

Redwood City Baseline Economic Conditions

Planning Commission Meeting

November 25, 2008

Presented by Strategic Economics

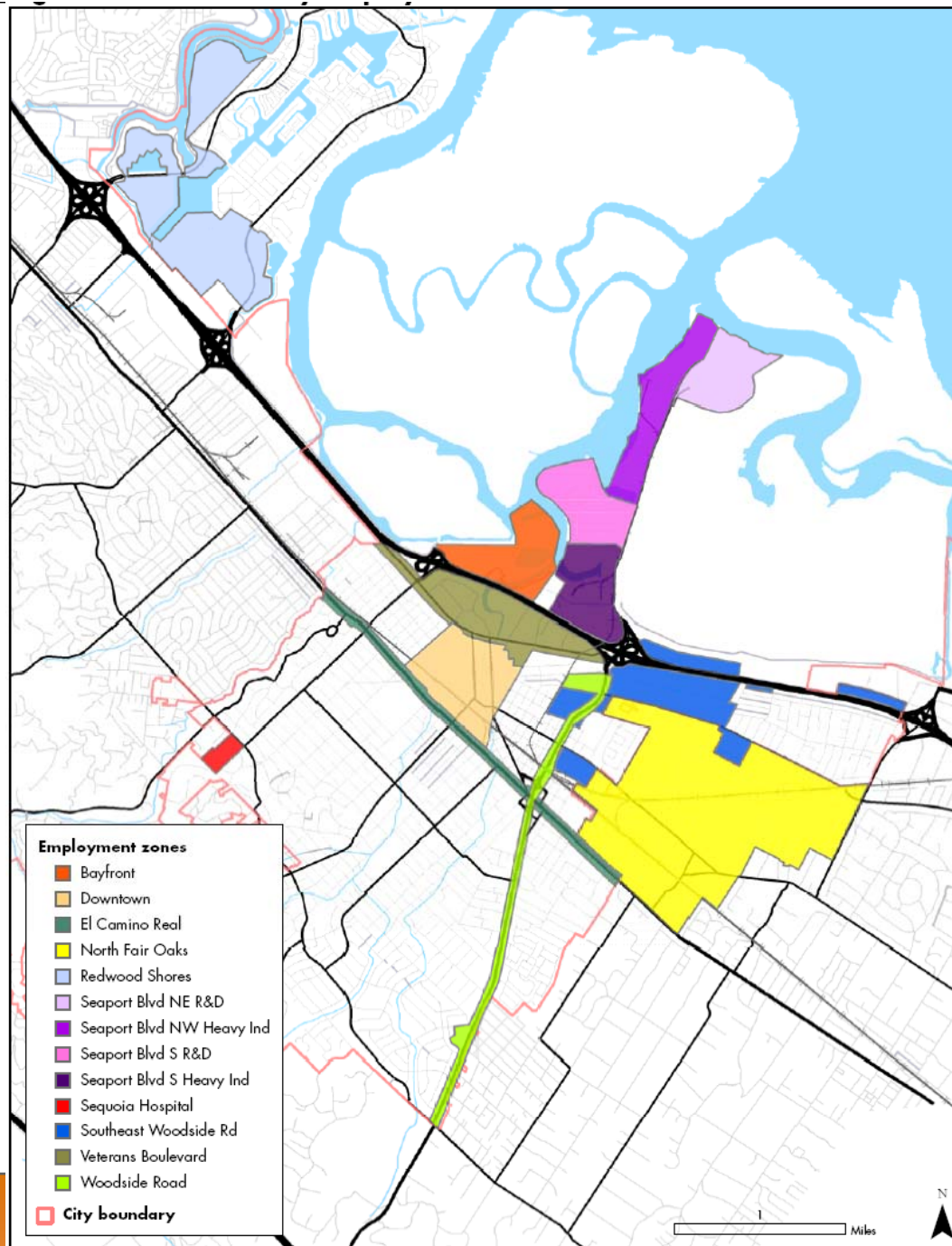
Presentation Overview

1. Purpose of the Baseline Report
2. Background on Industrial Land Preservation Issues
3. Citywide Employment Trends
4. Bayfront and Industrial Employment Zone Trends
5. Summary/Conclusions

Purposes of The Economic Baseline Report:

1. Evaluate Redwood City's economic trends with respect to land use to inform the Land Use Element
2. Provide additional information to support the Draft Economic Development Element
3. Define key issues related to Redwood City's economy that should be addressed through other elements of the General Plan

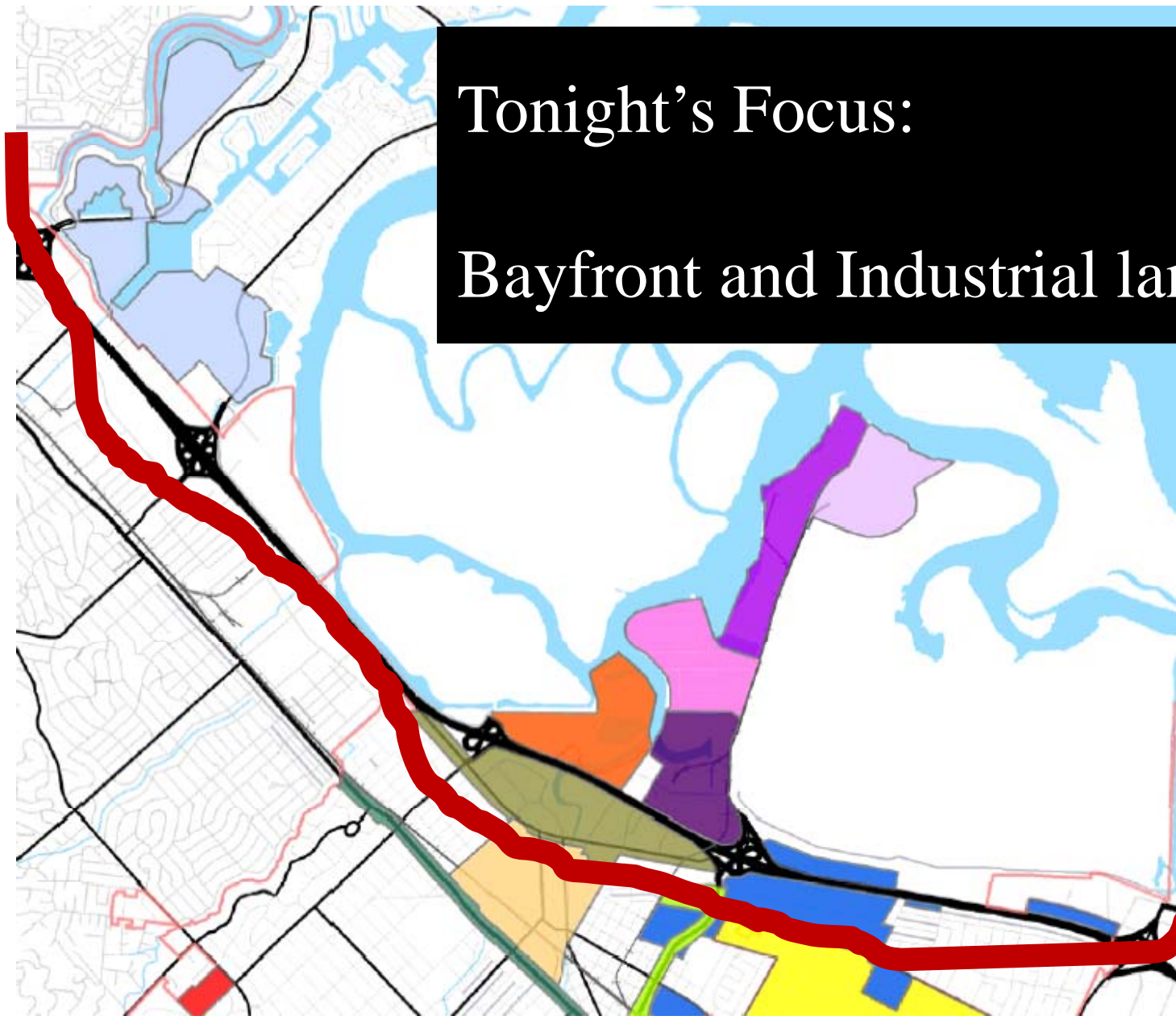
Overall Focus on 13 Employment Zones



Source: City of Redwood City, Strategic Economics 2008

Tonight's Focus:

Bayfront and Industrial lands

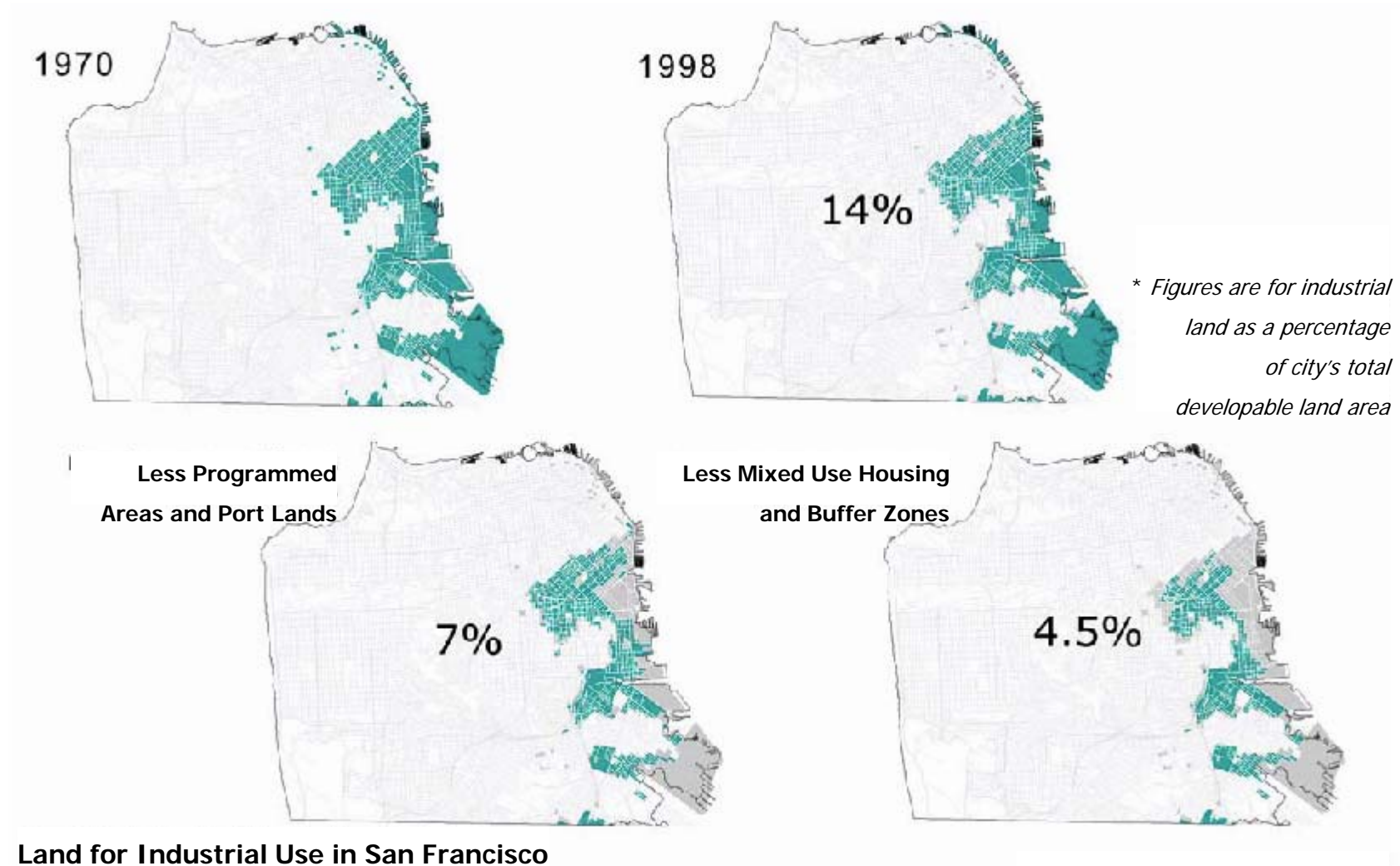


Why Should the General Plan Address Industrial Lands, Potential Conversion, and Land Use Compatibility Issues?

Other Cities have Identified Five Basic Reasons to Retain Industrial Land:

1. There is constant demand
2. Existing uses support other businesses and residents
3. Maintain Economic diversity and stability
4. Retain fiscal benefits
5. Reduce carbon emissions and enhance economic efficiency

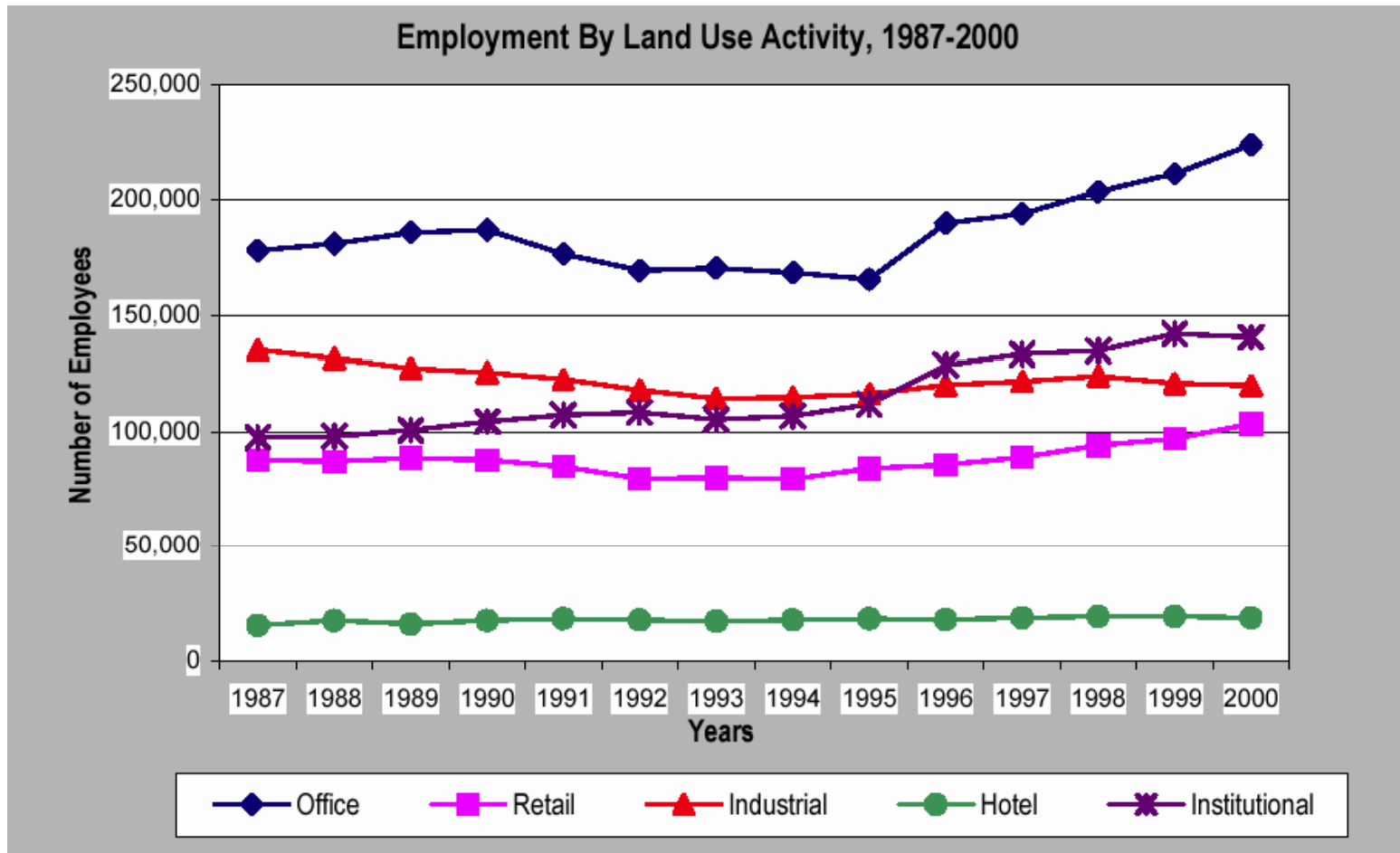
San Francisco Industrial Lands Shrinkage, 1970-1999



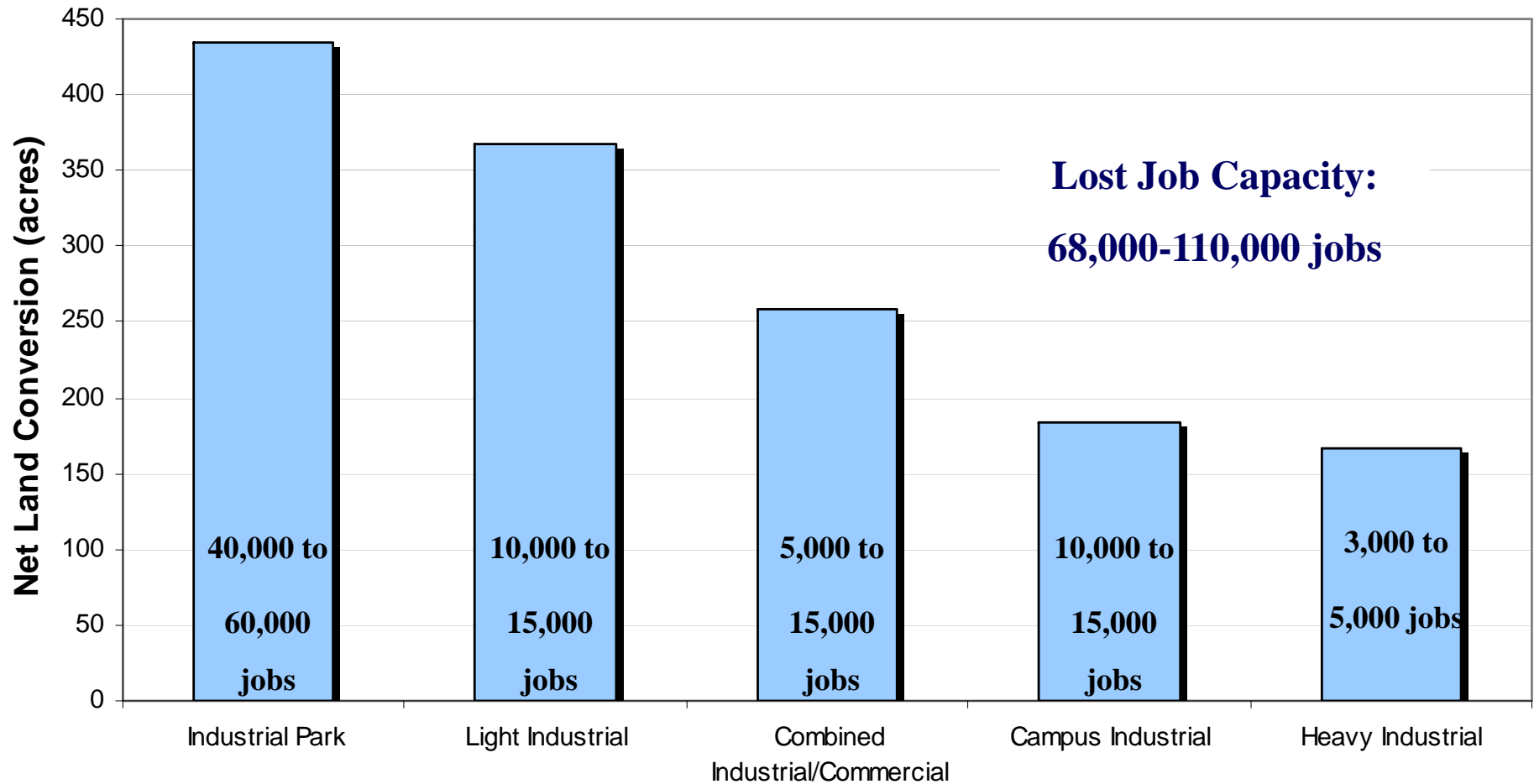
San Francisco Planning Department

1970-1999

San Francisco Employment Growth Trends



San Jose has lost over 1,400 acres of Employment Land since 1990

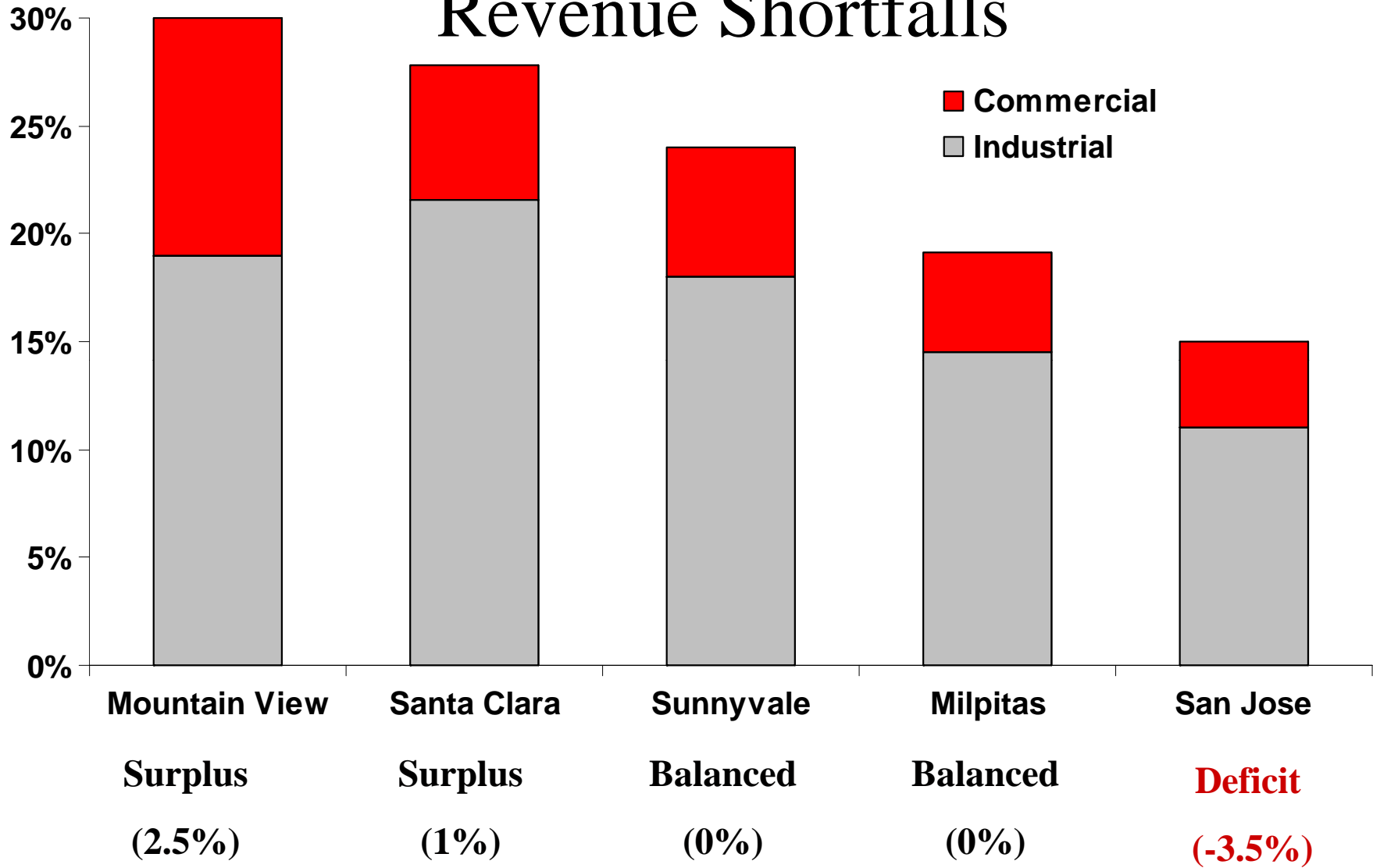


Land Type



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Less Employment Land Equals Revenue Shortfalls



Projected General Fund Budget Surplus/Deficit 2006-2007

Other Cities in California Grappling with this issue (in addition to San Francisco and San Jose):

Fremont

Oakland

San Leandro

Richmond

Los Angeles

Long Beach

Redwood City's Employment Trends

Table 1: Redwood City Industry Trends from 1999 to 2006

Industry	Employment			
	1999	2006	Absolute Change '99-06	Percent Change '99-06
Redwood City	39,375	44,313	4,938	13%
Information Technology	5,084 →	9,417	4,333	85%
Professional, Scientific & Technical Services	5,485	7,188	1,703	31%
Health Care	4,593	5,152	559	12%
Retail Trade	2,854	4,355	1,501	53%
Construction	2,610	3,941	1,331	51%
Hotels, Restaurants & Entertainment	2,929	3,422	493	17%
Administrative Support & Other Services	4,655 →	3,405	-1,250 →	-27%
Manufacturing	3,264	3,022	-242	-7%
Finance, Insurance & Real Estate	2,560	2,430	-130	-5%
Wholesale Trade	2,162	1,639	-523 →	-24%
Transportation & Warehousing	1,412	427	-985 →	-70%

Notes: Manufacturing includes utilities, mining and agriculture sectors.
 Data for public sector employees and sole proprietorships are not included.
 Source: Walls & Associates

Table 12: Redwood City Births & Deaths from 1999 - 2006

Industry	BIRTHS				BUSINESS CLOSURES			
	Establishment Births from 1999-2006	Share of New Establishments	Employment from Births 1999-2006	Share of New Employment	Establishment Closures from 1999-2006	Share of All Closures	Employment Loss from Closures 1999-2006	Share of Employment Loss from Closures
Construction	64	6%	1,685	10%	96	9%	611	6%
Manufacturing (a)	64	6%	1,799	11%	65	6%	1,091	11%
Wholesale Trade	58	6%	692	4%	55	5%	427	4%
Retail Trade	95	9%	965	6%	125	12%	1,163	12%
Transportation & Warehousing	18	2%	139	1%	10	1%	59	1%
Information Technology	49	5%	1,481	9%	52	5%	1,060	11%
Finance, Insurance & Real Estate	94	9%	1,084	7%	86	8%	1,107	11%
Professional, Scientific & Technical Services	200	19%	4,460	27%	197	19%	2,085	21%
Administrative Support & Other Services	166	16%	1,672	10%	181	18%	1,088	11%
Healthcare	123	12%	950	6%	97	10%	483	5%
Hotels, Restaurants & Entertainment	99	10%	1,385	8%	49	5%	642	7%
Total (b)	1,030	100%	16,312	100%	1,013	100%	9,816	100%

Industry	BUSINESS RELOCATIONS				Net Gain/ (Loss)	
	Establishment Relocations from 1999-2006	Share of All Relocations	Employment Loss from Relocations 1999-2006	Share of Employment Loss from Relocations	Establishments	Employment
Construction	19	8%	424	7%	(49)	968
Manufacturing (a)	37	16%	1,334	21%	(31)	(269)
Wholesale Trade	58	26%	692	11%	(15)	(84)
Retail Trade	75	33%	763	12%	(46)	(354)
Transportation & Warehousing	20	9%	202	3%	3	(942)
Information Technology	14	6%	88	1%	(24)	(26)
Finance, Insurance & Real Estate	4	2%	51	1%	(8)	(158)
Professional, Scientific & Technical Services	49	22%	1,481	23%	(52)	1,137
Administrative Support & Other Services	58	26%	544	9%	(44)	(1,055)
Healthcare	36	16%	540	8%	17	327
Hotels, Restaurants & Entertainment	200	89%	4,460	70%	41	598
Total (b)	570	253%	10,579	166%	(208)	142

Source: Walls & Associates; Strategic Economics, 2008

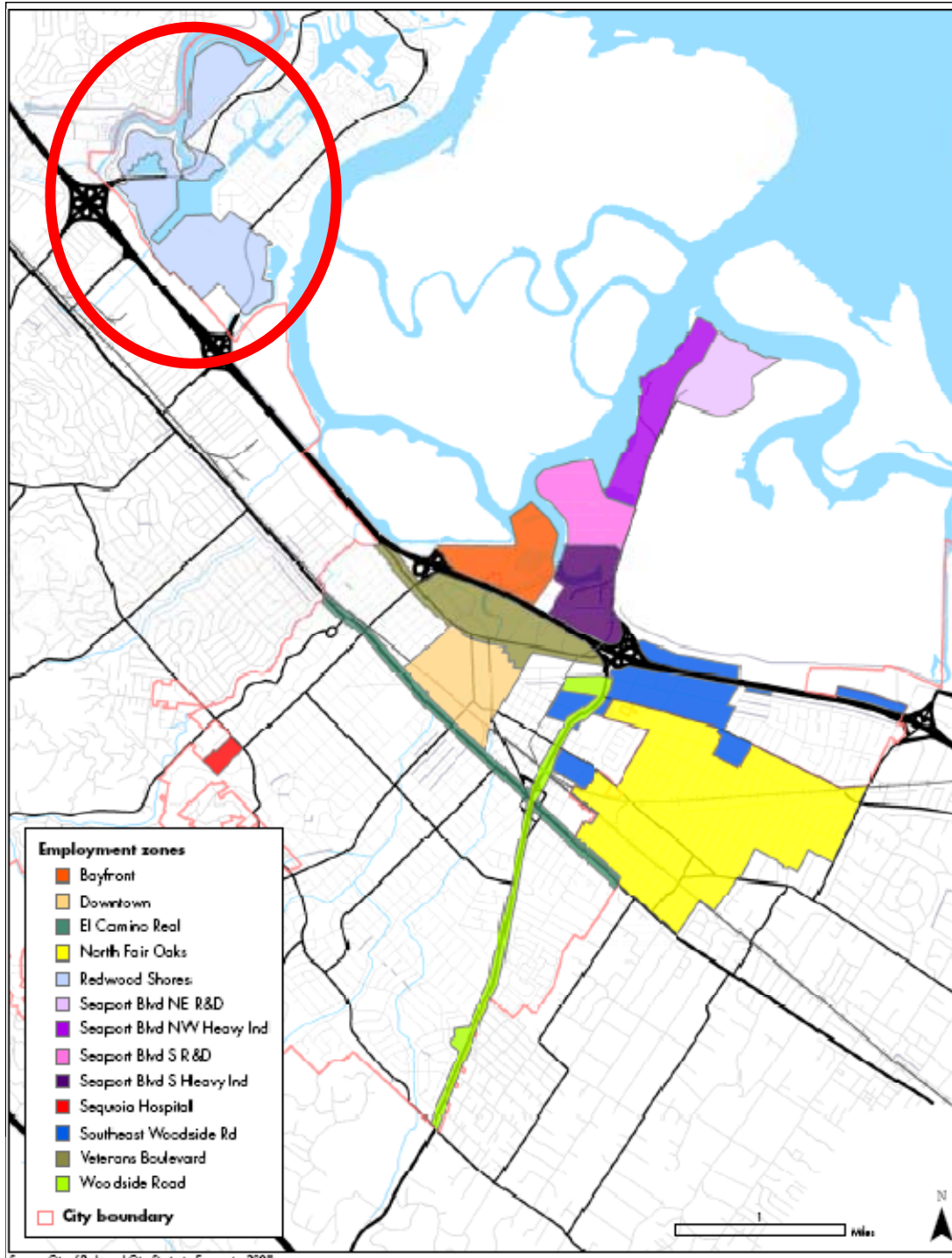
a) Manufacturing includes Forestry, Mining and Utilities

b) Excludes Public Sector and School District Employment; Excludes sole proprietor establishments (1 or 2 employees)

Bay Front and Industrial Employment Zone Trends

Redwood Shores

- 12,721 jobs
- 28.7% of total jobs Citywide



Source: City of Redwood City, Strategic Economics 2008



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Table 25: Redwood Shores Employment Trends from 1999 to 2006

Industry	Employment			
	1999	2006	Absolute Change '99-06	Percent Change '99-06
Total	8,775	12,721	3,946 →	45%
Construction	88	35	-53	-60%
Manufacturing	124	286	162	131%
Retail Trade	39	171	132 →	338%
Wholesale Trade	647	249	-398	-62%
Transportation & Warehousing	1,160	83	-1,077	-93%
Information Technology	3,443 →	7,856	4,413	128%
Finance, Insurance & Real Estate	394	780	386	98%
Professional, Scientific & Technical Services	1,214 →	1,878	664	55%
Administrative Support & Other Services	1,064	237	-827	-78%
Health Care	51	82	31	61%
Hotels, Restaurants & Entertainment	551	1,064	513	93%

Notes: Manufacturing includes utilities, mining and agriculture sectors.

Data for public sector employees and sole proprietorships are not included.

Source: Walls & Associates

Redwood Shores Issues and Recommendations:

- Continue to support current land use pattern
- Other issues for consideration:
 - Transit links to CalTrain
 - Sea level rise

Veterans Boulevard

- 5,021 jobs
- 11.3% total jobs Citywide

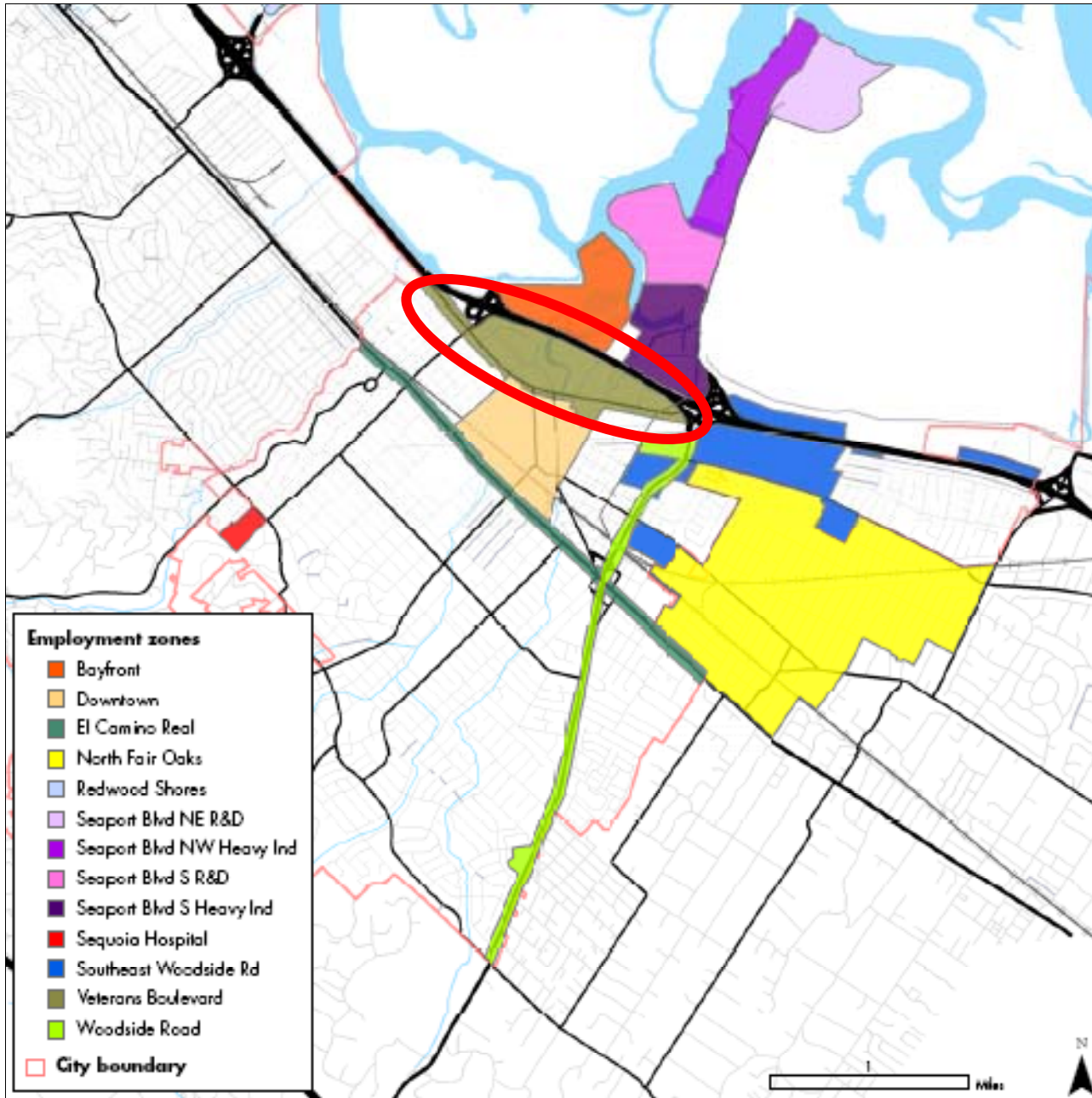


Table 18: Veterans Blvd Employment Trends from 1999 to 2006

Industry	Employment			
	1999	2006	Absolute Change '99-06	Percent Change '99-06
Total	4,981	5,021	40	1%
Construction	526	→ 668	142	27%
Manufacturing	237	113	-124	→ -52%
Retail Trade	789	723	-66	→ -8%
Wholesale Trade	130	277	147	113%
Transportation & Warehousing	157	145	-12	-8%
Information Technology	94	81	-13	-14%
Finance, Insurance & Real Estate	252	264	12	5%
Professional, Scientific & Technical Services	409	392	-17	-4%
Administrative Support & Other Services	308	214	-94	-31%
Health Care	1,689	→ 1,781	92	5%
Hotels, Restaurants & Entertainment	390	363	-27	-7%

Notes: Manufacturing includes utilities, mining and agriculture sectors.

Data for public sector employees and sole proprietorships are not included.

Source: Walls & Associates

Veterans Boulevard Issues and Recommendations:

- This area should continue to have a commercial focus, mostly on retail , medical office, and other high traffic volume uses
- Appropriate place for **mix of uses, not mixed use**
- May be some locations w/in area for **work/live**
- Focus on attracting more “volume” retail
- Consider access issues and pedestrian quality

Bayfront

- 725 Jobs
- 1.6% total jobs Citywide

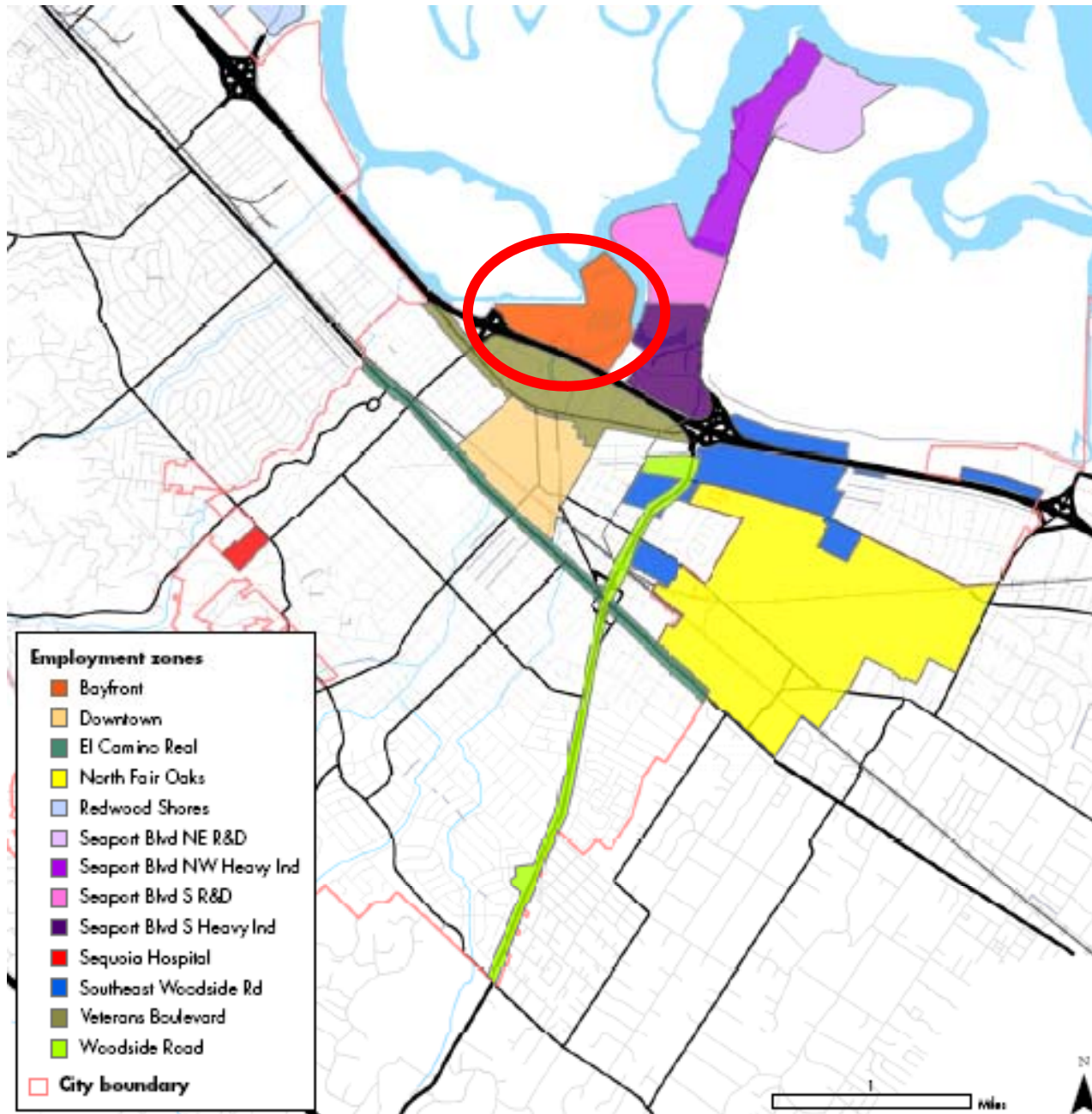


Table 24: Bayfront Employment Trends from 1999 to 2006

Industry	Employment			
	1999	2006	Absolute Change '99-06	Percent Change '99-06
Total	840	725	-115	-14%
Construction	60	55	-5	-8%
Manufacturing	201	29	-172	-86%
Retail Trade	116 →	251	135 →	116%
Wholesale Trade	29	64	35	121%
Transportation & Warehousing	5	0	-5	-100%
Information Technology	101	23	-78	-77%
Finance, Insurance & Real Estate	87	52	-35	-40%
Professional, Scientific & Technical Services	151	116	-35	-23%
Administrative Support & Other Services	27	38	11	41%
Health Care	7	67	60	857%
Hotels, Restaurants & Entertainment	56	30	-26	-46%

Notes: Manufacturing includes utilities, mining and agriculture sectors.

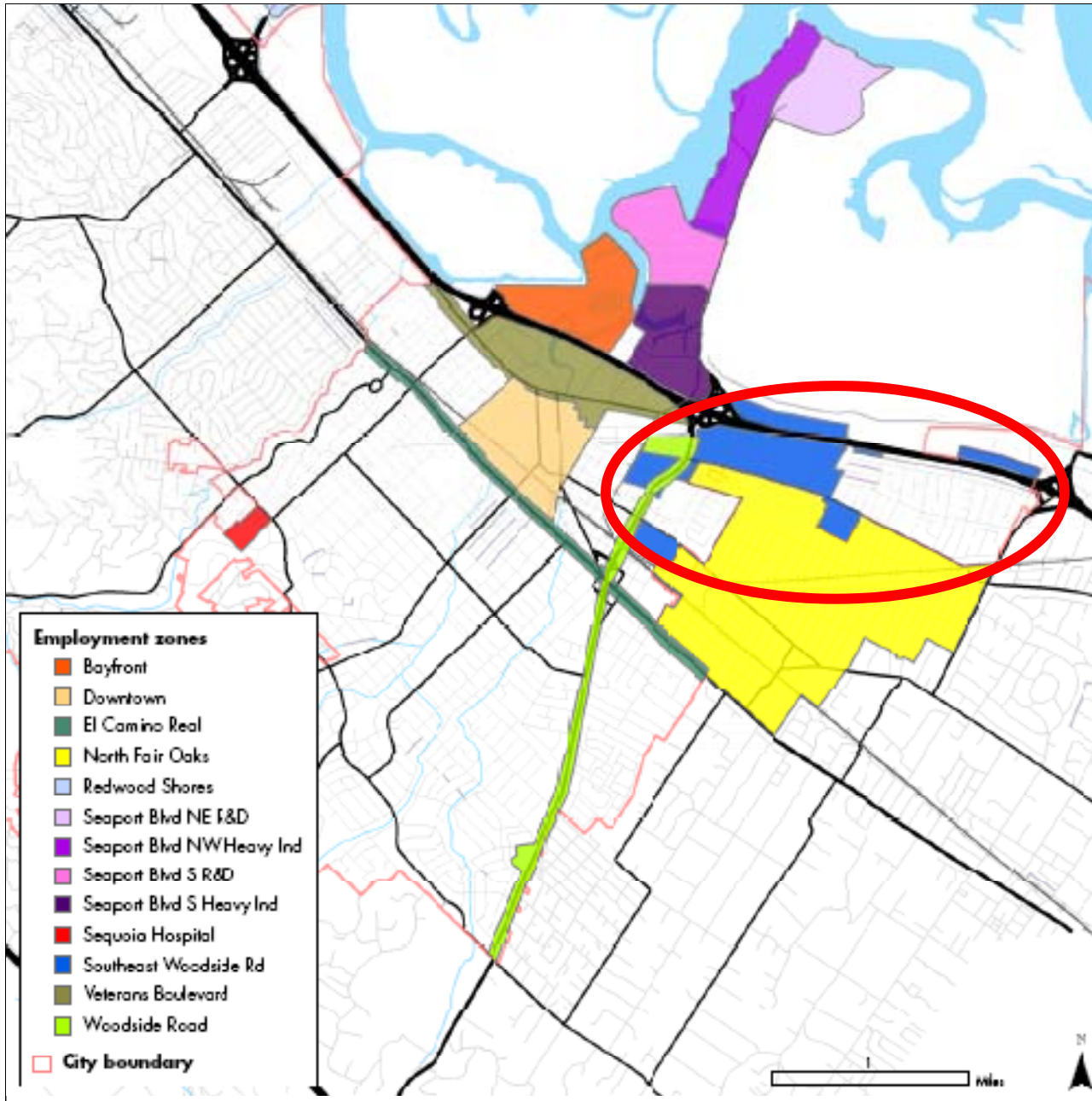
Data for public sector employees and sole proprietorships are not included.

Source: Walls & Associates

Bayfront Issues and Recommendations:

- Retain as key retail opportunity for the City due to freeway access and visibility , despite changing retail “environment”

Southeast Woodside Road



- 3,483 jobs
- 7.8% total jobs Citywide



Table 19: Southeast Woodside Rd Employment Trends from 1999 to 2006

Industry	Employment			
	1999	2006	Absolute Change '99-06	Percent Change '99-06
Total	3,666	3,480	-186	-5%
Construction	563 →	657	94 →	17%
Manufacturing	943 →	785	-158	-17%
Retail Trade	336	397	NA	NA
Wholesale Trade	429	295	-134 →	-31%
Transportation & Warehousing	36	26	-10	-28%
Information Technology	619	491	-128	-21%
Finance, Insurance & Real Estate	48	55	7	15%
Professional, Scientific & Technical Services	490	292	-198 →	-40%
Administrative Support & Other Services	181	350	169 →	93%
Health Care	8	45	37	463%
Hotels, Restaurants & Entertainment	13	87	74	569%

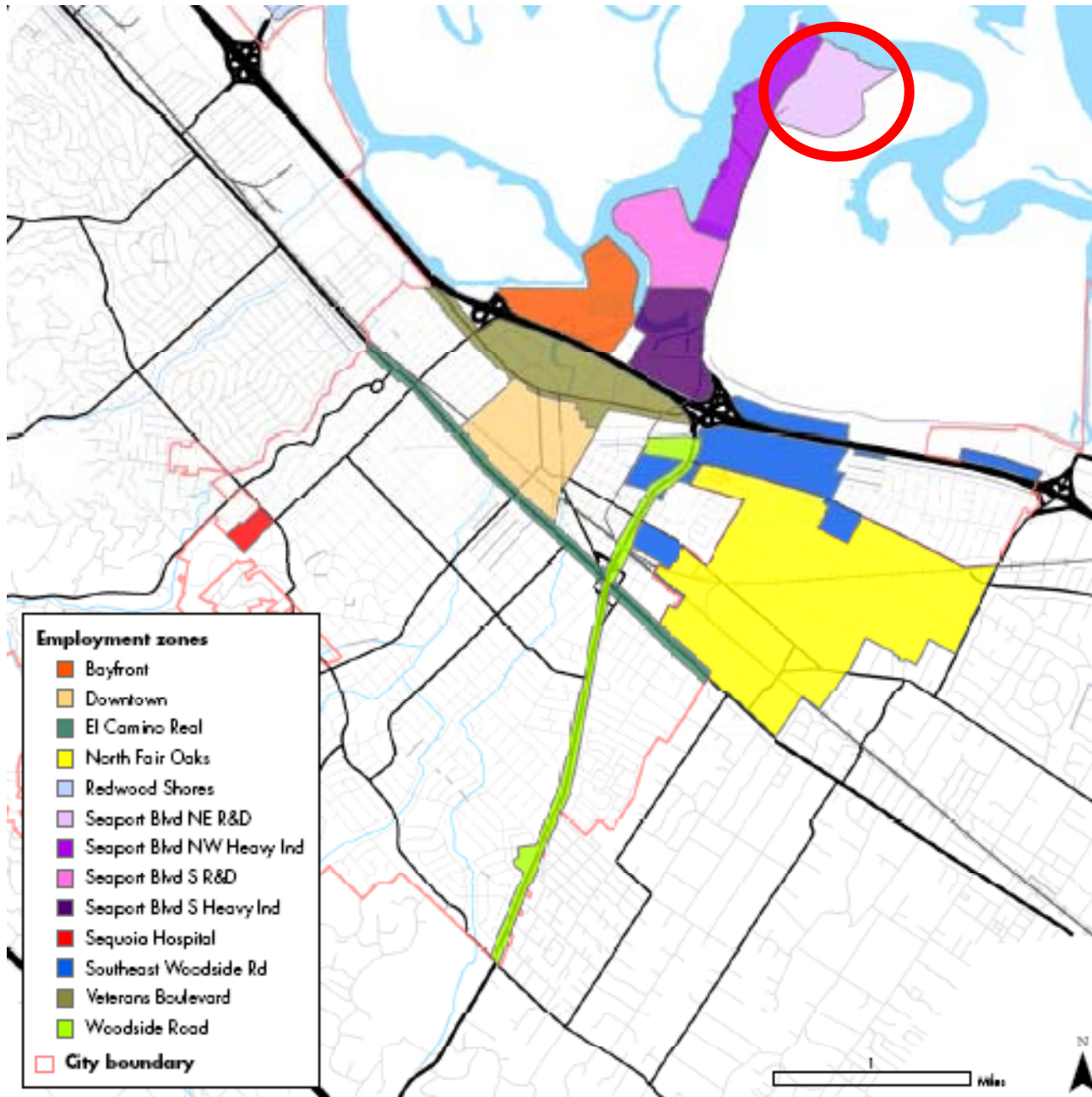
Notes: Manufacturing includes utilities, mining and agriculture sectors.

Data for public sector employees and sole proprietorships are not included.

Source: Walls & Associates

Southwest Woodside Road Issues and Recommendations:

- Stanford Clinic will have significant impact on this area
- Allow for change in use with transition from Industrial to **small scale** office and R&D
- Limit heights so that area supports smaller footprint users
- Limit use mix so as not to compete with Downtown as retail/dining destination
- Prohibit residential uses
- Focus on creating transit connectivity to Downtown



Seaport Blvd Northeast R&D

- 1,190 jobs
- 2.7% of total jobs Citywide



Table 20: Seaport Blvd NE R&D Employment Trends from 1999 to 2006

Industry	Employment			
	1999	2006	Absolute Change '99-06	Percent Change '99-06
Total	122	1,190	1,068	875%
Construction	0	0	0	0%
Manufacturing	0	14	14	NA
Retail Trade	0	0	0	0%
Wholesale Trade	0	15	15	NA
Transportation & Warehousing	7	0	-7	-100%
Information Technology	0	0	0	0%
Finance, Insurance & Real Estate	0	0	0	0%
Professional, Scientific & Technical Services	115	→ 1,157	1,042	906%
Administrative Support & Other Services	0	4	4	NA
Health Care	0	0	0	0%
Hotels, Restaurants & Entertainment	0	0	0	0%

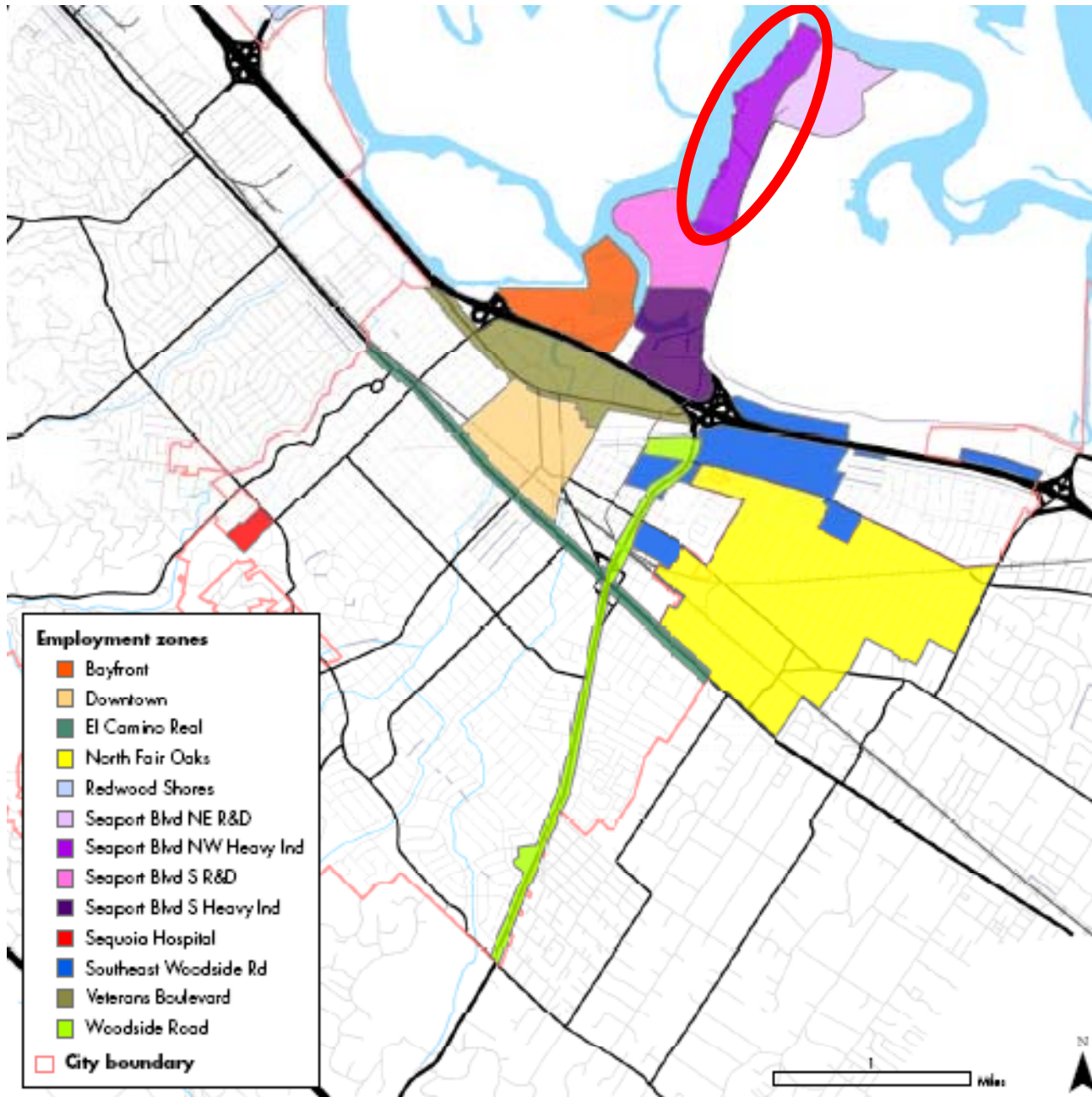
Notes: Manufacturing includes utilities, mining and agriculture sectors.

Data for public sector employees and sole proprietorships are not included.

Source: Walls & Associates

Seaport Blvd NE R&D Issues and Recommendations:

- Continue as employment district
- Other issues for consideration
 - Transit link to Caltrain
 - Sea level rise



Seaport Blvd Northwest Heavy Industrial

- 419 jobs
- 0.9% of total jobs Citywide



Table 21: Seaport Blvd NW Heavy Industrial Employment Trends from 1999 to 2006

Industry	Employment			
	1999	2006	Absolute Change '99-06	Percent Change '99-06
Total	478	419	-59	-12%
Construction	10	10	0	0%
Manufacturing	3	6	3	100%
Retail Trade	39	12	-27	-69%
Wholesale Trade	96	126	30	31%
Transportation & Warehousing	0	0	0	0%
Information Technology	18	20	2	11%
Finance, Insurance & Real Estate	21	46	25	119%
Professional, Scientific & Technical Services	151	→ 125	-26	-17%
Administrative Support & Other Services	13	13	0	0%
Health Care	0	0	0	0%
Hotels, Restaurants & Entertainment	127	61	-66	-52%

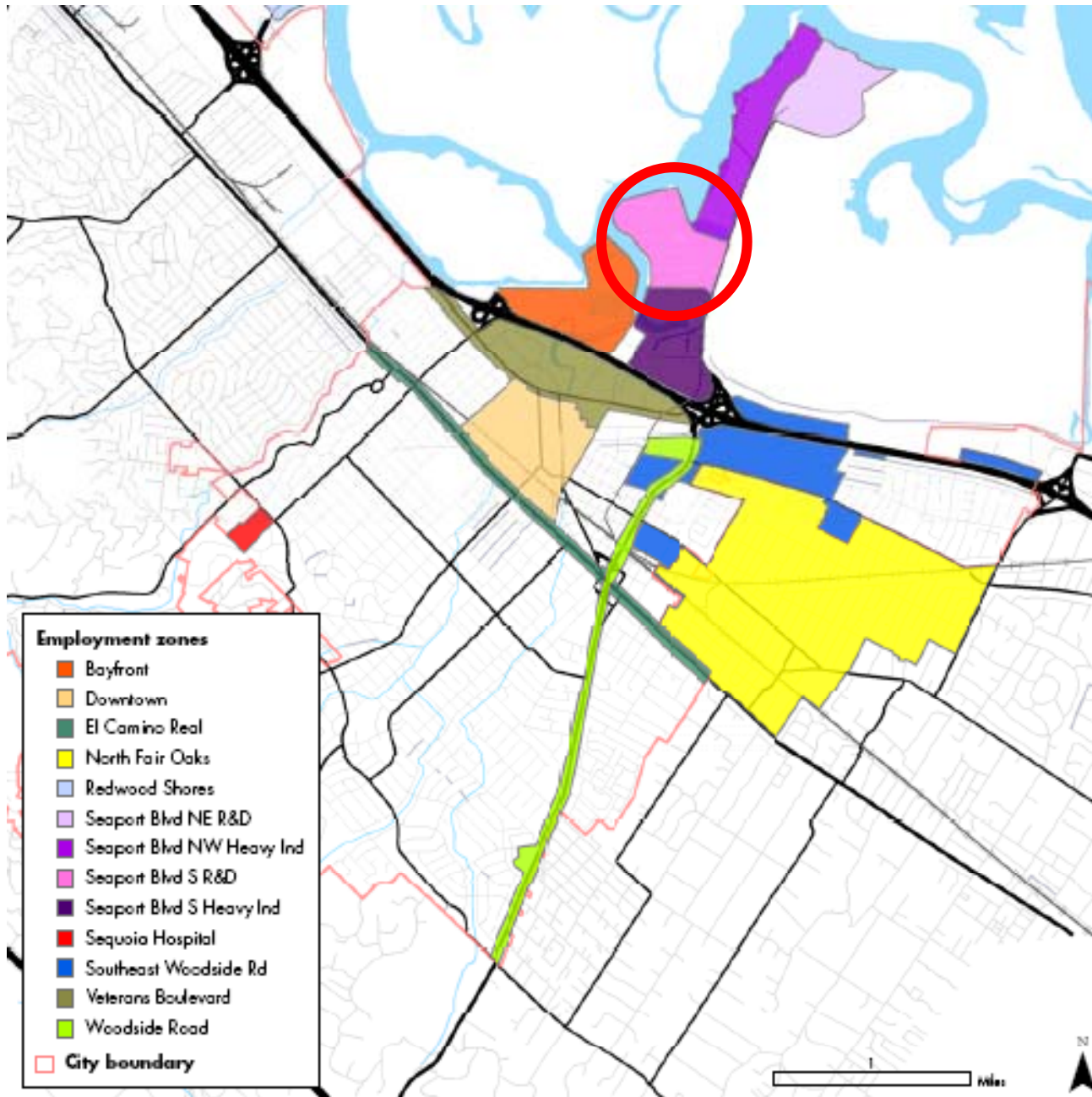
Notes: Manufacturing includes utilities, mining and agriculture sectors.

Data for public sector employees and sole proprietorships are not included.

Source: Walls & Associates

Seaport Blvd NW Heavy Industrial Issues and Recommendations:

- Despite low employment, area is major regional asset



Seaport Blvd South R&D

- 1,793 jobs
- 4.0% of total jobs Citywide



Table 22: Seaport Blvd S R&D Employment Trends from 1999 to 2006

Industry	Employment			
	1999	2006	Absolute Change '99-06	Percent Change '99-06
Total	1,643	1,793	150	9%
Construction	0	0	0	0%
Manufacturing	744 →	1,089	345 →	46%
Retail Trade	0	0	0	0%
Wholesale Trade	0	3	3	NA
Transportation & Warehousing	0	0	0	0%
Information Technology	60	104	44	73%
Finance, Insurance & Real Estate	220	0	-220 →	-100%
Professional, Scientific & Technical Services	485 →	556	71	15%
Administrative Support & Other Services	84	34	-50	-60%
Health Care	0	4	4	NA
Hotels, Restaurants & Entertainment	50	3	-47	-94%

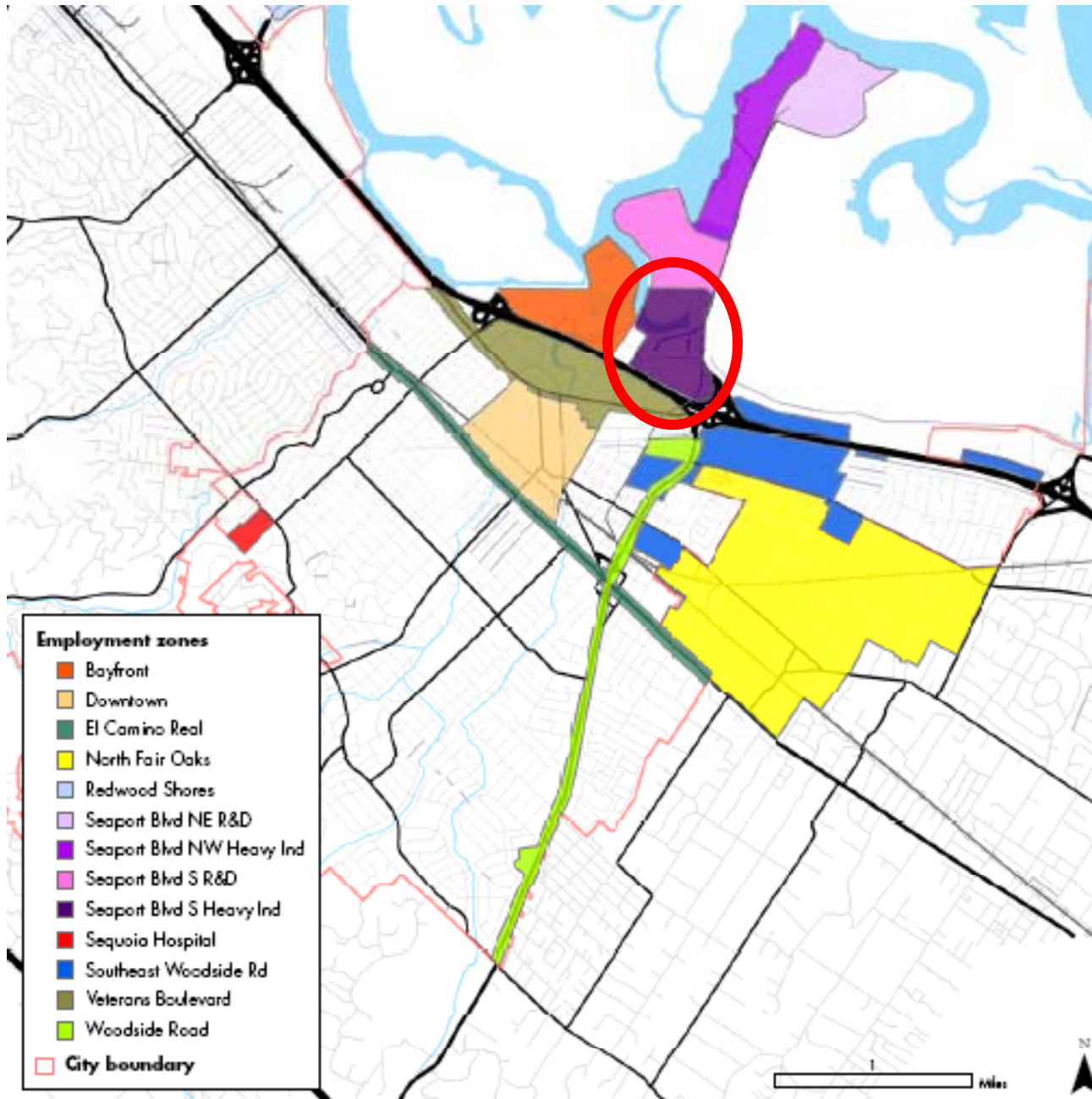
Notes: Manufacturing includes utilities, mining and agriculture sectors.

Data for public sector employees and sole proprietorships are not included.

Source: Walls & Associates

Seaport Blvd S R&D Issues and Recommendations:

- Retain current land use pattern
- Important location for small to mid-sized “Life Sciences” businesses
- Contributes to diverse range of building types within the City to accommodate diverse range of firms



Seaport Blvd South Heavy Industrial

- 604 jobs
- 1.3% total jobs Citywide



Table 23: Seaport Blvd S Heavy Industrial Employment Trends from 1999 to 2006

Industry	Employment			
	1999	2006	Absolute Change '99-06	Percent Change '99-06
Total	378	604	226	60%
Construction	164	→ 327	163	99%
Manufacturing	15	14	-1	-7%
Retail Trade	71	68	-3	-4%
Wholesale Trade	43	24	-19	-44%
Transportation & Warehousing	0	40	40	NA
Information Technology	0	0	0	0%
Finance, Insurance & Real Estate	0	0	0	0%
Professional, Scientific & Technical Services	0	0	0	0%
Administrative Support & Other Services	27	46	19	70%
Health Care	0	0	0	0%
Hotels, Restaurants & Entertainment	58	85	27	47%

Notes: Manufacturing includes utilities, mining and agriculture sectors.

Data for public sector employees and sole proprietorships are not included.

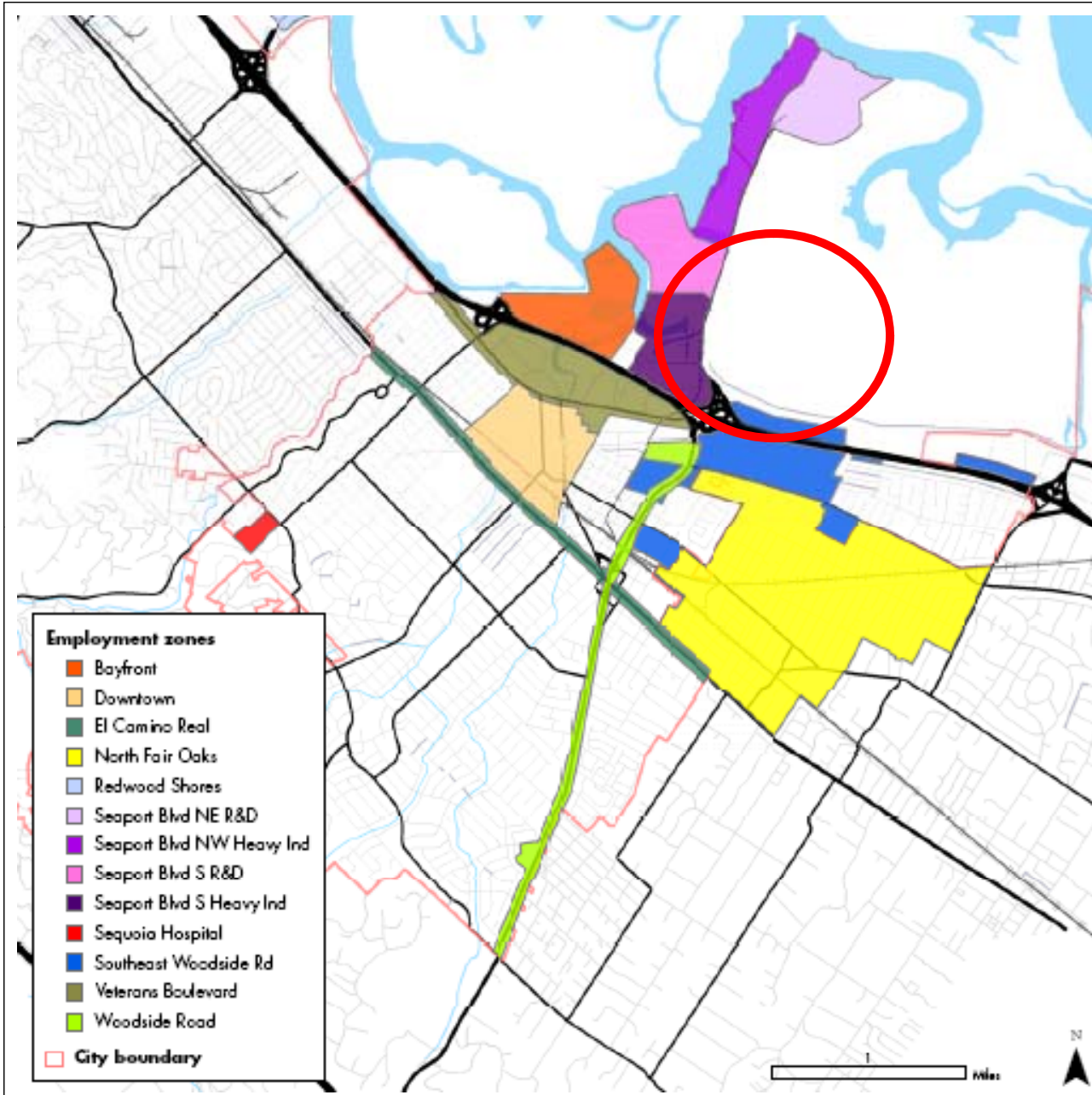
Source: Walls & Associates



Seaport Blvd S Heavy Industrial Issues and Recommendations:

Retain current land use pattern

Look for continued linkages to Port



Thinking
about
Cargill



Economic Evaluative Criteria to be Considered:

- Compatibility with Port operations
- Future demand for different uses
- Financial feasibility (?)

Other Criteria to be Determined by other Disciplines

Summary/Conclusions

Summary/Conclusions:

1. Redwood City has a strong and diverse economy and most employment zones have stable land use patterns
2. Southwest Woodside is the area most likely to change in overall character
3. Veterans Boulevard area may add more diverse land use mix
4. A decision about uses for the Cargill area will require integrated thinking related to multiple planning criteria
5. The findings from the Baseline Report support Vision from Draft Economic Development Element : “A land use plan that ensures opportunities for economic growth while sustaining a quality of life for all”