be limited. HOWEVER, residences, offices and retail which currently exist legally in these areas may stay indefinitely.
- 3. Mixed-Use Zones:** There are many portions of the Eastern Neighborhoods where it makes sense to promote a mix of different types of activities. The Plans propose a variety of different mixed-use zones, to accommodate unique characteristics of different neighborhoods. These range from neighborhood commercial zones, which call for a mix of residences and retail, to other zones which bring PDR into the mix.

For details on proposed zoning, go to: <http://easternneighborhoods.sfplanning.org>



The Eastern Neighborhoods public benefits program will outline the full list of needs and prioritize them. A complete funding and implementation strategy will ensure that these needs can be addressed over the life of the Plan.

### Focus on affordable housing

To house diverse groups of people and address the city-wide need for more affordable housing, while ensuring the vitality and character of new neighborhoods, we must provide a variety of housing types at a range of affordability levels. Given San Francisco's high cost of living, affordable housing is a high community priority as part of new housing development in the Eastern Neighborhoods.

The Eastern Neighborhoods proposals would encourage

about 7,500 -10,000 new housing units over the next 20 years. The Plans strive to provide new housing that meets the needs of low, moderate and middle income individuals and families. In addition to the City's existing Inclusionary Housing Ordinance which requires that market-rate developments larger than five units provide 15-20 percent of their units at below market rate, the Plans require higher percentages of affordable housing in formerly industrial areas, provide new options to develop land for affordable housing, and provide funding for affordable housing production through new fees.

### ? What is PDR?

Some have been concerned that the city is trying to preserve old-fashioned, "smoke-stack" industry. This is not the case. The Planning Department has adopted the term "Production, Distribution and Repair" or "PDR" to refer to the very wide variety of activities which have traditionally occurred and still occur in our industrially zoned areas. PDR businesses and workers prepare our food and print our books; produce the sounds and images for our movies; take people to the airport; arrange flowers and set theatrical stages; build houses and offices; pick up our mail and garbage. PDR includes arts activities, performance spaces, furniture wholesaling, and design activities.

In general, PDR activities, occurring with little notice and largely in the Eastern Neighborhoods, provide critical support to the drivers of San Francisco's economy, including the tourist industry, high tech industry and financial and legal services, to name a few. PDR businesses

also tend to provide stable and well-paying jobs for the 50% of San Francisco residents who do not have a college degree.

Why do PDR businesses need protection through zoning? There are several reasons why San Francisco, like many other large U.S. cities, is considering providing protection for PDR activities through zoning changes in some areas.

1) Competition for land: San Francisco has very limited land available and because current zoning permits almost any activity in an industrial zone, residential and office uses, which can afford to pay far more to buy land, have been gradually displacing PDR activities. 2) Land use conflicts: Some (though certainly not all) PDR businesses use large trucks, stay open late, make noise or emit odors. As residences and offices locate adjacent to these PDR businesses more frequently, conflicts arise, sometimes forcing the PDR businesses to curtail operations or even leave the city.



Aside from regulating what sorts of activities can occur on a given parcel of land, the proposed Eastern Neighborhoods rezoning also includes a variety of changes to other key regulations, including the following:

**Building Heights:** Height limits would be adjusted both up and down in various areas. No heights would be raised above 85 feet.

**Parking:** In mixed-use areas, parking requirements would be changed generally to remove minimum parking requirements and establish maximum requirements instead.

**Open Space:** In many areas, the amount of open space required as part of new development would be increased. Additionally, these spaces will be required to be greener and more usable.

**Unit Mix:** Existing density requirements would be replaced with a bedroom-mix requirement to ensure a diversity of housing units.

### 3. "Public Benefits" including Affordable Housing

As some portions of the Eastern Neighborhoods transform over time from largely PDR areas to places for people to live and work, a variety of community needs will be created. These include affordable housing, transportation improvements, new and improved open space, as well as a variety of other community facilities.

### ? What is Affordable Housing?

"Affordable housing" refers simply to apartments or condominiums that are priced to be affordable to individuals and families earning anywhere from about 30% to about 120% of the city's median income (or about \$30,000 to \$114,000 for a family of four). Because affordable housing sells or rents for less than the amount required to cover its costs, it must be subsidized. This subsidy can come in the form of government funding, or through requirements that developers designate a certain percentage of new units they build as affordable.



# Bay Area Goods Movement Collaborative

## Why do Alameda County and the Bay Area Need a Goods Movement Plan?



The efficient movement of goods is essential to the daily lives of residents and to the overall economic prosperity of the region. **The Bay Area is a major hub for goods movement, which supports our economy, serves our residents, and provides an array of jobs both within the region and throughout Northern California.** Alameda County plays a critical role in the goods movement system due to its central location and infrastructure, experiencing both the economic benefits and local community impacts of goods moving to and through the region.

**Freight transport and goods movement underpin economic activity in the Bay Area region,** which is home to a number of goods movement dependent industries. In the nine-county Bay Area, goods movement dependent industries account for \$490 billion in total output (51 % of total regional output); and provide over 1.1 million jobs (32 % of total regional employment).

**Goods movement partners must collaborate to create a thoughtful yet flexible approach to planning and management that facilitates the safe, reliable and efficient movement of goods while reducing impacts on local communities.**

Internal and external forces work simultaneously to drive demand in Alameda County and throughout the Bay Area. Transportation facilities provide the connectivity to local markets and consumers, while supporting global logistics and supply chains for major industries located elsewhere in California and the nation.

The goods movement industry transcends jurisdictional borders and serves a broad range of industrial and consumer needs. Goods movement partners must collaborate to create a thoughtful yet flexible approach to planning and management that facilitates the safe, reliable and efficient movement of goods while reducing impacts on local communities.

**Goods movement industries are major Bay Area economic drivers, supporting 32% of regional jobs and 51% of regional economic output.**

## PLANNING PROCESS

Recognizing the importance of goods movement to the region, the Metropolitan Transportation Commission (MTC) and the Alameda County Transportation Commission (Alameda CTC) are working together to build a robust, Bay Area Goods Movement Collaborative to ensure the region continues to play a vital role in the Northern California economy.

The Bay Area Goods Movement Collaborative brings together partners, community members, and other stakeholders from across the region to understand goods movement needs and identify, prioritize, and advocate for short- and long-term strategies to address these needs. The Collaborative creates an organized structure to bring goods movement interests to the table and to ensure effective advocacy for goods movement needs in Alameda County and the Bay Area region at-large.

The Collaborative also provides the basis for a comprehensive outreach program to support the development of the **Alameda County Goods Movement Plan and the update to MTC's Regional Goods Movement Plan.** The Plans will provide a vision for the countywide and regional goods movement systems and will describe both short- and long-term strategies, including projects, programs and policies for achieving the goods movement vision.

The planning process will occur over a two-year period, which began in October 2013. The Collaborative will include both public and private sector participants, including the public at large, as well as organizations representing local jurisdictions, economic development, public health, railroads, trucking and freight industries, business, and community interests.



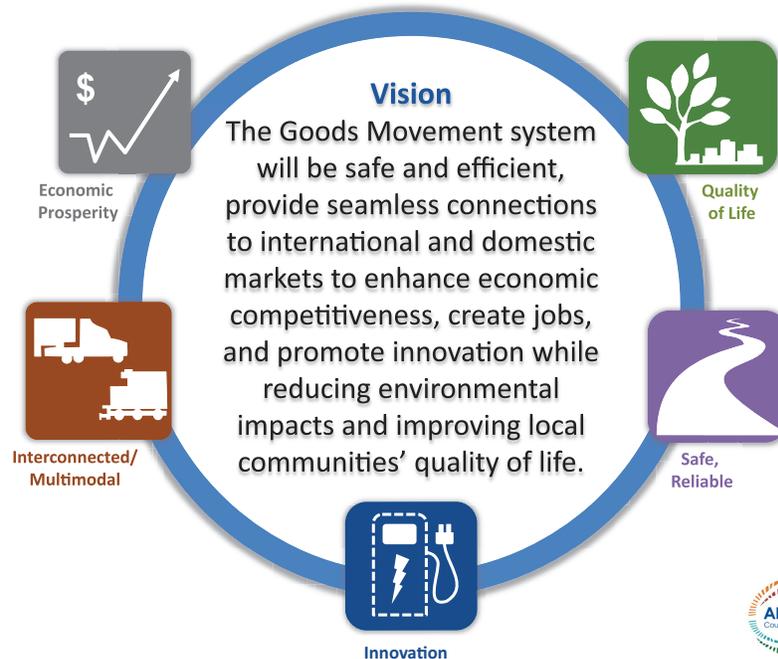
## VISION

The goods movement system will be safe and efficient, provide integrated connections to international and domestic markets to enhance economic competitiveness, create jobs, and promote innovation while reducing environmental impacts and improving residents' and employees' quality of life.

## GOALS

- Reduce and mitigate impacts from goods movement operations to create a healthy and clean environment, and support improved quality of life for people most impacted by goods movement.
- Provide safe, reliable, efficient, resilient, and well- maintained goods movement facilities and corridors.
- Promote innovative technology and policy strategies to improve the efficiency of the goods movement system.
- Preserve and strengthen an integrated and connected, multimodal goods movement system that supports freight mobility and access, and is coordinated with passenger transportation systems and local land use decisions.
- Increase jobs and economic opportunities that support residents and businesses.

## Goods Movement Vision and Goals



# Bay Area Goods Movement Collaborative

## Outreach Overview



### GOODS MOVEMENT COLLABORATIVE

The Bay Area Goods Movement Collaborative will bring together partners, community members, and other stakeholders from across the region, to understand goods movement needs and identify, prioritize, and advocate for short- and long-term strategies to address these needs. The Collaborative creates an organized structure to bring goods movement interests to the table and **to ensure effective advocacy for goods movement needs** in Alameda County and the Bay Area region at-large.

The Collaborative will also **provide the basis for a comprehensive outreach program to support development of the Alameda County Goods Movement Plan and the update to MTC's Regional Goods Movement Plan.** The Plans will provide a vision for the countywide and regional goods movement systems and will describe both short- and long-term strategies and projects for achieving the goods movement vision.



### THE COLLABORATIVE INCLUDES THE FOLLOWING ELEMENTS:

- The **Executive Team** comprised of executive level staff from Alameda Countywide Transportation Commission (Alameda CTC), Metropolitan Transportation Commission (MTC), Port of Oakland, Caltrans, East Bay Economic Development Alliance, Bay Area Air Quality Management District, and regional Congestion Management Agency Executive Directors from Solano, Contra Costa and Santa Clara counties;
- The **Technical Teams** including staff from the agencies represented on the Executive Team as well as other stakeholders from cities, counties, regional agencies, transit and transportation partners, in addition to stakeholders representing public health, community and business interests related to the goods movement system;
- **Interest Groups** including private sector goods movement organizations (shippers, carriers and logistics service providers), businesses, environmental and public health organizations, community and social justice groups, labor and other key stakeholders from across the Bay Area region who will provide frequent, structured input on goods movement issues; and,
- The **Goods Movement Roundtables** will provide a regular forum and information exchange platform for all key stakeholders to foster dialogue between stakeholders from all groups and help build a platform for advocacy.



## ROLES OF THE COLLABORATIVE

The process for including partner and stakeholder input will be extensive and multi-layered. **The Executive Team provides strategic guidance** and advocates for goods movement priorities among key decision-makers. **The Technical Teams review and provide feedback on strategies for improving goods movement**, regulatory recommendations and other technical issues, and provide extensive knowledge of local needs and issues. The Technical



Teams also provide technical guidance and review for all analyses and products developed to support the Alameda Countywide Goods Movement Plan and the update to MTC's Regional Goods Movement Plan.

**The Interest Groups offer frequent and meaningful input** through a series of focused discussion sessions to ensure an effective dialogue on the needs, issues and priorities for goods movement throughout the development of the Plan. Meetings with Interest Groups may occur in one-on-one interviews, group meetings, or presentations at regularly scheduled meetings.

In addition, the **Roundtable sessions bring a wide range of groups together for an opportunity to share information and give input on the policy, planning, prioritizing and financing discussions around goods movement.** Several Roundtable sessions will be conducted as workshops, held at multiple locations over the course of the project to support the development of both Goods Movement Plans.

## COUNTYWIDE AND REGIONAL GOODS MOVEMENT PLANS



The Alameda Countywide Goods Movement Plan and the update to MTC's Regional Goods Movement Plan will outline short- and long-range strategies to move goods

effectively in the region by road, rail, air, and water while reducing impacts on local communities. The Plans will establish a vision for the sustainable movement of freight and other goods to ensure that Alameda County and the Bay Area continue to play a vital role in the Northern California economy. The Collaborative will also establish an on-going method for discussing and advocating for goods movement needs.

The Plans will support the goods movement vision by promoting community livability goals and environmental quality, and by meeting the needs of businesses and residents that rely on the goods movement system. **The Collaborative will play a critical role in developing the Plans by informing the vision, needs assessment, strategy development, evaluation, education and advocacy efforts for goods movement in Alameda County and the Bay Area.**



## OUTREACH FOR GOODS MOVEMENT PLANNING

Stakeholder participation is an integral part of the development of the Goods Movement Plans. The various components of the Collaborative will provide the basis for stakeholder engagement in the development of the Plans. By providing multiple mechanisms for stakeholder engagement, the Collaborative structure will reach a wide range of business, environmental, and community interests throughout Alameda County, the Bay Area region, and beyond to achieve balanced and effective Goods Movement Plans.

Each outreach element will be scheduled in consideration of activities occurring in the region beyond the Goods Movement Plans. This includes activities related to other Alameda CTC modal plans and the Countywide Transportation Plan. The other activities may also include updates to the California Statewide Rail Plan, the update of MTC's Regional Transportation Plan and Sustainable Communities Strategy, development of the Caltrans' Freight Mobility Plan and requirements consistent with Assembly Bill 14, and the reauthorization of MAP-21. The Collaborative will coordinate key Plan decision points with these ongoing efforts.

# Bay Area Goods Movement Collaborative

## Economic Impact



### THE IMPORTANCE OF GOODS MOVEMENT IN NORTHERN CALIFORNIA

The Northern California megaregion refers to the economically and geographically linked set of regions comprised of the Bay Area, Sacramento, Northern San Joaquin Valley and the Central Coast.

The Northern California megaregion is an economic powerhouse, with over \$953 billion in freight flows moving to, from, and through the region in 2012. This is expected to grow by 168% to \$2.6 trillion in value by 2040. \$387 million or 40% of freight flows move solely within the megaregion, an amount growing to almost \$1 trillion annually by 2040, highlighting the importance of inter- and intra-regional trade to the megaregion's economy.

The Northern California megaregion is an economic powerhouse, with over \$953 billion in freight flows moving to, from, and through the region in 2012. This is expected to grow by 168% to 2.6 trillion by 2040.

Each of the four regions within the megaregion has separate characteristics and regional strengths, yet they are tied together through the goods movement system and the patterns of domestic and international trade. Exports of high value, specialty agricultural products from the San Joaquin Valley and wine from the North Bay move through the Bay Area's Ports. Medical supplies and precision instrumentation, products of a growing high tech manufacturing sector in the Bay Area, traverse through domestic and international air cargo centers for shipment all over the world.

### Regional Profiles within the Northern California Megaregion

REGION	Bay Area	Sacramento Region	N. San Joaquin Valley	Central Coast
POPULATION (2013)	7.44 Million	2.12 Million	3.14 Million	0.735 Million
KEY FACTS	<ul style="list-style-type: none"> <li>International trade hubs – Port of Oakland, SFO</li> <li>Fuels producer</li> <li>High value manufactured products</li> <li>Consumer center</li> <li>Agricultural and food products</li> <li>Major highways include I-880, I-80, I-580, U.S. 101; Key rail corridors include UP and BNSF<sup>1</sup> rail lines connecting Oakland to Sacramento and the Central Valley.</li> </ul>	<ul style="list-style-type: none"> <li>Agricultural and food products – domestic and exports</li> <li>Consumer center</li> <li>High value manufactured products</li> <li>Regional warehouse center</li> <li>Bay Area connection via I-80 and UP rail</li> </ul>	<ul style="list-style-type: none"> <li>Agricultural/food products – domestic and export</li> <li>Regional distribution center for Bay Area and Sacramento</li> <li>Bay Area connection via I-580, SR 12, and M-580 Marine Highway and UP and BNSF rail</li> </ul>	<ul style="list-style-type: none"> <li>Wine, fish and agricultural products – domestic and export</li> <li>Critical agricultural linkages with San Joaquin Valley</li> <li>Bay Area connection via U.S. 101</li> </ul>

Source: Population data from U.S. Census Population Estimates for July 2013

<sup>1</sup> Union Pacific and Burlington Northern Santa Fe

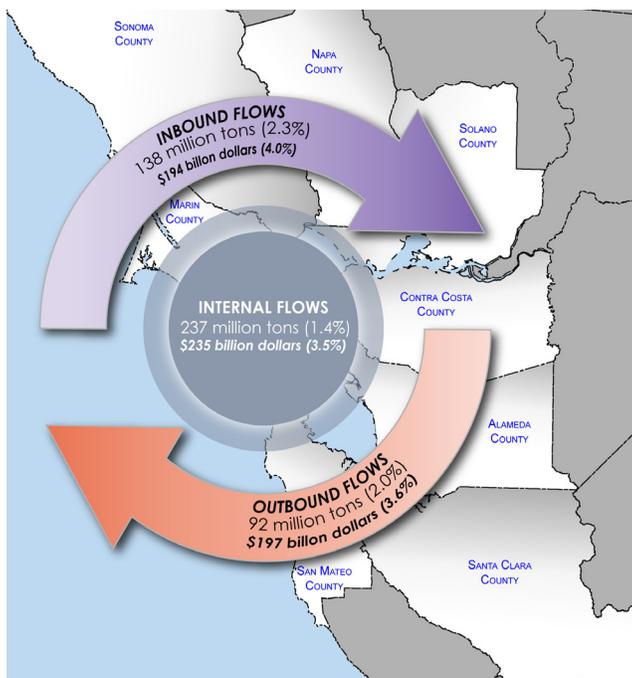


## THE IMPORTANCE OF GOODS MOVEMENT IN THE BAY AREA

The nine-county Bay Area is the most significant contributor to the megaregion economy. **Alameda County is the center point of goods movement in the region**, as it is home to many of the freight facilities in the megaregion and is located in the geographic center, providing major connections to all parts of the region. The County has a diverse manufacturing base that includes high-technology sectors such as electronics, precision instrumentation, and medical supplies, yet also includes traditional manufacturing operations in metal products, food products, and machinery. Goods movement, including imports, exports, and domestic movements to consumer markets, plays a significant role in the Bay Area economy.

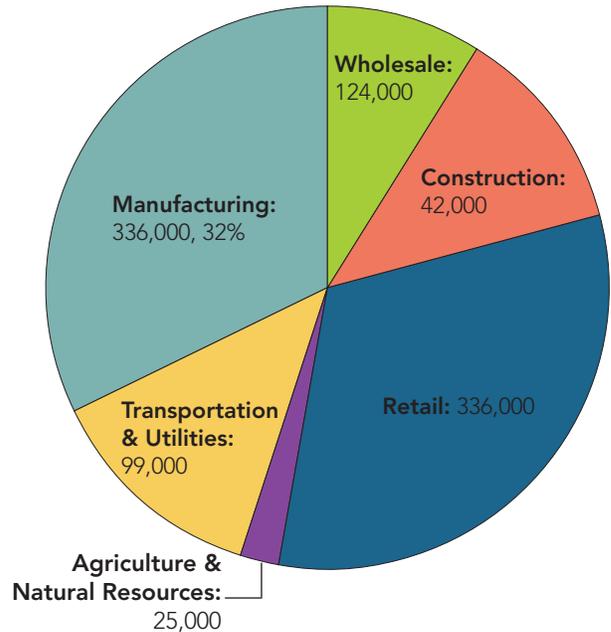
In 2012, the predominant freight movements by weight in the Bay Area were intraregional commodity flows. These short-haul freight movements include freight traveling along local supply chains, as well as locally produced products that are moved to the seaports and airports for export, or from the region's seaports and airports to local consumers and industries.

### Bay Area Goods Movement Flows and Annual Growth, 2012



Source: Freight Analysis Framework (FAF) 3.5 Provisional Data and Forecasts.

### Employment in Goods Movement-Dependent Industries in the Bay Area, 2011



Source: ABAG (Plan Bay Area 2013), Center for Continuing Study of the California Economy (CCSCE), and Cambridge Systematics Analysis.

## CONTRIBUTION TO JOBS

Goods movement provides a diversity of employment opportunities for residents with a range of skills, education and experience. **More than 1.8 million people were employed in goods-movement dependent industries** (i.e., manufacturers, distributors, retailers, and others which rely on freight and the movement of products for their business practices) in the Northern California megaregion in 2012. Just under 1 million of these goods movement jobs are in the Bay Area, which has more than 300,000 jobs in the Manufacturing and Retail Trade Sectors. Alameda County accounts for 21.5% of regional goods movement employment and is anticipated to have the fastest growing job market in the region from 2010 to 2040.



# Bay Area Goods Movement Collaborative

## Goods Movement System Infrastructure



The goods movement system is comprised of infrastructure that serves a number of different, yet interrelated functions. In the Bay Area, these functions include Global Gateways, Interregional and Intraregional Corridors, and the Local Goods Movement System. Each of these functions and their associated infrastructure are described below.

### GLOBAL GATEWAYS

The global gateways that make up the Bay Area's freight transportation system consist of the major maritime facilities and international airports that handle freight, as well as passenger cargo. It covers those entry and exit points that are essential to moving high volumes of trade into and out of the region.

The elements that make up the global gateways function include the region's maritime ports (Port of Oakland, Port of Richmond, Port of Benicia, Port of Redwood City and Port of San Francisco) along with their associated inland connections. The Port of Oakland is the region's largest port and only container handling facility, and is distinguished from other major West Coast ports as it handles more exports than imports.



Other elements include international airports that handle both freight that is stored under the main deck of an aircraft and dedicated freight aircrafts, including the San Francisco International Airport (SFO) and the Oakland International Airport (OAK).

### INTERREGIONAL AND INTRAREGIONAL CORRIDORS

The inter- and intraregional corridors consist of primary highways and rail lines that serve to connect the central Bay Area and Alameda County to the rest of the state and to domestic markets. This network provides primary access to major facilities such as the Port of Oakland, San Francisco and Oakland International Airports, rail yards, and warehouse/industrial districts. Key interregional and intraregional truck corridors in the Bay Area include I-80, I-238, I-580, I-880, U.S. 101, and I-680. Union Pacific rail connections along the Martinez Subdivision and Oakland Subdivisions, as well as the BNSF Stockton Subdivision line are important interregional rail corridors.

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**Many elements of the international gateway infrastructure in the Bay Area are located within Alameda County.**

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A handful of key state highway corridors also provide east-west linkages to key goods movement industries. For instance, State Route (SR) 4 provides connections between oil refineries and other industries with the rest of the network and customers. SR 152 provides an important connection to Central Coast agricultural producers. SR 12 and Highway 37 provide key connections along the northern part of the region serving the North Bay and northern Central Valley. Exports such as wine, electronics and medical equipment utilize these corridors to reach the global gateways. Imported consumer products, parts and automobiles also utilize these routes to reach distribution facilities in San Joaquin Valley to be delivered to the Bay Area and beyond.



## LOCAL GOODS MOVEMENT SYSTEM

The local goods movement system refers to networks of city streets that move freight to and from its origins and destinations. Last-mile connectors which are also part of the local goods movement system, providing the critical connections between major freight facilities (global gateways, domestic rail terminals, warehouse/ industrial centers and industrial parks) and the interregional and intraregional systems. The growing use of e-commerce and the shift towards a knowledge-based economy means parcel service and deliveries to commercial and residential areas are becoming increasingly important. Major arterial truck routes are often used as alternatives to congested freeways for city-to-city truck movements. Farm-to-market roads in the rural parts of the region are also a vital part of the local goods movement system and serve important economic functions.



## Summary of Preliminary Goods Movement System Needs and Issues by Function

### GLOBAL GATEWAYS

- Port of Oakland land constraints, deficiencies in cargo handling equipment
- Intensifying port competition
- Marine terminal congestion and its associated impacts on drayage drivers and neighborhoods
- Need for improved communication between truck drivers and marine terminal operators
- Impacts and opportunities for heavy haul networks around ports
- Expanding demand for bulk export facilities
- Conflicts between industrial/warehouse space needs to support growth and impacts on neighborhoods
- Changing mix of air cargo (less computer related exports) and uncertain growth in domestic markets

### INTER- AND INTRA-REGIONAL CORRIDORS

- Congestion and delay on shared use freight corridors with passenger traffic such as I-880, I-580 and I-80, and Capitol Corridor
- Truck safety issues along freight corridors due to merging and weaving
- Pavement and bridge condition issues along freight corridors
- Rail bottlenecks especially along Martinez Subdivision
- Safety issues at rail-highway grade crossings
- Safety concerns regarding the movement of crude by rail

### LOCAL GOODS MOVEMENT SYSTEM

- Public health impacts on neighborhoods with intense freight activities
- Land use conflicts in traditional industrial corridors
- Lack of truck parking/neighborhood parking encroachment
- Conflicts between trucks and other street users (autos, pedestrians, bikes, transit) on collector routes and in commercial areas
- Cut through traffic to avoid congestion on major corridors
- Lack of truck route connectivity across city boundaries
- Local road and street pavement damage
- Problems with roadway and street design that impedes truck deliveries



Date: April 1, 2015  
To: ABAG Regional Planning Committee  
From: Duane Bay, Assistant Planning & Research Director  
Subject: **Regional Prosperity Consortium Update**

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### **Introduction**

The Regional Prosperity Consortium is a three-year initiative funded by a \$5 million grant through the Sustainable Communities Partnership Program of the United States Housing and Urban Development Department (HUD), and co-administered by ABAG and MTC. This initiative funded fifty pilot projects, research papers and case studies that will support the implementation of Plan Bay Area by focusing on production and preservation of affordable housing close to transit, neighborhood stabilization in communities at risk of displacement, and economic mobility and opportunities for low- and moderate-income workers. This initiative has resulted in increased technical knowledge, inter-agency collaboration, and organizational capacity.

As the initial grant period of the initiative enters its final months, today's presentations will recap the scope and purpose of the initiative and outline a series of culminating activities. These "capstone" activities are designed to bring the initiative's findings, learnings and proposed strategies and actions to greater public awareness, and to set the stage for potential implementation by Bay Area agencies and organizations.

### **Presentations**

Duane Bay and Doug Johnson, MTC Principal Planner, will provide a very brief overview of the Regional Prosperity Plan, as new members have joined the Regional Planning Committee since the last update in August, 2014. Additional contextual material may be found on the Plan Bay Area website at: <http://planbayarea.org/regional-initiatives/Bay-Area-Prosperity-Plan.html>.

Paul Peninger, lead author of the Capstone Report, will present work-in-progress. The Capstone Report will be a primary means for conveying proposed findings and strategies to consortium member agencies/organizations and other interested parties for consideration of potential implementing actions. Among other opportunities to review the works funded by the initiative and discuss their implications for the Bay Area will be a Capstone Conference on April 13<sup>th</sup> and 14<sup>th</sup> in Oakland. To see details or to register, visit: <https://www.eventbrite.com/e/bay-area-regional-prosperity-plan-capstone-conference-registration-15653118900>.

### *Attachment:*

*Regional Prosperity Consortium Overview (slides)*



# BAY AREA REGIONAL PROSPERITY PLAN FINAL PROJECT REPORT



**Issue Areas**

**Findings and  
Lessons**

**Strategies**

**Actions**

# FINAL PROJECT REPORT

- Organize by **issue areas**
- Summarize **key findings and lessons learned** from pilot projects and research
- Tie findings and lessons to next steps, or **potential strategies**
- Develop an **action plan** to identify implementation steps

# TIMELINE



# ISSUE AREAS

1. Affordable housing near transit
2. At-risk affordable housing near transit
3. Neighborhood stabilization
4. Community capacity-building
5. Pathways to middle-wage jobs
6. Middle-wage jobs growth
7. Conditions for low-wage workers



# REPORT STRUCTURE

**Findings** – the underlying impetus for the Regional Prosperity Plan

**Lessons Learned** – outcomes from the pilot projects and funded research

**Strategies** – recommendations to address issues

**Actions** – specific implementation steps



# EXAMPLE

**Issue Area** – Affordable Housing Preservation

**Finding** – 6,500 housing units at-risk of conversion

**Lesson Learned** – city staff may not be aware of this issue due to other priorities

**Strategy** – preserve existing affordable housing units near transit

## Actions

- Disseminate information to city staff
- Seek funding to develop tailored plans
- Support cities to find funding for preservation
- Track at-risk units near transit

# ACTION PLAN TEMPLATE

## Strategy 1

Actions	Timeframe	Organizations	Resources

# POTENTIAL ACTIONS

## Types of actions:

- Policies and Legislation
- Initiatives and Programs
- Funding and Financing
- Data and Analysis
- Organizational Capacity

# AFFORDABLE HOUSING NEAR TRANSIT

- 1. Land for Affordable Housing Near Transit**
- 2. Local and Regional Funding and Financing for Affordable Housing**
- 3. State and Federal Funding and Financing for Affordable Housing**
- 4. Community Support for Affordable Housing and Housing Affordability**

# AFFORDABLE HOUSING NEAR TRANSIT

- 5. Regulatory Reform to Support Affordable Housing Production**
- 6. Regional Coordination and Partnerships**
- 7. Data and Analysis to Support Affordable Housing Production**

# AT-RISK AFFORDABLE HOUSING NEAR TRANSIT

## 8. Existing At-Risk and Naturally Affordable Housing Near Transit

# NEIGHBORHOOD STABILIZATION

- 9. Tenant Protections and Enforcement at Federal, State and Local Level**
- 10. Regional Collaboration and Partnerships**
- 11. Technical Assistance, Tools and Support to Local Jurisdictions and Community Groups**

# COMMUNITY CAPACITY BUILDING

## 12. Ongoing Capacity-Building and Leadership Training

# PATHWAYS TO MIDDLE-WAGE JOBS

**13.** Job-Focused Basic Skills Training

**14.** Industry-Driven, Sector-Based Regional Training Partnerships

**15.** Improved Career Navigation Systems and Support Pathways

# MIDDLE-WAGE JOB GROWTH

**16.** Industries of Opportunity  
and Business Formation

**17.** Housing, Jobs and Industrial Lands Served by  
Transit

**18.** Infrastructure Investment

**19.** Integrated Transportation  
System

# CONDITIONS FOR LOW-WAGE WORKERS

**20.** Job Standards and  
Working Conditions

**21.** Professionalize  
Industries

**22.** Public Sector  
Contracts

# NEXT STEPS

- Working Session for Steering Committee
- Review by Working Groups – **March and April 2015**
- Tie to Program Evaluation Project - **Ongoing**
- Coordination with Pilot Projects – **March 2015**
- DRAFT Action Plan – **May 2015**
- DRAFT Final Project Report – **May 2015**