

Economic Development in Brentwood:

Achievements | Challenges | Future Opportunities

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Economic Development Division

City of Brentwood

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Executive Summary

This report provides a comprehensive overview of initiatives led by the City of Brentwood's Economic Development Team since January 2022, with a special emphasis on the development of the Innovation Center, formerly known as PA-1.

Purpose and Role

Economic Development is integral to local governance in Brentwood. As part of the City Manager's Office, Brentwood's Economic Development team focuses on strategic initiatives to strengthen the tax base, foster quality employment opportunities, attract diverse employers, selectively recruit retailers and restaurants, retain existing businesses, and enhance the City's market appeal.

Key Functions

1. **Strengthen and Diversify the Tax Base:** Enhance revenue to fund essential City services such as public safety, parks, infrastructure, and road maintenance.
2. **Foster Quality Employment Opportunities:** Retain and expand jobs that provide quality employment for residents and career pathways for those just entering the workforce.
3. **Attract Diverse Employers and Developers:** Attract developers and employers to the Innovation Center and other commercial corridors that offer career pathways and high-wage jobs for locals, reducing the necessity for long-commutes across the San Francisco Bay Area.
4. **Selective Recruitment of Retailers and Restaurants:** Attract retailers and restaurants of interest to residents, encouraging them to spend locally rather than travelling to neighboring cities.
5. **Enhance Market Appeal:** Establish, maintain and grow a favorable perception of the City by marketing of our economic assets and attracting investments that uplift its market status.

Key Initiatives and Achievements

- **Collaboration and Partnerships:** Partnered with brokers, property managers, and non-profit organizations to facilitate business development and investment.
- **Key Developments:** Attracted businesses such as Locanda Capri Italian Restaurant and Golden State Orthopedics, and initiated the revitalization of retail centers.
- **Innovation Center Progress:** Marketed the Innovation Center, updated the Specific Plan, and secured significant developments including Costco.

Challenges and Impediments

- **Power Supply:** PG&E's role in providing power is crucial for attracting major employers.
- **Specific Plan Amendments:** Needed to support horizontal mixed-use development.
- **Market Competition:** Brentwood faces stiff competition from other Bay Area markets.
- **Infrastructure Needs:** Essential to support commercial development.

Future Opportunities and Growth Prospects

- **Innovation Center Development:** Focus on horizontal mixed-use town center communities.
- **New Infrastructure Projects:** Sand Creek Road extension and public utilities installations.
- **Enhanced Retail and Restaurant Recruitment:** Implement strategies from the Enhanced Retail Study.
- **Streets of Brentwood Transformation:** Support the new ownership in revitalizing the center.
- **Business Retention and Expansion Programs:** Conduct surveys and develop supportive programs.
- **Tech and Office Space Development:** Address the demand for professional office spaces.

Additional Initiatives

- **Downtown Expansion:** Increase professional office opportunities.
- **Business Parks:** Consider annexing land for new business parks.
- **Grant Programs:** Revise and introduce grant programs to support tech-oriented businesses and true economic development activities.

The following report provides detailed information and analysis of the initiatives, accomplishments, challenges, and future opportunities outlined above. This comprehensive overview highlights the strategic efforts and ongoing projects aimed at fostering economic growth and enhancing the quality of life in Brentwood.

I. Key Initiatives and Achievements

The City of Brentwood is recognized beyond Contra Costa County as a bedroom community with a strong agricultural heritage. While this has bolstered the City's quality of life and preserved ample open spaces, it has not been effective for drawing in industrial and commercial interests. Since 2022, the Economic Development team has concentrated on the following efforts:

A. Marketing and Promoting the City

Staff traveled extensively to attend conferences, host booths, and contribute articles to publications such as BIOCOM (Statewide biotech trade organization) and TeamCA's "Spotlight on Members" series. Staff also placed advertisements across the San Francisco Bay Area, Los Angeles, and the East Coast (Boston) to

showcase Brentwood, particularly the Innovation Center, to potential developers and businesses. Additionally, staff produced a [promotional video for the Innovation Center](#).

Notably, confusion between the City of Brentwood and the Brentwood neighborhood in Los Angeles arises among many developers during events and meetings across the Bay Area and Southern California. Addressing this requires considerable effort from staff, leveraging diverse tools such as videos and news features in publications like the San Francisco Business Times to properly introduce and promote the City to developers and technology firms is key.

B. Innovation Center Activities

Staff has served as the City's lead in promoting the marketing and development of the approximate 260 acre site. This has included maintaining regular communication with all property owners and collaboration with Public Works and Engineering staff on design and construction of the extension of public utilities while continuing the marketing of the center

C. Update to the Innovation Center (PA-1) Specific Plan

Economic Development staff collaborated with Community Development and external consultants to update the Innovation Center Specific Plan, previously known as the PA-1 Specific Plan. Following its approval in Fall 2022, the staff engaged with various developers to advance the project, leading to the approval of a new Costco in the northwest portion of the plan. During the City Council approval process, staff committed to returning to the Council after a year of developer engagements to assess whether the plans align with current and future market demands. Based on ongoing marketing efforts to both developers and end users, the staff recommends revising the Specific Plan to allow for horizontal mixed-use development and reconsidering certain permitted and conditionally permitted uses in the use table.

D. Innovation Center Promotion

Through marketing efforts and participation in regional, statewide and national conferences, staff have elevated the profile of the Innovation Center and the City as a whole, positioning them prominently on the national stage for development and industry opportunities. Historically, Brentwood has been perceived by the SF Bay Area and California in general as an agricultural community, not as a place to locate a tech campus or business park. However, the Economic Development team's efforts have attracted a diverse array of developers and companies that are now considering establishing projects in Brentwood. Although the City does not own the properties of interest, its role involves marketing these sites by traveling to conferences, placing strategic ads in various periodicals, and facilitating introductions between developers, business prospects, and property owners, who ultimately negotiate land sales. Recruitment efforts included:

1. Hosted foreign investors from (International Real Estate Federation) FIABCI in Spring 2022.
2. Finalist for LG Chem (Biotech firm on the Fortune 500 list) that located to Vacaville, CA instead.
3. Ongoing discussions with a national developer active across the S.F. Bay Area about acquiring and developing a large section of the Innovation Center.

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4. Hosted a national industrial developer which chose to expand in Antioch instead since the warehouse/logistics market is in higher demand (Trammell Crow Company).
 5. East Bay Developer of Advanced Manufacturing, Clean Tech Campuses toured the site and is exploring the potential to acquire land on west side and develop a clean tech campus.
 6. State wide mixed-use developers have met with staff and toured the site.
 7. A well-capitalized company working on emerging technology is still in the early stages of their due diligence, and Brentwood's being considered along with other possible properties. Staff believes that emerging technologies could play a significant role in the future economic growth of the City.

E. City Selected as a Finalist for a Biotech Firm:

In 2022, due to staff's efforts, a 10-acre site at the Innovation Center was selected as a finalist for consideration by LG Chem, a South Korean multinational corporation. Ultimately, LG Chem opted for a site in Vacaville, citing the area's existing support from numerous biomedical firms such as Genentech with a robust pool of skilled labor. Furthermore, training programs at Solano Community College have been established to support the industry, nurturing a pipeline of future workers to serve neighboring biomedical firms. Unfortunately, Brentwood currently lacks prominent biotech or biomedical firms and Los Medanos College does not have a well-established pipeline of training programs for prospective job seekers. Nevertheless, Brentwood's Innovation Center put forth a strong showing and reached finalist status in the selection process which included three site visits, including one with the CEO of LG Chem.

F. Costco:

Staff played a crucial role as liaisons between the retailer's real estate representatives and the City. Staff have kept the retailer informed about City initiatives, including updates on projects like the Sand Creek Road extension and developments at the Innovation Center. Construction of the store is anticipated to break ground by August 2024. The addition of Costco is expected to act as a catalyst, drawing more development to the area.

G. Multi-Family Development:

A national multi-family developer entered into a Purchase & Sales Agreement (PSA) to acquire 15-acres on the west side of the center and was exploring the potential to build more than 300 units of townhomes and apartments. Ultimately, investors put the project on-hold in March 2024 due to unfavorable market conditions. As a residential project, it was located on the far west side of the project and would have extended much needed utilities required for the development of the non-residential portion of the Innovation Center. The residential portions of the Innovation Center were intentionally located on the west side of the Specific Plan to assist with utilities extensions for other non-residential uses.

H. Glydways:

Staff prepared a proposal and coordinated meetings with both City Planning staff and property representatives at the Innovation Center for this autonomous vehicle manufacturer. In 2022, Economic Development staff facilitated several meetings with other City staff at the request of company officials. After signing a Letter of Intent (LOI) with two owners representing twenty acres on the west side of the Innovation Center, company officials chose to expand their site selection search (Fall 2022) and as of this date are still examining several sites across the Bay Area. If this company chooses a 20-acre site in Brentwood, it could create up to 200 high paying jobs.

I. Mixed-use Development:

In the PA-1 Specific Plan, the City Council reserved over 20 acres for mixed-use development. Staff is proactively marketing this section of the site to developers across the state. In fact, more than ten (10) developers have met with staff and visited the site. The biggest challenges raised by developers is the City's current desire to see vertical mixed-use development with parking structures. This concept has been deemed infeasible and aside from San Francisco, Oakland, Berkeley, San Jose and Walnut Creek, to a lesser degree, it has not yet proven to be successful. Vertical mixed-use over the entire mixed-use zone is not financially viable. As a result, City staff is exploring a horizontal version of a mixed-use development and developers have expressed interest in this format. This would require returning to both the Planning Commission and City Council to amend the specific plan to allow for consideration of a horizontal mixed-use project.

J. Utility Extension:

Economic Development staff is working in tandem with Public Works staff to oversee preparation of exhibits and facilitate meetings with affected property owners at the Innovation Center. In May 2024, the City Council approved a Purchase & Sale Agreement with the Nunn Family and staff expect to return to the City Council in July 2024 with an agreement for a portion of the Houser property. The plan is to complete installation of the utilities prior to the 2025 planting of crops.

The City is working with two property owners in the Innovation Center to extend water/sewer lines from the terminus of Empire Avenue to the immediate west side of Highway 4. This project should be completed by year's end and would foster new developments on the west side of the Innovation Center.

K. Sand Creek Road Extension:

Economic Development staff have worked closely with Engineering staff and are promoting this new roadway to developers and investors who may consider acquiring properties on the west side of the Innovation Center. The City commenced construction of a \$12M extension of Sand Creek Road from Highway 4 to Heidorn Ranch Road, thereby opening access to more than 200 acres on the west side of the Innovation Center. Construction is scheduled for completion by the end of summer 2024. This extension is vital for projects within the Innovation Center, such as Costco, which requires a second access along Heidorn Ranch Road helping connect Lone Tree Way and Sand Creek Road.

L. Mokelumne Trail Pedestrian & Bicycle Bridge:

The Contra Costa Transportation Authority completed construction of a \$13M pedestrian and bicycle bridge spanning Highway 4 in April of 2024.

M. Responses to RFPs from CAI GO-BIZ:

Periodically, staff receive requests for proposal (RFPs) from the Governor's Office of Business and Economic Development. When the proposed project meets the City's goals and there is sufficient land available to accommodate the project, the City submits a packet of information for consideration. The following is a partial list of proposals, which staff have responded to:

1. **LG Chem:** The City was a finalist for the cancer research biotech firm.
2. **Project Northstar:** Staff responded to the RFP for this pharmaceutical company. To date, no decision has been made on sites.
3. **Project London:** Staff responded to an RFP for this pharmaceutical company. To date, no response has been provided.
4. **Project Sunday:** Staff responded to an RFP for another pharmaceutical company with no response.
5. **Project XDemics:** Staff responded to an RFP for a medical service firm with no response to date.

N. Downtown Business Recruitment/Coordination:

Economic Development staff work closely with the Downtown Brentwood Coalition (DBC), businesses, and property owners on the following activities:

1. **Delta Theater Renovation:** Staff coordinated several meetings with the property owner and Planning and Building staff to devise a plan to address renovations of the theater. The theater opened in June of 2024 and will serve as an anchor for downtown businesses.
2. **Locanda Capri:** Staff worked with LRG Brokers to attract a Lafayette-based fine dining restaurant to purchase and replace long time restaurant, Sweeney's. Locanda Capri Restaurant, an Italian-themed restaurant, opened in December 2023 and staff is working with the operator to identify space for another restaurant downtown. These are the type of unique restaurants and retailers the City seeks to draw.
3. **Former Women's Club Building:** Staff successfully negotiated a 54-month lease with the DBC to oversee the renovation and management of the former Women's Club building, without incurring any leasing expenses. This historic building will serve as the DBC's new administrative headquarters. The DBC also has plans for the space to function as a destination tourism office where both residents and visitors can learn more about what Brentwood has to offer, enhancing the City's appeal as a destination, once the building is improved.

4. **Tarrar Utility Consultants/Former Catholic Church:** This utility engineering firm calls downtown Brentwood home with a variety of other offices across the state. They are in the process of finalizing construction of a new 3-story office building on 1st Street and plan to lease their existing space, which is approximately 3,000 square feet in size, to another use. Staff will assist in the recruitment of a tenant. Attracting good paying jobs to downtown to support local eateries is key to a healthy and vibrant area, especially during the day when local residents are at work and patronage is limited.
5. **2nd Street/Chestnut:** Staff have held several meetings with the owner of one of the last remaining vacant lots downtown. The owner has discussed constructing a two-story mixed-use building on the site that would include residential units on the upper floor and retail space on the ground floor. This project is currently on hold due to the cost associated with undergrounding of the utility poles on the property.
6. **The Yard on Oak Street:** Local restaurateurs acquired the former gas station located at 200 Oak Street with ambitious plans to transform it into a vibrant burger joint. Their vision includes offering a selection of soft drinks and spirits alongside a variety of outdoor games such as Corn Hole. This innovative concept aims to attract high school students during the day and cater to adults in the evenings, while also providing recreational outdoor entertainment options for numerous visitors to Downtown Brentwood.

O. Streets of Brentwood Recruitment Efforts

Staff pro-actively marketed available spaces at the Innovation Center at various conventions, such as the International Council for Shopping Centers (ICSC). These efforts have led to many unoccupied in-line retail spaces being filled, including both a hotel and medical offices. These uses will be built over the next few years and will transform the development into a true lifestyle center with a mix of medical offices, hospitality, restaurants and retailers.

1. **Sutter Health Medical Offices:** Working in tandem with the management of Streets of Brentwood, staff monitored the sale of a 7-acre parcel at the Streets of Brentwood where an approximately 70,000 square foot medical office building is expected to break ground in 2026. This medical facility will serve to diversify the uses at the lifestyle center with a few hundred medical office workers employed during the day. Restaurants and retailers alike stand to benefit from the addition of both the workers and visitors.
2. **La Quinta & Hawthorne Suites:** Staff worked for many years to find a developer for a new hotel in Brentwood. Through a change to the zoning code that allowed hotels to be developed in many areas of the City without a conditional use permit, the City was able to secure a hotel developer. In 2022/23, a hotel developer closed on a parcel within the Streets of Brentwood and has been working on site layout and design review for the proposed hotel. This project's design review application was approved by the Planning Commission in June of 2024. The operator expects to break ground on the 151-room hotel at the Streets of Brentwood in 2025, with an estimated opening in later 2026.

3. **Barnes & Noble and Other Notable Additions:** The former REI store that has sat vacant for more than a decade will soon be filled by Barnes & Noble Bookstore. The book retailer will occupy 21,000 square feet of vacant space at the center. With the assistance of the staff, Mathnasium, American Family Care Urgent Care Clinic, and Limitless Axes & Ales have also been added to the Streets.
4. **Future New Owner:** In addition to recruitment of new tenants to the Streets of Brentwood, staff has successfully recruited a prospective new buyer of the Streets property. Staff coordinated a number of meetings with the prospective buyer and expect the owner/developers to close on the property in August 2024, with significant new capital investments into the property commencing in 2025.

P. Other Activities

While considerable efforts have focused on attracting development and investments to the Innovation Center, where major employers are sought, staff continue to facilitate business attraction and retention efforts across the City. Efforts have included:

1. **Brentwood Tech MeetUp and Tech Council:** In an effort to capitalize on the “hybrid and remote workers” in town with an ultimate goal of attracting technology companies to the area and keeping workers in town, staff launched a Tech MeetUp in early September 2023. The MeetUp operated twice per week in the Community Center and offered free wifi, coffee and light refreshments to attendees. Staff promoted the MeetUp on social media. Unfortunately, due to market conditions changing and tech workers returning to the office, attendance at the MeetUp was limited and the MeetUp was discontinued.
2. **Enhanced Retail Recruitment Study:** This is a strategic initiative of the City Council. Staff released an RFP and selected a consulting firm to perform the study, which is in the process of being finalized. The intent of the study is to identify appropriate retailers and restaurants not currently located in Brentwood’s market along Highway 4 but which are found in similar markets, such as the I-680 and SR 24 corridors. Although Brentwood sits adjacent to the cities of Antioch and Pittsburg, the local demographics are similar to those in Walnut Creek, Lafayette and San Ramon. Therefore, rather than see our local residents travel westward to those communities in search of goods and restaurant choices, staff are seeking to identify those retailers and restaurants not currently located in Brentwood that can be recruited locally. Staff is already witnessing the arrival of such restaurants, including Dumpling Hours at the Streets of Brentwood and Locanda Capri downtown.
3. **Resident and Commuter Surveys:** These surveys were conducted in order to identify the occupations of the local workforce, their employers and commuting patterns. This data has helped pave the way for the Tech MeetUp. Many of the respondents to the survey are employed either in the tech or healthcare industries. Seventy-five (75) percent of the respondents (795) use their private vehicles to commute to work. The remaining twenty-five (25) percent rely on BART to get to work. When the survey was completed in Spring of 2022, thirty-six (36) percent of respondents indicated

they worked on a hybrid or remote basis. Based on the return to work policy instituted by several tech firms across the SF Bay Area, these numbers have dropped, especially for employers such as Google, Meta, and Apple.

4. **Brentwood Chamber of Commerce:** Staff regularly attend the organization's events, from grand opening celebrations for new businesses to mixers. Staff also refer new companies to the Chamber for potential consideration of joining the organization. During the fiscal year 2024/25, the City will be partnering to partially fund a Small Business Development Center (SBDC) consultant located at the Chamber's office to provide assistance to local businesses.
5. **Downtown Brentwood Coalition (DBC):** Staff serve as a liaison to this Downtown Business group, attending their monthly meetings and providing technical support. Staff is also working with the DBC to become financially sustainable beyond the current MOU by analyzing a Property and Business Improvement District (PBID). Staff is monitoring the renovations of the former Women's Club as approved in the lease agreement with the DBC. Staff also work closely with the Executive Director on recruitment of new businesses and technical assistance for existing businesses within their boundaries. One example of this is the work to assist Locanda Capri Restaurant in hiring new employees. The DBC's Executive Director helped promote the job opportunities for local residents. Staff and the Executive Director work in a tandem approach to proactively address economic development downtown maintaining and expand a vibrant business district.
6. **Property Owner/Developer Communications:** Staff proactively reaches out to property owners who own vacant and undeveloped properties. One specific example is that in 2022, staff reached out to Sierra Pacific Properties, which owns a 20-acre parcel on the west side of Highway 4, encouraging them to develop a business park. Staff maintains a database of vacant parcels and buildings that are used to attract developers and end users. Other examples have included assisting brokers of Lone Tree Crossings, Sand Creek Crossings and Garin Ranch Commercial Center in the recruitment of both retailers and office tenants. Most recently, Cardoza Properties, which manages Garin Ranch, secured a lease with a medical counseling firm that will fill a 5,000 square foot vacant space with twenty-five (25) professionals. Economic Development staff have coordinated meetings with Planning staff and will connect the new firm with restaurants in the center once they are ready to move in.
7. **Economic Development Grant Program:** The City's Economic Development Grant Program Guidelines and Application were recently revised with the aim of simplifying the application review and grant award selection process. Since 2022, the City has presented 44 grant funding awards totaling \$478,996. The competitive economic development grant program, while growing in popularity for community events, presents a challenge. An analysis of past grants reveals a trend where the majority of funding goes towards projects that are not true economic development projects. To ensure the program aligns with its intended purpose, staff plans to update the program to focus on the economic development goals of the City Council.
8. **Agricultural Enterprise Program:** Staff is working closely with Harvest Time in an effort to implement the U-Pick Capital Program, which supports and promotes Brentwood's Agricultural heritage, Agri-tourism, and network of U-pick farms. The City Council approved an MOU with

Harvest Time in February 2024 for \$244,200 over three years. This project is funded through the City's ag-mitigation funds pursuant to Brentwood Municipal Code Chapter 17.730 ('Agricultural Preservation Program'). Staff will work closely with Harvest Time to ensure this MOU is properly implemented.

Additionally, staff has also been working with Harvest Time on the use of the Nail Property for a future Agricultural Innovation Center and successfully gained support from the Agricultural Enterprise Committee and City Council. In 2023, Economic Development staff worked with Senator Glazer's office to include language in statewide legislation that staff hopes will exempt this project from the State's Surplus Land Act process. The next steps are for the California Department of Housing and Community Development (HCD) to authorize the City to move forward with negotiations with Harvest Time so the City Council can consider a purchase and sales agreement for the development of the Agricultural Innovation Center on the former Nail Property.

9. **Disposition of Surplus Land:** Staff initiated the process of issuing notices for all 14 designated surplus properties fall of 2023. Staff is currently awaiting authorization from HCD as to when the City can begin soliciting proposals for sale of properties.
10. **Better in Brentwood:** The initiative's primary objectives are to stimulate economic development by encouraging residents to shop, dine, and spend local; attract visitors to the region; enhance tourism; strengthen ties between residents and local businesses; and encourage both locals and visitors to embrace the lifestyle Brentwood offers. In June 2023, staff consolidated the program, which had previously been managed by the City with multiple contractors. The program is now managed by a single local marketing consultant. Since the lead consultant assumed control, the program has experienced significant growth, with the website receiving more than 160,000 visits and engaging with over 80,000 social media accounts from July 2023 through March 2024.

Better in Brentwood conducts business spotlights, where the consultant showcases specific businesses through articles posted on [betterinbrentwood.com](https://www.betterinbrentwood.com) and shared across social media platforms. Since June 2023, they have featured over 30 businesses through this initiative.

Moreover, the consultant actively participates in community events, having attended over 50 gatherings. At these events, they not only highlight Brentwood's vibrant culture and lifestyle, but promote the City, furthering its visibility and appeal.

11. **Sciortino Ranch:** The most recent retail development along the Brentwood Boulevard Corridor was completed at Sand Creek Road and Brentwood Blvd., delivering a variety of restaurants and a grocery store to the hundreds of families who have moved to the eastern and northern areas of the City. This is advantageous in that families are not forced to travel to Lone Tree Plaza and Streets of Brentwood for restaurants such as Chipotle, Panda Express, and Denny's. This also reduces traffic across the City. Staff believe the successful development of this project will spur additional investment along the City's older Brentwood Boulevard corridor.
12. **Technical Assistance to Small Businesses & Non-Profits:** Often non-profit agencies and small businesses reach out to Economic Development staff requesting assistance to find sites, financing,

marketing, and serving in an ombudsperson role in the permit process. Staff regularly meets with these businesses and provides one on one consultation services. Additionally, in June of 2024, staff initiated a new virtual monthly small business workshop series, providing needed resources to local small businesses.

13. **Lazy Dog Restaurant and Bar:** The restaurant received approval by the City and may break ground on Sand Creek Road across from Streets of Brentwood later in 2025 pending property owner contingencies.

II. Challenges and Impediments

While this report primarily aims to highlight the economic development efforts undertaken by the Economic Development Division since 2022, it is also important to acknowledge the various impediments that pose challenges to achieving success in Brentwood. These impediments include:

A. Brentwood is a Bedroom Community:

Approximately, 80 percent of the land in the City is zoned for residential development, creating an imbalance that restricts the ability to attract and support commercial development. Therefore, incentivizing and maximizing the potential for commercial development, particularly throughout infill sites, is crucial.

B. State Housing Requirements:

State housing mandates and mixed-use zoning along corridors such as Brentwood Boulevard and Lone Tree Way encourage developers to designate larger parcels for residential development, which leaves limited space for commercial projects along these corridors. Consequently, commercial development is often confined to smaller spaces and predominately consists of less economically beneficial uses. Additionally, recent housing law enables residential projects to be developed in commercially zoned parcels further limiting economic development efforts.

C. Lack of Electric Power:

In order to attract technology companies to the Innovation Center, it will require significant expansion of power to the area. The city's local provider, PG&E, has shared significant cost and timeframe challenges in fulfilling the power to support clean tech, life science, and other high tech users.

D. Shopping Centers and Business Parks:

The proximity of existing shopping centers and business parks (such as Sunset Industrial Park, Sand Creek Business Center and Harvest Commerce Center) to residential districts imposes several zoning constraints on businesses, including restrictions on building heights, parking limitations, setbacks, and permissible uses. These restrictions make it challenging to attract industries that offer higher employment density and

better-paying jobs. Additionally, these centers often prioritize auto-related and recreational uses, which occupy a substantial amount of space that could otherwise be utilized for traditional office and light industrial uses.

Moreover, these business parks and shopping centers are located in many of the City's planned development (PD) areas, which often lack clear definitions for allowable uses, leading to confusion across the City's seventy-two (72) planned development areas. The surrounding residential districts further complicate the situation, limiting the potential to attract and expand industry within these centers. Many PD zoning definitions should be updated to encourage desired economic development opportunities.

E. Lack of Awareness of Brentwood Market Beyond Contra Costa County:

Although the City of Brentwood was incorporated in 1948, it remains relatively unknown to the wider development community (apart from single-family home developers) beyond the county boundaries. Additionally, the delay in completing the Highway 4 Bypass until 2008 meant that significant commercial development shifted eastward and southward along Interstates 5 and 580 towards cities like Tracy, Stockton, Manteca, and Lodi. Consequently, Brentwood missed out on much of the non-residential construction boom of the past 20 years.

In response to this challenge, the Innovation Center was established along Highway 4. City staff are actively promoting and marketing the Center not only across the Bay Area, but also statewide and nationally. Efforts include attending various conferences, placing advertisements, and initiating contact with developers, brokers, and business prospects to enhance Brentwood's visibility and attract investment.

F. Land Values for Single-Family Development Exceed Those for Commercial Development:

Land values favor the construction of single-family homes, which typically command a higher value per square foot compared to commercial development. This preference makes it more challenging to attract commercial developments, as landowners aim for higher returns on their investment. This issue is particularly evident in areas like the Brentwood Boulevard Specific Plan, where zoning is broad and permits a variety of land uses, including residential.

Complicating matters further, new state laws prevent the City from eliminating residential uses from these plans unless it simultaneously replaces the potential to develop these lost housing units in another area of the City. This requirement restricts the City's flexibility to adjust land use strategies to better balance residential and commercial development needs.

G. Lack of Public Infrastructure to Support Commercial Development:

The three key areas capable of supporting commercial development—the Innovation Center, over 10 acres south of John Muir Health Center, and the Brentwood Boulevard Corridor—lack sufficient public

infrastructure. The City is initiating development at the Innovation Center with a \$16 million investment in public infrastructure improvements. This includes extending Sand Creek Road and installing public utilities from Empire Avenue westward to the immediate west side of Highway 4. While this investment is a significant incentive to attract private investment, future developers will still need to undertake internal infrastructure improvements and parkland development.

The 10-acre commercially zoned site south of John Muir Health Center faces significant financial challenges. The City is currently requiring a future developer to fund roadway improvements supporting the extension of John Muir Parkway, including the installation of public utilities. The planned extension further bifurcates the property reducing the economic development opportunity rather than align it along Concord Ave. This requirement and alignment present substantial obstacles to financing development on this site.

Lastly, the Brentwood Boulevard Corridor, which represents the former Highway 4 route, requires extensive public infrastructure upgrades from the Downtown area northward to Lone Tree Way. Unfortunately, the loss of Redevelopment Agency funding has left the City with limited tools to enhance the roadway, install sidewalks, and upgrade public infrastructure such as storm drains, lighting, and landscaping. Additionally, the Brentwood Boulevard Specific Plan supports residential development on the majority of larger parcels that could otherwise accommodate business parks and commercial centers. Key sites include a 36-acre parcel running from O'Hara to Brentwood Boulevard, an 8-10 acre vacant parcel on the east side of the Corridor just north of the ARCO Gas Station, and another 11-acre site directly across the street.

H. Reduced Opportunities for Commercial Development on Brentwood Boulevard:

Prior to the construction of the Highway 4 Bypass, there were more opportunities for commercial development along Brentwood Boulevard, but the City did not capitalize on those opportunities. Since the bypass was completed, most national retailers prefer locations along the new Highway 4, leading to commercial developments primarily occurring along Lone Tree Way. Consequently, aside from Sciortino Ranch, remaining infill sites for commercial development in Brentwood might be more attractive to a narrower band of uses, such as fast-food restaurants due to their limited size.

I. Limited Business Park Space:

Historically, the City reserved very little land for business parks, resulting in the development of only three existing ones: Sunset Industrial Park, Sand Creek Business Park, and Harvest Commerce Center. These business parks are surrounded by residential development, which restricts the types of industries that can operate there due to zoning constraints and the need to minimize, size, use and hours due to proximity to nearby residents.

J. Geographical Limitations and Market Size:

Brentwood's location at the eastern end of Highway 4 (a 'cul-de-sac' location) presents challenges in attracting large employers, retailers, and restaurants. The City's population size makes it difficult to attract major employers and regional malls or retailers that require larger market sizes to be viable.

K. Economic Development Sees No Jurisdictional Boundaries:

Brentwood is considered part of the broader East Contra Costa County retail market, which spans many miles east-west along Lone Tree Way. The City of Antioch has substantial retail and office space, particularly around Slatten Ranch and west of Highway 4. While Brentwood's western boundary ends at Lone Tree Plaza, Antioch's boundaries extend much farther, encompassing a significant amount of commercial space. Retailers and shoppers tend to view the Lone Tree Way Corridor as a single market, rather than distinguishing between Brentwood and Antioch. This perception is further reinforced by the surplus of vacant and underutilized commercial properties in neighboring communities, especially west of Highway 4.

L. Enhanced Retail Uses:

National retailers often expand linearly from one market to the next. For instance, the Walnut Creek/Concord region is considered a high-demographic market where many retailers and restaurants first establish a presence before moving eastward to Pittsburg, Antioch, Oakley, and Brentwood, where population density and incomes tend to be lower. However, some national and independent retailers, such as Dumpling Hours, Peet's Coffee, Trader Joe's, and most recently, Locanda Capri Restaurant, have bypassed Pittsburg and Antioch to open restaurants in Brentwood. To identify appropriate retailers and restaurants to attract to Brentwood, the City has recently completed an Enhanced Retail Study.

M. Challenges in Office, Industrial and Technology Markets:

Across the San Francisco Bay Area, the demand for large office buildings has significantly decreased since the pandemic, resulting in double-digit vacancy rates. Cities from San Francisco to Oakland and San Jose are considering converting office buildings into residential units as their downtown areas suffer from restaurant and retail closures. Additionally, major technology companies like Tesla, Meta, Apple, and Google have laid off thousands of workers and scaled back expansion plans. Higher interest rates and other economic factors have further negatively impacted the industrial and office markets.

The companies that are expanding are mostly in the logistics and warehouse sector, leading to large warehouse developments in Oakley and Antioch near Highway 160. These facilities typically require fewer employees and increase truck traffic due to their size, which is not the type of industrial development the City of Brentwood aims to attract to the Innovation Center. Instead, Brentwood is focused on attracting industries that offer higher employment density and align with the City's long-term economic goals.

N. Innovation Center - Necessary Specific Plan Amendments:

Vertical mixed-use development is not financially viable in Brentwood. Economic Development staff have hosted meetings and tours with developers active in Walnut Creek, San Francisco, the Peninsula, and Los Angeles who have unanimously agreed that vertical mixed-use development is only financially viable in markets like Berkeley, San Francisco, Palo Alto, and Mountain View. Additionally, parking structures are prohibitively expensive, and Brentwood's only existing parking structure is City-owned. The current Specific Plan calls for a vertical stacked mixed-use development on 20-25 acres. Several developers have advised staff that this model is not viable in Brentwood, nor in many other communities across the S.F. Bay Area. Downtown Walnut Creek has several mixed-use buildings near the BART station and the Pleasant Hill BART Station does where a ground floor space has remained vacant for years. These developments are approximately five or less years old and suffer from 70 plus percent vacancies. Some spaces have never been occupied, despite being located across the street from rapid transit services. If the City is to attract mixed-use developers, it will have to amend the Specific Plan to support horizontal development.

Developers have shown interest in horizontal mixed-use projects featuring single-story commercial spaces (retail, restaurants and professional offices) alongside three to four-story garden-style townhomes or apartments. However, the presence of large shopping centers like Lone Tree Plaza and Streets of Brentwood limits the potential to attract national retailers to mixed-use town center projects. Focusing on independent retailers and office spaces may be a more viable approach, but new construction costs present challenges, as many independent businesses prefer second or third generation spaces where rents tend to be lower.

The challenge will be working with mixed-use developers to design financially feasible projects that align with the City's vision for town center development. This requires flexible zoning standards that facilitate a vibrant sense of place for businesses and residents and allows for additional permitted (versus conditionally permitted) uses.

O. Demand for Professional Office Space:

Despite challenges facing the office market throughout the Bay Area, there remains a high demand for professional office space in Brentwood. However, construction costs for new office buildings are comparable across Fremont, Walnut Creek, and Brentwood, and the local rental market does not currently support the economics needed for constructing new office buildings.

Recent property sales illustrate this trend. For example, Golden State Orthopedics purchased the former Los Medanos College site, and Bass Medical Group acquired a former Best Buy store on Lone Tree Way. Both companies opted to acquire and renovate existing buildings rather than construct new ones. Providing incentives to encourage new office development will be crucial, especially as more medical facilities establish themselves in the Brentwood area, creating high-paying jobs that can support the growing family and senior population.

P. Downtown Brentwood is Fully Developed:

Downtown Brentwood has very few infill sites remaining for new construction. Moreover, some current property owners are unwilling to develop due to burdensome development standards from the Downtown Specific Plan, for example the requirement to build at least two stories.

III. Future Opportunities and Growth Prospects

Overall, the opportunities outweigh the constraints for achieving success in economic development in the City, and the future is bright. To maximize these opportunities, the City should consider pursuing the following actions:

A. Innovation Center:

Maximize the development of a horizontal mixed-use town center community that incorporates a diverse mix of technology, light industry and commercial uses. This will enable local residents to secure high-paying jobs within Brentwood, reducing the need to commute across the S.F. Bay Area. Specific developments to focus efforts on are outlined below.

B. Costco/La Quinta & Hawthorne Suites/Lazy Dog Restaurant:

The arrival of these businesses are expected to attract additional retailers and restaurants that are not currently in the market area.

C. Town Center/Mixed-Use:

Will require an amendment to the PA-1 Specific Plan to allow for horizontal mixed-use.

D. Improve Local Electric Grid Capacity:

Will require partnership with PG&E to increase power to attract employers offering high paying jobs in the following industries: clean tech, life sciences, advanced manufacturing, etc.

E. Business Park Opportunity:

There is land available on both the east and west sides of the Innovation Center to support a mix of advanced manufacturing, technology, and light industrial uses.

F. Golden State Orthopedics:

In early 2023, a Walnut Creek-based medical services company purchased the former Los Medanos College building, a 30,000 square foot property, from the City. Over the past year, the company has invested

millions of dollars in renovations. Once completed, the building will accommodate well over 100 medical office workers, many whom reside in Brentwood and previously commuted to Walnut Creek. This company will attract, retain, and expand high-paying jobs in Brentwood, serving as a catalyst for revitalizing the existing shopping center and increasing patronage of nearby restaurants, such as those recently opened at Sciortino Ranch.

G. Enhance Retail Recruitment Study:

The study serves as a roadmap to identify and recruit select restaurants and retailers that cater to the needs of local residents, targeting businesses from markets such as Lafayette, Danville, Walnut Creek, and San Ramon. One of the biggest challenges here is lack of available second-generation commercial space (buildings) and restaurant space, which is expensive to build out.

H. Streets of Brentwood:

Most recently, through staff's marketing efforts and attendance at conferences such as International Council for Shopping Centers (ICSC) in Monterey, staff successfully promoted the sale of the center to a proven lifestyle shopping center developer and owner. If the purchase proceeds, the new owner plans to implement transformational changes to the Streets. Staff are already assisting with the recruitment of new retailers and restaurants to enhance the center's appeal.

I. Balfour/Brentwood Boulevard:

A 3+ acre site will support a mix of restaurants catering to residents living in the eastern and southern areas of the City.

J. Sutter Health Medical Offices:

Staff assisted in the recruitment of a major medical facility, which plans to break ground on a 7-acre site just north of the hotel site in 2026. This approximately 70,000-square foot facility is expected to bring a few hundred employees to the area.

K. Monthly Small Business Workshops:

Staff launched a monthly virtual workshop series in partnership with experts in various fields, including financing, small business planning, bookkeeping, and more. These workshops aim to provide local entrepreneurs with free guidance and support as they establish and grow their businesses in the community.

L. Economic Development Incentive Program:

Staff are revising the City's incentives for City Council consideration to support a mix of major developments to small businesses with grants targeting small tech firms and growing industries.

M. Business Retention & Expansion Program:

Staff will develop a Business Retention & Expansion Program that serves companies located in the various business parks across town. Depending on the outcome of an initial survey, staff expect to create programs to support the growth and creation of select companies.

N. Downtown Expansion:

The City Council should consider expanding opportunities for professional offices in single-family homes along Second Street to support growth of Downtown without adversely impacting the surrounding residential neighborhood. Implementing flexible zoning would facilitate this transition.

O. New Business Parks:

The City should be planning to consider annexing land immediately south and east of the current City limits to support the development of business parks to grow the tax base, diversifying land uses, and create jobs for local residents needed once the Innovation Center is built out.

P. Feasibility of Property and Business Improvement District (PBID):

Staff will conduct research to explore the formation of a PBID. If approved by property owners, the PBID will assist the DBC in becoming financially independent and capable of funding various downtown activities, including maintenance, business promotion, special events and marketing.

Q. Brentwood Chamber of Commerce Capacity Building:

Staff will continue to collaborate with the Chamber to pursue partnerships, capacity building, and support for the numerous businesses located across the City, especially in business parks which do not tend to participate in Chamber-oriented activities.

R. Economic Development Grant Program:

Staff are in the process of revamping the program to focus on funding events in the areas of art, education, recreation, culture, healthcare, and economic development.

S. Incentivize Commercial Development South of John Muir Medical Center:

Analyze the impact of new economic incentives, and road alignment adjustments to attract job-based commercial and industrial development on the 10-plus acres of undeveloped land south of John Muir Health Center.

Conclusion

Brentwood's economic development efforts have positioned the City for significant growth and diversification. The opportunities for success far outweigh the constraints, and the future looks promising. To capitalize on these opportunities, the City should focus on the key areas outlined above.

By focusing on these initiatives, Brentwood can transform its economic landscape, creating a diverse and resilient local economy that provides high-quality jobs, attracts innovative businesses, and enhances the quality of life for its residents. The City's proactive approach to economic development, combined with its strategic location and available resources, positions Brentwood for sustainable growth and success in the coming years.