



**Contra
Costa
County**

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: March 10, 2020

Subject: Northern Waterfront Initiative Updates and Work Plan

RECOMMENDATION(S):

ACCEPT report and updates on the Northern Waterfront Economic Development Initiative, and APPROVE proposed budget and work plan for FY 2020-21, including the redirection of up to \$75,000 of economic development funds to provision completion of the work plan.

FISCAL IMPACT:

The estimated cost of the recommended work program is \$400,000. Of this amount, \$325,000 will be covered with funds previously authorized by the Board for work on the Northern Waterfront Economic Development Initiative. The remaining \$75,000 of the estimated cost will be covered by the Department of Conservation and Development using General Funds allocated by the Board for economic development staff support but not fully expended for that purpose due to hiring economic development staff midway through the fiscal year.

BACKGROUND:

The Northern Waterfront Economic Development Initiative, a slate of activities to improve economic opportunity in the communities in Northern Contra Costa County, between Highway 4 and the shoreline, originated from Board direction in 2013. The Initiative is

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY

☒ RECOMMENDATION OF BOARD

ADMINISTRATOR

COMMITTEE

Action of Board On: **03/10/2020** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I Supervisor
Candace Andersen, District II Supervisor
Diane Burgis, District III Supervisor
Karen Mitchoff, District IV Supervisor
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 10, 2020

David Twa, County Administrator and Clerk of the Board of Supervisors

Contact: Amalia Cunningham,
925-674-7869

By: June McHuen, Deputy

cc:

guided by an Ad Hoc Committee comprised of Supervisor Burgis and Supervisor Glover. In 2017, the Board approved \$500,000 in funding for projects associated with the Initiative. In February 2019, staff returned to the Board with updates on the Initiative's

BACKGROUND: (CONT'D)

progress, which at that time included completion of a Strategic Action Plan (SAP) and Conceptual Framework for Human Development (Framework), and envisioned projects for the future.

On February 6, 2020, staff presented the Ad Hoc Committee with project updates and a proposed work plan and funding for 2020-21 as a precursor to the annual budget process. Following substantial input from the Committee and the public on the report, the Committee directed staff to bring the report to the full Board for its review.

Northern Waterfront Accomplishments and Updates In FY 2019-20, staff-level economic development activity to implement the SAP has included a large array of activities and accomplishments, including the following most significant items:

- All seven partner cities have signed a **Memorandum of Understanding** with the County to work collaboratively on projects of joint benefit.
- The working group for East Contra Costa branding issued a Request for Qualifications through the City of Brentwood to find a marketing consultant. Once the consultant responses are received and reviewed, there will be a board order with the final recommendation for the project and the County's share of the cost. Phase One will identify the brand and develop the marketing plan around it, and Phase Two will be implementation, advertising, etc. Participating in this collaborative effort will leverage the County's contribution into a much bigger impact, and is an important partnership for promoting the regional assets identified in the SAP.
- The short-line rail feasibility study on Wilbur Avenue in Antioch, unincorporated Contra Costa County, and Oakley is almost complete. Regardless of what the final recommendation will be, simply undertaking the work to identify goods movement needs and opportunities on the Wilbur Avenue corridor has opened a dialogue with major property owners and both cities, and shown the County's commitment to create more jobs in the region.
- The County received trademark approval for two key phrases: Northern Waterfront Economic Development Initiative and Capital of the Northern California Mega-Region. In addition to informing the East Contra Costa branding effort noted above, both slogans, particularly Capital of the Northern California Mega-Region, will translate into a higher regional profile for the County and the Northern Waterfront.
- The Metropolitan Transportation Commission-Association of Bay Area Governments (MTC-ABAG) approved two Priority Production Areas (PPAs) in the unincorporated part of Northern Waterfront - Pacheco and Bay Point. MTC-ABAG also approved Northern Waterfront-area PPAs in Concord, Antioch, and Pittsburg. Staff will be cooperating with the regional agency to track and support industrial/jobs-oriented developments in the PPAs during the initial pilot program rolling out this year. MTC-ABAG staff spent a day in Fall 2019 touring the seven cities and County to see opportunity sites along the Northern Waterfront as part of the lead-up to the PPA designations.
- The County hosted the State Lands Commission board meeting in Martinez on October 24, 2019, which was a benefit of convenience for our partners and residents who have business with the agency, and highlighted the resources along Contra Costa's shoreline. The Commission staff presented an update on the Crockett waterfront property which has traditionally been a main public access point to the Bay along the Northern Waterfront.
- Economic development staff from the County and East Contra Costa cities presented opportunities in their regions at the EC2 Brokers' Breakfast in Pittsburg on October 7, and continue to collaborate with EC2 to plan more targeted events in 2020.

The Initiative's message has lent itself to work by District III to promote the County's airports for emerging technology uses, which has helped garner new tenants for the

County, and District V to explore ferry opportunities, among other individual Board member activities to support economic development. The cities of Antioch and Pittsburg are seeing significant interest in their available power plants for redevelopment in line with Initiative goals. Additionally, the Contra Costa Transportation Authority has started incorporating Northern Waterfront goals in its plans, and each partner city is making use of the Initiative to support their local projects.

Current Budget and Proposed Budget

Northern Waterfront Initiative activities are mainly funded by a General Fund allocation of \$500,000 dating from FY 2017-2018. The projects to date have been the SAP, the Framework, the County's share of the short-line rail feasibility study, and the May 2019 Northern Waterfront Forum. There remains an estimated balance of \$325,500, as shown on Attachment A.

Looking ahead to the FY 2020-21 budget process and work plan, staff is recommending a slate of projects to implement the SAP and Framework. Some of the projects were previously identified in the pipeline in a February 2019 report to the Board of Supervisors, and some of them are new for next fiscal year.

The previously identified projects anticipated to continue in FY 2020-21 are developing a jobs-oriented use at the County-owned property in the Hercules business park, Crockett waterfront access, and the first phase of the East Contra Costa branding effort. The estimated costs for these projects haven't changed from February 2019, totaling \$130,000 for "old" projects.

The new projects slated for next year's work plan are the advertising costs of the second phase of the East Contra Costa branding effort, business retention outreach focused on businesses that are good candidates to transition to employee ownership, a resident workforce characteristics analysis using Census 2020 data, and business attraction/entrepreneurship growth focused on incubator support for one of the five target industries, permit improvements, or incentives research. The new projects have an estimated cost of \$270,000.

The full slate of FY 2020-21 projects is estimated to cost \$400,000. An estimated \$325,500 remains unexpended from the FY 2017-18 funding from the Board of Supervisors. This is a greater remaining amount than was anticipated in the February 2019 report, due to cost savings from the consultant work and the Forum, and receiving the Federal grant for the short-line rail work. After spending down the remaining funds, there will be a need for an additional \$75,000 to augment the Northern Waterfront fund. The proposed FY 2020-21 Budget is Attachment B. This recommendation was presented to the Northern Waterfront Ad Hoc Committee on Feb. 6, 2020, which supported the budget and workplan, directing staff to forward a report to the full Board.

Leveraging Limited County Funds

It is not the intent to spend only the County's limited funds on implementing the Northern Waterfront Strategic Action Plan. The short-line rail feasibility study is an example of the County leveraging grant funds to complete a Northern Waterfront project, since the study cost is \$75,000 but the County successfully applied for a \$37,500 Federal matching grant. Another example is the East Contra Costa branding effort, which from its inception has been a joint project among the four cities and the County, through the Department of Conservation and Development and the Airports Division of the Department of Public Works. All agencies are expected to financially contribute to the cost of the branding project.

The FY 2020-21 proposed Northern Waterfront budget anticipates outside funding of at least \$25,000 to help fund or augment some of the other proposed projects, of which the workforce study is a prime target since many other agencies would benefit from it as a business attraction tool. Staff monitors outside funding opportunities and pursues the most appropriate on an ongoing basis.

Milestones

It is important to identify milestones moving forward in the work plan to make sure the County and partners are on track for meeting the goals of growing employment and entrepreneur opportunities in the Northern Waterfront. If the budget and work plan are approved as submitted, proposed targets include:

By the end of calendar year 2020:

- Agreement with City of Hercules regarding County-owned property
- Contract approved with non-profit partner; 100 business outreach contacts made regarding employee ownership interest
- Phase One of East Contra Costa County branding underway
- Additional economic development staff person on board

By the end of fiscal year 2020-21:

- Agreement with State Lands Commission protecting public access to the Crockett waterfront
- Workforce characteristics analysis under contract
- Phase One East Contra Costa County branding complete; Phase Two underway
- Business attraction project underway

The Future Beyond 2021

The Ad Hoc Committee asked staff to provide information about the vision for the Initiative beyond next fiscal year. Looking ahead to FY 2021-2022 and beyond, continuing a Waterfront-specific work plan is likely to require an ongoing General Fund allocation to continue participating as a partner in collaborative projects, or the lead on County projects. Economic development staff in the Department of Conservation and Development will continue to perform the day-to-day work associated with the initiative in reliance on funds allocated to the Department (not the Initiative project budget).

Opportunities to leverage the County's investment with funds from grants or partners will continue to be pursued in the future, but as the Initiative's primary proponent, the County will need a long term commitment of elected leadership, staff time and resources.

The Committee and staff are interested in tracking more Northern Waterfront-specific indicators, such as number and type of jobs and businesses. Because it's not a Census-defined region, that will be challenging; however, the County can ask our City partners to convene for a discussion on what we can collectively identify as meaningful numbers and all gather moving forward. Countywide data and city level data are relatively less complex to gather, although data for unincorporated communities is aggregated by many sources, rather than separated out by community.

CONSEQUENCE OF NEGATIVE ACTION:

If there is no action, it will not be possible to undertake the entire slate of proposed activities for 2020-21 to promote economic growth in the Northern Waterfront of Contra Costa County.

CHILDREN'S IMPACT STATEMENT:

Creating opportunities for economic growth in the Northern Waterfront region benefits the children of Contra Costa County by increasing their chances of being able to live and work in the region as adults.

ATTACHMENTS

A: 2019-20 Midyear Budget

B: 2020-21 Proposed Budget