



City of Vallejo Economic Development Strategic Plan

The City of Vallejo in partnership with
Economic Forensics and Analytics, Inc.
Chabin Concepts, Inc.

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EXECUTIVE SUMMARY

Vallejo's economy has unique economic development assets, many of which are similar to those of other Bay Area urban suburbs. Vallejo also has some challenges that are similar to those of other cities and some challenges that are unique to Vallejo. The consulting team developed this Economic Development Strategic Plan for directing economic development activities in Vallejo from 2025 to 2030. This plan was funded by the American Rescue Plan Act (ARPA) grant program. Part of this effort was to identify pandemic-driven impacts on Vallejo's economy and suggest how the City of Vallejo can address those impacts. The plan should be renewed or reconsidered based on changes locally and globally, modified as economic development staff, city managers, city council members, and Vallejo every three (3) years starting in 2027. This plan has goals and action steps divided into two "cycles", with a review after three years.

- Cycle 1 focuses on achieving foundational goals: creating more visibility, jobs, activity, and value in Vallejo
- In Cycle 2, after Cycle 1's foundation steps, is aiming for future growth, and attracting and expanding business.

Economic change in Vallejo will take time. After the Mare Island Naval Shipyard closed in 1996, the city fundamentally changed and remains under that change's shadow. Since then, three recessions and municipal finance concerns have all affected Vallejo's ability to stand up and stand out positively from other Bay Area cities. Expectations must start with envisioning Vallejo as a relatively open canvas with many possibilities to benefit from what is unique about the city's economy and its location and assets, as well as a place making up gaps in regional competitiveness.



The City of Vallejo's Economic Development Department must continue to partner with and produce solutions for current employers and landowners to expand jobs and activity on Mare Island, North Vallejo, and the downtown and waterfront areas as core commercial areas. Our recommended action steps and strategic goals focus on moving Vallejo closer to "top of wallet" in terms of how current and prospective employers and site selectors see Vallejo as a place to invest resources. If these goals are achieved, the economic gains in core commercial areas will spill over to other parts of Vallejo.

Shifting perceptions about doing business in Vallejo requires enhanced communications, regardless of social concerns and recent history, beginning with changes in Vallejo Economic Development Department and overall citywide communications. These changes include how communication assets citywide—with the help of regional partners, including chambers of commerce and current employers—are expanded and employed. The stories about optimistic but realistic aspects of Vallejo's economy need to be told as critical steps in building more confidence. These stories help prospective businesses and investors to view Vallejo as a long-term opportunity.

Vallejo has grit, which bodes well for the challenges it will face in the short term. Vallejo has to embrace the process of staying gritty, resilient, and regionally unique in positive ways. This plan is meant to guide that journey.



STRATEGIC PLANNING: JULY 2022 TO NOVEMBER 2024

TASK 1	TASK 2	TASK 3	TASK 4
Produced the Vallejo Databook (EFA data analyses of Vallejo and other areas for comparison)	Facilitated community outreach and voice and expectations (Communications Plan for EFA Project)	Finalized plan: Final action steps, key performance indicators, and tracking progress	Completed and presented the final Economic Development Strategic Plan.

Economic Forensics and Analytics, Inc. (EFA) was the consultant on this plan. We collected data as available to describe Vallejo's economy, demography, and potential future and to understand Vallejo's economy more completely. We engaged with and interviewed over 200 employers, residents, elected officials, city staff, regional chamber of commerce members and staff, and other stakeholders in Vallejo's economy. Our planning principles focus on providing action items with the highest probability of achieving our recommended goals for the city's economic development staff. These data, as a whole, helped to inform recommended action items.

The action items for Cycle 1 prepare a foundation through business retention and expansion for subsequent business attraction efforts (Cycle 2) through June 2030. The action steps mix support activities and expanded communications, using funding from the American Rescue Plan Act (ARPA) and various other sources to invest in visible change through economic development and preparing for site selectors and new businesses to turn their gaze toward Vallejo as a place open for business. Our strategic planning tasks generated the goals above and associated action items below. A key outcome of these efforts is **placemaking**: Vallejo is becoming a place to live, work, and play unique in the positive experiences of residents, commuting workers, and visitors. This strategy is focused on increasing Vallejo's economic activity and presence as a place to do business in the Bay Area. Utilizing its unique geography and assets, including a focus on placemaking activities and better use of city-owned properties downtown, motivated landowners and businesses on Mare Island, and residents looking for change, Vallejo needs to communicate these differences. That communication should be focused

WHAT IS ECONOMIC DEVELOPMENT?

A SET OF ACTIONS TAKEN BY AN ORGANIZATION TO INCREASE SALES REVENUE, JOBS, COMMERCIAL SPACE OCCUPANCY, SALES AND TRANSIENT OCCUPANCY TAX REVENUES, PROPERTY VALUES, AND GENERAL AWARENESS OF DOING BUSINESS IN THE COMMUNITY. ECONOMIC DEVELOPMENT EFFORTS ARE ONE PART OF BROADER COMMUNITY DEVELOPMENT EFFORTS AND GROWTH STRATEGIES

on real-world examples and have local businesses act as ambassadors for the message of why they located or grew here.

STRATEGY FORWARD IN TWO CYCLES

This plan's action items are based on two planning cycles over six (6) fiscal years. Specific actions, grants, and partnerships will change based on opportunities and shifting economic and social environments in which Vallejo finds itself in 2030. Cycle 1 (2025 to 2027) establishes partnerships, pilot projects, and a communications pattern to present Vallejo to a worldwide audience as a place to do business. Cycle 1 also links workforce and economic development efforts, preparing Vallejo beyond current projects, such as those on Mare Island and North Vallejo. Cycle 2 (2028 to 2030) expands economic development activities to more aggressive business attraction efforts, especially in downtown Vallejo moving east. Below are key strategic goals and example action items for Cycle 1:

WHY TWO CYCLES? VALLEJO NEEDS TO BUILD A FOUNDATION TO TRULY MARKET THE CITY AS A PLACE TO DO BUSINESS. CYCLE 1'S GOALS FOCUS ON BUILDING THAT FOUNDATION WHILE PUBLIC SAFETY CONCERNs, ROADWAY MAINTENANCE, BROADBAND EXPANSION, AND REDUCED HOMELESSNESS CONTINUE TO BE ADDRESSED. CYCLE 2 BUILDS ON THOSE MOVEMENTS FORWARD, ASSUMING THERE IS PROGRESS THAT CHANGE THE CITY'S IMAGE TO ATTRACT NEW AND EXPANDING BUSINESSES.

Plan Goals and Key Actions: Cycle 1

- 1. Execute pilot projects using remaining American Rescue Plan Act (ARPA) funding**
- 2. Support major revitalization and planning efforts in Downtown, Waterfront, and other areas parallel to private-sector efforts (Mare Island and other important corridors in Vallejo)**
- 3. Work with the City of Vallejo Planning, Finance Department, and Central Permit Center on ways to streamline development, increase city revenues, and enhance placemaking**
- 4. Develop a Communications and Marketing Plan: Engage with the community, regional partners, and regional media on Vallejo-based business stories**
- 5. Create a vision for city-owned assets as part of broader placemaking and infill development efforts alongside citywide capital-facilities planning**
- 6. Seek and apply for as much nonprofit and government funding as possible to support economic and workforce development efforts across Vallejo as a strategic partner**

Detailed action items for each goal above are provided below, with links to specific tasks in the "Implementation Matrix" based on the detailed goals below in the "Strategic Details" section.

CURRENT SITUATION AND OUTLOOK: DATA AND FORECASTS

Our team's look at Vallejo's economy and its residents yielded benchmarks, key insights, and forecasts for Vallejo's demographics, economic activity, housing, and broader social and political issues to 2027 and, in some cases, through 2030. Users of this strategic plan should see these data as context for the plan's action items that help define key performance indicators (KPIs) for the City's economic and demographic evolution to 2030. Boxed comments ("What These Data Tell Us") provide a quick way of understanding how data connect to the recommended goals and actions. Key findings include (data are the latest available as of December 2023, with a detailed data and forecast section in the Plan Overview):

The City Economy

Vallejo's residents and employers remain behind the rest of the Bay Area, where efforts that lead to more employers, more workforce development and economic activity can help Vallejo become a success story and attract more targeted industries over time.

Key Observations:

- From 2010 to 2023, Vallejo has had consistently slower job growth and higher unemployment than other cities in Solano County. Source: [California EDD Labor Force Data](#)
- In 2022, employment at businesses in Vallejo totaled approximately 43,310 workers; job growth for Vallejo was 0.5% higher in 2022 than in 2021 (Solano County jobs grew 4.4% in 2022). Sources: [California EDD Industry Employment](#), IMPLAN® (subscription), Author's Calculations
- Between 2010 and 2022, on average, about 25% of those who work in Vallejo also live there; thus, approximately 75% of those who work in Vallejo live elsewhere.

FROM 2010 TO 2022, 83%
TO 86% OF VALLEJO
RESIDENTS WHO WORK
LEAVE VALLEJO FOR
THEIR JOB.

The City's Residents and Housing

Vallejo's households and housing stock are changing slowly and remain behind regional areas when compared. New sources of municipal revenue, more infill development and revitalization in main commercial corridors can change Vallejo's regional competitiveness and the job opportunities for Vallejo's residents and business owners.

Key Observations:

- Vallejo is more ethnically and racially diverse than any other community in Solano, Napa, Sonoma, or Marin counties (the North Bay) Source: [Census Bureau \(American Community Survey\)](#)
- Median household income (MHI) in Vallejo grew from \$62,325 in 2011 to \$78,243 in 2021 (Vallejos' MHI was approximately \$7,500 below the state average in 2021). Source: [Census Bureau \(American Community Survey\)](#)
- As of January 2023, Vallejo's population has fallen since 2018, whereas Solano County's population has fallen only since 2020. Vallejo is estimated to have 121,658 residents in 2023, compared with 125,791 in 2020 (a reduction of -3.3%), making up 27.4% of Solano County's residents. Sources: [California Department of Finance, Reports E-4 or E-5](#) and [Census Bureau \(American Community Survey\)](#)
- Vallejo has an estimated 45,715 available housing units as 2023 ended, a net increase of 192 units since 2020, approximately 27.4% of housing units in Solano County. Sources: [California Department of Finance, Report E-8](#) Compared with the North Bay, Vallejo consistently had a high poverty rate, with a rate of 11.0% in 2021 (1.3 percentage points below the state average). The poverty rate is based on the federal poverty level for the country as a whole. Source: [Census Bureau \(American Community Survey\)](#)

Forecasts (as of April 2024) to 2027 (Author's Calculations)

Forecasts to 2027 suggests a slower moving economy and challenges for Vallejo's residents and employers in terms of competition for jobs and customers. Infill development to shape Vallejo's downtown and waterfront areas and create more placemaking will prepare Vallejo's economy with more assets and a more competitive position toward 2030.

- The national and state economies are projected to grow between 1.9 and 2.3 percent, with some increases in unemployment and slower income growth until 2026.
- Based on data and forecasts in August 2024, a recession is not likely before 2025, as inflation that increased sharply in 2021 and 2022 subsequently fell in 2023 and 2024, and is forecasted to continue descending to 2027. Increases in interest rates slowed down in 2023. Interest rates are forecasted to fall through the end of 2024, based on inflation continuing to fall as well.
- Geopolitical and labor force concerns are unlikely to reduce general risk globally or the local labor cost to employers after 2024.
- Interest rates, regardless of forecasted reductions, are likely to remain relatively high to 2027 compared to 2010 to 2020 interest rates.
- The Bay Area economy overall is likely to grow more slowly until 2027 than it did in the pre-pandemic period (2011 to 2019) due to a combination of residents leaving the region, rising

costs of living and housing, slow job-market recovery for workers in service industries focused on tourism and inbound commuters, and reductions in business/conference travel to the core urban areas.

- Current projects, such as the green empowerment zone (GEZ), biotech corridor, and eventual implementation of the Solano County Fairgrounds development all utilize Vallejo's regionally unique geography and assets to move toward more economic activity and social mobility for Vallejo's residents. This includes the waterfront and making Vallejo's connection to San Pablo and San Francisco bays more of an economic development asset (wind energy and maritime activity, especially with Cal Poly San Luis Obispo's merger with Cal Maritime).

PEER AND ASPIRANT COMMUNITIES

Best practices in economic development and strategic planning include looking at other areas, organizations, and businesses/industries to which the local area either is a peer or aspires to become similar. Our team used a set of quantitative and qualitative criteria to create three choices for each category.

- [Clovis, CA](#) (Peer)
- [Allentown, PA](#) (Peer)
- [Simi Valley, CA](#) (Peer)
- [Concord, CA](#) (Aspirant)
- [Palm Bay, FL](#) (Aspirant)
- [Round Rock, TX](#) (Aspirant)

TOOLS TO FOLLOW PEER/ASPIRANT CITIES:

SUBSCRIBE TO LOCAL BUSINESS MEDIA;
ATTEND ONE VIRTUAL OR PHYSICAL EVENT IN THOSE AREAS;
SET-UP GOOGLE ALERTS FOR ECONOMIC DEVELOPMENT EVENTS/CHANGES IN THESE CITIES/REGIONS;
ONCE A YEAR PROVIDE AN UPDATE ON WHAT THESE CITIES ARE DOING THAT IS NEW AND WORKING

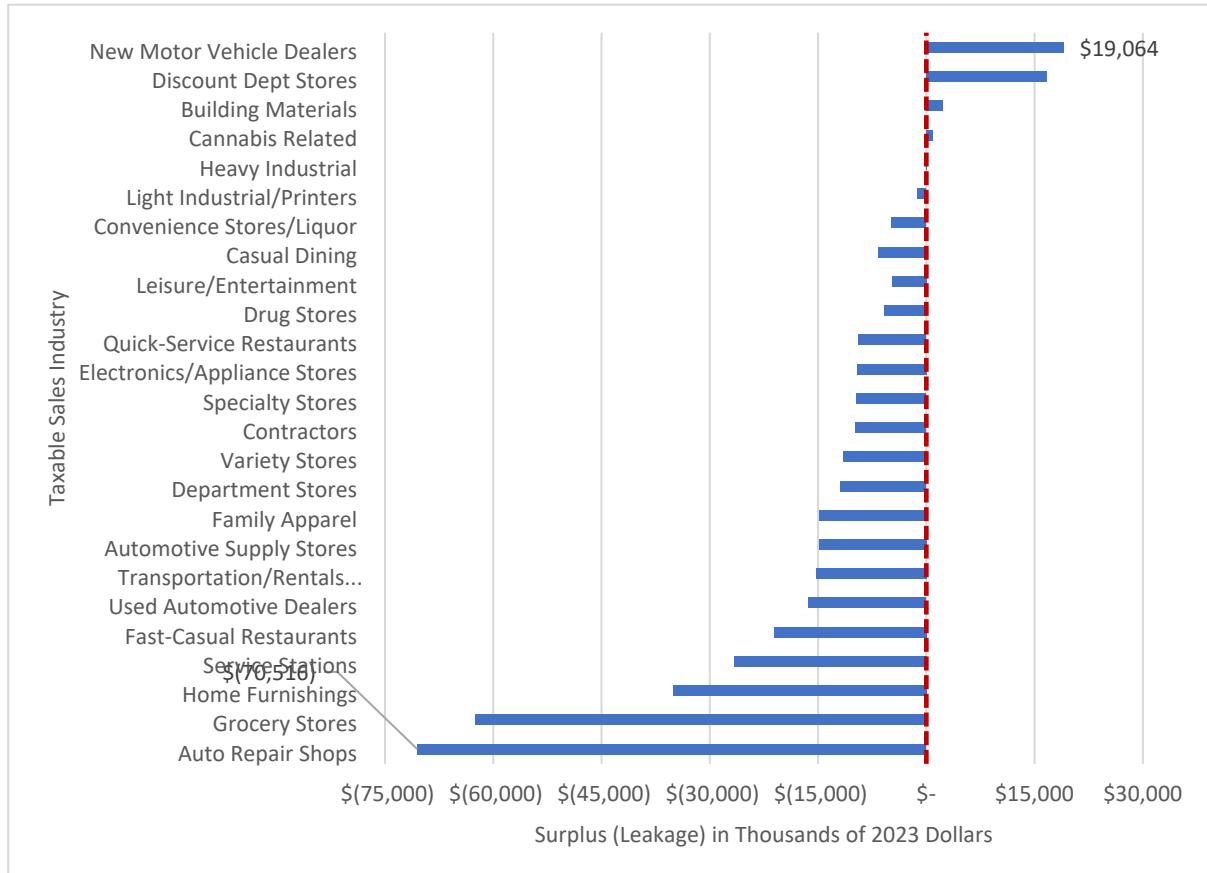
Half of these choices are in California (where state-level incentives and policies are similar), and the other half are outside California. The methodology used to determine these peers and aspirants included recent population estimates, recent economic performance (jobs and income growth), the local population's ethnic and racial diversity, and proximity to a significant urban center. Those peer and aspirant cities include (clicking on city website picture links to that city's economic development website) the following choices.

RETAIL LEAKAGE OVERVIEW

Vallejo's fiscal position would improve to the extent the retail leakage could be minimized.
Retail leakage happens when Vallejo's residents spend more on goods and services than
Vallejo's employers can provide in terms of value for specific retail industries.

Our town-hall meetings with Vallejo residents, focus group meetings, and interviews with local business leaders suggest crime is a key reason Vallejo residents may shop outside the city, and local merchants face additional costs. Perceptions, as much as reality, of shoplifting and other crime problems (car break-ins within shopping areas) can reduce local demand and also drive retailers away.

Figure 1: Estimated Retail Leakage and Surplus, Q4 2023, Thousands of Current Dollars (\$000),
Sources: HdL provided by the City of Vallejo, Bureau of Labor Statistics, and California Department of Tax and Fee Administration (CDTFA) and Census Bureau.



OPPORTUNITIES: TARGETED INDUSTRIES

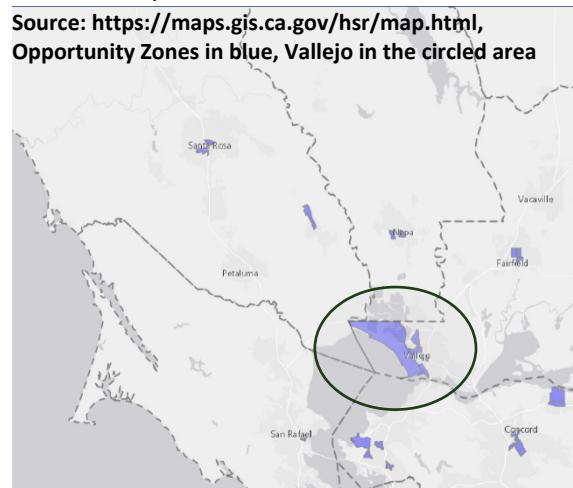
Targeted Industries

Construction	Advanced Manufacturing	Software/ Film	Tourism	Transportation	Wholesale Trade

Best practices in economic development strategies include a focus on specific industries that make the local area unique in its job opportunities and economic identity, as well as suit the local area's unique assets and resources by matching available and future regional workers, as more employers are attracted to and grow in the region. Our list for Vallejo was compiled based on quantitative and qualitative criteria with a site selector's lens from over 100 possibilities. The requirements included Vallejo's physical assets (location, waterfront), challenges (access to interior areas versus undeveloped spaces), current economic conditions by industry, and regional partnerships and resources.

Vallejo's opportunity zones (see map) and other federal and state-level incentives may be attractive to businesses in these industries, which have not previously considered Vallejo a place to do business. These industry choices also reflect our discussions with Vallejo's residents and workforce development partners, a renewed focus on supporting current educational institutions and regional chambers, and engagement in grant writing to augment available resources to support more employers. As these industries create jobs and raise incomes in Vallejo, more professional and medical services would be drawn to the local population, and workers would come to Vallejo daily as employees and commuters. Broader restaurant and retail options would also follow growth through "multiplier" effects. Retailers will come as Vallejo's economy grows, assuming wages and median household incomes increases translate into more demand for services and consumer goods. New or expanding hotels will locate in Vallejo from regional demand. Unique events with Vallejo-grown talent can further increase visibility and demand for overnight stays. Regional partnerships on tourism strategies helps attract new hotels and retail over time, catering to a broader customer base and utilizing Vallejo's links to the greater Bay Area (ferry terminal and proximity to larger population centers versus other parts of the North Bay). Water availability, especially for manufacturing businesses, will be a key asset for this strategy to work. Vallejo will compete with other regional destinations for water-reliant businesses, especially as climate change continues and water policies from the State evolve.

Source: <https://maps.gis.ca.gov/hsr/map.html>, Opportunity Zones in blue, Vallejo in the circled area



COMMUNICATIONS Strategy

Our team's outreach efforts during this planning process informed both our team and Vallejo's residents and businesses about economic development strategic planning in Vallejo. We took all we learned and generated a communications strategy for Vallejo's Economic Development Department. Communications, transparency, and access to information are vital aspects of economic development efforts. Vallejo has multiple assets and media channels available for communicating about Vallejo as a place to do business, as well as stories to tell that exemplify working and owning a business in Vallejo. More communication is better than less, and unique stories are best.

Understanding what information different audiences need is critical to success in communications generally (a best practice in marketing). Providing as much timely information as possible about what is happening monthly, pilot projects using ARPA funds, assisting efforts on Mare Island, Blue Rock Springs, along the Waterfront, Downtown, and other significant development efforts, and new businesses coming to Vallejo should all work with regional chambers and Visit Vallejo. Together, they can create and communicate about an ecosystem of business support and opportunities as well as victories and challenges in which the Vallejo Economic Development Department (EDD) is leading Vallejo to solutions. Our communications plan started with data gathering by engaging with different audiences in interviews, surveys, and residential gatherings. This helped shape action items during this plan's Cycle 1. Our team also provided an initial communications plan to reach out to the community during our planning process. That plan was completed in June 2024.

MEASURING SUCCESS: KEY PERFORMANCE INDICATORS

Key Performance Indicators (KPIs) help an organization track progress toward goals. In this economic development strategic plan, the KPIs recommended below help measure how economic development staff can directly or indirectly measure Vallejo's economy. As part of our communications plan and outreach, interviews and group gatherings with Vallejo's residents and businesses revealed a desire for more transparency about Department activities and progress. As part of our listening to those perspectives, these KPIs (which should evolve based on changes and discussion about monitoring progress) provide a quarterly lens for the public.

Think of the KPIs as a tracking device for progress and a way to communicate to all stakeholders as part of a broader communications plan for Vallejo Economic Development Department about progress toward larger goals and simply what activity has taken place and borne fruit as actions are taken per the Roadmap above. It is important to see these KPIs as measuring economic development activities and not the progress of Vallejo socially. A citywide dashboard should be developed to monitor educational, infrastructure investment, workforce and economic development progress as a whole, where these KPIs may inform that dashboard.

KPIs and Goals (subject to change based on annual review)

Key Performance Indicators (KPIs)	Specific Goals
<ul style="list-style-type: none"> • Unemployment rate • Taxable sales (aggregate) • Change in jobs for Vallejo's employers • Median household income • Median home values • Assessed value of property • Retail vacancy • Office vacancy • Residential vacancy • City population • Total business counts and mix • Hotel occupancy rate (Occ Rate) and average daily rate (ADR) • Grant funding deployed • Private-sector investment in commercial spaces 	<ul style="list-style-type: none"> • Periodic business retention survey • Business outreach program to maintain relationships and share support resources with local businesses • Invest in data needs to track economic performance and provide data for the business community • Marketing (website, business journals, business outreach efforts, industry magazines, videos, billboards, etc.) • Right-sizing business attraction incentives if they exist or developing such incentives as possible • Initiate a shop-local campaign • Effort to reach new developers to share sales tax point of contact reporting forms to ensure the city captures sales tax from construction on-site • Maintain a list of city-owned properties (e.g., Location One is an online service that helps cities to inventory and market their properties to businesses, site selectors, and brokers.) • Continued collaboration with local and regional partners (chambers, CCRC, Solano EDC, Vallejo First, etc.)

ECONOMIC DEVELOPMENT GOALS: DETAILS, CYCLE 1

It is essential to recognize that it may take the rest of this decade for Vallejo to become more regionally competitive versus Vallejo's neighboring cities and counties. The planning horizon in this study is from January 2025 to June 2030. This plan, its goals, and action items should be considered over a 20-year horizon. Vallejo's economy needs fundamental changes parallel to social stability to rise regionally as a first choice to locate or grow a business. Existing assets and land are critical to leveraging and controlling new development and placemaking efforts for Vallejo toward 2030.

The following proposed action items are subject to available funding and will need additional staff time to both achieve and maintain. The initial prioritization of projects will be based on applicability to and compliance with ARPA-related grant funding, subject matter nexus, and grant deadlines. The remaining implementation will be subject to available resources, guided by the City of Vallejo leadership and its budget prioritization. We believe that these number goals (with

bulleted action steps) are pragmatic, measurable corrective responses to improve Vallejo's economy; some examples are provided in *italics*, and targeted industry links are in **bold (as shown below, these include: (Construction, Advanced Manufacturing, Software/Film, Transportation, Tourism, Wholesale)).**

Cycle 1

- 1. Execute pilot projects using remaining ARPA funding (approx. \$355,000); examples include:**
 - A. Support Shop-Local Campaign, partnered with Vallejo Chamber of Commerce (**All**)
 - B. Execute "Pop-up" Events that include citywide events-flea markets, pop-up retail and food truck events, coordinated with other significant events when possible and also aim to increase ferry use at Vallejo Terminal (**Tourism**)
 - C. Establish and seed revolving loan fund (RLF) or grants for Vallejo-based, small businesses (those that would not qualify for classic business loans or grants) in partnership with financial institutions and non-profit organizations throughout Vallejo and Solano County (link to Solano Economic Development Corporation efforts) (**All**)
 - D. Support a citywide capital-facilities plan focused on placemaking and catalyzing change in downtown Vallejo and other significant corridors like Broadway, Tennessee and Sonoma Avenue by better management and utilization of city-owned properties augmented by grant opportunities. (**Tourism, Construction**)
 - E. Obtain the [Location One](#) software program to begin an inventory of city properties; Location One is one example of a marketing tool for priority sites and buildings, and should not be considered an all-inclusive way to inventory property.
- 2. Support major revitalization and planning efforts in Downtown, Waterfront, and other areas parallel to private-sector efforts (Mare Island and other important corridors in Vallejo)**
 - A. Lead Infill development efforts, streamline development process, focus on city-owned properties and partnership with privately-held properties in downtown and waterfront Vallejo, utilize grant funding, creative placemaking activities and more vibrancy for Vallejo merchants (**Construction, Advanced Manufacturing, Software/Film, Transportation, and Wholesale**).
 - B. Encourage more public-private partnerships to spur economic development-Blue Rock Springs is an example of a public-private partnership on placemaking and revitalization in Vallejo that illustrates what can happen in downtown Vallejo.
 - C. Market downtown Vallejo as a cultural, entertainment, and innovation district, connected to and complementing economic activity on Mare Island, western Solano County, Napa County, and across the Bay Area

- D. Prioritize high tax rate areas (TRAs) as much as possible in terms of new activity (**Construction, Tourism, Advanced Manufacturing, Wholesale**) and consider potential Community Facilities District (CFD) or Enhanced Infrastructure Finance District (EIFD) boundaries if pursued after Cycle 1 (see Cycle 2 action steps) where rising assessment values for commercial properties provide increase property-tax funding to the City of Vallejo.

3. Work with the City of Vallejo Planning, Finance Department, and Central Permit Center on ways to streamline development, increase city revenues, and enhance placemaking:

- A. Encourage a mix of affordable, below-market rate housing units alongside the waterfront and downtown with ferry access living spaces at market rates
- B. Encourage entrepreneurship, innovation, and small businesses (RLF as an example of engagement)
- C. Pursue and utilize a citywide capital-facilities plan to coordinate city-owned properties and their utilization as economic development assets
- D. Begin planning for long-term resilience: sea walls for sea-level rise, vehicle miles travelled, greenhouse gases, renewable energy, and seismic safety in new spaces and parcels improved as part of infill development efforts to streamline development process
- E. Streamline the process for starting and growing businesses in Vallejo, including “fast-tracking” in terms of lower fees and time to decision, as well as reduced entitlements and processing timelines on commercial permits (**Construction, Advanced Manufacturing, Software/Film, Wholesale**)

4. Develop a Communications and Marketing Plan: Engage with the community, regional partners, and regional media on Vallejo-based business stories:

- A. Build a marketing plan for Vallejo as a place to do business, using chambers as a “working” group, completed before the end of Cycle 1 (June 2027). (**All**)
- B. Craft new narratives concerning doing business in Vallejo (may require hiring a firm to augment staff capacity) (**All**)
- C. Encourage and partner on placemaking, community, and unique historical/cultural identity as businesses grow and visitors come to all parts of Vallejo
 - I. Create Vallejo’s “identity”: what makes Vallejo unique and attractive to the world
 - II. Partner on public events: encourage more events to take place in public spaces, where the City of Vallejo owns the building or land

- III. Encourage Cal Poly, Touro University, and Solano Community College to locate programming in downtown Vallejo, utilizing City of Vallejo property
- IV. Use arts and entertainment to highlight Vallejo's past and current artists and define a specific point person at City of Vallejo for as film liaison
- V. Partner on façade-improvement grants, art installations on public land, organized clean-up days, pre-approved building signs, benches that create a sense of branding as examples
- VI. Give priority to construction projects that utilize public spaces as part of their planning or to be purchased from City of Vallejo as part of revitalization

D. Provide quarterly updates to city officials on economic development progress and to public in those meetings, through social media, events, and press outlets.

5. *Create a vision for city-owned assets as part of broader placemaking and infill development efforts alongside citywide capital-facilities planning*

- A. Utilize citywide capital-facilities plan once completed from pilot project to partner with private sector owners on infill strategies and revitalization of downtown and waterfront and other important corridors in Vallejo (**Construction, Advanced Manufacturing, Transportation, Wholesale**)
- B. Consider the use of local broadband assets using Vallejo's Internet Provider (VIP) for maintenance and marketing of available spaces, as the City of Vallejo plans and makes decisions on spaces. (**Software/Film, Advanced Manufacturing**)

6. Seek and apply for as much nonprofit and government funding as possible to support economic and workforce development efforts across Vallejo as a strategic partner

- A. Monitor sites such as www.grants.gov and www.grantwatch.com to identify federal, state, and nonprofit funding for economic development and support (All)
- B. Support nonprofit organizations that have similar goals of supporting new, small businesses in Vallejo or educational programs that provide workforce training primarily for Vallejo residents (e.g., Solano Workforce Development, Chambers of Commerce (Vallejo, Black Chamber, Hispanic Chamber, Filipino Chamber) (All)
- C. Additional staff support in Vallejo Economic Development is needed to support grant work

IMPORTANT: MARE ISLAND'S ECONOMIC DEVELOPMENT AND BLUE ROCK SPRINGS REPRESENT OPPORTUNITIES FOR VALLEJO. AS THESE PROJECTS MOVE FORWARD, EVENTS AND PARTNERSHIPS WITH DOWNTOWN AND WATERFRONT MERCHANTS AND RESTAURANTS ADD TO VALLEJO'S GAINS FROM VISITORS AND CUSTOMERS COMING TO VALLEJO. DEVELOPERS ON MARE ISLAND ARE MOTIVATED AND VALLEJO SHOULD PREPARE TO GUIDE AND ACCESS NEW ECONOMIC ACTIVITY TOWARD OTHER PARTS OF VALLEJO AS POSSIBLE IN CYCLE 1 TO GENERATE MORE JOBS AND TAX REVENUES FOR THE CITY ECONOMY.

Recommended Pilot Projects using Remaining ARPA Funding

Selected Pilot Projects

Primary (Focus in Year 1 of Cycle 1)	Secondary
<ul style="list-style-type: none">• Pop-up ferry events; watch for major events and coordinate with pop-up and use of ferry• Citywide capital-facilities plan for the City of Vallejo to consider cost reductions and partnering on placemaking efforts through infill development/Location One service for inventory of City property• Seed a Revolving Loan Fund (RLF) for small business loans or small business grants• Shop-local Campaign• Communications Strategy	<ul style="list-style-type: none">• Arts exhibits downtown and along the waterfront to generate foot traffic for downtown Vallejo merchants• Additional security equipment for businesses• Consider community facilities district (CFD) or enhanced infrastructure financing district formation as part of greater revitalization and infill development to create better placemaking• Local artists (musical, visual) as partners on tourism events and initiatives (live music events with artists from or in Vallejo to draw visitors)

These projects create initial action items aimed at achieving goals in this plan. The City of Vallejo, regional chambers of commerce that serve Solano County and Vallejo, Visit Vallejo, and other regional employers and stakeholders must be partners to execute these projects well. The roadmap above shows the conceptual timing for them. In the true sense of a “pilot,” these activities prepare Vallejo for more actions in the future. These pilot projects should focus on

Vallejo-based businesses, especially those with owners who are Black, Indigenous, and people of color (BIPOC). Diversity is one of Vallejo's key strengths. These pilot projects should lean into that diversity as a strength before the world.



Source for Photos: City of Vallejo



ECONOMIC DEVELOPMENT GOALS: DETAILS, CYCLE 2

Cycle 2 should build on Cycle 1 completion or major progress to complement broader business attraction and expansion efforts in Vallejo. Assuming Vallejo's City Council and management agree to move from Cycle 1 to Cycle 2, and resources are available for implementation, the following action items are part of Cycle 2:

Cycle 2:

1. Prioritize business attraction and expansion in downtown and other Vallejo neighborhoods connected to other placemaking efforts underway
 - A. Continued use and funding of Revolving Loan Fund (RLF) or small business grants
 - B. infrastructure assessment downtown
 - C. identification of grants to enhance infrastructure and attract businesses with incentives
2. Focus on updating Vallejo's main business corridors to address pedestrian amenities, landscape, lighting, safety, and curb appeal to support new and expanded business
 - A. Create a Downtown and Waterfront Pedestrian Beautification Plan
 - B. Attain grant funding to implement
 - C. Implement and identify long term maintenance funding
3. Communicate economic development progress made on Mare Island and in waterfront and downtown Vallejo regionally
 - A. Partner with developers to enhance communications on successes to a larger audience
4. Implement marketing to promote Vallejo as: (1) a place to do business regionally, and (2) a place for visitors to come for a day or overnight stays
 - A. Draft a Marketing Plan with the information gathered from this Economic Development Strategic Plan as the foundation
5. Expand workforce development partnerships with explicit downtown connections to higher education and regional workforce efforts as part of placemaking efforts.
 - A. Identify funding and partners to Implement a citywide Workforce Development Program

What the Economic Development Actions should do for Vallejo

- Employers that offer high-wage jobs for Vallejo residents versus the regional average;
- Increase the number of tax-generating businesses and increase commercial and real-estate values accordingly;

- Augment educational outcomes and workforce training for Vallejo's residents such that they can better compete for high-wage jobs regionally;
- Better utilize city-owned properties and increase city revenues from those properties;

RESOURCE NEEDS: BUDGET FOR VALLEJO ECONOMIC DEVELOPMENT Department

Funds must be invested to support specific economic development activities. Vallejo's grit comes from a history of overcoming challenges as a community. The City Council has set aside \$355,000 of ARPA funds to help launch the ED Strategic Plan strategies in year 1. The strategies listed above suggest funds beyond additional ARPA monies as investments in Vallejo's economic development activities will be necessary. The recommended action steps also require additional staff resources, given the commitments of existing staff. These are only high-level estimates. New sources of funds may include:

- Work with city grant writer on economic development needs;
- Grant funding as pursued for funding action items after ARPA funding is spent;
- Receipt of new funding from property sales or reutilization, property transfer tax increase, Measure P, or transient occupancy tax (TOT) modifications; and
- Sources derived from corporate and non-profit/foundation sponsorships, paying for advertising, or being named as a contributor to Vallejo's economic development activities.

Table EX-1: Proposed Budget Additions for Economic Development, Years 2024-25 to 2029-30

Budget Item	Fiscal Year End					
	Cycle 1 2025	Cycle 1 2026	Cycle 1 2027	Cycle 2 2028	Cycle 2 2029	Cycle 2 2030
Potential Revenue Sources						
Additional city funding/staff	\$75,000	\$75,000	\$100,000	\$121,000	\$133,600	\$158,000
Economic development grants		\$30,000	\$35,000	\$38,500	\$42,350	\$50,000
Revolving Loan Fund (RLF) Contributions		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Event sponsorships (local & regional)	\$50,400	\$15,000	\$90,000	\$90,000	\$100,000	\$100,000
ARPA pilot projects	\$205,000	\$150,000	\$-	\$-	\$-	\$-
TOTAL	\$330,400	\$370,000	\$325,000	\$349,500	\$375,950	\$408,000
Expenditures-Uses						
ARPA Pilot Projects						
Citywide Cap Facilities Plan	\$95,000		\$50,000	\$50,000	\$50,000	\$50,000
Pop-Up Events Costs	\$32,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000
Shop-Local Support	\$28,000	\$20,000	\$-	\$-	\$-	\$-
Marketing Plan	\$50,000	\$50,000				
Revolving Loan Fund (RLF)		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Additional city funding/staff	\$75,000	\$75,000	\$100,000	\$121,000	\$133,600	\$158,000
Other Action Items	\$50,400	\$100,000	\$45,000	\$43,500	\$52,350	\$55,000
Total Uses	\$(330,400)	\$(370,000)	\$(325,000)	\$(349,500)	\$(375,950)	\$(408,000)
Net Sources (or Uses)	\$-	\$-	\$-	\$-	\$-	\$-

Source: City of Vallejo and Economic Forensics and Analytics, Inc. (EFA) projections for Cycles 1 and 2.

Note these are planning-level estimates and may change, as well as city staff time beyond stated costs.

The additional costs based on the Roadmap's action items and pilot projects using remaining ARPA funds to 2030 are also shown in the Proposed Budget Additions. (These estimates are high level and are meant to assist in multi-year budgeting, not to be specific line items as the costs are expected to increase yearly). We assume years 4 to 6 (Cycle 2) will have similar events with rising costs and thus increasing sources of funds to match. Partnerships, grants, and additional sources of revenue are all needed to finance these actions and ultimately achieve Vallejo's goals.

Increase economic activity and marketing about doing business in or visiting Vallejo due to a unique and positive business or tourism experience. Social change (as defined through housing, image, and public safety) and Vallejo's broader transformation as a place to do business will take time. Vallejo's Economic Development Department starts with the assumption that building a foundation based on Vallejo's key assets is critical for generating more jobs and activity in Vallejo's economy (e.g., Mare Island, Blue Rock Springs) and establishing more activity in different parts of Vallejo as a change agent (Eastern Vallejo, South Vallejo) where opportunities exist and emerge. When considering the Bay Area as a location, the intention is to envision Vallejo as a top choice for businesses in specific industries. These goals are meant to be everyday foci of economic development activities in Vallejo into the 2030s.

Given the current daily commitments of existing staff, implementing all recommended measures will require additional staff resources to ensure success. The two cycles are meant to recognize a need to build a foundation and then expand from that solid footing. The Cycle 1 goals are what should be achieved to build the foundation and prepare to market Vallejo more completely as a place to do business. The implementation matrix below provides action steps recommended by the consulting team to achieve the goals as described here during Cycle 1. As suggested, the City of Vallejo should host events as Cycle 1 goals are achieved to consider where the city is in terms of supporting Cycle 2 goals.

All strategic economic development department goals should be re-assessed every three years (first review by June 2027) and a full update by June 2030 based on changes in regional economic and market conditions.

STRATEGY DETAILS

When the naval base on Mare Island closed, Vallejo changed. Three recessions and a municipal bankruptcy further affected Vallejo's ability to stand out from comparable cities in the Bay Area.

The City of Vallejo (Vallejo) has unique economic assets compared to its suburban Bay Area neighbors and challenges that look more like those of its urban neighbors. This economic development strategic plan is meant to direct activities in Vallejo in two cycles until 2030.

In 2012, an economic development strategic plan pointed to Vallejo's key assets, including its local educational institutions, Mare Island, customer flows to and through Vallejo, and its healthcare sector. Unfortunately, the industries discussed in that plan were not in Vallejo in earnest; however, change has occurred, especially on Mare Island.

This Strategic Plan document is not an update to the 2012 Economic Development Strategic Plan. This plan is a new, stand-alone document based on an analysis of current conditions in 2022 to 2024, identifying community preferences and industry best management practices and showing accountability for implementation in a manageable timeframe. The context for this strategic plan is between 2011 and 2024 as the recent, applicable past, and from 2024 to 2030 to execute this plan. Vallejo has opportunities in its major commercial areas and can use gains in these areas to benefit other parts of the economy (eastern and southern Vallejo):

- Mare Island
- Downtown/Waterfront
- Blue Rock Springs and eastern Vallejo
- North Vallejo (Six Flags, Admiral Callaghan corridor, Solano 360).

This plan is built on specific tasks to generate data and views from Vallejo's stakeholders to form action steps and goals. These actions and goals can help Vallejo integrate economic activities across the city, using current commercial spaces, federal opportunity zones, potential grants, and other financing vehicles (such as an EIFD, similar to the City of Napa) and enhancing communications about Vallejo to shine a light on its potential. We include in this plan a communications strategy that supports economic development efforts. The overall plan's details are organized by the tasks and subtasks in the scope of work, with conclusions and links to action steps toward achieving goals.

- Tasks 1.1 to 1.3: Vallejo's Economy and Demography



Source: City of Vallejo

- Tasks 2.1 to 2.3, Facilitating Communications Community Outreach and Voice and Expectations (communications plan)
- Task 3, Finalize data and conclusions
- Task 4, Final plan presentation and submission
- Plan complete and delivered (and acceptance)
- Pilot projects based on plan recommendations initiated

Before we detail the findings, suggested goals, and action items for Vallejo's economic development department, let's first understand how a city's economy works.

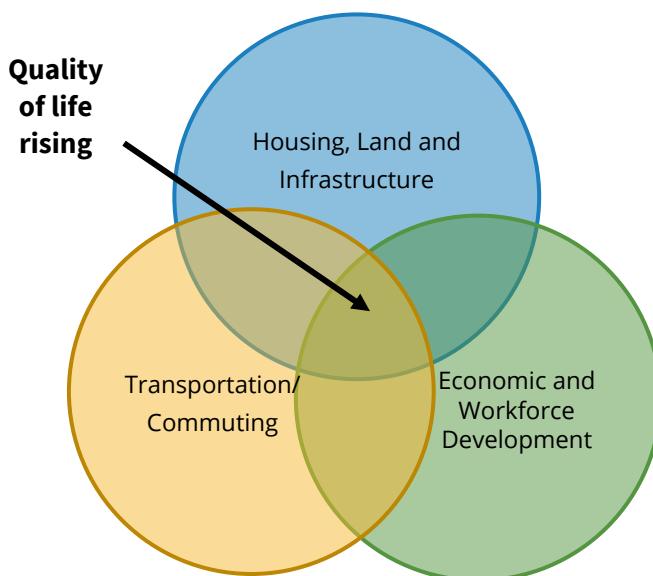
HOW TO THINK ABOUT A CITY ECONOMY

This strategy is meant to create more jobs, more business activity, more utilization of local buildings and other commercial spaces, preparing to support more locally-owned and headquartered employers. To achieve that, housing, land, water, broadband, education, and roadways are part of foundational support all aimed and increasing Vallejo residents' quality of life. When all those parts work in unison, that greater goal can be achieved.

If a business comes to Vallejo, that business is making a site-location decision. This plan refers to site selection as a lens through which economic development efforts anticipate the future. Local residents, workers, and tourists are possible sources of demand for goods sold or services provided. Housing, commercial space or land, and other infrastructure must serve businesses and their employees so that those employers remain in Vallejo.

Transportation offers support for inbound commuters and visitors and the ability to ship goods or provide services regionally and beyond. The mix of local industries can determine the cost of finding inputs (e.g., tile, wood, or nails for a construction business), thus connecting the links in the supply chain. Vallejo's economy is closely linked to those in the core Bay Area, Solano County, and California.

A city is much like a small country surrounded by other small "countries" (cities and counties) that all trade with one another and share resources. These trades with other cities and counties create traffic flows in and out of the area as well as housing demand to be close to jobs, schools, and



transportation links and produce spending patterns based on the local mix of merchants. For example, San Francisco as a city (and county) historically draws in more people for work than residents who live in the city and may work elsewhere. Public transportation systems, parking, gas stations, retail, and many other employers recognize those patterns and locate them in places that employees, residents, and tourists can access because of housing availability, transportation access, or both. How the local economy balances these forces leads to critical questions for supporting local businesses:

- Does the city have unique land, infrastructure, and locations? (For Vallejo, yes)
- Does the city have access to transportation and commuting links? (For Vallejo, yes)
- Does the city have economic and workforce development tied to local employers? (For Vallejo, somewhat, but this plan is meant to address the critical need for such a connection).

These linkages connect people to jobs, local governments to sources and uses of funds, and local residents to a better life. In 2023, Vallejo's recent history, in many ways, is a story of a city economy. The end of the Great Recession (2011) is the most relevant starting point. That economic downturn created concerns about Vallejo's economy, exacerbated by municipal bankruptcy in 2008; however, the regional and global recovery took time. Another turning point was the COVID-19 pandemic. The pandemic exacerbated some of the problems created by the Great Recession and created some opportunities. Vallejo remains under the shadow of both issues in 2023 as this strategic plan begins and looks to the future in 2030 and beyond.



Source: City of Vallejo

THE ROADMAP: Strategy Implementation

The recommended roadmap provides an implementation timeline for the City of Vallejo's economic development journey. The roadmap links Cycle 1's goals 1 through 6 and associated action items above and identifies the best lead organizations and community partners to complete the action items. This roadmap is set up as a script for the first year of Cycle 1 and then becomes more general for years 2 and 3. Because it is unknown whether Vallejo will transition to Cycle 2 after the fiscal year 2026-27, Cycle 2's action items need to come from Vallejo's Economic Development Department, city management, and City Council as conditions change.

Our Cycle 1 and Cycle 2 action items assume Vallejo has more stable public safety conditions, public education outcomes and better perceptions inside and outside Vallejo from 2025 to 2030. Because economic development drives and depends on community development and change, public safety, housing choice and affordability, healthcare service proximity and availability, good schools, and a welcoming environment are part of what new and expanding businesses consider when selecting locations. A lack of stability can turn away new businesses and drive current businesses away. Managing perceptions and reality is a large part of the communications strategy also. Simply put, economic development must convince new and expanding businesses to say: "I want to be a part of that" versus "No way am I locating there".

The roadmap has associated estimated costs based on our team's assessment. Sometimes, the cost is staff time and choice versus adding other economic development tasks; remaining ARPA funding should be allocated to those action items with one asterisk (*). Additional costs for economic development initiatives need additional dedicated funding from local (city, county, state, or federal based on locally-elected officials) sources or grant funding based on Vallejo's Economic Development Department's seeking such funding. Table 1 provides a sample budget for the next six fiscal years. It is essential to recognize that some of these efforts (meetings with stakeholders, meeting coordination with City of Vallejo staff and regional partners, for example) require additional resources and staffing for Vallejo's Economic Development Department. All strategic economic development department goals should be re-assessed every three years (first review in 2027) and a full update in 2030 based on changes in regional economic and market conditions.

From roadmap to implementation: Actions, Links to Goals, and Strategic Planning Tasks, Cycle 1

Related Action Item (Goal and Action Item)	Recommended Tasks by Calendar Year Quarter or Stated Date	Task #	Strategic Plan Task #	Recommended Partner(s)	Notes	Estimated
	First 90 Days - Q1 2025					
1A	Create shop-local process and support, exploring technology solutions, perhaps as a donation for marketing	1	1.2, 3.2	Vallejo Chambers of Commerce	Pilot Project	\$28,000 ARPA
1B	Quarterly Pop-Up Events (for example: Ferry in Sept based on a Giants Game, pop up retail events such as flea markets, workforce development events, etc.)	2	1.2, 3.2	Regional Chambers of Commerce	Pilot Project Staff Time	\$10,000 ARPA
2A	Streamline Permit Process-Begin working with city planning and city finance on current systems to assist commercial tenants and owners in gaining access to permits	3	1.2, 3.2	City Planning Department, City Finance	Preparation for downtown-specific plan and citywide facilities plan support	Staff Time
4C, 6B	Meet with all four regional chambers and Visit Vallejo about video stories, define roles, and prepare for marketing strategy and communications rhythm (lunch)	4	2.1, 3.2	Chambers Visit Vallejo	Establish roles and begin planning, host luncheon	\$200
1D	Construct and put out for bid citywide capital facilities plan Request for Proposals (RFP) for Beautification and Strategic development recommendations for city-owned sites	5	1.2, 3.2	City Finance	Pilot Project, Search for consultant	Staff Time
6A	Begin grant search and applications for state and federal grants, as well as non-profits (by Feb 1, 2025), meet with Congressional, Assembly, and Senate staff	6	1.3, 3.3	Vallejo EDC, City Manager' Office grant writer	Vallejo Economic Development Department staff time may be needed to support grant applications and compliance	Staff Time

Related Action Item (Goal and Action Item)	Recommended Tasks by Calendar Year Quarter or Stated Date	Task #	Strategic Plan Task #	Recommended Partner(s)	Notes	Estimated
1C	Hold initial meeting with Lenders for Revolving Loan Fund (RLF), fund in 2026	7	1.2, 3.2	City Finance	Pilot Project (DEI focus), seed funding	\$100,000 TBD
2B, 4C III	Meet with Leadership at Touro, Cal Poly/CSU Maritime, Solano CC about expanding academic operations downtown/waterfront, and workforce development programs (lunch)	8	1.3, 3.3	Vallejo-Based Universities and Colleges	Semi-annual check-in, build stories connected to current programs and rhythm of contact, develop plan/tasks/goals to move forward together	\$200
2B, 4A	Begin “Large Employer Group”, meeting quarterly, including Vallejo Unified School District (breakfast or lunch)	9	1.2, 3.2	Regional Chambers of Commerce	Effort to solve issues for larger employers, retention activity, workforce development, reducing employment barriers	\$200
2A, 2B, 3A, 3E	Meet with Local Commercial Real Estate Professionals and property owners on a quarterly schedule (breakfast or lunch)	10	1.2, 3.2	Vallejo Economic Development Commission (Vallejo EDC)	Regular luncheon to keep city partners informed of events & opportunities in the City of Vallejo. Learn their perceptions and opinions of Vallejo as a place to do business	\$200
1D, 3C, 5A, 5B	Begin citywide capital-facilities master plan for existing city-owned assets, purchase Location One software/subscription	11	1.2,2.1	City Public Works, City Finance	Pilot Project, results connect to downtown specific plan, focus on commercial TRAs, hire consultant	\$95,000 ARPA

Related Action Item (Goal and Action Item)	Recommended Tasks by Calendar Year Quarter or Stated Date	Task #	Strategic Plan Task #	Recommended Partner(s)	Notes	Estimated
1B, 2C	Engage Pop-Up Event (pop-up retail and food truck events) at Ferry based on Giants Game (by October 1, end of baseball season), begin planning 2nd event for holiday period	12	1.2, 2.1	Regional Chambers	First Pilot Project: set up way to get	\$10,000 ARPA
4A, 4B	Begin Social Media Campaign/Partnership with Regional Chambers on Business Stories from previous meetings	13	2.2	City Communications	Consider outside consultant/marketing firm, partnership with City PIOs	\$25,000 ARPA
2A, 2B, 4C	Communicate progress on Mare Island, Blue Rock Springs, Waterfront, and Downtown, and begin rhythm of reporting out	14	1.2, 2.2	City Communications Mare Island Company	In Vallejo Weekly, Profile, prepare for regular updates, Council Meetings, online, etc.	Staff Time
4A, 4B	Work with Visit Vallejo on tourism strategies and second Pop-Up event	15	1.2, 2.2	Visit Vallejo	Focus on tourism partnerships	\$10,000 ARPA
Q2- 2025 (180 days)						
2A, 2B, 3A, 3E	Continue meetings with Chambers, Commercial Real Estate/Owners Group Quarterly meetings	16	1.2,2.1	Regional Chambers	Projects, problems, solutions, brain storming, host luncheon	\$200
2C, 4A	Hire firm to draft marketing plan with draft "pitch package" to attract film studios and local filmmakers to film in Vallejo	17	1.2,2.1,2.2	Visit Vallejo, Regional Chambers, Mare Island Company	Preparation of marketing plan, including research on what filmmakers specifically want: incentives, access, unique areas, and people.	\$50,000 ARPA + Staff Time

Related Action Item (Goal and Action Item)	Recommended Tasks by Calendar Year Quarter or Stated Date	Task #	Strategic Plan Task #	Recommended Partner(s)	Notes	Estimated
6A, 6B	Apply for grants as available (minimum three grant opportunities), and search for foundations and other non-profit partners	18	1.2,1.3	Regional Non-Profits and Higher Education	Apply for applicable grants	Staff Time
4A, 4B, 4C, 6B	Work with all regional chambers on shop local campaign for holidays: focus on vacant real estate as a place for local merchant showcase, hold 2 nd event	19	1.2,2.1	Regional Chambers, Visit Vallejo	Pilot Project: utilize space between Thanksgiving and X-mas Eve (2 nd event includes buy-local program and sponsors).	\$12,000 ARPA
4D, 6C	Update KPIs, Report to City Council/Vallejo EDC/City Management, Working Lunch	20	2.1,2.2	Vallejo EDC	Internal tracking quarterly, establishing quarterly rhythm on updates	\$200
Q3 and Q4- 2025						
1B, 2C, 4B	Complete third "pop-up" event	21	1.2, 1.3, 2.1, 2.2	Regional Chambers	Pilot Project	\$10,000 ARPA
4C III, 6B	Finalize one downtown connection to Vallejo-based university, media there as an event (related to and final stages of action items above in Year 1 of Cycle 1)	22	1.2, 1.3, 2.1, 2.2,3.2	Vallejo Unified, Touro University, Solano Community College, Cal Maritime	Communicate about what is happening and tell stories, and hold kick-off event	\$2,000

Related Action Item (Goal and Action Item)	Recommended Tasks by Calendar Year Quarter or Stated Date	Task #	Strategic Plan Task #	Recommended Partner(s)	Notes	Estimated
2C, 3B, 3E	Make appointments with film studios and local filmmakers about Vallejo as a location and potential tours of sites as part of pitch deck due diligence.	23	1.2,2.1,2.2	City Manager City Communications	Vallejo's downtown/Mare Island as filming locations. Use opportunity zones as office space to provide benefits (work with producers on this). Travel (e.g., Los Angeles) if needed.	\$4,000 for travel or hosting events
4D	Continue updates of KPIs, Report to Council/Vallejo EDC/Management, look back one year and assess use of ARPA funds and pilot projects, complete infill development plan	24	1.2,2.1,2.2	Vallejo EDC, City Council	Hard look at progress one year on, what was accomplished, what has been prepared to do in year 2, movement of KPIs, progress by city.	Staff Time, \$1,000 for events to engage public
4D	Continued community engagement and messaging on Vallejo economic development progress by holding community event in Mar 2025 to update progress (e.g. town hall meeting with maximum three elected officials each)	25	1.2, 1.3, 2.1, 2.2, 3.2	City Council, Vallejo EDC	Two Councilmembers per meeting as hosts is the goal, shows unity of purpose	\$1,000
	By end of Fiscal Year 2025-26, June 30, 2026					
1C	Announce RLF availability in partnerships with Local Lenders and prepare to for borrower stories	26	1.2, 1.3, 2.1, 2.2	Local Financial Partners, Solano EDC	Have lenders committed with CRA or Foundation funds, story placements	\$100,000 ARPA + \$100,000 Local Lenders

Related Action Item (Goal and Action Item)	Recommended Tasks by Calendar Year Quarter or Stated Date	Task #	Strategic Plan Task #	Recommended Partner(s)	Notes	Estimated
2A, 3B, 4B, 4C	Communicate about new businesses in Vallejo and their stories as compiled in Year 1	27	1.2, 1.3, 2.1, 2.2, 3.2	Regional Chambers	Collect stories during business visits and through Chambers, Workforce Development and other partners. Promote stories via Vallejo Weekly, MyVallejo, social and print media.	\$5,000
1A, 1B	Repeat Pop-Up (see Cycle 1 Tasks 2, 12, 21) Events based on Assessment of ARPA-Funded Events in Year 1: continue to include flea markets, pop-up retail and food truck at these events, and coordinate with other significant events when possible and to also increase ferry use at Vallejo Terminal	28	1.2, 1.3, 2.1, 2.2	Regional Chambers	Should be quarterly events if possible, and then stay in quarterly rhythm based on staff and budget. Coordinate with overall city events planning and grants	\$30,000
1E, 4A	Finalize marketing strategy for city as a place to do business	29	1.2,2.1,2.2	Regional Chambers, Solano EDC	Progress throughout Vallejo should be used as a foundation of what city has to offer	\$50,000 ARPA + Staff Time
2A, 3B, 4B	Show a film shot in Vallejo at Empress, or have a trailer shown in town or on city website combined with Vallejo Businesses Celebration (Vallejo Chamber as partner) and California Film Commission	30	1.2,2.1,2.2	Regional Chambers, Solano Film Commission, California Film Commission	Creates a buzz that things are happening in Vallejo, including using opportunity zones	\$2,000 Staff Time

Related Action Item (Goal and Action Item)	Recommended Tasks by Calendar Year Quarter or Stated Date	Task #	Strategic Plan Task #	Recommended Partner(s)	Notes	Estimated
2B, 4C III, 6B	Continue planning for downtown connections to workforce development as possible (lunch)	31	1.2, 1.3, 2.1, 2.2	Local K-14 education	Continued partnership stories about local workers	\$200 + Staff Time
4D, 6C	Analyze taxable sales and leakage specific to vital retail areas, consider pursuit of grocer based on progress otherwise	32	1.2, 1.3, 2.1, 2.2, 3.2	City Finance	Grocer(s) should provide feedback by either locating in Vallejo or why they did not. Create a report	Staff Time
4D	Continue updates of KPIs, Report to Council/Vallejo EDC/Management, and provide look back one year	33	1.2,2.1,2.2	City Mgmt., Vallejo EDC, City Council	Continue communications, Prep to move to Cycle 2	Staff Time, \$1,000 to engage public
1D, 2A, 2B, 2C, 3B, 3D	Report progress on new downtown businesses and also progress on other parts of Vallejo (e.g., Mare Island activity) in various media	34	1.2, 1.3, 2.1, 2.2, 3.2	Vallejo EDC	Continue rhythm and communications	\$1,000
4D	Hold Residential Events in Mar 2026, update progress	35	1.2, 1.3, 2.1, 2.2, 3.2	City Council, Vallejo EDC	Two Councilmembers per meeting as hosts	\$1,000
By End of Fiscal Year 2026-27, June 30, 2027						
1C	Continue to add funds to RLF in Year 3 based on loan performance	36	1.2, 1.3, 2.1, 2.2	Regional Lenders, Solano EDC	Continue momentum from years 1 and 2	\$170,000 (TBD)
4D	Communicate about new businesses in Vallejo	37	1.2, 1.3, 2.1, 2.2	Regional Chambers	Continue rhythm and communications	\$7,500
4A, 4B, 5A	Continue and tell stories from downtown connections to Workforce Development	38	1.2, 1.3, 2.1, 2.2	Regional Chambers	Continue rhythm and communications	\$3,000

Related Action Item (Goal and Action Item)	Recommended Tasks by Calendar Year Quarter or Stated Date	Task #	Strategic Plan Task #	Recommended Partner(s)	Notes	Estimated
2B, 3C, 4D	Report on current projects and links to placemaking activities	39	1.2, 1.3, 2.1, 2.2	Regional Chambers, Visit Vallejo	Continue rhythm and communications	\$2,000
4D	Continue updates of KPIs, Report to Council/Vallejo EDC/Management, and provide look back to Cycle 1	40	1.2,2.1,2.2	Vallejo EDC City Council	Is it time to move to Cycle 2? Begin discussions and analysis	Staff Time
2D, 3C, 5B	Begin efforts to attract employers to defined properties that fit targeted industry entry	41	1.2, 1.3, 2.1, 2.2	Solano Workforce Development Board	Start looking for regional ad placements for Vallejo as a place to do business	\$20,000 ARPA
4D	Vallejo EDC to continue efforts to engage community and promote Vallejo economic development progress by holding a local event with City Council members in Mar 2027 to update strategic plan progress	42	1.2, 1.3, 2.1, 2.2	Vallejo EDC, City Council	2 Councilmembers per meeting as hosts	\$1,000
6A, 6C	Apply for grants as available (minimum three grant opportunities), and search for foundations and other non-profits	43	1.2,1.3	Regional Non-Profits and Higher Education	Apply for applicable grants after search	Staff Time
4D	Finalize Cycle 2 action steps assuming decision made to move to Cycle 2.	44	1.2,2.1,2.2	City Mgmt., Vallejo EDC, City Council	This is where the transition takes place, if ready	Staff Time
End of Cycle 1, June 30, 2028						

Notes: The lead/partner(s) are parties recommended to lead or assist in providing services for economic development action items. These are not explicit assignments and likely come from negotiations and partnerships among all parties. Also, "Vallejo EDC" refers to Vallejo's Economic Development Department, and the abbreviated form was used to reduce the space on the table. TRAs = tax rate areas

VALLEJO'S ECONOMY

What These Data Tell Us: Vallejo's residents and employers remain behind the rest of the Bay Area, where efforts that lead to more employers, more workforce development and economic activity can help Vallejo become a success story and attract more targeted industries over time.

The following main categories of data frame the city's economy in ways that city economic development can be tracked from here:

- Industrial mix of Vallejo employers
- Residential employment and labor force available in the city
- Median household income levels after an adjustment for inflation
- Housing stock, prices (both for sale and rental), and recent forecasts
- Taxable sales by significant category and per resident
- Building permits issued in residential units and sq. ft. of commercial space
- Tourism data: occupancy rates and revenues for local hotels per room
- Demography overview: diversity in Vallejo and population change

Table 2: Industry Hiring by Vallejo Employers in 2011, 2022, and 2027 (projected)

	2011	2022	2027*
Health care and social assistance	8,939	11,126	13,605
Public administration	6,542	8,409	6,845
Retail trade	4,311	2,928	5,007
Educational services	3,833	1,209	4,024
Accommodation and food services	2,376	3,784	3,238
Construction	2,015	4,265	2,382
Other services (excluding public administration)	1,902	3,383	2,359
Transportation and warehousing	1,598	1,088	1,817
Arts, entertainment, and recreation	1,549	1,737	2,234
Professional, scientific, and technical services	1,337	1,441	1,786
Manufacturing	1,175	288	1,476
Administration, waste management	915	1,485	1,160
Finance and insurance	824	1,383	899
Wholesale trade	640	693	723
Real estate and rental and leasing	375	1,432	535
Information	311	245	463
Utilities	273	189	330
Management of companies and enterprises	117	34	99
Agriculture, forestry, fishing, and hunting	63	292	62
Mining, quarrying, natural resource extraction	-	10	20
Totals	39,095	45,418	49,066

Sources: California Employment Development Department (EDD), Census Bureau, IMPLAN®, and LightCast, courtesy of Workforce Alliance of the North Bay (for forecast data. Data estimated by EFA from a mix of these sources.

Residential employment and unemployment in the City

Residential employment data tell how many of Vallejo's residents have a job. These data contrast the number of people working for Vallejo's employers, private-sector, public-sector, and non-profits. The COVID-19 pandemic initially shifted commuting patterns, but as the original effects of the pandemic faded, the pre-pandemic commuting patterns re-emerged, especially among those whose jobs are less amenable to being performed remotely (acute health care, restaurants, construction, manufacturing, etc.). The unemployment rate is the percentage of the residents in a defined area who are not working but are actively looking for work; however, neither labor force data nor unemployment rates include self-employed people. Vallejo has had one of the highest unemployment rates in the Bay Area for some time. Figures 2a and 2b show the recent history.

Figure 2a: Vallejo Residents: Labor Force and Employed Residents, January 2011 to March 2023, Seasonally Adjusted, Monthly. Sources: California EDD and Bureau of Labor Statistics.

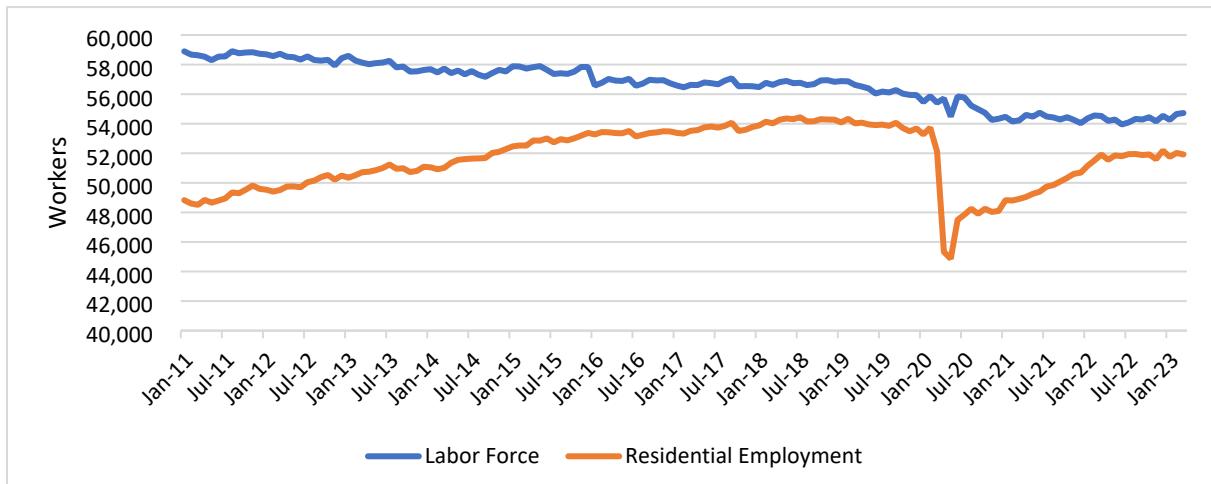
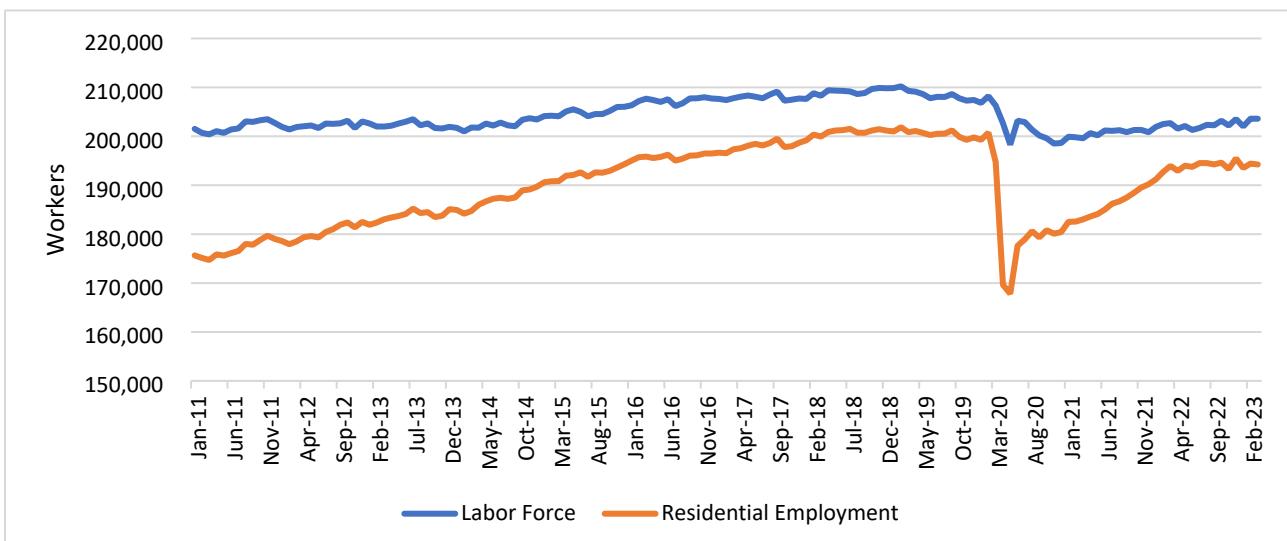


Figure 2b: Solano County Residents: Labor Force and Employed Residents, January 2011 to March 2023, Seasonally Adjusted, Monthly. Sources: California EDD and Bureau of Labor Statistics.



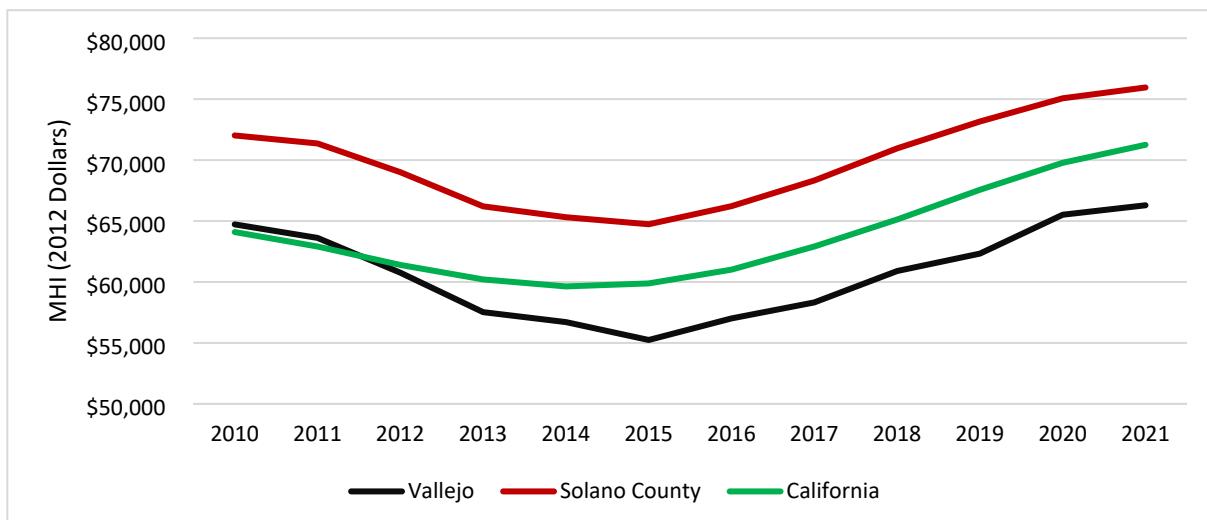
VALLEJO'S RESIDENTS AND HOUSING

What These Data Tell Us: Vallejo's residents and employers remain behind the rest of the Bay Area, where efforts that lead to more employers, more workforce development and economic activity can help Vallejo become a success story and attract more targeted industries over time.

Median Household Income Levels after Adjustment for Inflation, 2011 to 2021

Economic development organizations diligently track the MHI after inflation, a key indicator of how local efforts may impact residents. While MHI can rise due to inflation, it's heartening to note that it has been on a positive trajectory in Vallejo. This increase, not solely due to inflation, can expand people's purchasing power. For a fair comparison over time, MHI is adjusted to avoid the effects of inflation. A rise in MHI often accompanies increased jobs and wages, indicating a healthy economic environment. Conversely, a decline in MHI may signal economic concerns or a lack of conversion of economic development into jobs and income gains.

Figure 3: Vallejo, Solano, and California as a Whole—Median Household Income, Inflation-Adjusted 2012 Dollars, 2010-2021. Source: Census Bureau and Federal Reserve.



Housing stock, housing prices (for sale and rent), and recent forecasts

One consideration by both site selectors and workers in the location of a business or residence is the housing price (including rental prices). Vallejo's housing stock has grown relatively slowly since 2011: 380 net new units as of 2021 (the latest data). Vallejo has had little change in the mix of multifamily and single-family homes. Housing burden for renters (% of renters who pay at least 30% of their gross income as gross rent monthly) since 2011 has declined across California and in Vallejo (because of rising income, this has changed nationally as well, as housing/rental prices grew slowly). Since 2011, the housing burden in Vallejo has fallen, following the same pattern seen in Solano County and the state of California, falling from 52.9 % of rental households to 35.3% as of 2021. Vallejo has gained 380 net new housing units since 2011. More housing units are coming to

Vallejo; in 2022 and 2023, 333 units received permits in Vallejo, where 51 units were single-family homes, 210 were multi-family homes (apartments), and 72 were accessory dwelling units (ADU or junior ADU).

Figure 4: Housing “Tenure” or Occupancy, Owners versus Renters, 2021. Sources: Census Bureau

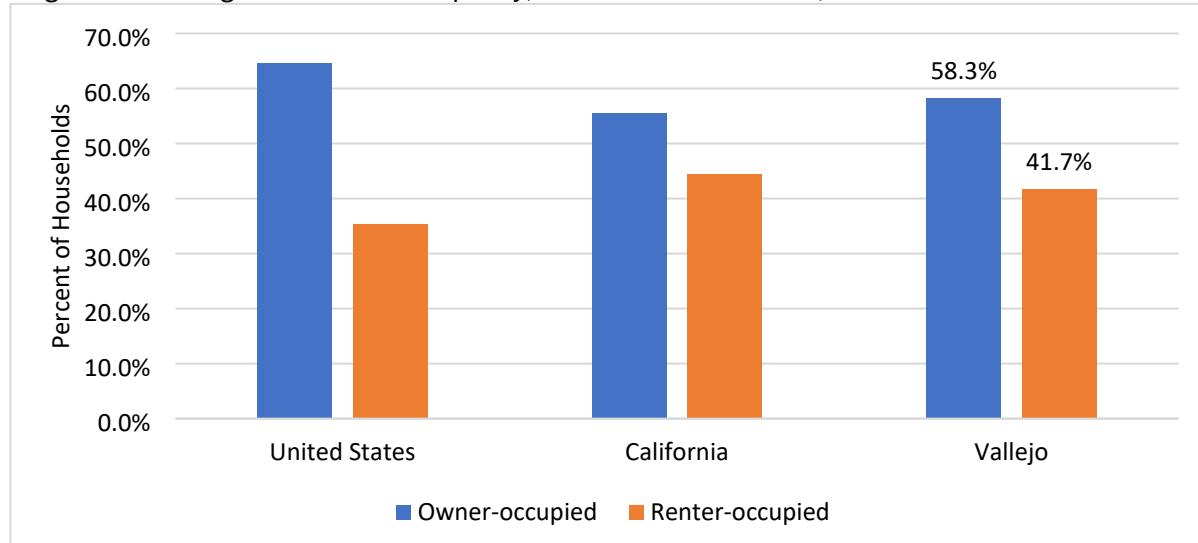
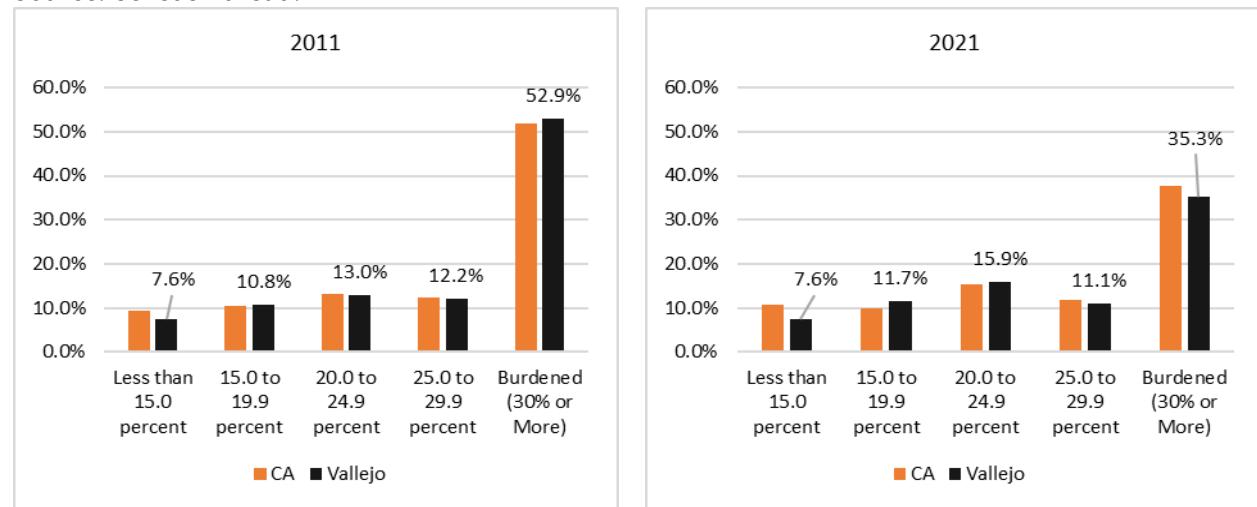


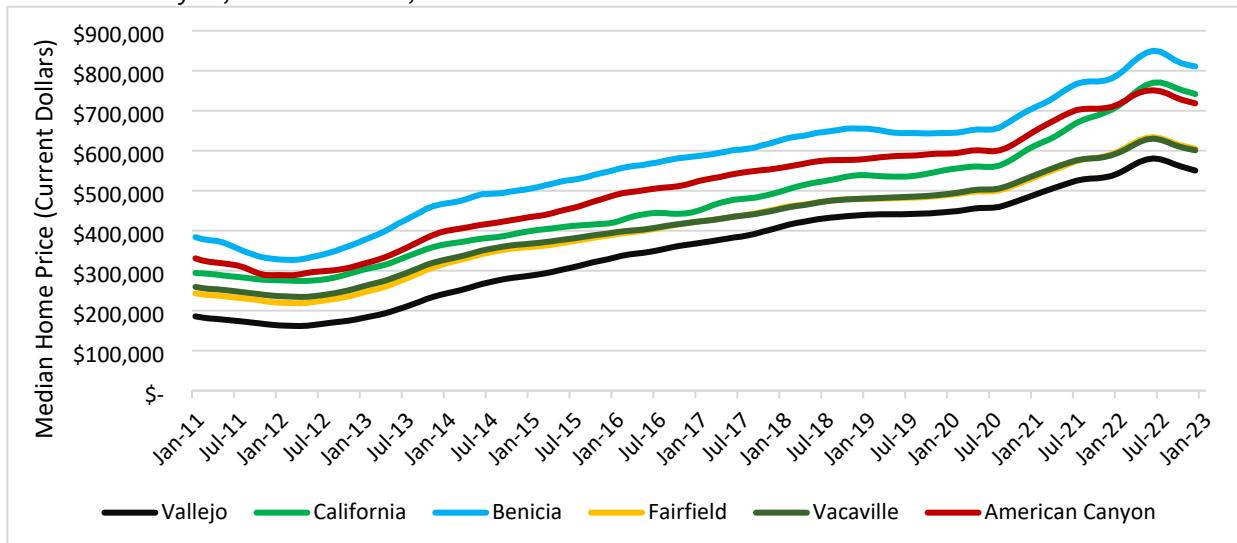
Figure 5: Rental Burden for Vallejo Households, Compared to Average in California, 2011 and 2021. Source: Census Bureau.



Taxable sales by significant category and per resident

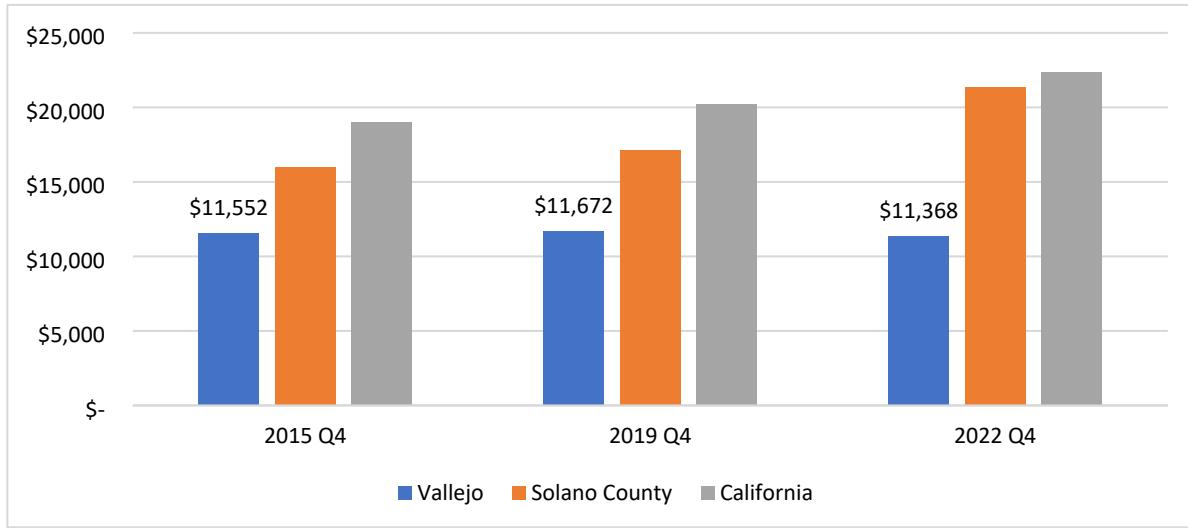
Taxable sales portray a mixture of characteristics that economic development professionals monitor to gauge economic development success. The link to sales tax revenue and tourism is another reason for tracking taxable sales (see more below under Key Performance Indicators). Taxable sales per capita is a way to see how local taxable sales are generated, facilitating comparison to other municipalities.

Figure 6: Comparative Median Home Prices, Current Dollars—Vallejo, Benicia, Fairfield, Vacaville, American Canyon, and California, 2011 to 2022. Source: Zillow™ Research.



Taxable sales are generated everywhere, and a large portion of the sales taxes collected go to the state of California. Measure P, passed in November 2022, provides a more focused use of additional sales taxes (data in Figure 7 do not yet reflect gains per person in Vallejo from Measure P). Similar measures generally rely on an outside market for local taxable sales to share that burden.

Figure 7: Taxable Sales per Capita, Vallejo, Solano County, and California, 2015 Q4 to 2022 Q4, Not Seasonally Adjusted, 2012 Dollars (Inflation Adjusted). Source: California Department of Tax and Fee Administration.



Building permits issued in residential units and sq. ft. of commercial space

Permitted space and housing units demonstrate that businesses, site selectors, and real estate developers see the local area in terms of potential investment and return on that investment by constructing new spaces and housing units. Building permits, specifically those for new housing units, show how the local city in a county is considering expanding or renovating current housing units. It is also a leading economic indicator; developers' confidence is illustrated by their actions with local municipalities in seeking permits and preparing to build more homes. The new square footage of commercial space permitted is also a leading indicator and a confidence measure. When firms build and occupy new commercial space or developers invest in tenant improvements or build new spaces, permitted activity increases the number of local jobs and local economic activity. This is also true of infrastructure spending by local governments (e.g., road work financed by Measure P, passed in 2022 and funded for 2023 and beyond, has broader effects on the Vallejo economy, especially when locally based workers are hired).

Figure 8: Number of New Housing Units Permitted, Calendar Year End, 2011 to 2022.

Sources: City of Vallejo Planning Department and Census Bureau.

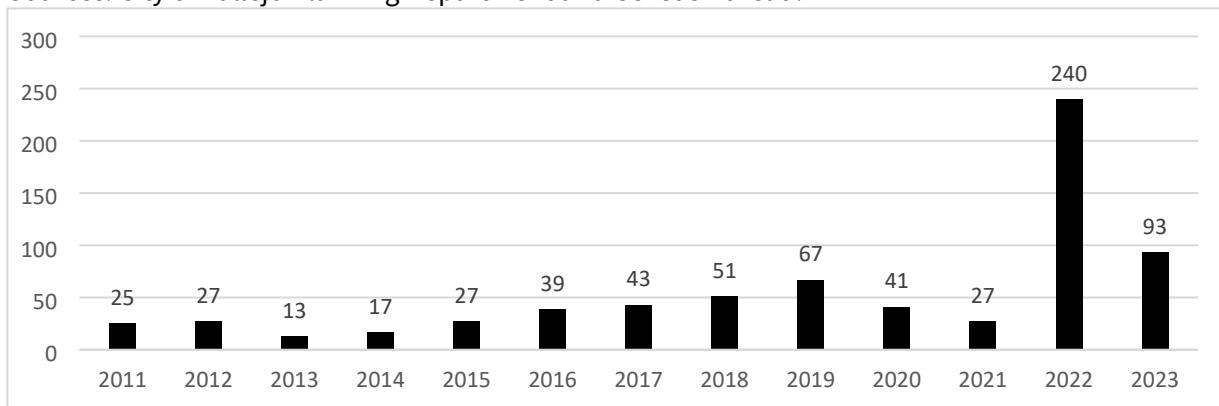
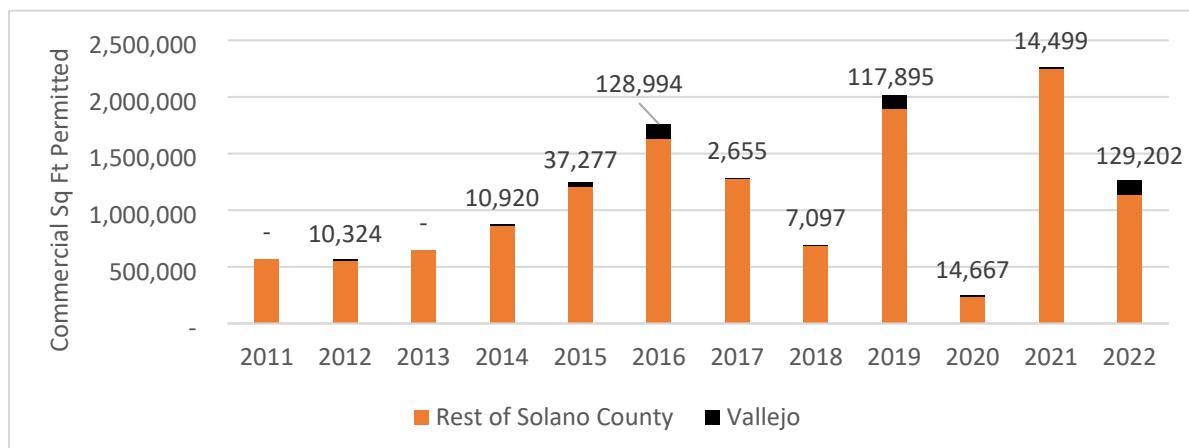


Figure 9: Commercial Real Estate Permitted, Number of Square Feet, Fiscal Years 2010-11 to 2021-22, Vallejo and Rest of Solano County. Source: County of Solano. Note: Vallejo commercial square feet are shown in data labels.



Tourism data: Occupancy rates and revenues for local hotels per room

Vallejo has a long history with tourism, from when the Navy was at Mare Island to Cal Maritime and Touro University events around student arrivals and graduations to Six Flags as a regional destination. Tourism can be categorized as day visitors or overnight stays. Overnight stays have a more significant economic impact on the local economy and use hotels beyond taxable sales at local retailers and restaurants alone. The overnight-stay market creates more than one day of spending in the local economy and adds transient occupancy tax (TOT) revenue to city funding sources. How visitors stay over and spend locally depends on the mix of local merchants and restaurants and whether efforts are made to direct them to those businesses. The linkage of the local tourism cluster to the broader regional economy also plays a significant role in Vallejo's proximity to the wine country and San Francisco. It captures visitor spillover from these established tourism destinations, given its geographic and transportation linkage to each. Given its relative affordability, Vallejo has traditionally captured the lower end of the hospitality market. However, its hotel inventory is also older than that of Napa or San Francisco, so there could be an opportunity for a higher-end hospitality niche.

We show data here in two related ways. Figure 11 shows a comparison of revenue per available room (RevPAR), which is the basis of TOT revenue, from April 2020 (at the beginning of the pandemic) to March 2023 (the latest data available in April 2023). RevPAR is the occupancy rate multiplied by the average daily rate hotels and motels charge for their rooms. Figure 12 illustrates occupancy rates over the same period to show the seasonality in hotel demand broken down among Vallejo, Napa County, and San Francisco.

Figure 10: Revenue Per Available Room (RevPAR), Current Dollars, Comparisons to Selected Areas, April 2020 to March 2023. Source: Smith Travel Research, Visit Vallejo, Sonoma County Tourism, Marin County Visitors Bureau

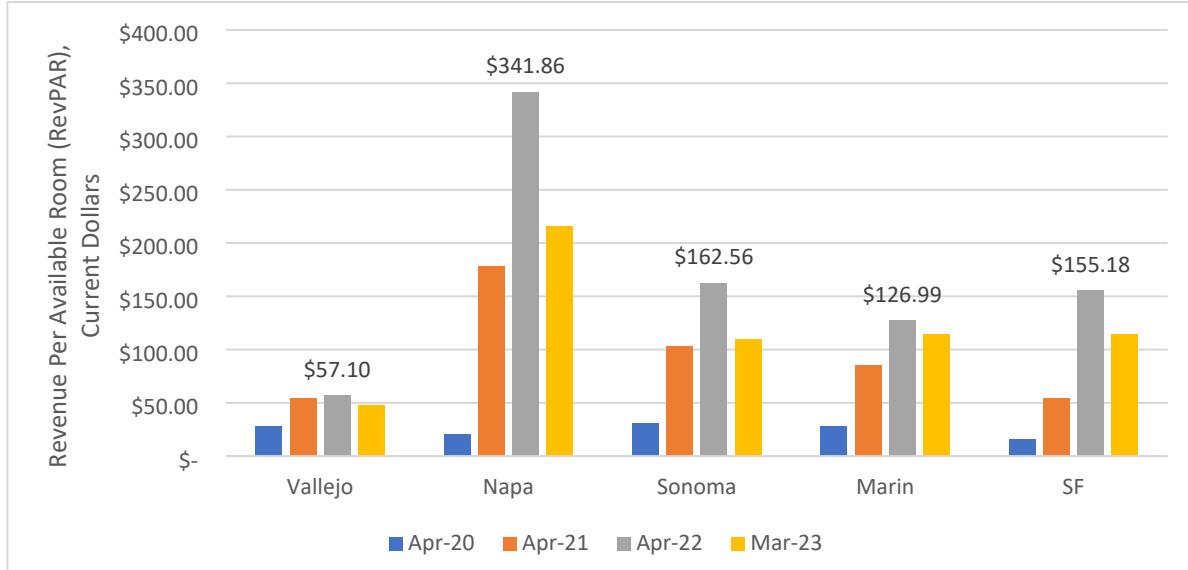
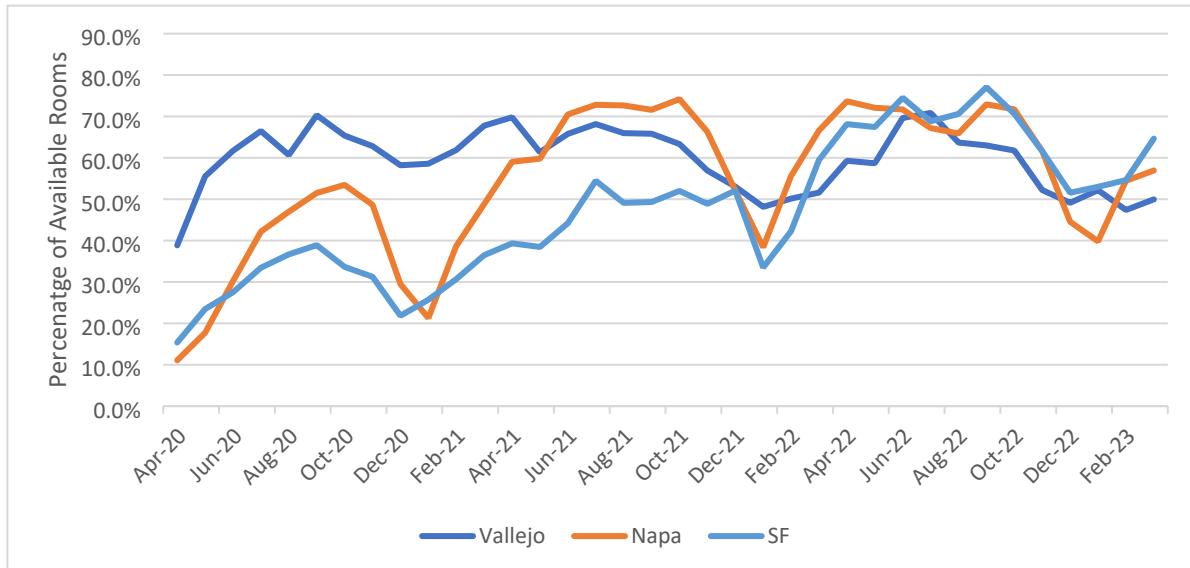


Figure 11: Occupancy Rate Comparisons, April 2020 to March 2023, Selected Areas, % of Available Rooms. Source: Smith Travel Research, Visit Vallejo, Sonoma County Tourism, Marin County Visitors Bureau.



Workforce Development and Demography: Diversity in Vallejo

Vallejo is the most diverse city in Solano County and is among the most diverse cities in the Bay Area, with about 123,000 residents. Since 2011, Vallejo's residential population is estimated to have fallen slightly, as shown in Figure 12. As in other parts of the North Bay and Bay Area, Vallejo's population declined after 2017. Housing prices, fear of fires, and a slower economy may have influenced this trend. This issue is regional, not just affecting Vallejo. Overall, Solano County lost population in 2020 and 2021. Napa, Marin, and Sonoma counties have all experienced population reductions yearly since 2017.

Educational attainment is one metric of economic development that can show whether local academic institutions and employers create more scientific, engineering, medical, and higher education jobs. This suggests that new jobs with higher education qualifications also create city residents. Figure 13 shows the slow rise in Vallejo's population with a bachelor's degree or higher education from 2011 to 2021 (the most recent data available).

Figure 12: Vallejo Population, Year-End Estimate, Number of Residents, 2011 to 2022

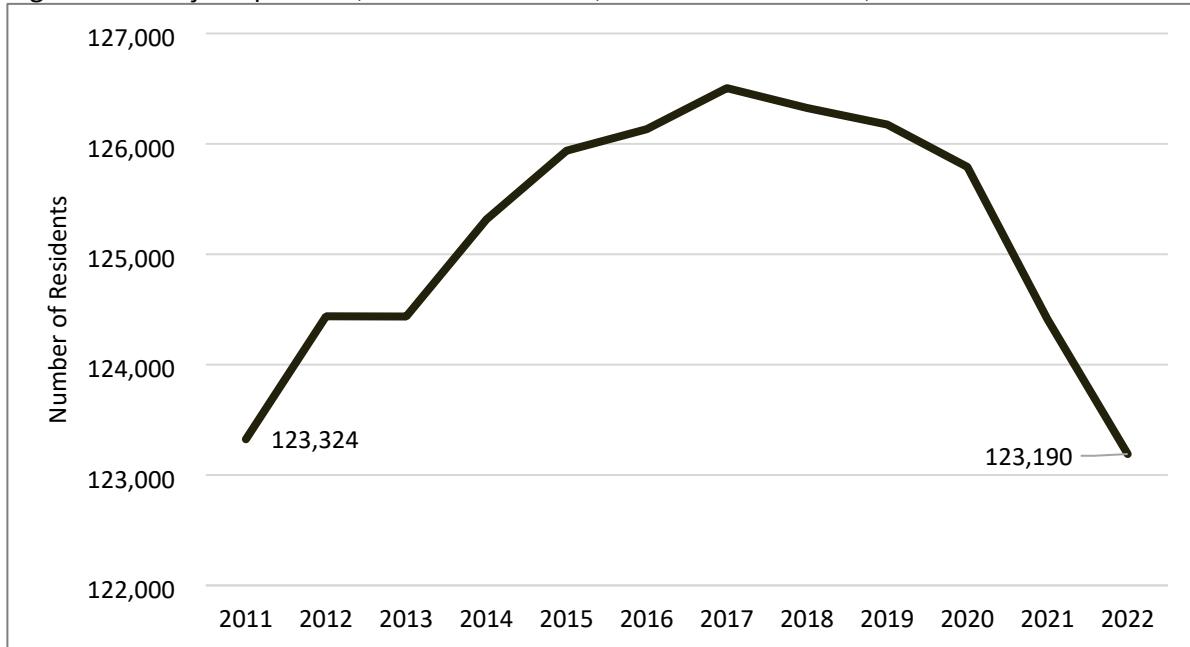
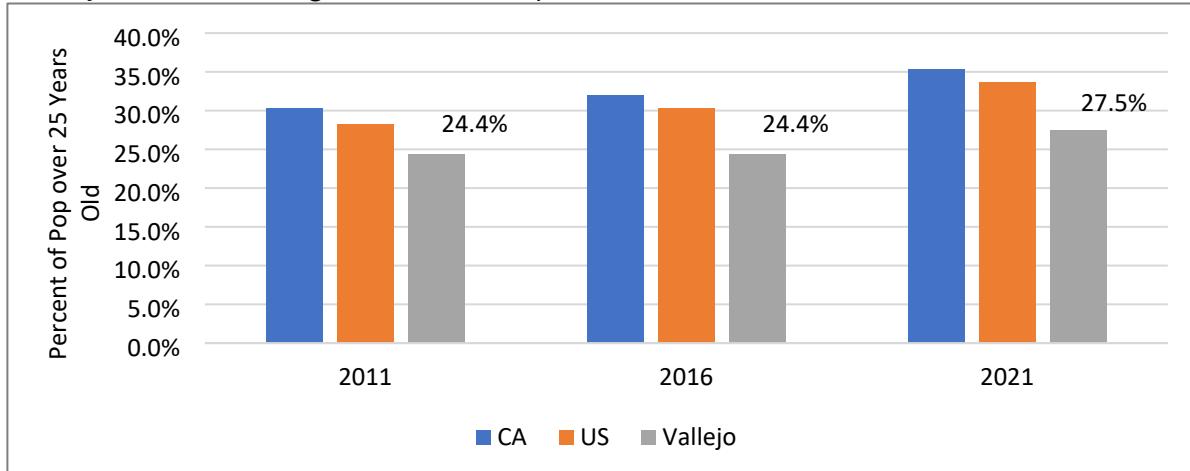
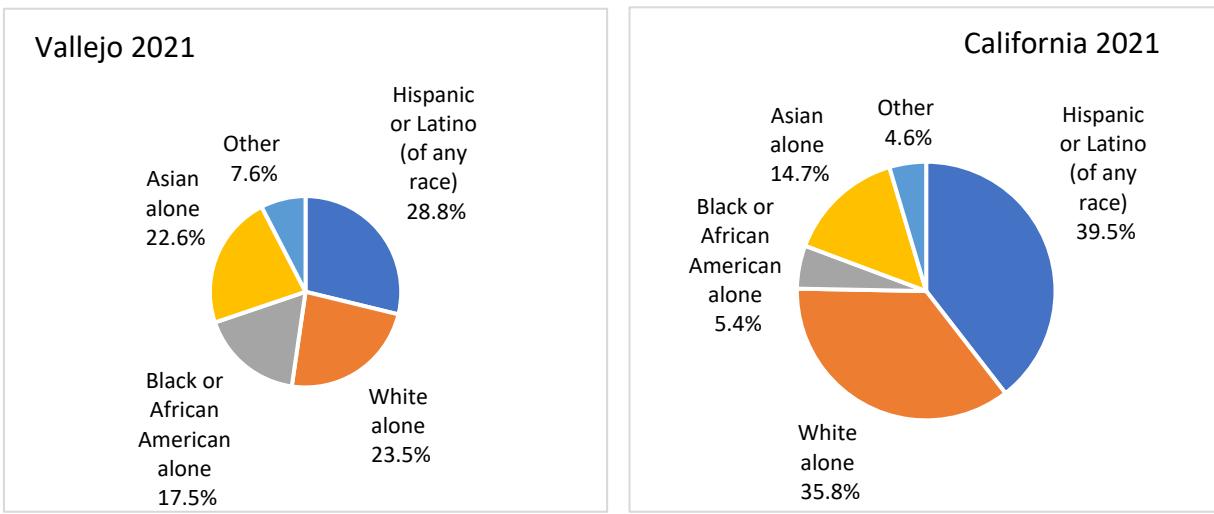


Figure 13: Educational Attainment, Vallejo, CA and US on average, Bachelor's or Higher Degree Held by Residents over Age 25, % of that Population, 2011 to 2021. Source: Census Bureau.



In Figure 14, Vallejo's ethnic and racial diversity in 2021 is compared to that of all of California. It is essential for workforce development efforts to consider program suitability, especially for residents whose first language is not English. African-American, Filipino, and Hispanic residents in Vallejo work throughout the region, forming a workforce that could contribute to growth in particular industries within Vallejo. Economic development efforts must align with workforce development efforts, and employers must create and sustain jobs for Vallejo's residents. Below, we show that Vallejo primarily "imports" much of its labor from other parts of the Bay Area.

Figure 14: Racial and Ethnic Comparisons, Vallejo and California, 2021, % of Population. Source: Census Bureau, latest data are from 2021.



Industry Mix and Status Quo Forecast to 2027

The mix of employers has not changed much since 2011 in terms of the top five or six industries that provide jobs in Vallejo. Health care, the mixture of hospitals and public health jobs, has grown by over 2,800 jobs in that period. As Figure 15 shows, from 2011 to 2022, retail and education a mix of public and private schools, as well as Touro University, Cal Maritime, and Solano Community College) led local job growth. Vallejo has three higher-learning institutions that are potential partners in educating workers in the City and the region.

Regarding the national and state economies, 2024 is projected to be a year of continued growth for both the national and global economies. The American economy in 2023 surprised most forecasters and helped augment forecasts to 2027. The forecast we summarize here from various sources highlights two points:

- The national and state economies are projected to grow incomes after inflation slowly until 2027, with small increases in unemployment (slightly faster in California);
- In the Bay Area region, jobs are likely to grow more slowly than the state and national economies until 2030 due to continued effects of population outmigration (though population is expected to increase again from 2024 to 2027), a slower national economy, continued work from home versus office, and thus less business travel to the region's core urban areas.

Figure 15 shows Vallejo's industry mix in 2011 and estimated for 2022 by the Census Bureau, California's EDD, and LightCast data. Figure 16a shows projected growth from 2019 to 2026, the end of Cycle 1 in this plan, versus the pre-pandemic level by significant industry in Vallejo compared to California. These two figures illustrate where Vallejo is and where it could go if nothing changes. The industries targeted below are meant to be catalysts for change.

Figure 15: Industry Employment in Vallejo, 2011 and 2022, Number of Workers. Sources: Census Bureau, California EDD, and LightCast data, 2022. Note: Data for 2022 is labeled.

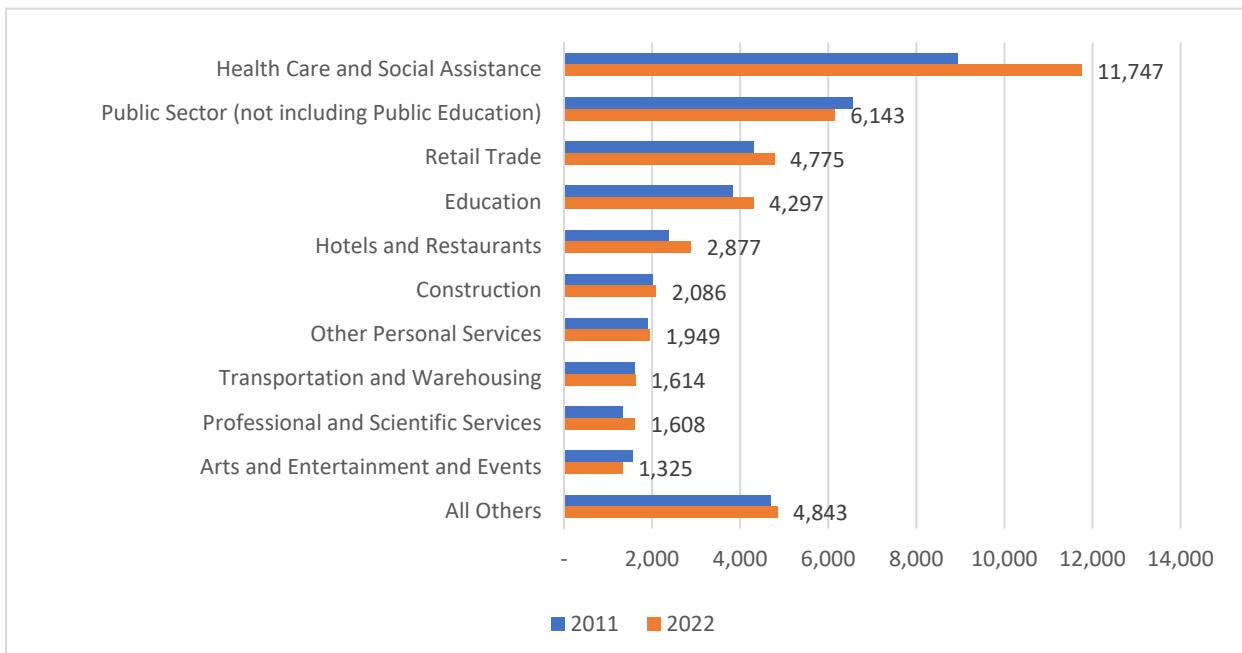


Figure 16b provides a forecast (as of May 2024) for the California economy and job growth until 2026. We use this data to illustrate how Vallejo's job market has evolved, either in line with or diverging from the state's overall trajectory. This lens extends the status quo forecast for Vallejo in terms of jobs, highlighting the potential impact of the targeted industries on the local employment landscape. Some job gains are work-from-home opportunities for new residents who are consultants. In Figure 16b, we compare a recent forecast in early 2024 for California to our projections for Vallejo to 2027 regarding industry employment (including self-employed). We expect Mare Island's growth of residences and employment opportunities to grow in 2027.

Achieving and exceeding the forecast above depends on economic development activities and how industries best suited to locate and grow in Vallejo do so. Let's look at the targeted industries Vallejo should pursue in Cycles 1 and 2 regarding business attraction, retention, and expansion.

What The Forecast Data Tell Us: The forecast to 2027 suggests a slower moving economy and challenges for Vallejo's residents and employers in terms of competition for jobs and customers. Infill development to shape Vallejo's downtown and waterfront areas and create more placemaking will prepare Vallejo's economy with more assets and a more competitive position toward 2030.

Figure 16a: Industry Employment Forecast, Percentage Change from 2019 to 2027, Vallejo and California. Sources: Census Bureau, California EDD, LightCast data, and EFA.

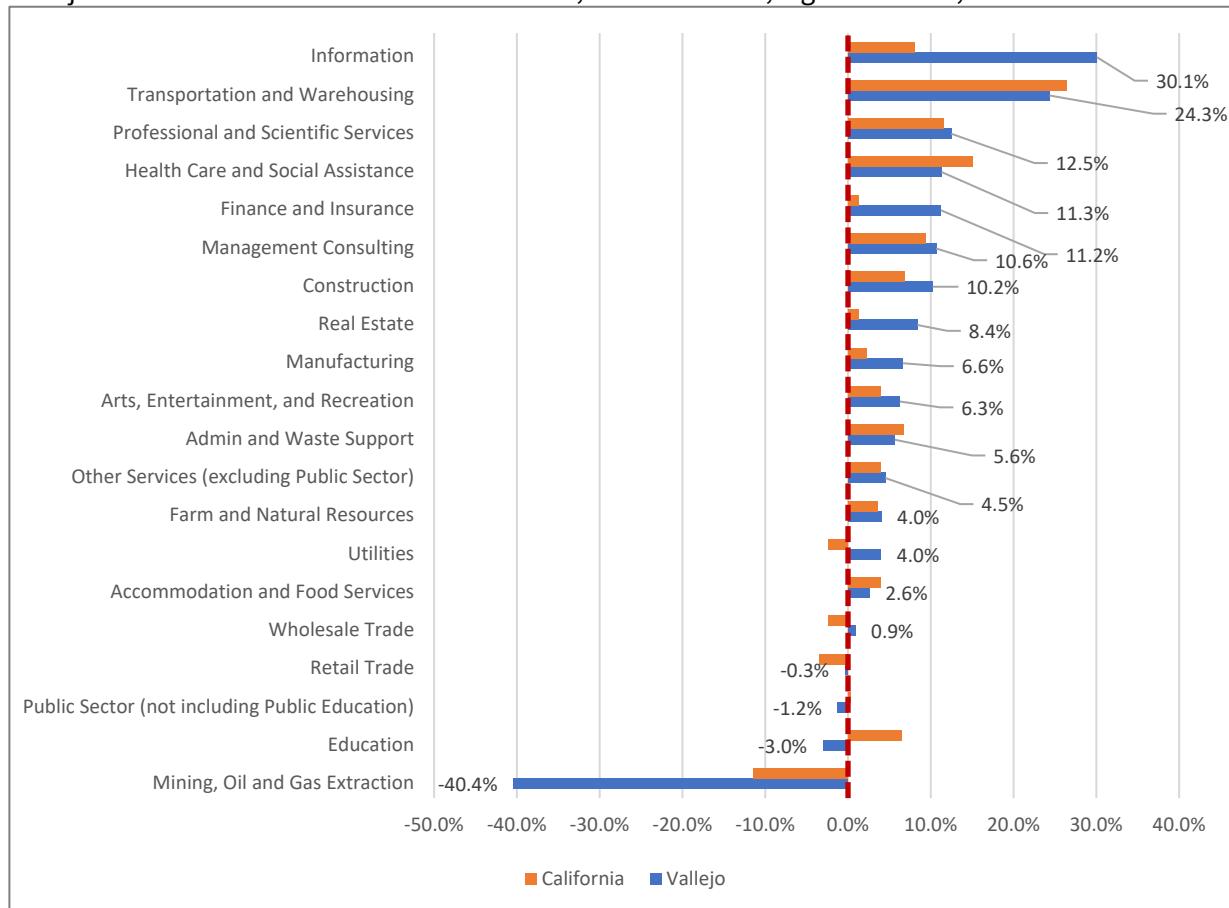
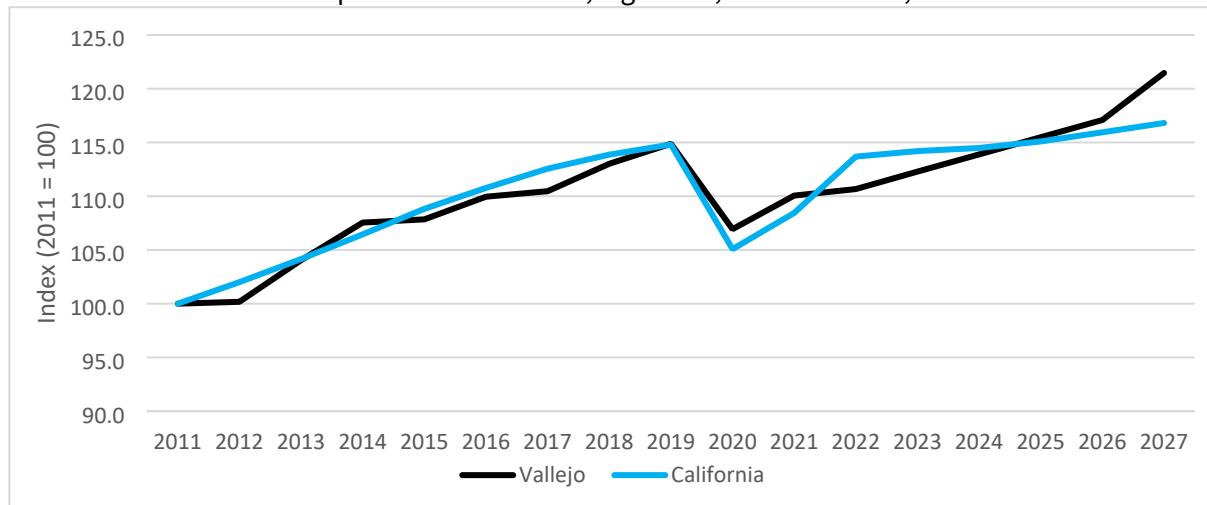


Figure 16b: California Employment Forecast and Vallejo Employment Index (2011 = 100), 2011-2026. Source: California Department of Finance, LightCast, California EDD, and Census Bureau.



Note: These data are residents of Vallejo who are self-employed and those who work at Vallejo-based employers

VALLEJO TARGETED INDUSTRIES

Our economic development strategy is built on the premise that specific types of businesses, tailored to Vallejo's infrastructure and regional marketplace, can drive significant economic activity through their growth and subsequent impacts. Focusing on the industries outlined in this plan aims to reduce retail leakage, enhance job opportunities, attract more visitors, and stimulate residential spending within the city. These industries have been selected based on rigorous criteria at the sector and employer levels, making them crucial for Vallejo's economic growth.

CRITERIA FOR TARGETED INDUSTRIES:

WAGES HIGHER THAN STATE AVERAGE
JOBS MULTIPLIER GREATER THAN 1.25
FORECASTED GROWTH FOR CA AND US
LOCATION QUOTIENT > 1
POTENTIAL COMMERCIAL SPACE IN
VALLEJO TO SUPPORT
TAX-ENHANCING BUSINESS?
WORKFORCE DEVELOPMENT LINKS:
CAN THIS INDUSTRY FIND TRAINING
FOR WORKERS LOCALLY?



Construction—Areas of Vallejo (Mare Island Blue Rock Springs, Waterfront, and Downtown) are likely to provide construction jobs and opportunities for new contractors for years to come, creating employment for current Vallejo residents (workforce development)



Advanced Manufacturing—Vallejo's assets in power, water, diverse workforce, and available space provide commercial opportunities for semiconductor manufacturing, green tech, and life sciences firms to expand their regional footprint.



Software/Film—Vallejo urban spaces (e.g., downtown, waterfront, and Mare Island), linked to the ferry terminal, could be a place for technology firms and film studios to find a unique mix of spaces connected to the other established Bay Area clusters.



Tourism—Utilizing areas on Mare Island, the ferry terminal, and downtown, Vallejo can expand its significant tourism footprint beyond North Vallejo (Fairgrounds, Six Flags) to drive more visitors to other parts of the city. The emerging food and spirits scene could be another asset to build both on the mainland and Mare Island. The city should focus on capturing regional tourists drawn to Vallejo by focusing on relative affordability to contain them and diversify its hospitality options to capture other segments of the tourism market.



Transportation—Leveraging an increased use of both the ferry terminal and ferry service based on events (linked to tourism) and the presence of Vallejo's transit center and the marina could create transportation jobs around water transportation and tourism.



Wholesale Trade—Vallejo could use currently available spaces and its various freeways and travel infrastructure to become a regional hub for storing and distributing goods for residential and commercial needs. These links may connect to the wine industries in Napa and Sonoma counties, retail and healthcare sectors in all directions, and energy storage if renewable energy businesses set up shop.

Let's look at the criteria we used to make these industry-sector choices.

Criteria for Industry Targets: Details

Cities have employers that offer goods (agriculture, natural resources, construction, and manufacturing), private-sector services (all other employers except for public-sector employers),

and government services (public-sector employment, including public education). Our analysis considers private-sector employers as the drivers of economic development activities.

Relative Wages: Statewide Comparisons

One of the main goals of economic development is to create jobs with higher wages than other industries and compared to wages paid in other places where the targeted businesses could either be located or grow. Higher wages also reflect a way to persuade workers who live locally not to commute to different areas for work and to attract more retail sales as wages rise. The potential cost of these changes is an increase in housing prices for both buyers and renters, which is suitable for property owners but not for tenants.

Job Multiplier: Creating Broader Job Support from Targeted Jobs

As the targeted industries expand the number of jobs, they produce “multiplier” effects that create or support other jobs and worker incomes. This support can reduce retail leakage, connect supply-chain links for hundreds of businesses and residents, and spread economic prosperity beyond Vallejo’s core commercial areas. For example, when a new manufacturing company arrives, demand for local fuel rises, more local restaurant meals are sold, and more construction work is performed onsite and off-site. These jobs then provide more support for local grocery stores and restaurants, retail sales, delays in medical office visits due to residents with lower income levels, and more personal services demand throughout the city economy. A larger job multiplier means more jobs are supported per new job. The multiplier effects and the key industries affected provide a workforce development script to follow in preparing a local workforce for change.

Is the Industry Export Focused (a Traded Sector), or Does It Provide Local Goods and Services?

To expand on the multiplier idea, when the local economy focuses on customers from outside the local area, the gains from that business’s revenue are more significant. A good example is visitor-related businesses. When visitors come to Vallejo, they spend money at Vallejo merchants and restaurants and pay taxes. If local businesses all used the local community as the only customer base, the number of dollars circulating would be smaller than using both the local economy (for specific industries that serve local businesses and residents) and the global economy to expand the market’s total size. If the local economy exports more and imports less, local supply-chain gaps are filled using dollars from outside the local economy to generate more revenue for all businesses.

Depending on the type, manufacturing is unlikely to consider the local area as its primary market. Businesses such as Factory OS, breweries, and bakeries might want to be located near labor and



Source: Factory OS, City of Vallejo

logistics options (two strengths of Vallejo). The City of Vallejo wants these businesses because they have significant multiplier effects and generate revenue from people beyond local residents. Exporting goods and services and earning more income expand the overall size of Vallejo's economic pie; goods and services sold outside Vallejo generate additional revenue for local businesses, which is why a focus on trade-sector employers is essential. However, it is important to recognize that a hotel is similar to retail in terms of determining new locations: demand must be there now and into the future, hence regional partnerships help find more hotel occupants versus a reliance on visitors to Vallejo alone.

National and State Growth to 2027: Thinking Three to Five Years Ahead

Economic trends rarely originate at the local level. Job growth forecasts are a reality check about which industries will grow, stagnate, or decline over the next three to five years. Forecasts beyond the next five years are inherently risky. Many business cycles last five years or more, and technological and policy changes (e.g., tax rate changes) create shifting conditions. Sometimes political shifts do as well—for example, in the next five years, the government might invest more or less in green energy and climate change science. The amount and speed of those investments might open unforeseen new economic development opportunities or what the historical data suggest are growing industries. Our look at the industry forecasts is for California, Solano County, and the Bay Area, where anticipated growth in an industry occurred. Such change enhances the chance of being an industry target recommended for local economic development.

Location Quotient: Vallejo's Past and Jobs Support by Industry

One of the classic economic development metrics used by cities and counties is called a location quotient (LQ). In simple terms, the LQ is a ratio of the number of jobs in a specific industry to total local employment (e.g., the number of construction jobs in Vallejo relative to the total was about 5.5% in 2021) versus the same ratio at a higher geographic level (in the state of California overall, construction jobs comprised about 4.9% of total statewide employment in 2021). The LQ is a ratio of these ratios, a relative measure of an industry or a type of job in the local area compared with a larger area that includes the local area. For Vallejo, the construction example above has an LQ greater than 1. This threshold value indicates this industry has a good “fit” with the local area because of its relative employment size locally versus the state on average. We never use the LQ alone, as it is backward-looking and not a forecast. However, it suggests the relative fit of some industries rather than others as one criterion in filtering targeted industries.



Source: City of Vallejo

Commercial Space and Land: Buildings and Infrastructure

Local economies are not suitable for every industry. Those with a diverse employer mix might still not match the industries or employer types that local residents or elected officials prefer in the city economy. One big reason is a lack of infrastructure, from water or sewer availability to a diverse housing mix, trained workers, poor road quality, and public safety. The available buildings, land, zoning, or combination might not fit some businesses. For example, some companies need more water, some need more electric power than others, and some require more parking. The suitability of available parcels and buildings for businesses considering Vallejo is likely industry-specific and can be the most critical, fundamental step in a site-selection process.

Tax Enhancing: Property and Sales/TOT Receipts Increase by Industry Choice Directly

As with the job multiplier, we have estimates of “tax” multipliers; these data estimate how much state and local tax revenue is created for the industry in question by \$1 in sales. This criterion



Source: City of Vallejo

should not be the sole focus of an economic development strategy but should be considered as it relates to tourism. City finances should consider the use of space (with a focus on tax rate areas or TRAs, where certain transactions can create a large change in the cost basis of properties for tax revenue purposes, both commercial and residential), how having more workers employed in Vallejo drives demand for local retailers and restaurants and other taxable sales, and how

having more overnight stays and overall visitor spending can result from more commercial activity. The passage of Measure P in 2022 might generate more discussion about focusing economic development efforts on new retail and restaurants. In general, these additional sales tax revenues are *indirect* effects of other economic development efforts, not the focus of those efforts.

Local Hiring: Creating a Pipeline from High School to Graduate School

Hiring local workers, especially those who have struggled to find a good fit for their skills or training and those who commute to other places to work (primarily due to higher wages and opportunities), can be a good reason for focusing on specific industries. Businesses with links to local educational institutions can also provide jobs for new graduates who become local, working residents.

The workforce-development role of Solano Community College, Touro University California, and Cal Maritime is enhanced when their economic development partners create linked training programs for new and expanding businesses. These partnerships reduce the cost of searching for and training local employers. They can provide a local focus in hiring, such that wages and salaries remain in Vallejo at its retailers and other businesses. As part of the Bay Area economy, Vallejo's employers compete with global businesses for local residents and workers who would otherwise be incoming commuters to jobs in Vallejo. Official estimates of commuting patterns pre-pandemic

suggest that, for every two Vallejo residents who leave Vallejo every day for work, one person comes to Vallejo to work. This pattern is not unique to Vallejo (and is characteristic of Solano County in general) and suggests an opportunity for attracting some outbound workers to take local jobs.

Creating an Index to Filter Choices

We compiled the following initial weighting system to determine which industries might be targets of an economic development strategy (as shown in Table 2). Further consideration of the qualitative characteristics helps to sharpen our focus as we approach a final draft of the economic development strategic plan. The choice of targeted industries intends to be forward-looking; it is a combination of the impact on the local economy of new jobs and incomes that would flow to the businesses attracted, retained, and expanded and what they tend to pay their workers compared with the state average for that industry. Further, the forecasts of national and statewide job growth in the targeted industries help filter which ones might have strong multiplier effects and wages but are expected to decline over the next five years or to grow more slowly than other industries.



Source: City of Vallejo

A Note on Broadband Initiatives

Broadband internet availability is like water or electricity: it is a necessary utility for any business. The City of Vallejo needs to communicate to current and prospective businesses about Vallejo's Internet Provider (VIP) and the coming expansion of the City of Vallejo's fiber-optic network. This project could help work-at-home initiatives of regional businesses, education, and healthcare reach all Vallejo households and expand to more commercial businesses (as of June 2023, some non-profits and private-sector employers are using this service). This network infrastructure can help economic and workforce development efforts as an asset previously unavailable in Vallejo and provides a more reliable and affordable service. Table 2 provides the criteria our team used to filter the best-fit industries for Vallejo; Table 3 provides different types of businesses that best fit Vallejo within the recommended targeted industries.

Table 2: Targeted Industry Criteria and Decision Weights

Criterion	Weight
Wages higher than the state average	10.0%
Job multiplier greater than 1.25	10.0%

Primarily export market	25.0%
Forecasted growth of industry jobs at state and national economic levels in the next five years	15.0%
Location Quotient > 1	10.0%
Potential commercial space in Vallejo to support	20.0%
Tax-enhancing business?	5.0%
Workforce development links: can these workers in this industry be trained locally?	5.0%

Not all these industries generate direct tax revenue for the City of Vallejo. The strategy discussed below usually relies on tourism (for which the income generated comes from outside the area, and almost all transactions are taxable). Still, it may not be as competitive, given the regional economy. Table 3 maps the industry choices to the types of employers.

Table 3: Targeted Industry Choices

Industry Sector	Employer Type
Advanced manufacturing	Chemical manufacturing
Advanced manufacturing	Computer and electronic product manufacturing
Advanced manufacturing	Machinery manufacturing
Ambulatory Health Care Services	Outpatient Medical Offices, using Touro University as a Partner
Advanced manufacturing	Electrical equipment, appliance, and component manufacturing
Construction/building trades	Construction of buildings
Heavy Construction	Heavy and civil engineering construction
Heavy manufacturing	Plastics and rubber products manufacturing
Information/film	Motion picture and sound recording industries
Information	Software and systems development/maintenance
Light manufacturing	Beverage and tobacco product manufacturing
Light manufacturing	Wood product manufacturing
Tourism	Museums, historical sites, and similar institutions
Tourism	Performing arts, spectator sports, and related industries
Tourism	Scenic and sightseeing transportation
Transport/logistics	Support activities for transportation
Transport/logistics	Transit and ground passenger transportation
Transport/logistics	Water transportation
Wholesale	Merchant wholesalers, durable goods

Our team heard about a lack of retail depth and breadth in Vallejo from residents, employers, and government staff alike. The role of retail is generally as a follower; retailers consider residents with income or wealth or large visitor flows or both to provide the revenue necessary to substantiate the investment in space, tenant improvements or construction and then hiring and operations. Vallejo will attract more and different types of retailers as its household income levels rise, creating more jobs and attracting more visitors. Thus, retail changes will follow the growth of other industry sectors. A concern about narrow retail options is retail leakage.

LEAKAGE ANALYSIS: SUMMARY

The City of Vallejo tracks retail leakage as part of its quarterly taxable sales and sales tax revenue estimates. Retail or restaurant leakage occurs when residents spend outside the city economy

A THEME FROM OUR DISCUSSIONS WITH BOTH VALLEJO'S RESIDENTS AND BUSINESSES WAS THE INABILITY TO ACQUIRE GOODS OR SERVICES IN VALLEJO, AND THUS A NEED TO TRAVEL OUTSIDE (EVERYTHING FROM SPECIFIC RETAIL OR RESTAURANTS TO COMPUTER OR TECHNICAL SERVICES) VALLEJO TO FIND A VENDOR. WE HEARD MANY TIMES ABOUT THE WANT FOR MORE GROCERY AND FRESH FOOD VENDORS.

(based on the city's administrative limits on a map). Leakage studies describe how households in the city spend at local merchants versus those outside the city limits. Leakage analyses focus on retail spending versus broader spending on services; taxable sales data are available for retailers and restaurants. Visitor spending is another source of local demand that increases the overall supply of retail and restaurants, reducing leakage. Leakage analyses do not guarantee that bringing business in the underserved category to Vallejo will reverse leakage or Vallejo residents will patronize it. Some of our interviews, community meetings, and survey work suggested that crime led to shopping outside Vallejo and perhaps the lack of certain retailers coming

to Vallejo. While it is difficult to measure precisely the cause-and-effect relationships, continued uncertainty over either customer or business safety likely leads to movement of both to places outside of Vallejo.

What These Data Tell Us: The leakage data provide guidance to Vallejo's Economic Development Department specific types of retailers to pursue as targeted industry growth creates changing incomes and spending patterns within Vallejo toward Cycle 2. When leakage is turned to surplus, more jobs, revenues and tax receipts are created for Vallejo's economy and city government.

Leakage Methodology and Conclusions

The methodology uses regional averages from the Bureau of Labor Statistics (BLS) on how households spend income after paying taxes and savings decisions (see <http://www.bls.gov/cex/>).

- The analysis of household spending starts with recent estimates of MHI from the Census Bureau and the estimated number of households (HH) from the California Department of Finance, using occupied housing units in that estimate
 - The aggregate household income is $MHI \times HH$, which is reduced by a 5% savings rate after taxes paid by Vallejo's households, 25% on average
 - The remaining funds are then spent based on BLS's estimated spending patterns by retail and restaurant category
 - The remaining "disposable" income is distributed, based on the spending patterns from the BLS, as a measure of "demand" by Vallejo's residents.
- Supply is based on the taxable sales in each category

- Food and grocery stores are assumed to sell approximately 30% of their goods as taxable sales rather than nontaxable food.

Taxable sales leakage changes over time and depends on how the BLS data distribute household spending among retailers and restaurants and how neighboring cities and counties market to Vallejo's residents to attract those sales away from their competition. The difference between supply and demand is leakage; when it is negative, it means that leakage flows to other areas. The existing "gap" could be filled by having more retailers or expanding the current supply of merchants in Vallejo as part of economic development activities. Table 4 lists the estimates as of Quarter 4, 2022. The table shows that we are generally oversupplied with retail, although some categories are lacking. This partly explains the higher-than-average retail vacancy rate in Vallejo.

Table 4: Taxable Sales Surplus (Leakage), Q4 2023, City of Vallejo, Current Dollars

Industry/Retail Outlet	Supply	Demand	Surplus (Leakage)
Discount dept. stores	\$58,124,400	\$9,442,200	\$48,682,200
New motor vehicle dealers	\$65,512,400	\$23,176,400	\$42,336,000
Building materials	\$29,473,800	\$8,583,800	\$20,890,000
Quick-service restaurants	\$28,460,100	\$17,167,700	\$11,292,400
Service stations	\$45,618,900	\$34,335,400	\$11,283,500
Casual Dining	\$20,123,900	\$12,875,800	\$7,248,100
Heavy Industrial	\$6,563,400	\$858,400	\$5,705,000
Cannabis-related	\$5,838,900	\$1,716,800	\$4,122,100
Convenience stores/liquor	\$8,373,300	\$6,867,100	\$1,506,200
Leisure/entertainment	\$5,180,300	\$5,150,300	\$30,000
Light industrial/printers	\$0	\$858,400	(\$858,400)
Electronics/appliance stores	\$9,327,700	\$10,300,600	(\$972,900)
Specialty Trade Contractors (Construction)	\$6,529,200	\$8,583,800	(\$2,054,600)
Drugstores	\$2,828,800	\$5,150,300	(\$2,321,500)
Specialty stores	\$6,851,000	\$9,442,200	(\$2,591,200)
Family apparel	\$10,228,500	\$14,592,500	(\$4,364,000)
Variety stores	\$3,473,000	\$9,442,200	(\$5,969,200)
Department stores	\$3,157,700	\$9,442,200	(\$6,284,500)
Automotive supply stores	\$6,411,700	\$12,875,800	(\$6,464,100)
Used-car dealers	\$7,222,200	\$13,734,200	(\$6,512,000)
Transportation/rentals	\$3,477,700	\$12,017,400	(\$8,539,700)
Fast-casual restaurants	\$5,963,500	\$17,167,700	(\$11,204,200)
Home Furnishings	\$3,511,900	\$25,751,500	(\$22,239,600)
Grocery stores	\$51,348,700	\$76,925,900	(\$25,577,200)
Auto repair shops	\$4,513,300	\$51,503,100	(\$46,989,800)
All Others	\$23,323,100	\$7,725,500	\$15,597,600
Totals	\$421,437,400	\$405,687,200	\$15,750,200

Sources: HdL, California Department of Tax and Fee Administration, Bureau of Labor Statistics, Census Bureau

When considering Vallejo in competition and potential partnership with other areas, it is helpful to consider the approach to economic development by different cities of similar size, demography, relative income, and housing price levels. The next section looks at peer and aspirant cities as potential models for Vallejo to follow.

PEER AND ASPIRANT CITIES

The economic development staff in peer and aspirant cities constantly look for places to emulate and learn from economic development activities. No two places are alike, but there are critical reasons for observing other cities and regions:

- To gain a perspective on best practices and what may be working or not working
- To create a practice in city economic development of considering changes that originate outside the city economy, as everyday tasks and requests can lead to excessive internal focus.

We compiled an initial list for Vallejo to consider based on criteria used by our team for economic development projects. The criteria in the table determined the peer and aspirant cities for Vallejo.

Table 5: Peer and Aspirant Region Choice Criteria

Peer Criteria	Aspirant Criteria
Similar population size (+/- 5%): assuming cities have similar public-safety conditions and geographic size	Data similar to Vallejo based on peer analysis
Similar demographics: ethnic/racial mix and educational attainment	Proximity to a larger, urban area
Proximity to a larger, urban area	Major employers are stable or have increased hiring.
Similar home prices relative to regional and median annual wages	Currently have more manufacturing, construction, or tourism than Vallejo
Similar regional industry mix: competition and local businesses that drive the local economy are similar	Current economic development efforts are about site selection and regional partnerships.
Similar regional commuting patterns	Currently have a significant relative increase in MHI compared with 2011

The choices of aspirant cities are more nuanced than those of peers because aspirant cities should demonstrate what Vallejo could accomplish over five to ten years. Aspirant places should have unique assets and use them for economic development, making the local area distinctive and attractive to businesses. The starting point for both peer and aspirant cities is similarity to Vallejo in population size (using recent data from the Census Bureau and the California Department of Finance), which means similarity in the number of housing units and the mix of services, retailers, and restaurants in the city.

These cities might choose to close supply-chain gaps for regional employers. Proximity to larger economic areas (Vallejo is a suburban city in the Bay Area) offers opportunities for doing so. The population growth suggests that workers and families are attracted to the aspirant city as a place to live; when populations shrink, we should assume the available workforce is also shrinking. Let us now look at these choices. In a supplemental document, we provide an overview of the critical elements, comparing each peer and aspirant place to Vallejo with the latest data available. We also provide violent crime data per 100,000 residents for comparisons to Vallejo (in 2022, Vallejo

was estimated to have 886 violent crimes per 100,000 residents by the Federal Bureau of Investigation's Crime Data Explorer¹).

Peer Cities

Peer cities are similar to Vallejo in population, demography, industry, or location. Tracking these cities' economic changes and accomplishments can help inform Vallejo and serve as a best practice or case study. Three peer cities were chosen for Vallejo to consider based on the criteria mentioned above. Additional details are available in a supplemental document to this plan called "Peer and Aspirant Cities, City of Vallejo, June 2023".

Clovis, CA

Clovis is near a more significant urban center, sharing a border with Fresno. The share of the population over age 25 is smaller in Clovis than in Vallejo as of 2021 (the latest data available from the Census Bureau's American Community Survey or ACS). In 2021, 43.6% of Clovis' households generated over \$100,000 in annual income (2021 ACS), which was an increase from 30% in 2011; in 2011, the share in Vallejo was 25.9%; in 2021, it was 38.2%. Clovis is less diverse than Vallejo overall, but Clovis' Hispanic population was estimated to be 49.5 percent of the city's population in 2021 (Vallejo's Hispanic population was 28.8 percent in 2021 per Figure 14). The industry mix in Clovis is similar to that of Vallejo as of 2022. In 2022, housing prices in Clovis were 9.94 times the median annual wage levels in Fresno County, whereas those in Vallejo were 12.54 times the median annual wages in Solano County. Clovis had an estimated 213 violent crimes for every 100,000 in 2022.

Simi Valley, CA

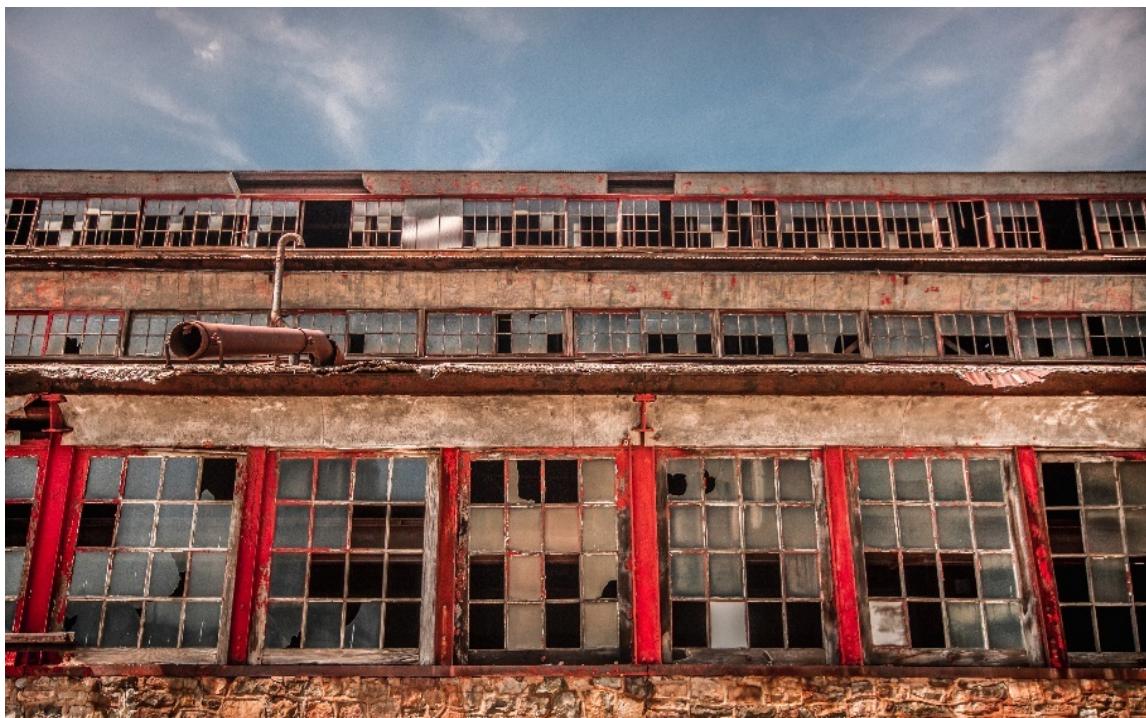
Simi Valley is close to Los Angeles, California. Simi Valley's population share over age 25 is similar to Vallejo's. 34.6% of Simi Valley residents over age 25 years have a BA or above (2021 ACS); an increase from 31.3% in 2011 in Simi Valley; in 2021, the share in Vallejo was 27.5%. In Simi Valley, 29.8% of households generated over \$100,000 in annual income in 2021; an increase from 20.4% in Simi Valley in 2011; the share in Vallejo was 38.2% in 2021, up from 25.9% in 2011. Simi Valley is less diverse than Vallejo; Simi Valley had 25.8% Hispanic residents to Vallejo's 28.8% in 2021. Simi Valley had a similar proportion of construction, leisure, and hospitality in 2022, but more manufacturing and professional services than in Vallejo. In 2022, housing prices in Simi Valley were 18.08 times the median annual wage level in Los Angeles County; those in Vallejo were 12.54 times the median annual wage in Solano County. Though the two cities have similar wage profiles,

¹ Crime data come from the Federal Bureau of Investigations (FBI), Crime Data Explorer: <https://cde.ucr.cjis.gov/LATEST/webapp/#/pages/home>

housing prices are 30% higher in Simi Valley than in Vallejo in 2022. Simi Valley had an estimated 108 violent crimes for every 100,000 in 2022.

Allentown, PA

The population under age 25 is smaller in Allentown than in Vallejo, with 17.2% of Allentown residents over age 25 having a BA or above (2021 ACS); the share of those in Allentown with a BA or higher degree in 2011 was 16.4% compared to Vallejo's 27.5%. Only 16.6% of Allentown households generate over \$100,000 in annual income (2021 ACS), an increase from 8.7% in 2011, compared with 38.2% in Vallejo in 2021. In 2021, Allentown's Hispanic population was 54.5% in 2021 (Vallejo's 2021 population was 28.8% Hispanic), and Allentown is almost as diverse as Vallejo overall; in 2021, the black, indigenous, and people of color (BIPOC) population share in Vallejo was 76.5%, compared with 70.1% in Allentown. In 2022, housing prices in Allentown were 7.54 times the median annual wage levels in the Lehigh Valley metro area near the northwestern New Jersey border compared to Vallejo's at 12.54. Allentown does have an intangible aspect that makes it similar to Vallejo in that it lost the steel industry (Bethlehem, PA, is a "sister city" adjacent) and has lingering effects from that change. Allentown had an estimated 344 violent crimes per 100,000 people in 2022.



Allentown Factory Site, Photo by Joe Dudeck, Unsplash

Aspirant Cities

Aspirant places are models that Vallejo could follow in its economy or offer a vision of that journey. Based on the abovementioned criteria, we chose these three cities for Vallejo to consider.

Concord, CA

Concord has a population share of those over age 25 similar to Vallejo, with approximately 36.8% of residents over age 25 having a BA or above in 2021 (2021 ACS); the share in Vallejo in 2021 was 27.5%. An estimated 50% of Concord's households generate over \$100,000 in annual income (2021 ACS), an increase from 31% in 2011; Vallejo's share in 2021 was 38.2%. Concord is more diverse than Vallejo regarding the Hispanic population (47.4% in 2021), where Vallejo's Hispanic population is 28.8%; Concord's share of the BIPOC population is 53.8% in 2021. In 2011, Concord had more retail and other personal services and about the same amount of manufacturing as Vallejo. In 2022, Concord housing prices were 9.94 times the median annual wage levels in Contra Costa County; those in Vallejo were 12.54 times the Solano County median annual wages. Concord shares labor and housing markets with Vallejo; Concord is mentioned in resident meetings as a place that Vallejo residents visit for shopping and recreation. Concord is historically a Navy town, with an initiative to "reuse" a naval weapons station site. Concord had an estimated 110 violent crimes per 100,000 people in 2022.

Palm Bay, FL

Palm Bay had 21.3% of residents over age 25 years that had a BA or above (2021 ACS), an increase from 17.1% in 2011; in 2021, the share in Vallejo was 27.5% in 2021. Approximately 19.2% of Palm Bay households generate over \$100,000 in annual income (2021 ACS), an increase from 11.4% in 2011; the share in Vallejo in 2021 was 38.2%. Palm Bay is less diverse than Vallejo overall (Palm Bay has a smaller BIPOC population as a percentage of the total), but the African-American population was of similar proportions to Vallejo (Palm Bay's 16.5% to Vallejo's 17.5% African-American in 2021). In 2022, Palm Bay housing prices were 9.14 times the median annual wage levels in its regional (metro) economy; those in Vallejo were 12.54 times the Solano County median annual wages. Palm Bay is near Melbourne, FL, and has a Naval Air Station. It also has a large regional community college located in the city. Palm Bay is part of the "space coast" (i.e., near Cape Canaveral). Palm Bay had an estimated 110 violent crimes per 100,000 people in 2022.

Round Rock, TX

Round Rock is near Austin, TX, a fast-growing tech hub in the United States. In 2021, Round Rock's population share of those over age 25 was similar to Vallejo's, but 42.0% of Round Rock's residents over age 25 had a BA or above. This increased from 37.0% in 2011, while in 2021, the share in Vallejo was just 27.5%. For Round Rock's households, 42.4% were estimated to generate over \$100,000 in annual income in 2021, an increase from 31.2% in 2011. In Round Rock, 50% of the population is BIPOC (24 percentage points less than Vallejo), mainly Hispanic (27.7% in 2021 to

Vallejo's 28.8%). Net commuting flows into Round Rock were positive in 2020 but were negative in 2011; economic development attracts regional workers to Round Rock, who are likely leaving Austin for nearby but less-expensive commercial space. In 2022, Round Rock housing prices were 12.05 times the median annual wage levels in its regional economy, which includes Austin, TX; those in Vallejo were 12.54 times the Solano County median annual wages. Being near Austin gives Round Rock's residents access to technology jobs in Austin; Dell Computer's world headquarters are in Round Rock. The key economic

development driver in Round Rock is its chamber of commerce: the city has a role but partners with it. Round Rock had an estimated 151 violent crimes per 100,000 people in 2022.

Our team presents these choices to create a structure for observing other places and what they may be doing right/wrong or similarly to Vallejo, regardless of whether an internal or external perspective is taken. The Economic Development Department should engage in some simple practices and use of tools to monitor these places.

Tools to use in monitoring these places:

- Whether physically or virtually, attend one business event in these areas that focuses on economic development
- Set up Google alerts to monitor news in these areas about local businesses or economic development
- Subscribe to a local or regional business journal or news outlet or schedule a quarterly check of the latest business stories.

Our team learned a lot from communicating with local residents, employers, commercial real estate owners, and professional elected officials in the City of Vallejo and beyond, as well as workforce development (countywide and local education and training programs from K-12 to doctoral programs). The communications plan below uses that learning and the data above to formulate the action steps and roadmap for Vallejo's Economic Development Department until 2030.

KEY PERFORMANCE INDICATORS

Key performance indicators (KPIs) are a classic tool for such communications. KPIs in economic development serve three primary purposes:



Source: Round Rock Chamber of Commerce

What These Data Tell Us: Think of the KPIs as a tracking device for progress and a way to communicate to all stakeholders as part of a broader communications plan for Vallejo Economic Development Department about progress toward larger goals and simply what activity has taken place and borne fruit as actions are taken per the Roadmap above. It is important to see these KPIs as measuring economic development activities and not the progress of Vallejo socially. A citywide dashboard should be developed to monitor educational, infrastructure investment, workforce and economic development progress as a whole, where these KPIs may inform that dashboard. Our team worked to determine what metrics were best suited to honestly and efficiently measure and communicate progress, given Vallejo's Economic Development Department goals as provided by the City of Vallejo. This plan recommends the following KPIs.

Unemployment Rate: The unemployment rate in Vallejo is a monthly measure of the local residents, as officially stated. The unemployment rate does not measure job losses at Vallejo's employers, except it includes those workers who also live in Vallejo. All cities and counties have monthly unemployment estimates in California, which makes regional comparisons easy.

Taxable Sales in the Aggregate: Rising taxable sales signal more spending ability in the city by local residents or visitors who come and spend in the local economy (a measure of economic vitality). Taxable sales should be considered after inflation, which can increase due to price increases and not because more goods and services (like restaurant meals) were sold.

Change in Jobs at Vallejo Employers: This is a classic KPI for economic development, but it is tricky to control in practice. All municipalities want job growth, but more jobs may be due to macroeconomic factors versus local initiatives around economic development. Job growth can also provide socioeconomic progress, mainly as rising incomes help school districts, religious groups, retailers, and other employers. A distinction should be made for head of household jobs, jobs with incomes above a certain living wage threshold.

Median Household Income: Median household income can reflect progress in regional job markets, specifically for local residents. As Vallejo's economy sees rising incomes and home prices, a cleaner, safer city and enhanced commercial activity should become more visible. More taxable sales (especially with the passage of Measure P in 2022) and a higher percentage of households as homeowners all generate more revenue for the City of Vallejo and strengthen its economy. Quality-of-



Source: [The Wet Mile](#)

KPIs and Direction-of-Change Goals (in parentheses)
<ul style="list-style-type: none">• Unemployment rate (↓)• Taxable sales (↑)• Vallejo's employers hiring (↑)

life metrics may also include breadth of retail options, quality of K-12 education, and less violent crime per 100,000 residents.

Median Home Prices: Rising prices may indicate a better quality of life perceived by local residents, especially if accompanied by more jobs in Vallejo and more visible commercial activity. Rising home prices can be seen as local and regional workers increasing the demand to live in Vallejo for reasons; lower prices (and even slower-growing prices when regional prices are rising) can be perceived as signs of concern about living and working in an area.

- Median household income (↑)
- Median home values (↑)
- Assessed value of property (↑)
- Retail vacancy (↓)
- Office vacancy (↓)
- Residential vacancy (↓)
- City population (↑)
- Total business counts and mix (↑)
- Occupancy rate and ADR (↑)
- Grant funding deployed (↑)

Assessed Value of Property: Assessed property values combine rising median home prices and better market returns in commercial real estate. Vallejo should monitor how its tax rate areas (TRAs) are progressing regarding property values based on new transactions.

Vacancy Rates (commercial and residential): These data show how the region and the world consider Vallejo a place to do business. For residential vacancies, annual data are available from the California Department of Finance and the Census Bureau to estimate the change in Vallejo's housing units and housing utilization compared to other places in California and throughout the United States.

City Population: Changes in Vallejo's population should be compared to other Bay Area cities and the peer and aspirant cities. A smaller population suggests people leaving or an aging population. This KPI should be used with residential vacancies to monitor real-time changes in the age of the local population and the upcoming strains local employers face when finding employees.

Total Business Counts and Mix: When using a targeted-industry strategy, monitoring both changes in the number of businesses (and employee counts) in industries of focus and supply-chain partners helps monitor progress toward being a place that attracts the targeted industries.

Hotel Occupancy Rate and Average Daily Rate (ADR): Working with Visit Vallejo and monitoring how local hotels and motels are doing on price and occupancy is an excellent way to monitor how tourists are looking at Vallejo as a place to stay overnight versus just coming for the day (for example, visiting Six Flags and then leaving at night rather than staying). These trends could inform a tourism strategy. This is a critical KPI, as rising ADR and occupancy rates tie to taxable sales and more transient occupancy tax (TOT) revenue for the City of Vallejo.

Grant Funding Deployed: Grant funding needs to be a focus of regular activity for the City of Vallejo's Economic Development Department. Vallejo's socioeconomic history and current situation qualify for funds to revitalize local areas and address diverse populations' needs. Grant funding can also help specific projects continue to move forward after American Rescue Plan Act (ARPA) funding runs out in year 1 of Cycle 1 of the economic development strategic plan.

COMMUNICATIONS PLAN

The communications plan below was developed through reaching out to Vallejo residents and businesses. EFA's outreach across Vallejo was part of the assignment to understand Vallejo's economic, political, and social opportunities and concerns. This effort involved understanding and learning about the current methods and platforms used by Vallejo's Economic Development Department and Vallejo's Communications Division (City Communications) to engage with businesses, residents, and external stakeholders. The insights gained were then used to recommend communication strategies to support Vallejo's economic development efforts. This section uses information gathered during that outreach process, including data our team generated from Vallejo's recent past regarding city communications about Vallejo as a place to do business, infrastructure to communicate, and public reactions since 2012.

WHAT WE LEARNED: DISCOVERY OVERVIEW

We gathered feedback on preferred communication methods and Vallejo's challenges and opportunities toward 2030. We received input from approximately 200 individuals, including leaders of companies and nonprofits, residents, workforce and economic development partners, and elected officials. The survey questions and interview guide used in this research are in the Appendix (the Appendix section is called "Facilitating Community Outreach, Voice and Expectations"), which draws from our extensive experience in similar projects.

The following summarizes what our team learned after speaking with over 300 people who work or live in Vallejo. These data points summarize feedback from our conversations, group meetings, and gatherings with residents throughout Vallejo from July 2022 to May 2023.

Assets: Vallejo's Economic Development Department has the tools and expertise to support a strong communications strategy

The following are not statements of fact. They are summaries of opinions we heard in interviews and town hall meetings with city council members.

- Main media: MyVallejo, Vallejo Weekly, Facebook, and Nextdoor are popular media platforms and tools on which residents rely to learn about what is happening in Vallejo.
- Vallejo residents are engaged, optimistic, and protective of their home community.
- Vallejo's location, diversity, weather, and unique assets can be leveraged to design positive messages.



Challenges: several factors or negative perceptions must be overcome

The following are not statements of fact. They are summaries of opinions we heard in interviews and town hall meetings hosted by city council members during April and May 2023. Two key causes may be creating themes in these opinions: (1) high turnover in key city government staff positions and (2) a need to augment communications from the City of Vallejo government and elected officials about new initiatives and progress (Mare Island's future is a good example).

- City government inspires little confidence in efficiency, performance, and leadership.
- The City of Vallejo is not considered transparent or business-friendly.
- Leadership is seen as reactive, lacking vision, and having conflicting goals among city councilmembers.
- Residents and businesses are concerned about the level of municipal services in terms of crime, response times, road quality, and homelessness.
- The public is impatient with job and business progress on Mare Island.
- Families and businesses are hesitant about moving to Vallejo due to its low-performing public education system, which undermines the city's prosperity.
- Vallejo, other than Mare Island, is perceived as being built out in terms of commercial and residential development, and the existing commercial real estate stock is antiquated and may remain vacant for decades.

Vallejo As a place for business, Opportunities to share with broader audiences

The following are not statements of fact. They are summaries of opinions we heard in interviews and town hall meetings with city council members.

- Vallejo's location in the Bay Area offers proximity to major consumer, recreation, and entertainment markets.
- The downtown and waterfront areas can attract more visitors and residents with a more focused and aggressive visitor strategy.
- The Ferry Terminal is a unique regional asset that, if correctly leveraged, can have a tremendous economic impact on downtown Vallejo and the city.
- The diversity of the city's population could be celebrated more with multicultural events and spaces.
- Three higher-education institutions in the city offer training opportunities for residents that can help prepare local workers, including people who currently work outside Vallejo.
- The Solano 360 project can transform North Vallejo but needs to begin meaningfully. While this is a county project beyond the city's control, it will heavily impact Vallejo, and the city should continue to be an influential partner in the project.

COMMUNITY OUTREACH STRATEGY, CYCLES 1 AND 2

In the future, Vallejo's Economic Development Department must be proactive and consistent in its communications strategy and be efficient with resources. This means partnerships whenever possible. Vallejo's Economic Development Department should view future communications as part of a broader marketing strategy rather than simply municipal, public-service communications. Given the capacity constraints of the City of Vallejo's communications workers (the City Manager's office has five (5) communications employees in 2024 to cover all city needs), our recommendations assume expanding partnerships with regional chambers, Visit Vallejo, and employers, and the County of Solano when appropriate, and more staffing as possible.

Current Assets for Vallejo's Economic Development Department Communications	Recommended Investments
<ul style="list-style-type: none">• MyVallejo, the city's main website, using Bang the Table as a vendor• Media and video partnering with city PIO• Engagement on social media through the City PIO office• <u>Vallejo Weekly</u>	<ul style="list-style-type: none">• Video editing and production• Dedicated social media content lead• Customer Relationship Management (CRM) software• Chat boxes for engagement with the community

Vallejo's Economic Development Department communications should be consistent, fact-based, and provide a vision for the city's economy:

- Vallejo must overcome negative perceptions by increasing the number of positive stories in all media.
- Vallejo must use consistent, regular messaging using the city's vision for Vallejo as a place to do business and honestly reflecting on changes that may affect the city's public perceptions.
- Such communications must support Vallejo's competitive position regionally.
- Communications may need to change for different audiences and how local actions affect that audience. For example:
 - impacts new businesses have on the local economy (revenue, jobs, increased wages);
 - impacts new revenue from more visitor spending supports local businesses, taxes, and eventually city services for local residents and employers;
 - new businesses with Vallejo-based ownership or help diversify city retail or service options for residents.
- Communications should include video and local employers as much as possible.

Going forward: Audience-specific action steps

Every audience has different needs and expectations. Each requires distinct, unique messaging using preferred and most effective media. Our recommended actions aim to elevate Vallejo as a place to do business in front of regional press, social media, and local residents. Table 6 gives an overview of the communications plan, with more detailed descriptions of activities for engaging each audience.

Table 6: Summary of the City of Vallejo Communications Plan

AUDIENCE	OBJECTIVE	ACTION ITEMS
LOCAL EMPLOYERS	Build trust through a collaborative and broad approach to providing business assistance in partnership with private-sector business groups	<ul style="list-style-type: none"> Promote and prove a “no wrong door” approach for businesses seeking services and assistance from the City of Vallejo, e.g., customer service and cross-trained front-counter staff; an online inventory of local programs and service providers Partnering with regional chambers and other organizations, check in on small businesses; identify possible assistance needed As staff capacity permits, personally visit larger employers and identify potential assistance Vallejo Economic Development can provide Declare ten months of the year specific “industry” months in City Council and visit businesses in those industries annually
RESIDENTS	Rebuild public confidence in city government and create public support for economic development	<ul style="list-style-type: none"> Attend regularly schedule council community meetings to hear from and communicate directly with residents Hold periodic district events hosted by elected officials to hear feedback (town halls, e.g.) Semiannual surveys that focus on a specific topic or issue, e.g., shopping, dining, community events, recreation, using businesses in Vallejo
E.D. PARTNERS, BROKERS, DEVELOPERS, SITE SELECTORS, PROSPECTIVE NEW BUSINESSES	Manage perceived risks and negative perceptions associated with doing business in Vallejo	<ul style="list-style-type: none"> Promote available sites Create case studies that show how the City of Vallejo can generate wins for businesses, such as fast-tracking tenant improvement permitting, providing access to city-owned properties, connecting Vallejo businesses to customers from the ferry service, expanding access to broadband and downtown area as examples Incorporate the City of Vallejo’s economic development values and vision in all messaging
ELECTED OFFICIALS	Keep elected informed and engaged to receive ongoing support for economic development initiatives and programs	<ul style="list-style-type: none"> Regularly report progress toward goals and key performance indicators, what is working, what challenges exist, and what proactive measures are being taken in check-in meetings and public meetings.

Audience: Local Employers

Vallejo's Economic Development Department is committed to a proactive approach. Constantly ask: what challenges are current and potential businesses facing that we, or another City of Vallejo department, could potentially resolve? Successful business outreach programs are those that foster collaboration, such as partnerships with local and regional business assistance providers and chambers of commerce.

The City of Vallejo particularly values its partnerships with regional cultural chambers. These alliances enable the city to reach business owners from diverse backgrounds and create culturally-sensitive messaging, promoting diversity in business ownership and markets. An established relationship with existing employers provides an early warning system if local employers require assistance with issues that constrain company growth or expansion efforts. If the City of Vallejo and partner organizations are not readily available and able to help local businesses, these businesses might leave or not expand locally.

In Cycle 1 of this plan, the City of Vallejo can partner in current efforts and build a foundation for more employers and industries throughout Vallejo. Communications in Cycle 1 need to show that Vallejo is regionally competitive by supporting current private-sector efforts. In Cycle 2, communications can shift to propelling Vallejo to the “top of wallet” regarding site-selector choices for investing in Vallejo. New investments create stories and show private-sector vision.

As of 2024, Vallejo is not ready to put a business attraction strategy into action; Vallejo's Economic Development Department first needs to focus on current projects and consider what assets the City of Vallejo has to engage in economic development as a partner; projects are underway (e.g., Mare Island Company), and we have recommended a citywide capital-facilities plan to identify more assets that could help catalyze economic development within Vallejo.

What We Learned: Employer Surveys and Interviews

Local employers should be viewed as Vallejo's commercial “residents”. We used a business survey (see Appendix for Tasks 2.1-2.3, Communications Plan and Messaging) to gather information and opinions from the regional employers. Some survey results are summarized here. Other survey comments inform city staff on the business community's attitudes and opinions.

These are opinions, not statements of fact, but suggest where more communication may be needed.

- Businesses want a larger volume and better quality of municipal services regarding police response, general public safety, road quality, and reduced visibility of the homeless.

EXAMPLE: THE CITY OF ROHNERT PARK IN SONOMA COUNTY IS A REGIONAL EXAMPLE OF GOOD PLANNING AND EXECUTION FOR A HOMELESS POPULATION USING REGIONAL PARTNERSHIPS, INCLUDING HOW TO COMMUNICATE ABOUT THE HOMELESS POPULATION IN COMPASSIONATE WAYS.

- Employers generally believe Vallejo can become a first choice in doing business regionally, but the City of Vallejo needs to provide better public safety and more business assistance.
- Vallejo's location, Mare Island, and the Ferry Terminal are all recognized as unique assets.
- Permitting processes are slow, and fees exceed those in other Bay Area cities.
- The City Council needs to be more business-friendly, visit businesses more often, and provide pathways for permitting, especially for big projects and employers.
- BIPOC businesses must be embraced by the City Council to support diversity.

Communication Plan for Vallejo Businesses

OBJECTIVE	Outreach focuses on building trust with local employers and solving problems.
MESSAGE	Vallejo employers enjoy a “no wrong door” approach when seeking assistance. Vallejo’s Economic Development Department unit and front counter staff should have a customer-service attitude, solve problems for applicants, and navigate them to solutions or to the applicant’s inability to complete the project.
EXPECTED OUTCOMES	<ul style="list-style-type: none"> • Vallejo’s Economic Development Department is top of mind to help local businesses • More businesses staying and expanding in Vallejo • Demonstrate to external audiences that the City of Vallejo continues to care about a business’s success long after its grand opening • An efficient team that is well-informed and effectively creates solutions
ACTIONS	<ul style="list-style-type: none"> • Create an employer database including (at a minimum) contact information for key management personnel; update through continued contact and annual full update • As staff permits, establish regular visitation schedule to employers, partnering with regional chambers and workforce development, based on industry “months” • Conduct an annual short e-survey to check in with employers to identify workforce, training, financing, or other needs or concerns • Establish follow-up procedures when Vallejo’s Economic Development Department is asked to help a business and communicate what was done to help • Encourage employers to subscribe to MyVallejo and Vallejo Weekly as part of information sharing and outreach about new programs and progress • Use MyVallejo to reach out to businesses periodically in partnership with chambers (e.g., Black-owned business outreach should partner with Solano County Black Chamber of Commerce as the lead) • With the employer’s permission, use MyVallejo, Vallejo Weekly, and social media to share good news and congratulate businesses on hirings, physical expansion, new markets, products, services, or technology
RECOMMENDED IMPLEMENTING PARTNERS	City of Vallejo Economic Development Department (lead) and PIO Chambers of commerce Workforce Development Board of Solano County Solano County Small Business Development Center Community colleges and local universities
INITIATE	Within the first 180 days of Cycle 1

Audience: Residents

The support and confidence of Vallejo residents are critical for establishing trust and optimistic perspectives on Vallejo's Economic Development Department activities. Vallejo's residents must also be realistic about what Vallejo's Economic Development Department is doing to help local businesses and residents.

It will take time to achieve goals. Our team found in our town hall gatherings that although comments in surveys generally took a negative tone about current conditions, residents were optimistic about Vallejo's future. During the planning process from July 2022 to April 2023, our team conducted surveys and listening sessions with residents to obtain feedback and develop a habit of soliciting residents' opinions on specific activities to help inform Vallejo's Economic Development Department.

It is essential to obtain responses from a cross-section of local residents in different parts of Vallejo. To encourage participation, surveys were intentionally kept short and anonymous. The primary identifying information we requested was the council district in which residents lived.

What We Learned: Residential Surveys and Meetings

We used residents' surveys and group meetings in different parts of Vallejo to generate ideas and opinions. Thematically, our team made the following conclusions:

- Vallejo has the potential to be a place for doing business, primarily in downtown and waterfront areas.
- Mare Island can be a regional standout for tourism and jobs, but residents want change, particularly economic change, throughout the city.
- Residents' safety is a concern regarding where they choose to shop and play in Vallejo and where they go when visiting other places regionally.
- Facebook and Nextdoor are popular ways that residents use to find out what is going on in Vallejo, along with city council meetings, newspapers, and Vallejo Weekly.
 - How active a role City Communications should take means more staff time, but could spread more positive messages as available.
- Residents want more information about what is happening throughout Vallejo (Mare Island, Solano 360) and other projects and changes throughout the city's main business districts.
- The two main reasons people live in Vallejo are the climate and proximity to the Bay Area.

OUR RESIDENT SURVEY CONSISTED OF FIVE QUESTIONS.

1. HOW DO YOU DESCRIBE VALLEJO TO PEOPLE YOU MEET?
2. WHAT MEDIA DO YOU USE TO KEEP UP TO DATE WITH WHAT'S HAPPENING IN VALLEJO?
3. HOW DO YOU ENJOY SPENDING YOUR FREE TIME IN VALLEJO?
4. IF YOU SHOP OUTSIDE OF VALLEJO, WHAT ARE THE PRIMARY REASON(S)?
5. WHAT ARE TWO SIGNIFICANT, POSITIVE CHANGES THAT HAVE OCCURRED IN VALLEJO OVER THE PAST 10 YEARS THAT HAVE HELPED THE LOCAL QUALITY OF LIFE?

Communication Plan with Vallejo Residents

OBJECTIVE	Rebuild public confidence in city government, create public support for economic development, and change conversations from complaining to celebrating.
MESSAGE	Positivity, performance, inclusivity, realism, placemaking
EXPECTED OUTCOMES	<ul style="list-style-type: none"> • A well-informed, engaged, and supportive community that understands that placemaking support and public services directly depend on a strong local economy • Constructive public engagement that moves from awareness to engagement • Continued and improved community pride in Vallejo
ACTIONS	<ul style="list-style-type: none"> • Continue holding periodic community meetings in each council district. Combine districts as appropriate. Gatherings can be informal, “Coffee with the Council” events • There should be a maximum of three (3) elected officials per event. Moving locations among the districts makes events more accessible to residents, especially those with mobility challenges • Encourage ongoing public participation via enhanced and more frequent use of MyVallejo and Bang the Table tools • Build subscriptions to Vallejo Weekly as a critical medium to inform the public on economic development progress, projects, and events • Use data and case studies to demonstrate how the city is progressing and moving forward with plans and initiatives • Publish a Quarterly or Semi-Annual Update in the Vallejo Weekly that reports on KPIs and showcases Economic Development Department accomplishments • Increase positive Facebook messaging and links to the Weekly
RECOMMENDED IMPLEMENTING PARTNERS	<p>City of Vallejo Economic Development and Public Information staff Chambers of commerce Community-based organizations that have networks with residents throughout Vallejo</p>
INITIATE	Second 180 days of the First Year of Cycle 1

Audience: Economic Development Partners (Commercial real estate Developers, Site Selectors, Property Owners, Commercial Real estate professionals) and Prospective Businesses

During Cycle 1, a significant objective is to shape conditions for new and expanding businesses to choose Vallejo. Business location decisions depend on much more than available real estate. The illustration on the right shows

the various metrics evaluated in a company site-location decision process. Collectively, these factors confirm or deny that a community is suitable for corporate investment. For example, competitive communities offer:

- community-wide consensus on the vision, goals, and support for economic development that is demonstrated by community investment
- use Location One software to market and track key properties, especially city-owned parcels and buildings in terms of use, leasing or potential sales
- a transparent regulatory environment and the ability to demonstrate the path to development and estimate operating costs
- a sufficient labor supply and proof that a pipeline of workers is available so that businesses will be able to attract the talent they need both now and into the future
- sites, buildings, and business parks that are market-ready have reliable and modern infrastructure and controls in place to prevent undesired development nearby
- the quality of amenities that help employers attract and retain workers and professionals, e.g., investments that support health and safety, housing options, high-quality education, and cultural and recreational options



A specific audience—a mixture of commercial real estate professionals, land developers, site selectors, and other economic development partners—should become close allies in Cycle 1 and proponents of Vallejo as a place for doing business in their communications. For Vallejo's Economic Development Department, the ability to identify and present solutions for clients' and owners' unique needs effectively elevates Vallejo's economic development efforts daily. Needs and possible solutions may include assistance with site development, tenant improvements, permitting, and local supply-chain partners. Commercial real estate professionals and property

owners are critical partners in Vallejo, including the Mare Island Company on Mare Island and Industrial Realty Group (IRG) for the Solano 360 (as of March 2024).

Our team's discussions with this audience generated the following opinions and perceptions. These are not statements of fact, but are a summary of how this audience viewed Vallejo in 2023:

- Mare Island is seen as the most desirable place in the city to locate; outside Mare Island, the city has little space for new residential real estate (with exceptions on the waterfront and parcels near I-80 and the city limits as of June 2023)
- Industrial space is a competitive market, but Vallejo's lease prices are relatively low regionally due to perceptions of low-quality spaces
- Office space is less competitive, as demand has sagged regionally in the wake of the pandemic
- Vallejo's commercial real estate is perceived as generally older and has lower class spaces than elsewhere regionally (Vallejo's office space stock is dominated by Class B or C spaces)
- Downtown Vallejo has urban blight and lacks vibrancy, with few "last-mile" access options from the Ferry Terminal to downtown
- High crime rates and low-quality schools fuel negative perceptions, discouraging new businesses from coming to Vallejo
- Vallejo's Opportunity Zones are unique assets (Fairfield has the only other Opportunity Zones in Solano County; but (1) the Opportunity Zone program is now close to sunsetting and is federal, not state or local; and (2) a parcel being in an opportunity zone is not generally a deciding factor in locating or expanding businesses)
- The city has dilapidated homes and commercial properties, which could be renovated or revitalized with grants or federal or state funding programs (examples include Community Development Block Grant (CDBG), Neighborhood Stabilization Program (NSP), Main Street Economic Revitalization Grant, Veteran Home Repair & Modification Pilot Program, Community Catalyst Building Remediation Program)
- Commercial centers are disconnected (northern Vallejo is not connected to downtown or waterfront areas), and Mare Island remains an "island" with only two connections to the mainland. Water taxis or dedicated bus service to move to and from Mare Island could be seen as an asset for employers and merchants on both sides of the Napa River



Source: City of Vallejo

Communications Plan with Economic Development Partners

OBJECTIVE	Overcome perceived risks and negative perceptions about Vallejo and demonstrate why Vallejo should be the first choice as a business location in the Bay Area.
MESSAGE	<p>The city has assets—available space, workforce, and programs—that benefit owners and employers; use testimonials and documented progress</p> <p>Establish industry-specific value propositions and key messages which will become critical during the business attraction activities in Cycle 2</p>
EXPECTED OUTCOMES	<ul style="list-style-type: none"> Recognition that Vallejo is unique, a viable and competitive alternative to Bay Area locations Assist efforts and interest in Mare Island development opportunities Increased inquiries and development activity throughout Vallejo
ACTIONS	<ul style="list-style-type: none"> Host regular working groups with economic development regional partners to solidify messaging and marketing strategies. Lobby for and support efforts to improve safety in the city; acknowledge the problems while publishing and promoting all good news items and the small steps that are being made to address the issues. Regularly call and visit local and Bay Area commercial real estate professionals; host semi-annual or annual roundtables and tours in Vallejo Communicate regularly and directly with Bay Area commercial real estate networks to show progress on the waterfront, downtown, Mare Island, and other commercial centers throughout Vallejo, including broadband projects Use MyVallejo and Vallejo Weekly as news outlets for the broker audience Follow and interact with the regional commercial real estate community on social media <p>Establish value proposition, messages, and proof points that answer: <i>“Why your business should locate in Vallejo instead of anywhere else.”</i> (Samples in Appendix, Communications Plan and Messaging)</p>
RECOMMENDED IMPLEMENTING PARTNERS	<p>City of Vallejo Economic Development Department (lead)</p> <p>Economic Development Commission (Vallejo EDC), City of Vallejo</p> <p>Solano County Economic Development Corporation</p> <p>Chambers of Commerce</p>
INITIATE	First Year of Cycle 1 (2025)

Audience: Elected Officials, City Staff, and Economic Development Commission

As of 2023, Vallejo's Economic Development Department reports to elected officials in Vallejo and the city's appointed Economic Development Commission (Vallejo EDC, formerly Economic Vitality Commission) quarterly. Vallejo EDC is an appointed body of residents and business people in Vallejo, with meetings scheduled bi-monthly. Vallejo City Council meetings are monthly, with no meeting during July as of 2024).

Elected officials and Vallejo EDC members should be asked to join Vallejo's Economic Development Department in business visits in partnership with one or more regional chambers of commerce. Video and photo recordings of those visits can be used as communications assets. These reports and conversations should focus on three critical things:

- Remain positive and realistic about Vallejo as a place to do business; the planning cycles are meant to build foundations for the long-term success of the city economy, and big wins will be due to partnerships, luck, and timing, more than anything else (they should not be expected in the short term), where multiple small wins should be the focus.
- Recall economic development goals so each meeting begins with those goals in mind.
- Leave participants with a "success story": here is what businesses in Vallejo showcase and what Vallejo wants to be now and in the future.

What We Learned: Elected Officials, Appointed Officials and City Staff

We spoke to every elected official in Vallejo, including a subset of Vallejo EDC members and key city staff. Their opinions and foresight helped generate our conclusions and shaped our recommended actions.

- Location, weather, and proximity to markets are all selling points for the City of Vallejo as a place to do business; public safety is a major issue
- Measure P, passed in 2022, should provide more financial resources and relief from budget pressure in specific areas of need, including infrastructure, homelessness, safety, etc.
- State Highway 37 is increasing its capacity to two lanes in each direction, as well as being heightened in some areas, and could provide jobs to Vallejo residents and revenues to Vallejo merchants through 2030, also providing more regional access to Vallejo after completion



Source: City of Vallejo

- During construction, traffic conditions are likely to be somewhat worse than in recent years, especially westbound from Vallejo, based on current commuting patterns
- There are other opportunities for persuading commuters to view Vallejo as a place to shop and to stay while driving support for targeted industries
- Mare Island exit from State Highway 37 is critical to the future development of Mare Island
- Mare Island needs to be developed and can be a regional asset in the city's economy.
- Solano 360 needs to start and provide resources, including new housing.
- Local employers must work with the diverse population and education institutions to enable Vallejo residents to achieve social mobility.

Communications Plan with Elected Officials and Vallejo EDC

OBJECTIVE	<p>Update the City Council on progress toward achieving economic development goals.</p> <p>Provide updates on significant projects outside the direct control of City Vallejo's Economic Development Department (e.g., Mare Island Company, Solano 360).</p> <p>Build confidence in the business community.</p>
MESSAGE	<p>Regular reporting on activities, key performance indicators, and successes</p> <p>Report on challenges and requests of the City Council in terms of issues it should foresee and progress on initiatives in the city economy</p> <p>Cycle 1: pilot project successes and lessons</p> <p>Cycle 2: business recruitment-businesses considering locating in Vallejo</p>
EXPECTED OUTCOMES	<ul style="list-style-type: none"> • A more fully informed council and residents • Time during public reports for community feedback, as well as getting business owners to the meeting to tell their stories • Ongoing support and funding allocated for economic development initiatives and programs
ACTIONS	<ul style="list-style-type: none"> • Regular update reports at council meetings become stories elected officials tell • Councilmembers have data from presentations at public meetings in each council district about current initiatives that support economic development • Councilmembers understand data on KPIs, progress towards goals, and economic development educational materials (e.g., the economic impact of different industries)
RECOMMENDED IMPLEMENTING PARTNERS	<p>City of Vallejo Economic Development Staff</p> <p>Regional chambers and employers</p>
INITIATE	First 180 Days of Cycle 1

FUTURE ISSUES THAT AFFECT VALLEJO

Vallejo's Economic Development Department needs to consider how changes may affect the strategy and how those effects may shift when Cycles 1 and 2 start and end. The issues identified below are samples of what our team believes could affect Vallejo and this plan's evolution until 2030.

Cycle 1 is likely a time of slower economic growth and transition.

- Forecasts for California and the United States from 2024 to 2027 point to slower income growth and jobs, with relatively high inflation and interest rates compared to 2011 to 2021.
- The presidential election results may create changes in state and federally elected officials during Cycles 1 and 2 due to term limits and retirements.
- A slower economy might be beneficial for Vallejo as businesses and residents look for lower-cost opportunities in the Bay Area, especially in places with unique assets and transportation links that prepare for better economic times after 2027;
 - One action Vallejo can take is to start looking at Bay Area leaseholders that may have leases coming up and want to divest but remain close to the core labor force/amenities in the core Bay Area (San Francisco), where Vallejo provides lower-cost footprints with similar amenities (broadband, ferry services, access to Interstate 80 as examples).

An aging demography and slower population growth

- Vallejo (like Napa, Sonoma, and Marin counties) has had a population in decline since 2017 as well as older (and, among those age 25 and over, more educated).
- The Bay Area is projected to have slower, if not negative, population growth by 2050.

An energy race on the technology side: renewables/hydrogen

- State and federal funding is coming for renewable energy sources and businesses.
- These may include science and product manufacturing jobs focused on climate change.

Two lanes in each direction on State Highway 37

- The expansion of State Highway 37 enables more movement to and through Vallejo, with an expansion in the number of potential visitors to Vallejo.
- State Highway 37 is important to ensure the off-ramp and general infrastructure can support traffic for future development in jobs and housing.
- Vallejo residents may find jobs during this construction effort close to home and improve long-term transportation linkage to higher-income employment centers to the west.

Mare Island and Other Parts of Vallejo: Cooperation

- Vallejo's Economic Development Department must partner with the Mare Island Company in its commercial development effort, specifically by creating paths to a faster permitting process and linking growth on Mare Island to the mainland (downtown and waterfront).

- Other efforts in Vallejo (Blue Rock Springs, Waterfront, Downtown, for example) will need similar services from Vallejo's Economic Development Department and similar links to broader commercial activity throughout Vallejo.

PILOT PROJECTS, GOALS AND ACTION STEPS

Using the data gathered and our team's experience, this section recommends specific actions to be taken by Vallejo's Economic Development Department and the City of Vallejo based on available ARPA, Measure P, and other sources (grants, for example) funding as initial investments in these projects. This section describes the rationale and connections to this plan's goals for the projects considered "Highest Priority."

RECOMMENDED PILOT PROJECTS AND RATIONALE

Highest Priority	Other Projects For Cycles 1 or 2
<ul style="list-style-type: none">• Citywide capital-facilities Master Plan• Pop-up ferry events: Watch for significant events to coordinate and include flea markets, pop-up retail, and food trucks at these events, and coordinate with other significant events when possible and to also increase ferry use at Vallejo Terminal• Seed a revolving loan fund or grants for small business• Marketing Plan for Vallejo as a place to do business• Shop-Local Campaign Support	<ul style="list-style-type: none">• Arts downtown or along the waterfront, including live events with Vallejo-raised or Vallejo-based artists• Software license renewal and training• Security equipment for businesses• Communication boards/advertising throughout downtown and waterfront• Vallejo entrance signs• Create recruitment materials for businesses Vallejo wants to see• Attend conferences and events to recruit and educate others, foster relationships, and tell positive stories• Waterfront and Downtown Beautification Plan• Mare Island Beautification Plan

Rationale: The highest priority projects enable Vallejo to start this plan quickly (in the first 90 days of Cycle 1), build momentum, and generate visible activities that tell stories. Because Cycle 1 primarily builds foundations for Vallejo's economic future, each potential pilot project is meant to show support for local businesses and showcase how Vallejo's Economic Development Department and the City of Vallejo can engage in broader, regional partnerships. Also, for each pilot project recommended and considered by Vallejo's Economic Development Department staff, City of Vallejo management, and City Council, we provide connections to how the community (Vallejo residents and businesses) provided feedback that helped shape the final

recommendations. The key is supporting Cycle 1's goals and building a foundation using the remaining ARPA funding.

Potential EXTERNAL Funding Sources to Complete Unfunded Initiatives

Funding Source and Type	Project Types	Maximum funds available	Match funds required
Board of State and Community Corrections –Grant, Organized Retail Theft Prevention Grant Program	Help local law enforcement prevent and respond to organized retail, motor vehicle accessory, and cargo theft	\$15,650,000	0%
Building Pathways to Infrastructure Jobs US Department of Labor–Grant	Develop/Implement Local/Regional Worker-Centered Sector Strategy Programs; or Scaling Effective Worker-Centered Sector Strategy Programs.	\$2,000,000	15%
CA Arts Council –Grant, Arts & Cultural Organizations General Operating Support	Support for arts or cultural programs (linked to pilot projects)	\$30,000	100%
California Energy Commission –Electric Vehicle Charging Infrastructure: Clean Transportation Program	Renewable energy, Manufacturing	\$35,000,000	50%
Community Development Block Grant (CDBG) US Department of Housing and Urban Development–Grant	Economic Development Assistance	\$1,500,000	Varies based on grant (contact Shekinah.Echols @hcd.ca.gov)
Community Economic Resilience Fund (CERF) –Grant	Economic Development Support	\$6,000,000	50%
Department of Energy (DOE) - Small Business Innovation Research (SBIR) And Small Business Technology Transfer (STTR) Programs	Product or service commercialization and meet specific DOE mission-specific R&D needs. Includes technology transfer from universities	\$300,000,000	0%
Economic Development Administration (EDA) –Grant for the loan fund Go Biz: Revolving Loan Fund	Capitalize or recapitalize lending programs that assist borrowers who would not be able to access traditional bank funding	\$2,000,000	0% is required and is likely more competitive if 50% is the minimum.
Economic Development Administration (EDA) –Grant, Public Works	Assistance on public works	\$30,000,000	0%
Food Chain Guaranteed Loan Program –US Dept of Agriculture Guaranteed Loan	Food manufacturing	\$40,000,000	0%, because it is a “loan” that USDA guarantees
Grants for Arts Projects National Endowment for the Arts (NEA)–Grant	Focus on Downtown Arts, especially in diverse communities	\$100,000	100%
Our Town National Endowment for the Arts (NEA)–Grant	“Placemaking” grants	\$150,000	100%

Citywide capital-facilities Master Plan

Funding Estimate = \$95,000

This pilot project provides the City of Vallejo with an analysis and plan to consider using city-owned facilities throughout Vallejo (concentrated downtown but throughout the city) as economic and fiscal development assets. Being city-owned, zoning flexibility can occur within the city's administrative structure and allow flexibility with the City of Vallejo as a landlord or selling to a partnered developer or owner that would either rehabilitate the property or build on vacant land as part of the downtown-specific plan. That plan would coordinate a vision of Vallejo using city-owned properties as economic development catalysts and begin a cycle of new ownership and shared vision.

The plan would involve coordinating capital facilities owned by the City of Vallejo, including their best use. Such a plan should also provide a way to view the expenditures on those properties for their utilization, maintenance, or both. A cost-benefit analysis of selling or changing each property's utilization (perhaps zoning) should also be included.

How does this pilot project contribute to Vallejo's Economic Development Department goals?

This pilot project begins to catalyze areas near current city-owned properties by considering changes that would become new partnerships for economic development. Because cities have few financial levers to provide incentives to developers or potential new businesses to locate in a city, one way Vallejo's Economic Development Department can offer competitive incentives is to provide unique opportunities as a partner. This could range from zoning changes on a city-owned property that has become a new private-sector business. In coordination with Vallejo's downtown-specific plan, city-owned properties can be examples of where Vallejo wants to go regarding beautification, the arts, and new experiences in downtown Vallejo. Over time, this can increase customer volume for all businesses in downtown Vallejo, the waterfront, and other parts of Vallejo.

Connections to Community Comments:

Our meetings with Vallejo's residents and businesses suggested that revitalizing downtown, coordinated with ferry service and a beautification process, would draw visitors and customers from across the Bay Area. Such an effort would use Vallejo's unique assets as one.



Source: Solano Open Space

Pop-up Ferry Events: Link to Major Events and Downtown Businesses

Funding Estimate = \$32,000

Using the ferry terminal to hold events can showcase Vallejo-based merchants and opportunities, and the Ferry as a unique asset for Vallejo's employers. This project shows how the ferry terminal can be a business gateway linking commercial developments to economic benefits across Vallejo during Cycle 1.

EVENT EXAMPLES

“SHOP VALLEJO” CAMPAIGN – INCREASES SALES AND REVENUE OF LOCALLY-OWNED BUSINESSES AND ENTREPRENEURS AND EDUCATES CONSUMERS ABOUT THE ECONOMIC AND SOCIAL BENEFITS OF BUYING LOCAL.

“TASTE OF VALLEJO” – ENGAGE WITH LOCAL RESTAURATEURS TO OFFER FREE SAMPLES OF THEIR SPECIALTIES AND PROMOTE THE DIVERSITY OF THEIR OFFERINGS

“GET BUSY DOWNTOWN” – BUILD AWARENESS OF THE RESTAURANTS, SHOPPING, ARTS & CULTURE, EVENTS AND ACTIVITIES IN DOWNTOWN VALLEJO

“REDUCE YOUR COMMUTE” – PROMOTE THE DIVERSITY OF EMPLOYMENT OPTIONS IN VALLEJO BY PARTNERING WITH LOCAL WORKFORCE DEVELOPMENT AND EMPLOYMENT AGENCIES TO SHOWCASE JOB OPENINGS AND SALARIES

Funding for this project pays for (among other things):



Source: City of Vallejo

- Include flea markets, pop-up retail, and food trucks at these events (with a focus on Vallejo-owned businesses),
- Coordinate with other significant events when possible to increase ferry use at Vallejo Terminal
- Police services, including overtime at the ferry terminal for safety
- Enhanced trash and recycling facilities for the event
- Infrastructure for Vallejo merchants (tent and table rentals) to organize and prepare for customers at this event

- Power sources, perhaps mobile solar, for the event
- Advertising, in partnership with the regional chambers, it is essential to include cultural businesses in this event and also not to market it solely to ferry riders
- Lighting and cameras for return trips during night games to help passengers and perhaps generate more interest in retaking the ferry from Vallejo.

Events at the ferry terminal should focus on businesses headquartered in Vallejo to showcase locally-owned merchants. The event should be marketed as a partnership among Vallejo's

Economic Development Department, regional chambers, the City of Vallejo Police, the City of Vallejo Public Works, and the County of Solano Sheriff's Department—all working together to showcase local businesses.

How does this pilot project contribute to Vallejo's Economic Development Department goals?

- Public safety is a crucial factor, so the success of this event becomes a story about Vallejo turning a public safety corner and helping local businesses simultaneously. Having a visible police presence ready to help attendees and maintain order is critical for establishing good relations and success on which to build in later events
- Focuses on Vallejo's businesses to send a signal about business retention and showcasing what Vallejo has to offer to visitors who live in the region and come to use the ferry
- Capitalizes on a unique asset in Vallejo north and east of the core Bay Area for economic development.

Connections to Community Comments:

During our interviews and residential gatherings, Vallejo's Ferry Terminal and Downtown/Waterfront areas were seen as places of “potential” but of little, consistent commercial activity. This pilot project can also address the visibility of Vallejo's Economic Development Department efforts to generate better communications about Vallejo-based businesses, engage the regional cultural chambers in events that showcase local businesses and provide an event for the regional community to see what Vallejo offers, and also providing residents more reasons to come to the Ferry Terminal, Downtown, the Waterfront and patronize local merchants.

Marketing Plan for Vallejo as a Place to Do Business

Funding Estimate = \$100,000

Vallejo should pursue ways to market itself as a place to do business and understand the competitive marketplace in which it exists. Like many other suburban areas in the Bay Area, Vallejo directly competes with larger cities but also has some unique assets, such as its larger neighbors. Being a film location, given the diversity of downtown, Mare Island, and the waterfront may be attractive to studios. Understanding different incentives cities provide to new or expanding businesses and the utilization of city-owned property (see the “Citywide Facilities Plan” above, with which a marketing plan should be coordinated. It is essential that the City of Vallejo understands how it can use its unique assets and location to its advantage, especially with Mare Island developing and projects like Blue Rock Springs attracting more attention. Our discussions with local businesses and residents included many concerns over a lack of marketing for Vallejo.



Seed or expand a Revolving Loan Fund for Vallejo Small Businesses

Funding Estimate = \$100,000

A revolving loan fund (RLF) connects local entrepreneurs to funding opportunities that normal bank-loan processes would not allow or “underwrite”. Lenders generally know this missing market exists and may want to participate in a fund for such small business loans (microlending). Partnering and expanding this fund, perhaps as an investor, should be one of the first action items pursued in this strategic plan.² Such a fund can also accept and use grants and applicable government funding to enhance lending funds and nonprofit foundation and Community Reinvestment Act (CRA) funding that may not otherwise find a home in Vallejo.³



The fund cannot work without engagement by local lenders. A direct partnership by Vallejo’s Economic Development Department using ARPA funding could attract interest from local financial institutions where seed funding is already in place. This kind of synergy gives lenders and the City of Vallejo a great story to tell about investment in the community’s businesses, and this is a best practice for many regional economic development organizations.

When starting the process, a nonprofit organization called Working Solutions is recommended. Regional credit unions (e.g., SAFE, Travis, and Redwood) likely have foundations or other funding they are willing to provide. Working Solutions, SBDC, or a combination can offer potential applicants business coaching, planning, and loan underwriting support. This coaching is seen as a critical step in making these loans happen and be successful. Many potential business owners have ideas but lack business acumen.

How does this pilot project contribute to realizing Vallejo’s Economic Development Department goals?

- Shows direct support for small, Vallejo-based businesses (the focus of the loan fund)
- Extends the “pathways” to entrepreneurship for local high schools and Solano Community College

² For Solano Economic Development Corporation (Solano EDC) has examples here:

<https://solanoedc.com/resources/business-financing/>

³ For more about CRA, see https://www.federalreserve.gov/consumerscommunities/cra_about.htm.

- Engages local lending institutions (banks and credit unions) as direct economic development partners, with funding they will spend elsewhere now being used in Vallejo.

Caveat: As with all loans extended, losses and subsequent business failures are an inherent risk. SBDC and Working Solutions have vital track records with local businesses regarding support but need to prepare for that outcome. On the positive side, community banks, credit unions, and larger banks have profits for which they need to use funds as part of their commitment to the Community Reinvestment Act (CRA).

Connections to Community Comments

Economic development is about providing resources to local businesses and residents. Our residential meetings suggested that Vallejo-centric funding opportunities for local businesses, predominantly Hispanic, Filipino, and African-American-owned firms, were lacking. The Solano Economic Development Corporation (Solano EDC) is soliciting funds from local lenders in 2023 (banks may use Community Reinvestment Act (CRA) funds, and regional credit unions may have foundations set up to give such donations) to fund an RLF for Solano County. Vallejo could engage in that effort or act as a local partner with a sub-fund solely for Vallejo-based businesses.



Source: City of Vallejo

SHOP-Local Campaign

Funding Estimate = \$28,000

Downtown Vallejo remains a gateway to economic development throughout the city due to the current concentration of businesses and workers, but also where those using the Ferry are coming to or going from Vallejo and a place of current infrastructure to generate more businesses and more



Source: Visit Vallejo

Shop Local



buzz around working and playing in Vallejo. A shop-local campaign can provide more foot traffic and partnerships among businesses to offer visitors and locals unique experiences and advertise Vallejo as a place to do business. Such partnerships can be event-related and connected to the Ferry Terminal or to events on Mare Island that integrate changes on the Waterfront and Downtown east of the Napa River and Mare Island.

How does this pilot project contribute to realizing Vallejo's Economic Development Department goals?

- Recognizes downtown Vallejo as an economic engine that needs to be enhanced and ready for other changes in Vallejo's economy
- Provides incentives for locals and visitors to come to downtown Vallejo
- Provides incentives to partner and combine savings and visits for consumers
- Takes advantage of history and the natural flow of workers and visitors, adds to funding available for Vallejo's Central Core Restoration Corporation, and enables additional investment in downtown for economic development goals.

Connections to Community Comments

As we delve into the themes above, it becomes evident that the Downtown area of Vallejo, a compact space with immense potential, requires a concerted effort from both the private and public sectors to realize its full economic potential. It is crucial to clearly understand what a business improvement district does, as it plays a significant role in economic development throughout the city. Downtown is the main community gathering place and a unique ecosystem for small businesses and local entrepreneurs. The same level of transparency should be extended to the website, which currently needs updating.

Economic Development Action Items: Cycle 1

In this section, we present the crucial action steps outlined in the “Roadmap” in the Executive Summary of this plan. The next three years (2025 to 2027) are pivotal for this plan, laying the groundwork for Cycle 2 (2028 to 2030). The recommended action steps, detailed below, are tasks and a call to action for all stakeholders. A simple overview of tactics and potential outcomes follows them. These pragmatic, measurable corrective responses are designed to empower and improve Vallejo's economy.

In Cycle 1, the focus of goal achievement is building a foundation.

In Cycle 2, we look beyond the foundation laid in Cycle 1. The pivotal issue is not just moving forward but leaving Vallejo's past behind and setting our sights on a future of growth. This future is one of business attraction and expansion, a vision that should inspire us all.

Execute and assess pilot projects using the remaining ARPA funding as described above

Work with landlords and real estate professionals in different parts of Vallejo to increase commercial real estate occupancy or utilization

- Identify and solve problems to help increase commercial occupancy
- Prioritize high TRAs as much as possible in terms of new transactions
- Partner with local higher-education institutions to move more operations to downtown Vallejo (e.g., CSU Maritime and Anchor Center) to train Vallejo's high-school students
- Consider where Vallejo's federal opportunity zones include priority/best expansion sites for Cycles 1 and 2 as much as possible
- Determine the inventory of commercial real estate sites within the city limits in eastern and southern Vallejo and prioritize sites for economic development in Cycle 2

Host and chair two quarterly working groups of (1) regional chambers and Visit Vallejo/Hoteliers and (2) larger, locally headquartered, private-sector employers

- Plan and execute a cultural entrepreneurship event, with regional chambers and regional workforce and economic development (Solano EDC, SBDC) as sponsors/cohosts
- Define parallel roles for the chamber and Vallejo's Economic Development Department to the outside world through meetings and tasks that come out of the meetings
- Vallejo's Economic Development Department becomes a go-to change agent, solving problems and creating pathways for employer growth and success throughout Vallejo's economy
 - *Create a “concierge” service for targeted industries to navigate city permitting and other compliance needs (in partnership with city departments and staff)*
 - *Draw on regional chambers as critical information filters for general business issues, especially BIPOC-owned businesses*
 - *Utilize Visit Vallejo as a partner in regional travel initiatives; for example, Work with Visit Vallejo and the Solano County Film Office on a filmmaker “pitch package” and travel to film studios to test the package*
- Use quarterly meetings to gather and build evidence on how Vallejo's Economic Development Department and the City of Vallejo can be more supportive of local employers (the Cycle 1 focus is on the retention and expansion of current employers and private-sector projects underway)
- Use quarterly meetings to design a Marketing Strategy (new document using partnerships) for Vallejo as a place to do business, to be completed before the end of Cycle 1 (2027)

- *Create a travel attraction strategy within that marketing strategy, including input from regional and cultural chambers, with Vallejo as a gathering place for cultural events (African-American, Filipino, and Hispanic).*

Work with the City of Vallejo's Finance Department and Central Permit Center on:

- Explore revenue increases
 - *Pursuing city TOT adjustment to 12% from 11% (compared to the region, given targeted industries and foundational tourism assets and people flow)*
 - *Vallejo's Economic Development Department ask for some portion of change to provide parallel assistance to Visit Vallejo*
 - *Pursue the formation of a Community Facilities District (CFD) or an enhanced infrastructure financing district (EIFD) to optimize financial outcomes for City of Vallejo during revitalization and placemaking efforts*
 - *Study and consider increasing property transfer taxes*
- Construct an infill development strategy, especially along significant corridors
 - *Current corridors have older commercial spaces, but working infrastructure where incentives to locate in these areas, including opportunity zones, could help reinvigorate Vallejo's transportation portals as commercial spaces*
 - *Prepares for more economic activity as other spaces grow initially and more dynamically (Mare Island and north Vallejo)*
- Track progress of the city's taxable sales and Measure P changes during Cycle 1
- Reduce fees for tenant improvements specific to targeted industries, with downtown or eastern Vallejo locations as "development" or "occupancy" incentives during a two-year trial period, and observe any new activity
- Consider a commercial permitting ombudsman assignment for Vallejo Economic Development Department staff to assist with processes and provide more detailed attention to commercial applicants
- Consider hiring consultants to augment staffing when needed
- Reduce the cost of starting and growing businesses in Vallejo, including "fast-tracking" in terms of lower fees and time to decision by the city for permits
 - *Consider reducing fees for tenant improvements specific to a targeted industry or downtown or eastern Vallejo locations as "development" or "occupancy" incentives*
- Facilitate a single-permit process for utility and infrastructure work, given that utility work may be coming to Mare Island and other parts of Vallejo due to other efforts.

Engage regional media regularly with Vallejo-based business stories and communications of change in Vallejo as a place to do business:

- It is critical to change the narrative on doing business in Vallejo
- Prepare 5-6 businesses to tell their stories at all times (without repeating for two years) and use video as the primary medium of communications
 - *Establish individual “industry” months for ten months in the year (see below for ten significant industries based on 2021 data on Vallejo employment) and coordinate business visits and stories about that industry in that month*
 - *Partner with regional chambers to identify these 5-6 businesses in Vallejo for productions on a rolling basis and share assets with regional chambers*
 - *Create content 30-60 days in advance using equipment and space donated or owned by strategic partners (chambers/Visit Vallejo/Solano EDC).*

Develop a citywide, capital-facilities master plan and long-range property management strategy for maintaining and investing in deferred maintenance of existing city-owned assets based on the ROI:

- Compile an inventory of city-owned properties
- Consider changes in broadband using Vallejo’s Internet Provider (VIP) for maintenance and marketing of available spaces as the City of Vallejo plans and makes decisions on spaces
- Deploy grant funding to prepare city-owned buildings for commercial utilization or support of workforce projects
 - *Entrepreneurship, maker spaces, art spaces, and test facilities for businesses in partnership with countywide SBDC, Solano Community College, and Solano Workforce Development Board.*

Search for and prepare to apply for nonprofit and government funding to support Cycle 1 action items:

- Seek grants that match Vallejo’s needs for assisting new and expanding businesses located in Vallejo (Measure: the amount of grant funding that was gained and placed in use for supporting Vallejo-based businesses each year)
 - *Federal funding in terms of renewable energy, manufacturing, and social mobility*
 - *State funding may be smaller but is available for workforce development and infrastructure projects*
 - For-profit businesses may need funding to help with infrastructure, affordable housing, and other capital investment
 - Nonprofits and local education may need funding to help with infrastructure, workforce development, and homeless transition support

- *Nonprofit funding may also be available to pursue specific projects that help complete goals (primarily education/workforce development and health care).*

At the end of Cycle 1, assess progress quarterly using KPIs and report annual progress on action items that contribute to goal achievement:

- Set expectations for city council and city management concerning what Vallejo's Economic Development Department plans to do in each cycle.
- Quarterly report to publicly highlight achievements, planning progress, and challenges.

Mare Island and Blue Rock Springs offer various economic and placemaking opportunities. The main uncertainty concerns how these developments will ultimately come to fruition and how to connect them to other parts of Vallejo. Vallejo's Economic Development Department must remain in constant contact with these developers and provide solutions to problems to help Vallejo's economy take full advantage of what these developers and subsequent employers can make happen in these areas.

Economic Development Action Items: Cycle 2

Starting in 2027, Vallejo's Economic Development Department will hold work sessions with the City of Vallejo's Economic Development Commission (Vallejo EDC), the City Management, and the City Council on Cycle 1 progress to determine readiness for Vallejo's Economic Development Department to initiate Cycle 2 action items in 2027. Cycle 2 should start only if Cycle 1 yielded visible, coordinated benefits as a foundation for business attraction and expansion in Vallejo to begin in earnest. Important factors for the City Council to consider when assessing readiness for Cycle 2 implementation include funding, staffing, and completing Cycle 1 strategies. The following action items should be part of Cycle 2; affected targeted industries are in **bold**.

Prioritize business attraction and expansion in downtown and other Vallejo neighborhoods connected to other placemaking efforts underway

- Begin management of city-owned properties based on the facilities plan from Cycle 1, identifying parcels for business attraction and expansion effort (**Construction, Advanced Manufacturing, Software/Film**)
- Connect to infill development efforts underway, especially in significant corridors and eastern Vallejo, as economically feasible (**Construction, Advanced Manufacturing, Software/Film, Transportation, Wholesale**)
 - *Rising jobs and employer numbers support a mix of affordable, below-market rate housing units alongside of waterfront and downtown homes at market rates*
- Advertise changes in broadband through Vallejo's Internet Provider (VIP) for new household and commercial-based businesses as possible (**Software/Film, Advanced Manufacturing**)

- Continue to pursue specific financing opportunities (CFD or EIFD as examples) once downtown-specific and citywide capital-facilities plans are completed (**Construction**)

Focus on updating Vallejo's main business corridors to address pedestrian amenities, landscape, lighting, safety, and curb appeal to support new and expanded business

- Support event programming in essential areas to increase visibility and interest (**Tourism**)
- Focus on rebranding as a city to live in, raise a family, and grow a business. (**Construction, Tourism**)
- Enhance connectivity, safety, design (planning + economic development), public spaces, parks, signage, and road quality, making downtown spaces a place people want to be (**All**)

Communicate economic development progress made on Mare Island and in waterfront and downtown Vallejo

- Provide monthly or quarterly updates on progress with new commercial spaces and tenants to show what type of businesses are coming to Vallejo (**Construction, Advanced Manufacturing, Software/Film, Transportation, Wholesale**)
- Medical office space coming to Mare Island may be filled by Touro University faculty or recent graduates and other regional specialists to build regional demand for medical service provided in new spaces (**All**)
- Napa County (City of Napa and American Canyon) should be seen as a primary partner for Vallejo in terms of partnering on hotel, restaurant, and event packages to reduce regional competition and generate more cooperation (**Tourism**)
- Encourage activities that attract families and business travelers to come to other parts of Vallejo beyond North Vallejo (Six Flags) or Mare Island: Blue Rock Springs
- Connect to infill development efforts underway. (**Construction, Advanced Manufacturing, Software/Film, Transportation, Wholesale**)

Implement marketing to promote Vallejo as: (1) a place to do business regionally, and (2) a place for visitors to come for a day or overnight stays

- Vallejo's Economic Development Department communications for Cycle 2 now focus on external communications for business attraction from employers outside Vallejo or looking to expand further within Vallejo. Messaging for business attraction may consist of:
 - Stories from companies that have located in Vallejo and how easily and quickly they reach Bay Area, Sacramento, and Central Valley markets (**All**)
 - Stories of new Vallejo residents who were outbound commuting workers and now work and live in Vallejo, linked to new employers as possible. (**All**)

- Stories from new businesses on partnering with the City of Vallejo to reduce construction/renovation and operational costs as to why the business is located in Vallejo. (All)

Expand workforce development partnerships with explicit downtown connections to higher education and regional workforce efforts as part of placemaking efforts

- Consider a multi-media campaign to promote the local employment opportunities in Vallejo, e.g., social media, print, electronic billboards along the commute route, posters, brochures, and placards in the ferry building. (Tourism, Construction)
- Link to Vallejo-based employers, including training for recent parolees and other at-risk workers, including local high-school graduates. (All)
- Work closely with workforce development partners, colleges, and employment agencies to ensure they are aware of and are promoting local employment opportunities to these potential employees. (All)

Pursue an enhanced infrastructure financing district (EIFD)

An EIFD is a way to create funding for specific infrastructure needs based on the rising values of assessed property from the year established.

An area and its parcels must be designated as the “district”. EIFDs involve a change in property assessments and the flow of tax funding. EIFDs use incremental property-tax growth to fund public



Source: CalTrans

infrastructure and new affordable housing. Tax rate areas (TRAs) in Vallejo can help form the EIFD’s boundaries to maximize revenue projected to be realized from the new finance district and be concentrated in strategic areas. Addressing sea-level rise and seismic retrofitting could be how EIFD funds are used; such changes prepare Vallejo’s downtown and waterfront for natural disasters and climate change and assist potential tenants and owners by updating current buildings.

Creating an EIFD is a political process. The City of Napa and the City of Santa Rosa are local examples of utilizing this tool. All taxing entities in Vallejo need to agree to this outcome. The plan should include marketing; it is critical to plan for and assume a protest election will take place. Uses of EIFD funding that support economic development are wide ranging beyond shoring up structures and sea walls. These could include (but are not limited to) parking facilities, transit facilities, affordable housing, internet access services, childcare facilities, libraries, parks, and open space renovations to help support a better quality of life for residents, commuters to Vallejo, and visitors. Road quality throughout the city may also be a focus of Measure P funds, the sales tax

initiative passed in 2022, but EIFD funding may also address some roadway needs. EIFDs have a sunset date, which means funding sources must be identified for the long term as part of broader planning and discipline about municipal investment in Vallejo's infrastructure.⁴

BUDGET FOR CITYWIDE ECONOMIC DEVELOPMENT ACTION ITEMS THROUGH 2030

All action items need ongoing funding sources and a commitment by the City of Vallejo and regional, state, and national sources that enable Vallejo's Economic Development Department to support local employers. Strategic planning for any organization must consider the sources and uses of funds that support the plan's goals and initiatives. Table 7 shows the two planning cycles and six years of projected sources and uses for Vallejo's economic development activities **above and beyond** baseline funding for staff and operating expenses from the City of Vallejo.

Table 7: Sources and Uses of Funding for Cycle 1 and Cycle 2 for the City of Vallejo's Economic Development, Fiscal Years 2024-25 to 2029-30

Budget Item	Fiscal Year End					
	Cycle 1 2025	Cycle 1 2026	Cycle 1 2027	Cycle 2 2028	Cycle 2 2029	Cycle 2 2030
Potential Revenue Sources						
Additional city funding/staff	\$75,000	\$75,000	\$100,000	\$121,000	\$133,600	\$158,000
Economic development grants		\$30,000	\$35,000	\$38,500	\$42,350	\$50,000
Revolving Loan Fund (RLF)		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Contributions						
Event sponsorships	\$50,400	\$15,000	\$90,000	\$90,000	\$100,000	\$100,000
ARPA pilot projects	\$205,000	\$150,000	\$-	\$-	\$-	\$-
TOTAL	\$330,400	\$370,000	\$325,000	\$349,500	\$375,950	\$408,000
Expenditures-Uses						
ARPA Pilot Projects						
Citywide Cap Facilities Plan	\$95,000		\$50,000	\$50,000	\$50,000	\$50,000
Pop-Up Events Costs	\$32,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000
Shop-Local Support	\$28,000	\$20,000	\$-	\$-	\$-	\$-
Marketing Plan	\$50,000	\$50,000				
Revolving Loan Fund (RLF)		\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Additional city funding/staff	\$75,000	\$75,000	\$100,000	\$121,000	\$133,600	\$158,000
Other Action Items	\$50,400	\$100,000	\$45,000	\$43,500	\$52,350	\$55,000
Total Uses	\$(330,400)	\$(370,000)	\$(325,000)	\$(349,500)	\$(375,950)	\$(408,000)
Net Sources (or Uses)	\$-	\$-	\$-	\$-	\$-	\$-

Sources: City of Vallejo and EFA projections for Cycles 1 and 2; these sources and uses are beyond Vallejo's Economic Development Department core budget as of June 2024. All estimates in Table 7 are subject to change.

This budget includes remaining ARPA funding for continuing to combat the effects of the pandemic, projections of funding sources and uses for fulfilling goals, and putting the action items in this plan

⁴ See <https://caled.org/how-to-create-an-eifd/> for details on EIFD formation.

into effect. It is essential to recognize that many of these efforts (meetings with stakeholders, meeting coordination with City of Vallejo staff and regional partners, for example) require additional resources to current Vallejo's Economic Development Department budgeted sources.

These budget additions make the following assumptions:

- Vallejo's Economic Development Department core staffing remains the same as it was from fiscal year (FY) 2022-23 to FY 2028-29.
- A grant writer position is made permanent, with Vallejo Economic Development support for grant applications, compliance, and maintenance for Cycles 1 and 2
- This employee would also manage grants in terms of compliance reporting, which could be an additional 0.5 FTE position (part of "Additional city funding/staff" in Table 7)
- The cost of services and supplies that are part of new economic development activities starting in FY 2024-25 is included in "Additional Costs of Action items."

BASED ON NATIONAL ECONOMIC DEVELOPMENT ORGANIZATIONS' ESTIMATES FOR A SUCCESSFUL ANNUAL ECONOMIC DEVELOPMENT PROGRAM

- VALLEJO'S ECONOMIC DEVELOPMENT OPERATING BUDGET SHOULD BE \$1 MILLION TO \$1.25 MILLION (\$8 TO \$10 PER CAPITA).
- VALLEJO'S ECONOMIC DEVELOPMENT MARKETING BUDGET SHOULD BE \$325,000 (\$2.60 PER CAPITA).

Grant funding and funding from tax revenues, asset sales, and other sources must be allocated to support Vallejo's Economic Development Department activities. Critical line-item expenditures include:

- Costs of action items in the Executive Summary "Roadmap" as estimates (May 2024);
- Projected grant and nonprofit foundation funding as a goal structure for grant pursuit within the City of Vallejo and also partnership organizations;
- No funding from lenders or other organizations for a Revolving Loan Fund or RLF (as those are assets for a specific use, not sources/uses for annual operations) is shown here.

APPENDIX

These appendices offer more details on our findings. Many of our interviews with groups or individuals were conducted under confidentiality and sought to determine which specific tactics resonated with the community and our team or themes that were strategic in solving problems or supporting businesses in Vallejo. Each section in the appendix covers our efforts: The Vallejo Databook and Facilitating Community Outreach, as well as Voice and Expectations. “Task” numbers below refer to the contract tasks asked of the consultant during this project.

THE VALLEJO DATABOOK

task 1.1: Generate and Analyze Data

An appendix to this plan includes a “databook” that gives a recent history of Vallejo’s economy (through 2022) and some recent forecasts through April 2024, looking forward to 2030. The attached workbook has tabs for major indicators included by our team that provide a data foundation for recommended action steps and benchmarking for city economy progress during Cycles 1 and 2. These data include demographic information from the Census Bureau that enables comparisons to incorporated cities in the United States and housing market data and forecasts. The following list describes the data included.

Detailed data are provided in the supplemental file, “Vallejo Databook, City of Vallejo Vallejo’s Economic Development Department, June 2023”.

task 1.2: targeted industries

Marketing the city to specific regional, state, national, and (perhaps) international organizations that provide a network to such businesses within each targeted industry (for example, a manufacturing group). One of the action steps is to prepare a marketing plan for the City of Vallejo as a place to do business. This plan can be a simple, strategic plan about how to approach these industries as if the businesses in each industry are customers of the City of Vallejo. This includes a pitch deck to film studios (the pitch deck and marketing plan should answer the question: why film in Vallejo?) and also for specific types of retail that current residents patronize outside of Vallejo now (as we learned in our residential interviews and gatherings during the planning process). A professional firm should be consulted regarding this plan, which includes a vision and branding for Vallejo that is honest and forward-looking.

The “Targeted Industries, City of Vallejo Vallejo’s Economic Development Department, June 2023” supplemental file provides details.

task 1.2: peer and aspirant cities

Our peer and aspirant city choices were determined by a mixture of variables, starting with population size. The original shortlist of cities is as follows (in descending order of 2021 population size based on the most recent Census Bureau estimates):

- Simi Valley, California
- Topeka, Kansas*
- Allentown, Pennsylvania
- Thousand Oaks, California*
- **Vallejo, California**
- Concord, California
- Round Rock, Texas
- Clovis, California
- Palm Bay, Florida
- Lafayette, Louisiana*
- Ann Arbor, Michigan*
- Columbia, Missouri*

For more details, see the supplemental file “Peer and Aspirant Cities, City of Vallejo Vallejo’s Economic Development Department, June 2023”.

task 1.3: KEY Performance Indicators

The consultant have employed a “dashboard” to report on local economic progress. We recommend that Vallejo’s Economic Development Department consider such an instrument as part of a communications strategy. A sample is shown below. We recommend that Vallejo’s Economic Development Commission work with City staff on the final look of [this dashboard](#) and use it to discuss forward movement and ways adjustments could be made. This dashboard should be live online for public access and utilization.



Further details on the KPI data are in the Vallejo Databook file and a presentation file called “KPI Details for City of Vallejo Vallejo’s Economic Development Department, June 2023.”

task 1.3: retail leakage

Our team took an introductory look at retail leakage in this plan based on the request made by the City of Vallejo's City Council. *Please see the supplemental file "Retail Leakage Details for City of Vallejo, June 2023" for more details.*

task 1.3: pilot project Choices using ARPA funding

Our team worked with Vallejo's Economic Development Department staff using a short list of project options and choices. We recommended the following projects.

Arts Downtown or Along Waterfront

Funding estimate = \$25,000 (second tranche)

- Consider grants that pursue making Vallejo a California Cultural District⁵
- Contact landlords and property owners who have vacant spaces and then advertise that these spaces will be used for Vallejo-based artists to present an art installation
- Focus on creating a unique experience and driving foot traffic
- This converts a currently vacant space into one that is occupied to draw traffic to a specific area and has limited infrastructure needs (the City of Vallejo should not finance tenant improvements; the landlord would need to be a partner)
- Consider electronic billboards downtown and along highways and interstate at city boundaries, inviting travelers and commuters into Vallejo for specific events
- General signage could direct travelers on State Highway 37 and Interstate 80 to points in Vallejo of interest or new businesses
- Consider installing downtown kiosks to promote special events and inform visitors 24/7
- Kiosks should offer information in multiple languages, include maps to help visitors navigate the city, and provide details on local attractions, museums, historical sites, dining and shopping options, events, etc.

How does this pilot project contribute to Vallejo's Economic Development Department goals?

- Arts Downtown recognizes Vallejo artists and drives traffic downtown
- Integrate with Shop-Local Campaign to drive people spending to downtown and specific parts of Vallejo, especially from those that come to Vallejo for arts
- If visitors can be converted to overnight stays, that connection is critical

Security Equipment for Businesses

Funding estimate: \$50,000, pilot downtown and then beyond

- Install audio and lighting downtown in place, as this would enhance the use of technology

⁵ For more, see <https://www.caculturaldistricts.org>.

- Security equipment installation downtown to provide deterrence and a sense of safety
- Following the reduction in services and related resources during the pandemic, several small businesses are experiencing increased vandalism or theft.
- Communications with downtown and northern Vallejo business owners about how camera systems have worked may tell a need to enhance partnerships with CalTrans, California Highway Patrol (CHP), and the Solano County Sheriff's Office to augment the network of cameras in place and grow monitoring infrastructure
- Responds to the comment by survey participants that the City of Vallejo should help local businesses and prepare for future traffic.

How does this pilot project contribute to Vallejo's Economic Development Department goals?

- Recognizes downtown Vallejo as an economic engine that needs to be enhanced and ready for changes elsewhere in Vallejo's economy
- Recognizes that local law enforcement is still building resources but preparing for change and reducing safety concerns for local businesses.

Software License Renewal and Training

Funding estimate = \$25,000

This would use ARPA funding to provide licenses, training, or outright purchase of hardware or software for local businesses that were identified as needing them to continue as a business or become more efficient or both. As part of our team's communications outreach, we heard from multiple businesses that they need customer relationship management (CRM) software, point-of-sale software, accounting software, security cameras, and other pieces of technology to complete their recovery from the pandemic. These local businesses might also need training in data entry and maintenance of the system if they have no prior experience with them.

How does this pilot project contribute to Vallejo's Economic Development Department goals?

- Provides direct support to businesses, especially those whose point-of-sale or accounting still rely on a noncomputerized method (Hispanic-owned businesses identified this as a critical need)
- Helps reduce the cost of doing business and tracking business progress.

For more details on pilot project choices, see the supplemental file called "Pilot Projects, City of Vallejo Vallejo's Economic Development Department Using ARPA, June 2023."

FACILITATING COMMUNITY OUTREACH, VOICE, AND EXPECTATIONS

task 2.1: DRAFT Communications Plan for community engagement

Task 2.1 was to build a communications strategy to generate qualitative information from Vallejo's residents, businesses, public sector staff, and elected officials during the strategic planning. That plan was submitted to staff early in our project, and the file called "Draft Communication Plan, Task 2.1 Vallejo EDSP, Revised 081222" describes our approach.

Our team gathered thoughts and opinions on economic development and doing business in Vallejo from Vallejo's residents and businesses during one-on-one interviews, group meetings facilitated by the regional chambers (Vallejo Chamber of Commerce, Solano County Black Chamber of Commerce, Solano County Filipino Chamber of Commerce, and Solano County Hispanic Chamber of Commerce), and meetings with regional employers and other stakeholders.

To engage Vallejo residents, elected officials, and city staff, we used a mixture of gatherings with residents hosted by particular elected officials, residential surveys using the City of Vallejo Bang the Table platform, and some one-on-one interviews with residents. Tasks 2.2 and 2.3 involved executing the communications plan in Task 2.1 and gathering that information.

task 2.2: Facilitating Community Outreach and Voice and Expectations

Interview and Group Meeting Themes: Local Employers (Currently Operating) and Business Advocacy Groups and leaders

As part of our communications plan, we reached out to local employers, regional chambers, economic development support organizations, elected officials, city staff, and Vallejo residents to pose questions about the state of doing business in Vallejo and how the City of Vallejo has been a partner with or a challenge for local employers.

Based on these questions, several opinions emerged, such as the following general comments:

What do you see as Vallejo's most significant opportunities?

- Green initiatives on Mare Island, which has 1,000 acres of state land and 100 acres of solar so that it could become the "Island of the future"
 - Brand around green energy, as electric ferries built on Mare Island
- Dredging Napa River could enable larger marine vessels to travel on and service both sides of the river
 - Doing so might also enable the return of some shipbuilding.
- Elected officials need to address crime and its effects on businesses
 - Need greater focus on having more police on the street and available
 - Create a concierge service for key employers and projects to assist them in moving through the process and connecting the dots.

- Vallejo has unique assets and characteristics that would attract businesses:
 - Mare Island
 - Ferry Terminal
 - Proximity to the Bay Area and Sacramento.
- Using more technology, create a “Business Watch,” similar to a neighborhood watch.

What are Vallejo’s most significant challenges?

- Inclusive collaboration is absent: the BIPOC community is not part of broader discussions, especially BIPOC business owners
- City of Vallejo needs to engage in dialogue and be able to react to it
- Leadership issues exist between the city staff and city council
- Solano County is not very involved in Vallejo, especially the county government.

Themes that emerged from the Business Survey Results include:

- Homelessness, trash, lack of public safety, and consistency about all issues related to locating in Vallejo or expanding businesses
- Mare Island is the best opportunity area in Vallejo
- Downtown buildings are dilapidated and challenging to sell due to age, the need for tenant improvements, and lack of consistency with City of Vallejo staff on permit timing and costs
- Visitors to Vallejo are a significant asset and offer potential for current and future businesses.

What We Heard: Residential Surveys and Meetings:	What We Heard Employer Surveys and Interviews:
Vallejo can be a primary place to do business regionally, mainly in downtown and waterfront areas	Businesses want better municipal services in terms of police response, general public safety, road quality, and reduced visibility of the homeless
Mare Island can be a regional standout for both tourism and jobs	Employers generally believe Vallejo has a lot of “potential” for business, and more can happen throughout the city with a focused effort to reduce challenges and provide more assistance
Safety is a concern for residents in terms of where they choose to shop and play in Vallejo, as well as where they go when visiting other places	Vallejo’s location, Mare Island, and the Ferry Terminal are all recognized as unique assets
Facebook and Nextdoor are popular ways residents use to learn what is going on in Vallejo, along with watching council meetings, reading newspapers, and viewing the Vallejo Weekly	Perception: permitting processes are slow and relatively numerous regionally
Residents want more information about what is going on throughout Vallejo (Mare Island, Blue Rock Springs, Waterfront, and Downtown) and other projects and changes throughout the city’s central business districts	City Council needs to be more business-friendly and consistent in terms of vocal support for local businesses and being visible in the business community (visiting businesses)
People live in Vallejo mainly because of the climate and proximity to the inner Bay Area.	BIPOC businesses need to be embraced by the City Council to support diversity

What We Heard: Opinions of Landowners, Site Selectors, Commercial Real Estate Professionals:	What We Heard: Opinions of Elected Officials Appointed Officials and City Staff:
<p>One opinion provided to our team was that Vallejo, outside Mare Island, is believed to be built out in terms of residential real estate.</p>	<p>Location, weather, and proximity to markets are all selling points for the City of Vallejo as a place to do business</p>
<p>Vallejo's commercial real estate is generally thought of as older and class B or C</p>	<p>Everyone understands that homelessness and its visibility are problematic for residents and businesses in Vallejo.⁶</p>
<p>Vallejo's Opportunity Zones are unique assets (Fairfield has the only other Opportunity Zones in Solano County), but (1) the Opportunity Zone program is federal, and new investments cannot be made after 2027 as of June 2023, and (2) parcels in Opportunity Zones are not deciding factors in locating businesses generally.</p>	<p>Everyone understands public safety is an issue; Measure P should provide more resources and relief.</p>
<p>High crime rates, safety concerns, and low-quality schools remain issues in tenant and owner perceptions of Vallejo.</p>	<p>Mare Island must be developed and become a regional asset in the city's economy.</p>
<p>Continued concerns over public safety, especially in the downtown and Sonoma Boulevard areas for residents, local businesses, and visitors</p>	<p>City finances continue to struggle regarding funding social priorities and staffing needs.</p>
<p>Dilapidated homes and commercial properties across the city are an issue for business location decisions.</p>	<p>Waterfront and Downtown efforts need to start and provide resources, including new housing</p>
<p>Disconnected commercial centers (northern Vallejo is not connected to downtown or waterfront areas), and Mare Island remains an "island," with only two connections to the mainland.</p>	<p>Local employers need to use diverse population and educational institutions together to enable social mobility</p>
<p>The ferry terminal is not connected to downtown or waterfront commercial opportunities.</p>	<p>Use Location One software to market properties after inventory completed</p>
	<p>Roadways and transportation infrastructure lacking and no strong regional plan exists</p>

See the supplemental file "Communications Plan and Messaging: Tasks 2.1 to 2.3, City of Vallejo, June 2023" for more details, including surveys and group meetings' summaries.

⁶ *City of Rohnert Park in Sonoma County is a recent example of good planning and practice for a homeless population using regional partnerships. See more at [City of Rohnert Park](#).*

Survey Questions: Residential

Between November 2022 and February 2023, our team, in partnership with the City of Vallejo's Public Information Office, conducted surveys as part of our due diligence and had three goals:

1. Obtain simple responses to simple questions
2. Identify media that residents and businesses use as communication tools
3. Prepare to publicize our survey results.

Questions Raised at Residential Gatherings (see the tables below):

1. What is missing from Vallejo in terms of businesses?
2. Past interviews/surveys suggest that Vallejo has "potential." In what ways do you think that Vallejo has potential?
3. When people you know come to Vallejo, where do you tell them they should visit?
4. Where do you go when you visit other places (not events but places), and why do you go there?
5. Why do you want to live in Vallejo?

The three residential gatherings were held at the following locations:

- the Lodge at GlenCove, March 30, 2023
- Emmanuel Apostolic Church, April 12, 2023
- JFK Library, City Hall, April 24, 2023.

Our team retained the raw responses but eliminated repetition to conserve space in this Appendix. These individual responses are intended to demonstrate the range of viewpoints expressed and the opportunities for the residents to offer their opinions at our meetings. These responses are the voice of Vallejo.

Describe Vallejo

Natural beauty, Views
Potential
Ineffective gov't
Diverse Waterfront
Unsafe Friendly
Great weather
History & Architecture

How do you stay informed on what's happening in Vallejo?

Vallejo Weekly
Council meetings
Facebook
Instagram
Twitter
Radio
TV
Nextdoor
Newspaper
My Vallejo

How do you spend your free time in Vallejo?

Shopping Downtown
Local theater
Mare Island
Local eateries
Six Flags Waterfront
Sports Parks
Galleries, etc.

What do you typically purchase in Vallejo?

Garden supplies
Pharmacy items
Automobiles Furniture Tools
Gifts **Gas**
Groceries
Appliances Clothing

Why do you shop outside of Vallejo?

Safety
Location
Prices
Quality
Parking
Selection
Customer Service

Significant, positive changes in Vallejo that have helped local quality of life

Sense of community
More local events
More Island dev
Glen Cove fire station
Transit system
None
More local businesses
Ferry revitalization

Detailed responses to questions: the Lodge at GlenCove, March 30, 2023

What is missing?	Where's the potential?	What should visitors see?	Where do you visit and why?	Why do you live here?
Investment in the public-education system	Downtown can have more businesses	Discovery Kingdom	Farmer's Market	It has much potential
Transitional youth jobs	Public transportation	Bambino's	San Francisco: waterfront, restaurants	Location Job Talent, Mare Island
Youth programs	Golf, boating, parks, hikes	USA Classics World Events Center	Jelly Belly	Beauty and history
Higher education (state school)	To be a safe city	Solano County Fair	Fairfield	Affordable, beautiful, close to everything
Quality schools	Waterfront, retail close to the ferry	Heritage District	Lynch Canyon	Residents are very welcoming
Housing for the homeless	Better schools	Blue Rock Springs Golf	Bay Area for professional sports	Location, central, low cost, diversity
Safe parking lots for the homeless	We need to stop using "potential"	City parks	Suisun: waterfront, restaurants	Diversity
City news and dissemination to the public	Mixed-use waterfront	St. Peter's Chapel on Mare Island	Sacramento: friends and entertainment	Proximity to SF and SJ
Retail and restaurants open in the evenings	Better coordination to make the city run smoothly	Mad Hatter Parade	Napa: wineries, restaurants, friends	Affordability
Incentives for small businesses	None, if city staff doesn't change ways	Vallejo Chamber of Commerce Parade	Benicia: waterfront, restaurants	
Businesses in empty buildings	Transportation and cargo hub	Shakespeare in the Park	Hurricane Harbor: Waterworld in Concord	Bay Area transportation
Developed downtown (like Benicia)	Potential, if utilized	Anchor Pantry	Concord, Walnut Creek: Retail and Entertainment	Family Lives here
Good shopping	Clean, safe, affordable neighborhoods	Mare Island Distillery	Benicia: waterfront, restaurants	Waterways
	Higher education expansion	Ferry	Quality grocery stores: Trader Joe's, Whole Foods	Location
Civilian maritime/shopping	Mare Island development	Vallejo Symphony	Concord, Walnut Creek: Retail and Entertainment	Close to work
Job opportunities	Waterfront development	Waterfront	San Francisco: sporting events and restaurants	Climate
Traffic enforcement Safety	Support and humility	Empress Theater Mare Island Brewery	Oakland and Berkeley Pier 39	Weather Climate
Roads/Potholes Program		Vallejo Naval Museum	Martinez: Waterfront, Bocce	Beautiful landscape
Clean streets		Plaza	Sonoma Raceway	Hills
Public transit		Zio Fraedo's		Views
Better collaboration within city departments		Bay Area Stage Theater		Parks
Fully functioning marina		Historic homes		
Unity		Moschetti's Coffee Shop		
People who care		Children's Wonderland		
Festivals		Provisions		
Community gardens		Pickleball/tennis courts		
Youth activities		Art studios and art walk		
		Vino Godfather		



Detailed responses to questions: Emmanuel Apostolic Church, April 12, 2023

What is missing?	Where's the potential?	What should visitors see?	Where do you visit and why?	Why do you live here?
Better schools	Historic Tours	Mare Island Brewery	Concord/Trader Joe's	Affordable living
More churches	Trader Joe's/Sprouts	Farmers markets	Oakland/Work	Close to SF
Better police	Pothole fills	Local restaurants	Concord/BART	Beautiful city
Grocery stores	Cheaper housing	Vallejo Symphony	SF/work	Great weather
Gyms	More social services	Ferry Building	Vallejo/Ferry	Close to everything
Cheaper housing	Active community center	Waterfront	Fairfield/Shopping	Ferry to SF
Parks	Rental places	Downtown	Concord/Sun Valley Mall	Low traffic area
Fixing city streets	Shopping activities	Vallejo People's Garden	Vacaville/outlets	Diversity
Teen jobs	Family activities	Shopping plaza	San Jose/events	Art scene
Gardens	Fun centers	Empress Theatre	El Cerrito/music	LGBTQ community
Clothing stores	Educational Improvement	Blue Rock Springs	SF/travel	Growth opportunities
Environmental protection	Fitness classes	Bambino's	Benicia/food	Small businesses
Childcare	Informed residents	Dan Foley	Napa/winery	Convenient places around
Youth programs	Music Center	Provisions	Napa/restaurants	Multiple schools
Newer buildings	Mare island	Recreational park	Martinez/restaurants	Tightknit community
Renovating old buildings	Community Values	Hiking trails	Mare Island/beer, wine	Parks
Educational opportunities	Water views	Six Flags	Sacramento/family activities	Downtown
Mall/shopping center	Small & large business opportunities	Movies/Cinema	Walnut Creek/shopping	Vet hospitals
Job opportunities	Lower cost of living	Glen Cove Waterfront	Vacaville/healthcare	Health care/Kaiser, Sutter
	Medical expansion		Davis/vet care	Local churches
	Job expansion			Car dealerships
	Fitness/gyms			Costco



Detailed responses to questions: JFK Library, April 24, 2023

What is missing?	Where's the potential?	What should visitors see?	Where do you visit and why?	Why do you live here?
Trader Joe's	Waterfront	Moschetti café	Benicia/dining	Affordable houses
Public-safety plan	Housing prices	Waterfront	Oakland/music	Strong community
Inclusionary housing	Botanical Garden	Mare Island brewery	Oakland/Beer Garden	Beautiful
Better schools	Center art/music	Downtown	Benicia/food	Farmers market
Bicycle lanes	Bike tours	Anchor pantry	Napa/restaurants	Diversity
Rental places	Collaborations with citizens	First 5 Solano	Napa/shopping	History
Local shops		Ferry	Berkeley Bowl	Mare Island
	Industrial expansion			
Major employers	Highway intersection	The Joint	El Cerrito/music	LGBTQ+ community
EMS training	Community Garden	Six Flags	Port Costa/everything	Real estate
Connected trails	Involved citizens	Town House	Napa/wine	Work
Better streetlights	Medical hub	Vallejo events	San Jose Sharks	Environment
Law enforcement	North Star of the Bay	GVRD parks	SF/work	Commute to work
Shared housing	Water views	Mad Hatter Parade	Oakland/work	Services
Hotels	Rivers	Glen Cove waterfront	Concord/BART	Good weather
Business parks	Expand health-care	Savage & Cook	Concord/John Muir	Waste management
Clothing stores	Industry	China Wok	Concord/groceries	Close to all Bay Area
Housing	Culturally diverse	They offer marketing opportunities and	Pinole/Trader Joe's	Church
Asset mapping	Ecotourism	Blue Rock Springs	Martinez/dining	Old houses
City pride	Bird watching	Art walk	Farmers markets	Near ferry
Infrastructure	Fly Over Festival	Vallejo symphony	AC/Walmart	"Center" of everything
Senior activities	Old K-Mart	Manny's Steakhouse	Vacaville outlets	Less traffic
Affordable commute	More support for the community	La Piñata Taqueria	Dog parks	Homeless support
Wine tasting	Transportation hub	Tacos Jalisco's	Tahoe	Growth opportunities
Beer gardens	Downtown "vibrant"		Palo Alto	Art scene
Biotech	Six Flags		SF/all above	
Leadership	Improve/parent involvement		Tahoe/camping	
Barnes & Noble	Entertainment hub			



STRATEGIC PLANNING PRINCIPLES

Strategic planning should be about the future, shaped by past events and current conditions.

Action steps are always about the future. Our team approached this plan as if Vallejo were a business needing a new communications strategy and investment capital. The budget for achieving goals foresees an expansion in resources used and an investment in partnerships.

The action steps and goals in this plan respond to four key considerations or questions:

- **What can Vallejo change and control?**
 - Perceptions about how the City of Vallejo supports local businesses
 - Seeking partnerships and solving problems for local businesses: connections to funding, training, marketing efforts, enhancing public safety efforts
 - Produce downtown and waterfront-specific plans at the same time as the Mare Island specific plan
- **What do residents and businesses want Vallejo to provide?**
 - Residents: better safety and more retail choices
 - Business: better safety, more customers, and partnership with the City of Vallejo
 - Regional communities: the ability to take advantage of Vallejo's unique assets without safety concerns.
- **What development is already in progress in which the City of Vallejo can make investments to facilitate more commercial activity as a partner?**
 - A downtown and waterfront-specific plan should be done at the same time and integrated with planning on Mare Island
 - Affect what you know and what you can best predict: zoning flexibility and a new vision for commercial areas in Vallejo
- **What future changes are essential for Vallejo to anticipate?**
 - How the regional and national economic effects until 2030 will affect Vallejo
 - How current parallel efforts and changes will shape Vallejo in ways that affect economic development.

Visionary steps: Our approach envisions two cycles, in which Cycle 1 focuses on building a foundation; Cycle 2 is where Vallejo is set on a path to 2030 and beyond. At the end of Cycle 1, Vallejo should ask the following questions when thinking about progressing to Cycle 2:

- What does a plausibly successful future look like?
- Did the Cycle 1 action items progress toward achieving goals at the right time and in the right way?
- Can Vallejo be at the top of the wallet regarding site selection and business owner choice?

An external vision of Vallejo needs to be a unique and profitable place to do business. Economic development efforts need to find small wins (Cycle 1 action steps), change perception, and build on those foundations (Cycle 2). Such efforts need to be citywide. The overarching goal of a strategic plan is to shape the future rather than being shaped by it.

- Strategies help Vallejo not just to survive but to thrive and grow over time
- This comes with defining “thriving” realistically: KPIs, perceptions and change
- Also investing resources to get things done and understanding it takes time to emerge as a first choice in a marketplace
- Need to focus initially on easy wins and building momentum (Cycle 1)
- “Strategic Doing”: Action steps need to show overt movement toward broader goals.

Communication Plan Principles and Marketing Plan Primer

As part of this project, we developed a communications plan to inform and be informed about our strategic planning process with Vallejo’s residents, businesses, and city government. In Cycle 1 of our recommended plan, building on that foundation of consistent and honest communications – talking about the opportunities and challenges and how Vallejo’s Economic Development Department is addressing both – keeps all informed and engaged. Cycle 1 is about business retention and expansion; Cycle 2 is about business attraction.

A Marketing plan for Vallejo as a place to do business is recommended in Cycle 2 of our recommended tasks for Vallejo’s Economic Development Department

Key Messages define the relevant economic development factors that differentiate the City of Vallejo and add to its value proposition for businesses. Key messages inform, convey benefits, and create an image of why and how the city differs from other areas as a place to do business.

Proof Points differentiate, qualify, and substantiate the key messages. You will need to continually add to the proof points—adding benefits and value propositions that a business will receive when locating or expanding in the region. Proof points are not stagnant; they are dynamic and constantly changing. Proof points offer marketing opportunities. Proof points build your marketing arsenal around the key messages.

Why important: A key message platform helps guide content for a marketing plan and sends clear, consistent, and compelling messages to various audiences.

Background: Local businesses and site-location consultants were interviewed to gather their perceptions of Vallejo’s assets, which are valuable for business success and growth.

The findings were presented in work sessions with private-sector and regional public-sector partners to prioritize and develop key messages. Repeating the critical message themes reinforces the position and brand identity and generates awareness and interest. Themes included:

- Central location in the Bay Area with access to the Sacramento Metro Area; World-class workforce and unique assets for a series of industries; Partnerships exist to support business solutions to problems; Small-town, waterfront lifestyle with urban amenities and access.

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THE RESEARCH TEAM



Economic Forensics and Analytics, Inc. (EFA), is an independent research and consulting firm in Sonoma County, California. Since 2000, we've been dedicated to providing clients with customized economic analysis at a reasonable cost compared to our larger, local competitors. EFA offers expert witness services for clients needing support for financial or economic arguments in litigation or in-depth analysis of the opponent's arguments, experts, and testimony. EFA has produced strategic plans for corporate and government clients.

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We would also like to thank our Solano Community College interns, Breanna Lutz and Kenner Escobar, for their efforts at the citywide events.



Chabin Concepts is an economic development and marketing firm serving national and international clients. We have been privileged to serve over 350 communities, agencies, and organizations since our formation in 1989. Our portfolio includes four state-level assignments. Chabin aims to position clients to win new jobs and investments by creating strategies designed for implementation and supported by necessary tools

and materials. We value every client and respect each community's characteristics, heritage, and goals. We have institutional knowledge of what works, what might work, and what sounds good but really won't work, and we bring that applied knowledge to our clients.

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