

San Francisco Bay Area Regional Prosperity Plan
Final Report

Dated: April 15, 2015

A. Project Profile

Project Name: Northern Waterfront Economic Development Initiative

Lead and Partner Organizations: Contra Costa County Department of Conservation and Development

Primary Contact Person: Rich Seithel, Chief
Annexations and Economic Stimulus Programs
Contra Costa County Department of Conservation and Development
30 Muir Road
Martinez, CA 94553
Email: Rich.Seithel@dcd.cccounty.us

Sub-Grant Program: Bay Area Regional Prosperity Plan

Project Type: Economic Opportunity

Total Grant Amount: \$30,000

Total Match (if any): N/A

Geographic Coverage of Project: Sub-Region covering 55 miles of Contra Costa County's Northern Waterfront extending from Hercules on the west to Oakley on the east, including the cities of Hercules, Martinez, Pittsburg, Antioch, Oakley, Contra Costa County, and the unincorporated communities of Rodeo, Crockett, and Bay Point.

Images: Attach process chart

B. Project Description

A regional economic development initiative was launched by Contra Costa County to revitalize an aging industrial district that extends 55 miles along the county's Northern Waterfront, which involved six municipalities and three unincorporated communities.

1. Goals and Objectives

In authorizing the Economic Development Initiative, the County Board of Supervisor's goal was to start a public dialogue about the future of the Northern Waterfront "in collaboration with a broad spectrum of stakeholders, including but not limited to federal, state, and regional agencies, the cities and special districts located along the waterfront, and the industrial/commercial, railroad and maritime transportation interests located along the waterfront." Historically, industrial development in began along the county's northern waterfront back to the late 1890's and still remains a vital part of the region's economy. According to the Board Order, "as the region's economy evolves it is in the County's interest to gain a better understanding and insight about the waterfront and strategically plan for its future."

2. Work Plan

Key tasks and deliverables for the Project included:

Coordination with Project Partners including collaboration among multiple jurisdictions to develop an action plan for the creation of jobs and the economic revitalization region. County led collaborative efforts brought together diverse interests from six municipalities and three unincorporated communities in the region to determine how best to create more jobs and regional economic activity. The County DCD staff also coordinated with regional agencies including ABAG, MTC, CCTA, S.F. Bay Conservation and Development Commission (BCDC), U.S. EPA and EDA Regional Offices. *A memo summarizing these collaborative planning efforts was prepared as a deliverable (see attached).*

Community Outreach and Engagement efforts involved presentations and public meetings with a wide variety of organizations. As a result of the grant funding County DCD staff was able to expand the number of community outreach meetings to raise awareness and obtain feedback on the goals, objectives, issues, and study outcomes from a community perspective regarding the long-term development of the Northern Waterfront. As part of the community outreach effort a web-based system was developed for informing stakeholders, CBO's, local jurisdictions, residents, and other interested parties about meetings and public workshops. *A memo summarizing feedback from community outreach meetings was prepared as a deliverable for this task (see attached).*

Action Team Engagement was a primary objective from the outset of this project beginning with a public forum attended by over 400 people in January 2014. Action Teams were established around eight (8) action areas in which members of the public were invited to participate. DCD staff worked with the Action Teams to ensure an inclusive process and to document and incorporate issues and recommendations made by members of the public, community based organizations, and other stakeholders. *A memo was prepared as a deliverable documenting Action Team meetings (see attached).*

Draft White Paper summarizing the information, issues, and recommendations gathered from the community/business engagement process with local jurisdictions, key stakeholders, CBOs, County Health Department, and Action Teams was prepared as background information to help inform the development of an Action Plan to support economic development along the County's Northern Waterfront. *The draft White Paper summarizing the findings and recommendations from the Action Teams and community outreach process was prepared as a deliverable for this task (see attached).*

3. Role of Lead and Partners

The County's Department of Conservation and Development served as the lead partner organization for this regional economic development initiative. The DCD has played the role of convener and facilitator in setting up and coordinating meetings with city partners and other key stakeholders, meetings with community organizations, and others. Other organizations such as the East Bay Leadership Council helped staff the action teams.

C. Challenges and Outcomes

4. Challenges

Major challenges included the geographic coverage, number of local government partners, lack of resources, and competing priorities. The region extends 55 miles along the Northern Waterfront covering 64 square miles with multiple jurisdictions. This represented a challenge getting city partners to attend meeting on a regular basis. Although meetings were held at a central location, some members still had to drive long distances that led to scheduling conflicts. Conference calls were made available as an option, but this proved not to be as successful as face to face meetings.

It was anticipated that there would be much more collaboration and shared work load, but the cities are short staffed, which made it difficult to keep people engaged. Turn over in city staff and city council members was also a challenge to keep everyone updated and current.

Although the County tried to foster a collaborative environment by engaging the cities as members of the work group, most jurisdictions struggled to understand how the regional effort benefits their community. They viewed the Initiative as a County driven effort. Most cities measure economic development as competitive. For example, if one city is successful in attracting a new business, it would be considered a loss for the other cities instead of a regional benefit. An effort was made to focus the cities on industry clusters instead of individual companies. Most of the stakeholders also had a hard time seeing the long term vision and had unrealistic expectations about the immediate returns in terms of new job growth or business expansion.

Due to the recent recession and the elimination of local redevelopment agencies and enterprise zones, cities have limited funding available for economic development purposes. Cities are also short staffed, which made it difficult to keep people engaged. Due to the lack of funding and resources the Northern Waterfront Economic Development Initiative has been reliant upon volunteers. Even when there is no money and local governments are paying out of their own budgets, they feel that their needs should take priority. State and federal funding opportunities also are viewed as a win-loose proposition. Cities will also compete for resources when it comes time to implement.

5. Outcomes

The major effort for the initial phase of the Project was the formation of eight Action Teams around key policy issues. Each Action Team was charged with identifying issues and developing recommendations that would lead to be incorporated into a white paper leading to development of a regional action plan. In addition to the Action Teams, a community outreach effort was launched to raise awareness and obtain feedback on issues and concerns that were important to the local community. The Community Engagement Process included presentations and consultations with a wide range of community stakeholders from six municipalities, various business and industry organizations, economic development, and community based organizations, regional agencies (ABAG, MTC, CCTA, BCDC, U.S. EPA, and U.S. EDA), and staff from various County Departments and Agencies including Health Services, Hazardous Materials Commission, Community Development, workforce board, and Municipal Advisory Councils.

The overall effort was successful in raising community awareness about the Northern Waterfront Initiative and the need to create local jobs and address the issues facing an aging industrial district.

D. Replicability and Dissemination

6. Replicability

A Public Forum was held at a central location within the region to launch the Northern Waterfront Economic Development Initiative with over 400 people attending including key stakeholders, city partners, business organizations, economic development agencies, education and workforce training, community based organizations, residents, industry representatives, and local media stations. Flyers were distributed by governmental entities and by business and community organizations to inform the public about the Northern Waterfront Economic Development Initiative Forum.

In order to build community awareness a community and business engagement process was developed that provided a bottom up approach, bringing together multiple groups to identify and discuss issues of importance. Numerous public presentations were made to a wide range of organizations to inform the public and solicit input and feedback from the community about the issues and concerns. Interested parties were invited to participate on various action teams.

A steering committee was formed consisting of city partners, workforce development, economic development agencies, and service district representatives to guide the study and develop an action plan.

Identification of Key Stakeholders and champions was important as was the development of partnerships with key stakeholders, community organizations, and business groups to support the adoption and implementation of the Action Plan.

7. Tools and Resources

Resources and background information about the Project are listed on the Northern Waterfront website: <http://www.cccounty.us/4437/Northern-Waterfront-Economic-Development>. A detailed economic analysis and market assessment provides background information about the regional economy focusing on the manufacturing sector. An Atlas was compiled to illustrate existing conditions along with a fact sheet about the Project. Funding from the grant helped expand community outreach and the preparation of a draft white paper that identifies the issues, needs, and proposed solutions for economic stimulus and job creation within the region. *Copies of the background materials are attached to this report.*

8. Sharing and Dissemination

The tools and resources will be shared with the participating local governments, community groups, business organizations, local residents, and general public primarily through the website, but also through collateral materials and FAQ sheets handed out at community meetings. Information about the Northern Waterfront, including the tools and resources developed for this project are available online. Interested parties can access the information and website at <http://www.cccounty.us/4437/Northern-Waterfront-Economic-Development>. The background report and Atlas were distributed to over 400 attendees at the Public Forum launching the Initiative.

E. Recommendations and Next Steps

9. Recommendations

- 1) Recognize that local governments typically view economic development in competitive terms and avoid sharing information and working on common problems and business attraction unless there are clear benefits/threats to doing so. It is important to identify and communicate the reasons and benefits for collaboration early on and to develop a strategy for breaking down silos. Get early buy in through the adoption of a mutual memorandum of understanding as to the goals, objectives, scope of work, and commitments required to develop and launch the economic development initiative.
- 2) Develop tools such as a Strategic Action Plan that outlines the goals/objectives, action steps, resources, responsible parties, timeframe, and priorities in order to ensure that everyone is on the same page.
- 3) Identify key stakeholders and champion and secure their support for the initiative early in the process. Develop partnerships to help formulate options and provide recommendations.
- 4) Build community awareness, understanding, and support for the initiative. Maintain accessibility.
- 5) Secure funding commitments in advance of conducting background studies and developing an action plan.

10. Next Steps

The next steps for the project include 1) development and adoption of a Strategic Action Plan by local jurisdictions and service districts; 2) development of conceptual plans (including land use, access and circulation, utilities) to convey the development concepts for key sites, target industries, public improvements, job creation potential, capital improvements and funding needed to implement the Action Plan; and 3) regional branding and marketing. Additional outreach and capacity building efforts will be undertaken to develop support for adoption of the regional strategic Action Plan. The proposed recommendations in the Action Plan will be vetted at public meetings and ultimately adopted by the county and six cities along the Northern Waterfront, plus special service districts and regional agencies involved with implementing the actions set forth in the Action Plan. The proposed recommendations and implementation measures identified in the Action Plan, when adopted by the various jurisdictions, will be incorporated into their local General Plans, zoning ordinances, capital improvement programs, business process improvements, and workforce training programs. Local governments have the ability to influence the health of the local economy through infrastructure investments, land use policies, business support programs, workforce training programs, business attraction and retention programs, and financial incentives. A website will be developed for marketing and promoting the region as a 21st century manufacturing hub. Cluster coordinators will be identified for each of the five targeted industry clusters identified in the plan.

Northern Waterfront White Paper

Introduction

Contra Costa County's Northern Waterfront has a strong industrial heritage extending back more than 150 years. Resource-based industries dominated the Northern Waterfront during the early part of the 20th century with the processing of agriculture products, metal ores, crude oil, sugar, and other natural resources. Waterfront industries grew to become the dominate employment sector up through the early 1960's. Over the past 50 years, manufacturing employment has declined as the county's traditional industries matured and the economy transitioned to become more service sector dominate. As manufacturing firms closed industrial land was repurposed for residential, commercial, and other uses. In recent years, new opportunities have risen as global trends, market forces, new technologies converge presenting a unique opportunity for the Northern Waterfront to be developed into a 21st century economic asset, creating needed jobs for local residents and building a stronger more robust economy. By acting collectively, local policy makers can position the Northern Waterfront as a competitive location for manufacturing jobs in emerging growth industries.

To accomplish this objective, local governments must adopt public policies with a focus on supporting the expansion of existing businesses, attracting high value-added growth industries, strengthening target industry clusters, developing a skilled workforce, improving the business climate and regulatory environment, protecting existing industrial zoned lands, marketing the region, and investing in needed transportation and utility infrastructure improvements.

Project Description

To address the opportunity presented by global market trends and the need to reposition the Northern Waterfront as economic asset a regional economic development initiative was launched by Contra Costa County in January 2014 to revitalize aging industrial areas along the county's Northern Waterfront. In authorizing the Economic Development Initiative, the County Board of Supervisor's goal was to start a public dialogue about the future of the Northern Waterfront "in collaboration with a broad spectrum of stakeholders, including but not limited to federal, state, and regional agencies, the cities and special districts located along the waterfront, and the industrial/commercial, railroad and maritime transportation interests located along the waterfront." According to the Board Order, "as the region's economy evolves it is in the County's interest to gain a better understanding and insight about the waterfront and strategically plan for its future."

Working groups have been formed to identify issues and gather information to help inform the development of a regional economic development strategy and action plan that would build on the existing base of manufacturing firms, expand local supply chains, help small and medium sized businesses grow and expand, and to cultivate a climate of support for new start-ups in emerging growth industries including cleantech, advanced manufacturing, biomedical, food processing, and advanced transportation fuels.

The geographic coverage of the Project extends 55 miles from Hercules on the west to Oakley on the east, and covers 64 square miles of the Northern Waterfront, including six

municipalities (Hercules, Martinez, Pittsburg, Antioch, and Oakley) and the three unincorporated communities of Rodeo, Crockett, and Bay Point. The objective is to develop a regional industry cluster-based economic development strategy that 1) supports regional prosperity and job creation in advanced manufacturing, and 2) provides economic opportunities for local residents and low-income workers.

A work group of city partners was formed and resolutions adopted to oversee the planning process. The Contra Costa County Department of Conservation and Development (DCD) was appointed to serve as the lead partner organization for this regional economic development initiative. The DCD has played the role of convener and facilitator in setting up and coordinating meetings with city partners and other key stakeholders, meetings with community organizations, and others. DCD staff is responsible for coordination with Project Partners including collaboration among multiple jurisdictions to develop an action plan for the creation of jobs and the economic revitalization region. County led collaborative efforts brought together diverse interests from six municipalities and three unincorporated communities in the region to determine how best to create more jobs and regional economic activity. DCD staff also coordinated with regional agencies including Association of Bay Area Governments (ABAG), Metropolitan Transportation Commission (MTC), Contra Costa Transportation Authority (CCTA), S.F. Bay Conservation and Development Commission (BCDC), U.S. EPA and EDA Regional Offices.

Municipal Partners and Stakeholders

Input will be received from a wide range of stakeholders, including local jurisdictions, special service districts, County Health Department, workforce and training institutions, economic development organizations, regional planning agencies, community based organizations, industry associations, labor, local residents, and environmental groups. Over 80 calendared meetings have been held since the January 10, 2014 Public Forum when the Northern Waterfront Economic Development Initiative was launched.

Action Teams

In order to study issues that were important to the community and to inform the process for development of a regional strategy, Action Teams were organized around eight priority areas. These Action Teams were asked to identify issues and opportunities, gather relevant information, receive input from the public, industry, technical experts, and other interested stakeholders, help identify industries-of-opportunity, make recommendations, and prioritize the issues and recommendations that were considered of most importance in each of the eight policy areas. These Action Teams are comprised of interested members of the public, business leaders, public agencies, economic development, workforce development, environmental and community based organizations. The Action Teams and volunteer co-chairs are shown in Table 1. Numerous community presentations have been made to raise awareness about the Northern Waterfront Initiative, solicit community input, and inform stakeholders, residents, and other interested parties about the Northern Waterfront Initiative and the opportunity to participate on the Action Teams in planning the region's future.

DCD staff has worked with the Action Teams to ensure an inclusive process and to document and incorporate issues and recommendations made by members of the public, community based organizations, and other stakeholders. Other organizations such as the East Bay Leadership Council and the County's Workforce Development Board helped staff the action teams of this largely volunteer effort.

Table 1: Action Team Co-Chairs

Action Team	Host Organization	Co-Chairs
Business Climate and Regulatory Environment	East Bay Leadership Council, Land Use Task Force	Mike McGill, Ed Shaffer
Infrastructure Investment	East Bay Leadership Council Transportation & Water Task Forces	Roger Huges, Bob Whitley
Development Incentives and Financing	Pittsburg/Bay Point Enterprise Zone East Bay Economic Development Alliance	Ed Solomon Darien Louie
Regional Branding and Marketing	Marketing Staff from the City of Pittsburg, Delta Diablo Sanitation District, Kennedy/Wilson Real Estate	Eric Rehn
Cluster Development and Innovation	East Bay Leadership Council, Economic Development Task Force	Jeff Stemke, Jodi Avina
Business Support Services	Contra Costa Small Business Development Center	Oscar Dominguez
Workforce Development and Training	Contra Costa Workforce Development Board, Business and Economic Development Committee	Stephen Baiter,
Quality of Life and Public Safety	Contra Costa County Health Services, Muir Land Trust, Public Safety co-chair to be named	Tracey Rattray, Linus Eukel

Northern Waterfront Action Plan Process

A framework for public participation was developed as part of the action plan development process. The process for community engagement and adoption of the Action Plan is shown on Figure X. A community outreach effort was undertaken to raise public awareness, solicit input, and engage local residents, community based organizations, and the public to participate in the process. Action Teams around each of the policy areas were established to receive input from a broad base of community based organizations, industry associations, economic development organizations, and workforce and education institutions regarding issues, concerns, and potential solutions to revitalize the Northern Waterfront.

Resources and background information about the Project are listed on the Northern Waterfront website: <http://www.cccounty.us/4437/Northern-Waterfront-Economic-Development>. A detailed economic analysis and market assessment provides background information about the regional economy focusing on the manufacturing sector. An Atlas was compiled to illustrate existing conditions along with a fact sheet about the Project.

Issue Identification

Action Teams were asked to identify issues or conditions of concern that affected or limited economic development along the Northern Waterfront. Issues were also identified in the Northern Waterfront background report and through community meetings. All issues will be collected and evaluated as to their relevance and level of importance to the Northern Waterfront Initiative. Priority policy areas include:

- a.) **Business Climate & Regulatory Environment:** Local government should protect prime industrial zoned land for job growth to ensure that an adequate supply of industrial development sites is available for companies looking to expand or relocate their manufacturing operations. Industrial Zoned Land needs to be protected from conversion to residential and commercial uses that can afford to pay higher prices for land. Industrial land also needs to be protected from incompatible uses. Local governments, including special districts and regional permitting agencies, along the Northern Waterfront should review their development approval and building permit processes with the objective of identifying ways to simplify the rules, improve outcome certainty, and shorten the timeframe in order to eliminate any undue and unnecessary requirements that may make the Northern Waterfront a less attractive or uncompetitive location for industrial development. Outdated industrial zoning ordinances do not account for modern low-impact mixed use industrial development. Inconsistency in nomenclature, approval process, permitted uses, and regulatory standards among jurisdiction create unnecessary barriers.
- b.) **Infrastructure Investment:** Information about infrastructure issues was gathered from the Northern Waterfront employer survey, meetings with local wastewater districts, and Municipal Service Review's. Improvements are needed to the goods movement infrastructure in order to efficiently transport raw materials and finished goods into and within the region and to external markets. Transportation improvements include deepening and maintenance dredging for the shipping channel traversing the San Pablo Bay, Carquinez Strait, and Suisun Bay (USACE Dredging Plan), improved access to the I580/205 corridor to Interstate 5 and the Central Valley (SR-239 Tri-Link Study), completion of SR-4 improvements (CCTA), local access road improvements, and the identification of future maritime and rail transportation improvements based on their relative benefits to support goods movement in the Northern Waterfront. In addition, other improvements including adequate sewer and water capacity, recycled wastewater, broadband infrastructure, and gas and electric power grid improvements need to be addressed.
- c.) **Development Incentives and Financing:** The loss of local redevelopment agencies and enterprise zones has constrained the capacity of local governments for economic development and business attraction and expansion programs. Federal, state and regional programs for financing transportation infrastructure, business assistance programs, new equipment purchases, and workforce training should be explored and pursued. A package of financing programs that can be used by economic development managers, the Small Business Development Center, Workforce Development Board, Transportation Agencies,

and special service districts should be developed. The economic development advantages of a Foreign Trade Zone should be developed and actively marketed to make the Northern Waterfront a competitive location for manufacturing and logistics firms.

Business incentive and financing programs¹ such as sales and use tax exclusion, hiring credits, industrial development bonds, and other programs like U.S. Small Business Administration (SBA) loans, PG&E rebates and rate reduction programs, Recycling Market Development Zone Loan Program, and business improvement districts should be explored, along with an industrial development bond program. Collaborate on developing regional financing programs.

d.) Regional Branding and Marketing: Local jurisdictions along the Northern Waterfront should collaborate in branding, marketing, and promoting the Northern Waterfront as a prime location for industrial development, including identifying key regional assets and competitive advantages, establishing a brand image and identity, and promoting the region through a branded website, industrial brokers, and trade shows as a 21st century manufacturing hub.

Local communities should establish and implement business attraction, retention, and expansion programs focused on advanced manufacturing and emerging industries such as advanced biofuels, recycled materials, and green building materials, as discussed in this Report. A strategy should be developed to recruit firms that can strengthen and add value to targeted industry clusters. Provide business support to increase the productivity and competitiveness of local firms. Over the long term, local governments along the Northern Waterfront should focus on growth-oriented and emerging industries with high job multipliers that are expanding beyond serving just local markets.

e.) Cluster Development, Innovation, & Productivity: The presence of a critical mass of existing companies in several manufacturing subsectors indicates the existence of several industry clusters in Advanced Transportation Fuels, Diversified Manufacturing, Clean Technology, Food and Beverage Processing, and Biomedical/Life Sciences. These industry clusters should be supported and cultivated as part of an economic development strategy. In addition to the actions outlined above, local governments can take various actions to strengthen and support the development of existing industry clusters including:

- Conducting periodic cluster assessments to identify existing and emerging clusters and determine their viability, relative strength, and competitiveness. Although an industry cluster may functionally exist, the firms in the cluster may not recognize that they are part of a cluster or how it functions. By identifying a cluster local governments raise awareness of its existence. While government may identify emerging or existing clusters through its study of the economy, it does not create industry clusters, nor should it try to lead clusters. Instead, government should try to facilitate the meeting of cluster members, conduct research to help the cluster define itself, and respond to cluster priorities with appropriate and requested assistance. To work effectively as a cluster, the industries and firms in it must recognize their role and determine how they can work together to enhance their productivity and competitiveness. Industry must take the lead role in identifying and addressing issues that are important to industry, while government and others

¹ Governor's Office of Business & Economic Development, State Business Investment Guide, September 2013

can play a facilitation and supportive role. A cluster strategy helps an industry set priorities and establish a constructive relationship with government.

- Sponsoring cluster conferences and forums to promote networking opportunities for participants. Venues should be created where industry, government agencies, service providers, workforce training organizations, and others can interact to discuss issues important to the competitiveness of the cluster.
- Establishing government procurement programs to purchase goods and services from local companies.
- Facilitating opportunities for local companies to expand in international markets. Export assistance is provided by the SBA, U.S. Department of Commerce, U.S. Export-Import Bank, and other public and private organizations.
- Mapping supply chains and holding meet-ups where small firms can make connections with large companies.

f.) Business Development and Support Services: Provide coordinated and targeted business support services to startup companies, and small and medium sized manufacturing businesses in the Northern Waterfront. Business development services could be provided through the local Small Business Development Center (SBDC), the Corporation for Manufacturing Excellence (Manex), and community colleges in the areas of management, finance, marketing, supply chain, strategic planning, innovation and product design, process improvements, and green manufacturing.

Incubators could be developed with low-cost space and support services for start-up businesses in targeted industries, along with mentoring and business advice.

g.) Workforce Development and Training: Advanced manufacturing jobs require a workforce with different skill sets than those of past eras. The education and workforce training system should be refocused to produce workers with specialized technical skills in advanced manufacturing occupations, such as high-end automation, material-sciences, precision engineering, and logistics based on industry's needs. The County's Workforce Development Board recently adopted an advanced manufacturing sector strategy that is in the process of being implemented that will benefit businesses in the Northern Waterfront.

h.) Quality of Life and Public Safety: Environmental protection, public health and safety, open space, water access, and regional trails all contribute to the quality of life for local residents.

Prioritization

The Action Teams are asked to rank the importance of each issue they identify in relation to the other issues.

Challenges

Major challenges included the geographic coverage, number of local government partners, lack of resources, and competing priorities. Due to the recent recession and the elimination of local redevelopment agencies and enterprise zones, cities have limited funding available for economic development purposes. Cities are also short staffed, which made it difficult to keep people engaged. Due to the lack of funding and resources the Northern Waterfront Economic Development Initiative has been reliant upon volunteers. Even when there is no

money and local governments are paying out of their own budgets, they feel that their needs should take priority. State and federal funding opportunities also are viewed as a win-loose proposition. Cities will also compete for resources when it comes time to implement. Local jurisdictions historically have worked in their own silos in economic development and it is difficult making a culture change to collaborate on issues of common concern when jurisdictions are used to competing. Currently, cities only gain fiscally if economic development occurs within their own jurisdiction, and elected officials do not win votes by touting job growth in a neighboring town. In this context, it's difficult to motivate city leaders to prioritize projects in other parts of the region. The absence of redevelopment and enterprise zones limits the tools available for cities and the county, particularly financing and investment tools.

It is difficult to target economic development efforts to grow and attract industries in the manufacturing sector when the sector has been declining. Many advanced manufacturing jobs are middle skill jobs requiring skilled workforce.

Recommendations to Address Issues

Recommendations to address the issues identified by the Action Teams, community engagement process, and work group will be developed as part of the Action Plan process. A Regional Action Plan will outline the specific steps that will need to be taken to ensure the Northern Waterfront Economic Development Initiative delivers tangible results and promotes regional prosperity and local job creation. The issues identified in each of the eight priority policy areas will be addressed.

Next Steps

The next steps for the project include 1) development and adoption of a Strategic Action Plan by local jurisdictions and service districts; 2) development of conceptual plans (including land use, access and circulation, utilities) to convey the development concepts for key sites, target industries, public improvements, job creation potential, capital improvements and funding needed to implement the Action Plan; and 3) regional branding and marketing. Additional outreach and capacity building efforts will be undertaken to develop support for adoption of the regional strategic Action Plan. The proposed recommendations in the Action Plan will be vetted at public meetings and ultimately adopted by the county and six cities along the Northern Waterfront, plus special service districts and regional agencies involved with implementing the actions set forth in the Action Plan. The proposed recommendations and implementation measures identified in the Action Plan, when adopted by the various jurisdictions, will be incorporated into their local General Plans, zoning ordinances, capital improvement programs, business process improvements, and workforce training programs. Local governments have the ability to influence the health of the local economy through infrastructure investments, land use policies, business support programs, workforce training programs, business attraction and retention programs, and financial incentives. A website will be developed for marketing and promoting the region as a 21st century manufacturing hub. Cluster coordinators will be identified for each of the five targeted industry clusters identified in the plan.

Conclusion

The outlook for industrial development along the Northern Waterfront is favorable, given the convergence of various global and national economic trends. Long-term structural changes in the global economy combined with changes in public policy will support the resurgence and reshoring of manufacturing jobs in the U.S. “Policy makers will need to recognize that every country is going to compete for global manufacturing industries. Governments will need to invest in building up their comparative advantages – or acquiring new ones – to increase their appeal to globally competitive and productive companies. As governments compete, they can help tilt the decisions for these companies by taking a comprehensive view of what multinational corporations need: access to talent, reliable infrastructure, labor flexibility, access to necessary materials and low-cost energy, and other considerations beyond investment incentives and attractive wage rates.”²

Numerous studies from around the country³ have addressed the issue about the importance of industrial land, revitalization of aging industrial districts, and the importance of manufacturing to local economies. Several reports by the Brookings Institute support the value of manufacturing to a regional economy. “Manufacturing serves critical public purposes that make it indispensable to the U.S. economy. It remains a source of high-wage jobs for virtually all types of workers, but especially for those who would otherwise earn the lowest wages.”⁴ A second report identifies broad patterns of industry clustering in American urban economies. “Manufacturing in most metropolitan areas follows one or more of six broad patterns of industry clustering. These patterns are anchored in high specializations in computers and electronics, transportation equipment, low-wage manufacturing industries, chemicals, machinery, and food production.”⁵ The Northern Waterfront can become a regional manufacturing hub if policy makers are willing to collaborate to create an environment that allows manufacturing companies to flourish in the 21st century global economy.

“As manufacturing evolves, policy makers must adjust their expectations. . . . The role of policy in manufacturing is largely about enabling and creating an environment for competitive and innovative companies to flourish, helping create sustainable conditions for local manufacturing.”

McKinsey Global Institute
Manufacturing the Future

² McKinsey Global Institute, “*Manufacturing the future: The next era of global growth and innovation*”, November 2012

³ UC Berkeley, <http://communityinnovation.berkeley.edu/industrial-land-report.html>

⁴ Brookings, “Why Does Manufacturing Matter? Which Manufacturing Matters?”, February 2012

⁵ Brookings, “Locating American Manufacturing: Trends in the Geography of Production”, April 2012