

CITY MANAGER'S WEEKLY REPORTS

BUSINESS VISIONING ARTICLES, JULY - OCTOBER 2005

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Envisioning the Sausalito We Want to Become

Imagine this scenario. The government comes in during the space of two weeks and seizes the land where 40 homes exist. They remove the homes, and immediately begin a massive grading and construction effort. One million cubic yards of dirt (think: 50,000 dump trucks full) is graded. Three million yards of sensitive bay habitat is dredged. Huge industrial buildings are constructed virtually overnight, and thousands of workers are imported to begin an around the clock heavy industrial operation. Worker housing is slapped together. All of this occurs without permits, environmental review and public comment.

Thank goodness this doesn't happen in our community. Actually, it did. I am describing the transformation of the Marinship area of Sausalito from a sleepy little residential area known as Pine Point to a wartime shipbuilding center where 93 libertyships were launched within the space of three years.

For better or worse, the actions of the federal government permanently changed both the landscape and the waterscape of Sausalito. Other profound changes to Sausalito have occurred over the years. Marin residents used to access San Francisco by traveling by rail to Sausalito, where they boarded the ferry. Then, in the 30's the Golden Gate Bridge was built, making vehicular access to the city an easy option for commuters and visitors. Highway 101 sprang up to serve the Bridge, bypassing (thankfully) Sausalito's downtown, again changing both the landscape and character of Sausalito.

Sausalito's residential community has changed over the years with the construction of new and remodeled structures. However, its essential function---to house the residents of our community--- has remained fundamentally the same. On the other hand, the business community has gone through many evolutions. When Sausalito first incorporated, we had livery stables, dry goods stores and saloons. The livery stables gave way to

automobile garages, the dry goods stores were replaced by markets and dress shops, and (at least during prohibition) the saloons were closed, thus fostering a new business opportunity for speakeasies and rum runners.

Business economies evolve over the years; it is as inevitable as the sun coming up in the morning. In downtown Sausalito---just like in downtowns all over the country--- the local pharmacy, fruit market, bookstore and grocery store closed down. In their place came a variety of visitor-oriented businesses. Did we consciously plan this transformation or did it just happen?

Throughout our history, Sausalito's planning for our business areas has been largely reactive. The Marinship Plan was developed as people rebelled at the construction of large office buildings on the waterfront. We rezoned the commercial districts to ban "formula retail" after Benetton, Crazy Shirts and Starbucks had already come to town.

The constitutionality of this prohibition aside, is it realistic to think that every new business in town can only be a one-of-a-kind operation? After all, the Marin Theater is just one of a larger theater group, Whole Foods is part of a chain, and even the beloved Caffé Trieste has a sister establishment. Or, do we instead want authentic, unique, attractive and diverse commercial establishments that provide retail, service, cultural and employment opportunities that are in keeping with our community needs, values and standards?

My point is this: Sausalito's business environment is going to change whether we want it to or not. I am not a futurist, but I would venture a guess that we will no longer have a film store in the downtown in the not so distant future. I have a hard time imagining that Sausalito will continue to support all the dry cleaners we have in town. Just as the dot-commers came and went, businesses are going to move in and out of our commercial spaces. With an aging and increasingly affluent baby boomer population, we may see an up tick in the demand for dining establishments and personal service businesses.

This time around the City of Sausalito hopes to engage the community in defining its business environment. Rather than responding to changes after

the fact, Sausalito has embarked on a proactive process to create a vision of where we would like to go with the future of our business community.

What are the future trends that will impact Sausalito's business environment? Do we need a broader economy that will insulate us from the dot-com busts and 9/11 tourism crashes of the future? Do we want to consciously attract certain business sectors or even specific businesses? Is it important to seek businesses that can have a positive effect on our City revenues? Or, should we scale back our expectations for community service levels in light of our business vision? What public enhancements (pedestrian promenades, community centers, improved signage, basic infrastructure etc.) are necessary to carry out that vision?

All of these are legitimate questions that the business visioning process seeks to address. So far, the City's Business Advisory Committee---which consists of two City Council members, Chamber of Commerce representatives, and citizens at large--- has sponsored two separate "summits" with business leaders to seek their suggestions. The summits were followed by two citizen sessions at the Cruising Club facilitated by resident Kare Anderson. Work is underway to develop innovative methods to continue seeking public input on the business vision. Additional public forums and opportunities to provide input are being planned, and will be announced soon.

In the meantime, put on your futurist glasses and think about the Sausalito you would like to live in for the next two decades. Dream big, and make sure to send your thoughts in writing to the City (along with your email address) so that you can be a part of envisioning our future.

September 29, 2005

Sausalito's Vision for its Future Business

Under the leadership of the City's Business Advisory Committee, Sausalito is in full swing of a Business Visioning Process. The goal of this visioning process is to define Sausalito's future business environment. What types of businesses do we want to preserve? What businesses do we wish to attract to our community? What are the sustainable business sectors that can contribute to Sausalito's economic wellbeing and are appropriate to our unique qualities?

So far, the City's Business Advisory Committee---which consists of two City Council members, Chamber of Commerce representatives, and citizens at large--- has sponsored two separate "summits" with business leaders to seek their suggestions. The summits were followed by two citizen sessions at the Cruising Club facilitated by resident Kare Anderson. Work is underway to develop innovative methods to continue seeking public input on the business vision. The next phase of the visioning process will be to poll the community on your thoughts and ideas about Sausalito's business future.

In this week's column, I am publishing the first installment of public input we received through the business visioning process thus far. They are offered here without editorial comment. You are likely to agree with some of the thoughts expressed by those participating in the sessions; however, some of the comments are controversial. Our purpose in publishing these comments is to stimulate your thoughts and ideas and set the stage for further community dialogue.

Here are some of the things that citizens attending the second resident workshops said that they like about Sausalito:

Jazz by the Bay...the waterfront...the diversity of the people... you can walk to an awful lot of places in town... small town... no mainstream franchises or chain stores... close proximity to San Francisco... relaxing atmosphere...the volunteerism of the people...sense of community...working on wooden boats...cyclists...visual beauty...the arts...the yachting community...diversity of restaurants - upscale to pizza...the history ...proximity to the headlands...traffic is reasonable....residential privacy...sex...safety at all hours...Sausalito is a ferry stop...tourists.

Residents also offered suggestions on the kinds of new businesses they would like to see in Sausalito:

More tie-up space for visiting boat...high end water taxi from one end of town to other...boutiques/cafes along a promenade... a drug store...better natural foods store(s) and natural pharmacy...automotive services... performing art center or a visual art center...an art center where artists can show work and teach...commercial space at Spencer/Monte Mar, with a shelter...preserve and build on the marine industries (not just yachting)...

decide how to fill up small and mid-size vacant commercial property... a new Village Fair... promote business uses in the Marinship, such as a marble works, and welding works.

The first business owner/resident summit yielded some sharply worded critiques on the waterfront area:

The Marinship is a moribund part of town. It is dead; cold; filled with storage buildings and sweatshops; devoid of landscaping, sidewalks and amenities that would give people any reason to go down there... keep the ICB Building...get rid of the Marina Plaza development... consider live-work uses when redeveloping the area...views and access to the waterfront are cut off in the Marinship; it needs to be integrated with the rest of Sausalito, rather than closed off... the north part of town is Siberia... the property owner strategy of "buy and hold" does not serve the community well.. Gate 5 was famous for its cultural and artistic heritage; now it is a "tatty, ugly place" that lacks character and identity...Libertyship area is much friendlier and prettier now...Schoonmaker is an example of successful development in the Marinship. The café is a place for workers to meet, get out of the office environment...Marinship does not feel safe...there is a need for re-education and changed standards on how we treat businesses in the Marinship...a bigger vision is needed for the Marinship area; it still needs to be a place for artists, architects and maritime businesses; however, the Marinship plan needs greater flexibility...small-scale boat building is no longer an economically viable industry.

The business summit also yielded opinions on Sausalito's development process:

Whoever does design review in Sausalito is trying to be too quaint and rustic...we need to be on the map of the world with progressive architecture...the City needs to promote more walking and biking...the Bridgeway Bike Path is great...Town Hall, a restaurant, unsuccessfully tried to come to Sausalito... also, Acme Bread and Small Shed Flatbread moved to Mill Valley after being frustrated in their attempts to move to Sausalito...instead of using a group like the Philips Group to do plan check for the City, use somebody local—it will assist the timeliness and lower expense for applicants...the restaurant "FI SH" is very successful, serving 300 meals a day; however, the "yellow brick road" along the sidewalk installed for ADA

purposes is excessive and ugly...Caledonia Street is so much better now...the outdoor dining transforms the street; it is more vibrant and there is a feeling of connection with the community.

The business summit participants pointed out that Sausalito has not been diligent about recognizing the needs of the business community:

The Chamber of Commerce has not been interested in businesses beyond the downtown...the City has never been interested in the needs of businesses before; in fact, he was very surprised when the city manager contacted him at his new business to say "glad that you are here"...SF citizens would love to work in Sausalito - it is a very appealing work environment...attracting businesses would be challenging for a small city like Sausalito...cities all over the Bay Area are actively recruiting businesses (cited example that Jerry Brown had recently called him to try to get him to bring his business back to Oakland)...Sausalito is a bedroom community and will never be a major employment center...for its business attraction efforts, the City needs simply to be responsive—it is not that complicated...the gross receipts business license tax used in Sausalito is regressive (Emeryville does not have one)...when their business was first established in Sausalito, it was a long time before they were contacted by the Chamber of Commerce.

The business summit members offered a number of suggestions on business attraction and retention strategies:

Sausalito might seek clean, high tech, creative businesses...Marin is redolent with brilliant people who end up going to SF for work—Sausalito should try to attract them... a key problem is that the technology infrastructure (bandwidth) does not exist here; there are no T-1 data lines at all in the Marinship...progressive employers offer incentives to keep their employees; for example, Industrial Light Magic (George Lucas' company) gives \$1 million to 6% of its employees for onsite childcare... Sausalito should recruit to niche industries...the City needs to know what the inventory of vacant business space is and should be tracking every new DSL connection...develop critical mass in specific sectors; find a way to mitigate all the downsides of being in Sausalito...creative businesses (marketing, architecture, design, etc.) are flocking here...the City and Chamber need to do more outreach on what businesses need, i.e., business amenities, more lunch options, food delivery services, better bus service, water taxis, childcare, good

schools...schools in Sausalito are a problem; Willow Creek is not the greatest option...businesses need attractive rents, amenities, nearby restaurants, and convenient public transportation...businesses need the flexibility to expand and contract...she looked in Sausalito for a suitable office for her newest business venture, but ultimately decided to take a space in San Francisco's Embarcadero (Pier9) because of the convenience of the ferry systems, easy access to public transit, more affordable housing choices for employees, great selection of places to eat within the vicinity, easy access to South Bay/Silicon Valley and easy access to regional airports.

Look for installment two of the comments from the business visioning process in next week's column.

October 7, 2005

Imagine Sausalito...Part Two of the Business Vision Comments

Last week I wrote the first installment of comments we have received from local residents and business owners about their future vision for Sausalito's business community. This week's installment contains comments received at a session of residents who also own a Sausalito business held on February 2 and as well as a resident session held on June 23.

Not surprisingly, there was considerable overlap between the two groups on the qualities that they like about Sausalito. Views of the waterfront ranked as a top asset among both groups, as did proximity to San Francisco, and the community's diversity of residents. Sausalito's safety and its reputation as a world-renowned arts community were also mentioned by both groups. The resident group noted that Sausalito has unusual businesses, not found in "Anytown", USA.

The business owner/ resident group ("BORG") listed the following things they liked about Sausalito from their perspective as residents: it is friendly; has a moderate climate; the geographic location provides opportunities for city activities as well as easy access to mountain leisure; Sausalito has a world image; the quality of life is better than elsewhere in Marin (traffic is low and it is a wonderful spot for running, biking and boating); the quality of life also nurtures home businesses; there is easy transportation access to the north and south; Sausalito's environmental scenery changes every day;

there is a sense of privacy that is lacking in many communities - a person here can choose to be outgoing or private; and Sausalito has many highly educated people and professionals.

From their perspective as business owners, the BORG noted the business-related assets of Sausalito: it is strategically located near airports and San Francisco; there is an available pool of talented employees; communications infrastructure is better here than in communities to the south; the vast majority of businesses/properties in town are owned by Sausalito people; the property owner's association is strong; Sausalito has the highest efficiency in issuing permits compared to other communities such as Santa Rosa and San Francisco; one can easily get to know other business owners; there is less red tape and agencies have better coordination than other places; the response from fire and police is quicker than in San Francisco; other services, such as solid waste collection, are good; Sausalito is a good place to run a fish business; Caledonia Street functions well as a resident-serving business district; it is easy to find parking on Caledonia, which is a plus for businesses.

What is not going so well according to these groups? The resident group offered that the City could use: less traffic and more regulation of bicyclists; an expanded tax base through expanded development of boat-based or water-based businesses; less division and contentiousness around the public safety facilities program; dog-free public parks/enforcement of leash laws; overnight docking facilities for visitors; dredging of the waterfront; a Spring Faire that is more inclusive of all merchants; ways to retain businesses that cater to the local community; and a mixed-use waterfront. The resident group members disagreed on a statement that there should be clever and artistic signage in town (some thought that the signage rules should not be changed.)

The BORG had a long list of things that could be improved: Sausalito lacks "soul"; there is poor cell phone reception; Sausalito needs more forums for demonstrating friendliness; finding quality employees is a struggle; lots of employees commute from great distances; parking is challenging for employees; there is a pervasive attitude that Sausalito is not business friendly; the new parking meter rates are unfriendly and stupid [note: the City Council changed the parking meter rates after these comments were

made]; customers do not feel welcome because of parking rules; there are no docking facilities accessible to visiting boaters in the downtown; there is a myth of the "hill people v. the flatlanders"; the retail environment is poor and could be more varied; it is hard to raise kids in Sausalito because the school system is horrible; ferry transportation options are limited—we need additional ferry service from S.F. later than 8:20pm; retail sales are down--- the City's sales tax has been declining over the past 10 years; resident parking zones in the Caledonia area hurt business; and, the lack of tenants, especially in the north end of town hurts the service industries.

The BORG offered several critiques of the City of Sausalito as well: zoning regulations on the number of seats that a restaurant may have are overly restrictive; the City needs to work with landlords to entice business to Sausalito; the City has a "department of economic discouragement"; the City Council does not care about economic proposals from businesses, but cares about subjective details; the City Council takes a short term view and does not have enough of a planned, longer term view; the City needs to provide more guidance regarding a business plan; the City (Council and staff) is overly cautious regarding business development; businesses do not have a voice with City of Sausalito; the City lacks a business-like approach in raising revenue; and the increased transient occupancy tax is regressive.

As with the prior sessions, the Marinship area received special focus. The resident group cited the maritime atmosphere and heritage of the Marinship as community assets. However, the group was split over the future of the Marinship: one resident suggested that the City needed to revitalize the Marinship area; another countered that the Marinship should not be changed at all.

The BORG had strong feelings about the Marinship area, too, describing it as an underutilized, oppressive, over-regulated segment of Sausalito and "scary". They added: the Marinship Specific Plan has stifled development in the Marinship, even though half of [the City's] sales tax revenue comes from the Marinship; the City cares more for a romantic image of the Marinship and the way things used to be than for businesses that are there now; the City is overly subjective and romantic regarding "fringe" tenants; the City is more interested in applying the Marinship Specific Plan than in addressing the big [economic] picture; and the City should change the

Marinship Specific Plan to allow a broader group of tenants to occupy existing vacant spaces and make height limits flexible based on individual site characteristics.

The resident group offered a number of suggestions for the kinds of businesses they would like to see in Sausalito: Trader Joe's; a bookstore-café modeled after the Depot in Mill Valley; a house wares/kitchen store; and upscale restaurants with water views; a stationery store; office supplies store; shoe stores with unique, interesting shoes; outlet stores; a pharmacy.

The BORG had a wide range of ideas for change, too: Sausalito should build a City pier horizontally between the Spinnaker & Sausalito Yacht Club that people could stroll on and that would accommodate large boats overnight or for a week; develop businesses on the waterfront parking lots [by ferry landing] and move the parking elsewhere; use water taxis as a mode of transportation along the waterfront; create a concentrated business organization that provides leadership and policy development; and "brand" Sausalito and reinvent the downtown.

Where is the Business Vision Headed?

Quite obviously, there is a wide range of community sentiment about Sausalito's business future and not all of those ideas will resonate with the majority in our community. The four visioning sessions held to date represent the views of only a small portion of the community. The Business Advisory Committee will be taking its plan to solicit broader participation in the "business vision" to the City Council on October 18. Among the recommendations are:

- Continue to publish the suggestions that have come out of earlier sessions in order to stimulate further community dialogue and ideas;
- Conduct a community poll that tests key ideas that have been widely addressed in the resident and business sessions;
- Solicit broader community response through a city-wide mailing and a web-based forum;
- Use that process to recruit volunteers to serve on about 4 to 6 "issue based" citizen groups addressing such topics as where do Tourists & Visitors fit in our future, or how should the resident-serving Caledonia Street area look in the future;
- Have each citizen group summarize their ideas in a short 3-10 page report

that they will present to the Business Advisory Committee and the City Council, again inviting public input and refinement.

The final product of these efforts will not be a "plan" or implementation tactics. Rather, it will be a common vision for Sausalito's business future that represents input from a broad cross-section of the community. Using that vision, the City Council can then embark on specific efforts—be it a business recruitment strategy or regulatory and policy changes—that help to make the vision a reality.

October 14, 2005

Imagine Sausalito

Over the last few weeks, this column has reported on the comments of local residents and business owners regarding the business vision for Sausalito. This week is the third installment of that summary.

The Business Owner Resident Group (BORG) that met earlier this year recommended that the City develop a 20 year business and economic development master plan and create a staff position dedicated to business development, so that positive solutions can be brought to City Council proactively. As part of that plan, the BORG urged the City of Sausalito to allocate funding for analyzing business growth opportunities, with attention to existing impediments; change attitudes regarding business and modernize zoning rules; and develop a long-term, focused Marinship plan that encourages business and the promotion of business.

The BORG also felt that the City of Sausalito needs to be run like a business, with departments as profit centers. They recommended that city staff should have greater policy and regulatory influence. The BORG also suggested that business owners needed to become "power brokers" with the City Council and Planning Commission

The residents who met in a facilitated session in June had a different set of solutions for improving Sausalito's business environment. They wanted businesses that stay open until 8:00 PM and resident-focused shopping nights. The residents suggested that the Chamber of Commerce develop a list of businesses that give local discounts to encourage residents to shop locally. The residents group recommended a ban on chain stores, t-shirt

shops, sweatshirt shops, and motorcycle shops. They wanted fewer dry cleaners, but more "Depot-like" bookstores and a new flea market. They also suggested encouraging artisan and made-in-Sausalito businesses such as a loom shop.