

# NOVATO ECONOMIC STRATEGIC PLAN



## City Council Study Session

May 12, 2026

Help shape Novato's first Economic Strategic Plan

Learn more: [novato.gov/EconomicPlan](https://novato.gov/EconomicPlan)



**CITY OF NOVATO**  
ECONOMIC DEVELOPMENT

Presented by:



**CITY OF NOVATO**  
ECONOMIC DEVELOPMENT



**GOODCITY**  
COMPANY



**STRATEGIC**  
**ECONOMICS**



## SECTION ONE

# INTRODUCTION

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What is an economic development strategy



# What is Economic Development?

Economic development is the process of expanding a city's capacity to generate prosperity for its businesses, residents, and the entire community. A strategic plan serves as the essential roadmap for this work, guiding the City's priorities and investments to ensure a thriving local economy.

## EXAMPLES CAN INCLUDE...

### Attract private investment

Bring businesses and capital to Novato

### Focus public investment strategically

Catalytic projects and opportunity areas

### Support and retain existing businesses

Help local businesses grow and stay

### Bolster local tax revenues

Fund city services and infrastructure

### Create jobs & increase quality of life

Employment and a thriving community

### Integrate Novato into the regional economy

Compete and connect with the wider region

### Communicate Novato's Evolving identity

Tell Novato's story to attract investment

## TONIGHT'S GOAL

- 1 Overview of existing conditions and community engagement
- 2 Confirm vision and goals
- 3 Tell us what matters most to you

# What an economic strategy can and cannot do



## CANNOT

- Control market conditions or broader economic trends
- Control property not owned by the city
- Control state legislation
- Force a retailer to open here
- Force property owners to take certain actions
- Guarantee specific tax revenue increases, as business success is driven by many broader market trends



## CAN

- Modernize & streamline the regulatory environment
- Define priorities - strategic, not reactive
- Establish a shared vision for collaboration
- Understand challenges and leverage strengths
- Build partnerships to support program implementation
- Promote the city as a location of choice for business
- Keep city leaders informed of the connection between policy, the city economy and business environment
- Work with regional and state partners to influence policy and legislation
- Ensure businesses have access and knowledge of all resources available

***When economic conditions shift, the cities that benefit most are the ones that have "set the table" around their business and regulatory environment.***

# When Market Conditions Align — Strategy Makes the Difference

## WITHOUT A STRATEGY

*A business arrives and finds:*

- Friction and bureaucratic barriers
- Uncertainty about permitting timelines
- No clear plan or direction
- Unclear rules and priorities

**X Passes. Looks elsewhere.**

## WITH A STRATEGY

*A business arrives and finds:*

- Clarity on process and expectations
- A shared vision for Novato's future
- Aligned regulatory environment
- City staff ready to support

**✓ Commits. Opens in Novato.**

# Common Economic Development Metrics

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The metrics below are the common indicators cities use to track progress across real estate, business vitality, city services, and community outreach.

## Real Estate Health

- Vacancy rates
- Rent performance
- Number of business establishments
- Square feet commercial and industrial activities

## Business Vitality

- Percent growth in sales tax receipts
- New business startups
- Number of businesses receiving grants
- Number of façade improvements or window activations

## Economic Development Services

- Number of businesses assisted through small business services
- Number of businesses receiving permit facilitation services
- Permitting dashboards

## Outreach & Accessibility

- Number of unique visitors to the Economic Development resources page
- Economic Development business resources translated into other languages

# What We Learned About Novato



Population



Jobs



Retail



Office



Industrial



Hospitality



Housing



Sales Tax

## EXISTING CONDITIONS SOURCES

- State of California: Taxation and Finance, Labor
- US: Labor, Census Bureau
- Novato and Marin County GIS
- City of Novato (business licenses, GIS)
- CoStar and HdL
- Novato commercial brokers
- Interviews with Novato stakeholders
- Novato Chamber of Commerce and Downtown Novato Business Association
- Novato Councilmembers, Economic Development Advisory Commission, and city staff

# Novato's Economy & Workforce are Growing

**~24,000**

**Jobs in Novato**

Growing faster than Marin County

**Almost 2x**

**Median HH Income**

Nearly doubled 2013-2023

**2,800**

**Housing Units**

Novato is adding both jobs and housing



Growing number of residents with specialized advanced degrees, marked by a 29% increase in professional degrees and an 18% rise in doctorates.



Rate of job growth has exceeded Marin County - Novato is a growing regional employment center.



Novato contains concentrations of jobs in specific industry clusters, particularly manufacturing, life science, and health care (relative to Marin County).



Novato's economy is highly diversified: Manufacturing, Construction, and Health Care and Social Assistance industry sectors were the primary stimulants for citywide employment growth.

# Opportunities for the Future

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## Sales Tax Growth



Taxable sales are growing faster than the region. Food & beverage establishments are leading the way.

## Hospitality



Hotel occupancy and revenue per room haven't fully recovered since COVID-19. Novato benefits from regional access and events, but could grow with increased arts and culture activities

## Grow Regional Industries



Novato has existing clusters of manufacturing, life science, specialized contractors, professional technical scientific trades that are growing. These regional industry clusters have future potential to bring more higher paying jobs to Novato.

# Housing Pipeline: Economic Development Opportunity

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## Housing Pipeline



Novato's pipeline of proposed and approved projects includes nearly 2,800 housing units. Novato's housing mix has begun to shift towards multifamily development.

## Meeting the Needs of Novato's Workforce



Employers look at where future employees will live when making location decisions. Increasing housing supply becomes an opportunity to drive economic development as well as to support smaller businesses and retail centers.

# Real Estate Markets: Mixed Signals



## Retail

- Rents lagging behind peer cities
- High vacancy rates relative to economic region
- Some neighborhood shopping centers struggling to attract tenants
- Demand dining, experiential & e-commerce is reshaping the retail landscape
- In some cases, individual high performing retail businesses serve as key anchors for what might otherwise be low-performing retail centers.



## Office

- 3 new buildings developed in past decade
- Vacancy remains high compared to the region
- Older stock requires costly tenant improvements
- Existing office may attract small-scale professional services



## Industrial & Flex

- All Marin County industrial space built in past decade is in Novato
- Vacancy rates similar to region
- Much space built for life science/biotech
- Zoning restrictions may limit tenant attraction



## SECTION THREE

# Focus Areas

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Focus and areas of opportunity in Novato



# Strategy Focus Areas

## Downtown Novato

Historic core, Grant Ave, SMART station, specialty retail destination, community events

## Redwood Boulevard

Primary N-S corridor connecting shopping, hotels, and opportunity sites

## Bel Marin Keys

Industrial park; home to BioMarin, Ultragenyx — needs modernization

## Hamilton Field

Former air base; 2K Games, Novato Arts Center, Hamilton SMART station

## City-Owned Property

Train Depot, Community House — catalytic redevelopment potential

## Underperforming Shopping Centers

The Square, Novato Fair, and Nave Annex—repositioning to experiential retail

## SMART Station Areas

3 stations — unique in county; transit-oriented development opportunity

# Questions



SECTION FOUR

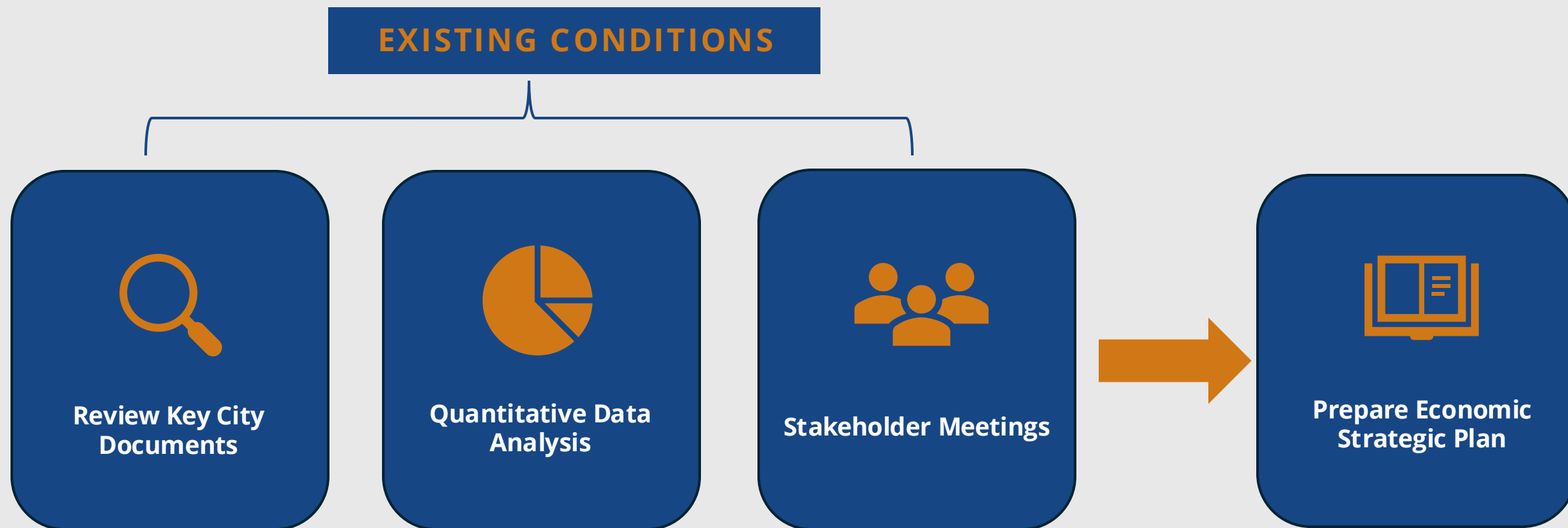
# PROCESS AND COMMUNITY ENGAGEMENT

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What we heard



# Economic Development Strategy Process



Identify Novato's unique assets and competitive advantages

Strategy includes implementation actions that address goals tailored to Novato's existing conditions

# Economic Development Strategy Process

## COMMUNITY ENGAGEMENT

City Council, EDAC, City Staff & Economic Development Stakeholders

**INTERVIEWS  
FOCUS GROUPS**

Industry & Nonprofit Leaders, Local Brokers, Small Businesses

**INTERVIEWS  
FOCUS GROUPS**

Community Events & Survey

**800 + SURVEYS  
COLLECTED & ~150  
PEOPLE ENGAGED**

City Council Consideration

**FALL 2026**

# Community Engagement Overview

Between February and May 2026, the City conducted a multi-channel engagement effort to share existing conditions findings, gather input on the preliminary vision and focus areas, and build a shared understanding of the strategic plan.

**77**

**Workshop Attendees**

*In-person evening workshop, May 5*

**800+**

**Survey Responses**

*Community-wide survey, Apr-May*

**80+**

**Farmers Market Visitors**

*Project table, May 5*

## Engagement Channels

- Stakeholder interviews — City Council, Economic Development Advisory Commission, brokers, and key City staff
- Novato Chamber of Commerce and Downtown Novato Business Association
- Two virtual focus groups — industry leaders, small businesses and community organizations
- Economic Development Advisory Commission meeting (May 7)
- Written comments via email throughout the engagement period
- Coordinated social media, newsletter, and City website promotion

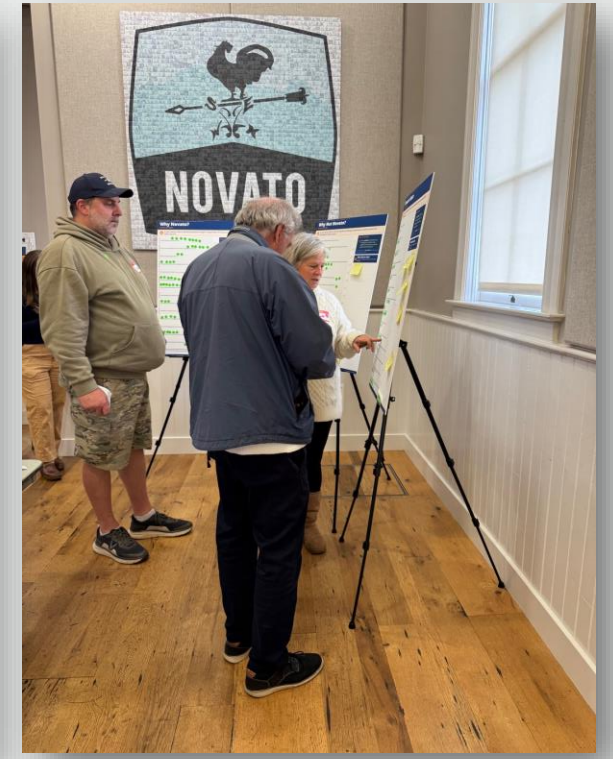
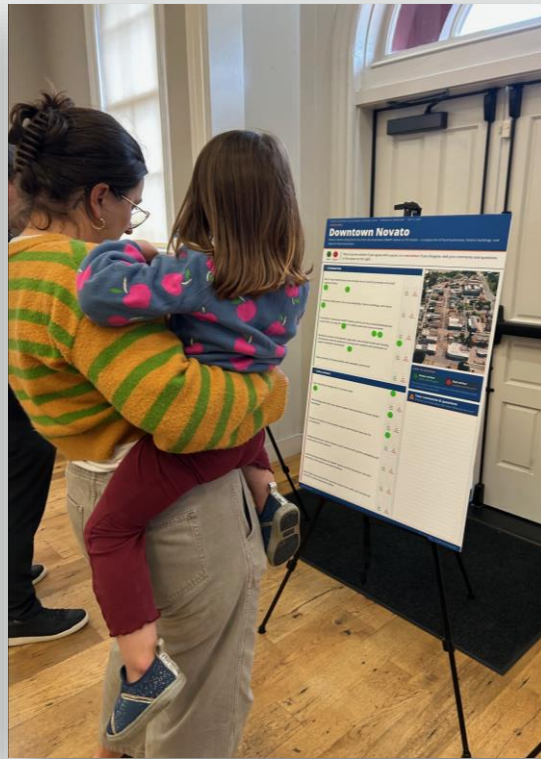
## Additional Reach

**143** Social media shares

**~ 27,000** Social media views

**~1,450** Written comments (from the survey, events and email)

# Community Workshop & Farmers Market Tabling



# Community Workshop & Farmers Market Tabling

## Redwood Boulevard

Novato's primary north-south corridor connecting key destinations, shopping centers, hotels, opportunity sites, and two SMART stations.

Place a green sticker if you agree with a point, or a red sticker if you disagree. Add your comments and questions in the space on the right.

**STRENGTHS**

- Direct connection to community anchors like Downtown Novato, the Bank Institute, the former Fryman's Fund site, and the future Eames Institute
- Provides direct access to many of Novato's major revenue generators like the Novato Fair Shopping Center, Trader Joe's, Novato Chevrolet, and Marin County Ford
- Connects multiple large vacant sites that present important revitalization opportunities
- Serves both the Downtown Novato and Novato San Marin SMART stations and features the Downtown Novato Bus Depot

**CHALLENGES**

- Relatively inaccessible and unsafe pedestrian environment due to high automobile traffic
- Disconnect between Downtown Novato and the light industrial businesses north of downtown on Redwood Boulevard

**HOW TO RESPOND**

Green sticker: Agree with this point. Red sticker: Disagree with this point.

**Your comments & questions**

What do you know about this area? What did we miss?

*Handwritten notes:*  
 - "I like the idea of a transit hub at the intersection of Redwood Blvd and Grant Ave."  
 - "Distance between downtown and light industrial areas is a challenge."  
 - "Need more pedestrian infrastructure along Redwood Blvd."

## Downtown Novato

Historic district along Grant Ave from the Downtown SMART station to 7th Street — a unique mix of local businesses, historic buildings, and regional retail destination.

Place a green sticker if you agree with a point, or a red sticker if you disagree. Add your comments and questions in the space on the right.

**STRENGTHS**

- Mix of retail destinations that include one of a kind businesses and small regional chains
- Visitation destination due to its walkability, historic buildings, and charm
- Proximity to Downtown SMART station and to rich bus transit/Redwood Ave transit hub, as a transit center to easily access the area via transit
- Significant amount of proposed, approved, and entitled mixed use housing with the potential to bring both residents and consumers to support downtown businesses
- Close proximity of industrial/flex with walkable commercial

**CHALLENGES**

- Lack of parking management in certain areas
- Old building stock that may require tenant improvements to house certain businesses
- Presence of small or local property owners with limited resources for investment
- Redwood Boulevard, which disconnects Grant Avenue and restricts walkability and access west of the boulevard
- Lack of cohesion between the SMART station and the downtown core due primarily to the vacant train depot building
- Mix of light industrial and flex uses that reduce foot traffic and commercial activity on certain downtown blocks

**HOW TO RESPOND**

Green sticker: Agree with this point. Red sticker: Disagree with this point.

**Your comments & questions**

What do you know about this area? What did we miss?

*Handwritten notes:*  
 - "Need more parking options in the historic district."  
 - "Old buildings need more incentives for renovation."  
 - "Transit hub could be a major asset if managed well."

## Novato's Future

What themes resonate most with your vision for Novato's economic future? — choose up to three.

Add a sticker next to the themes that resonate most with your vision for Novato's economic future — choose up to three.

**HOW TO RESPOND**

Place a sticker in the space above the dotted line on any theme that resonates with your vision for Novato's economic future. You may place up to three stickers. Multiple people can mark the same theme.

**What did we miss?**

Write your own vision or any theme not listed above.

*Handwritten notes:*  
 - "Support local businesses and startups."  
 - "Create a 'Special Shopping Center' like the Square Shopping Center."  
 - "Set aside parking spaces for housing."  
 - "Upgrade existing local roads where feasible."  
 - "Build more trails & walking paths to connect existing streets."

**Themes and Sticker Counts:**

- Nature & Livability: 10 stickers
- A Rooted Community: 8 stickers
- A Vibrant Local Economy: 10 stickers
- Industry & Innovation: 8 stickers
- Housing for the Future: 10 stickers
- An Inclusive Economy: 10 stickers
- Transformed Commercial Centers: 10 stickers
- An Age & Disability-Friendly City: 10 stickers
- A Solutions-Oriented Business Climate: 10 stickers
- Fiscal Stability & Sustainable Growth: 10 stickers

## Novato is Growing

A snapshot of change in Novato from 2012 to 2022, the most recent year of available data — showing a growing economy, a stronger workforce, and new opportunities to build on.

**1. Novato's Economy & Workforce are Growing**

- ~24,000 jobs in Novato, Marin County — a 20% increase since 2012
- ~2,800 new jobs in the private sector — a 15% increase since 2012

**2. Opportunities Emerging**

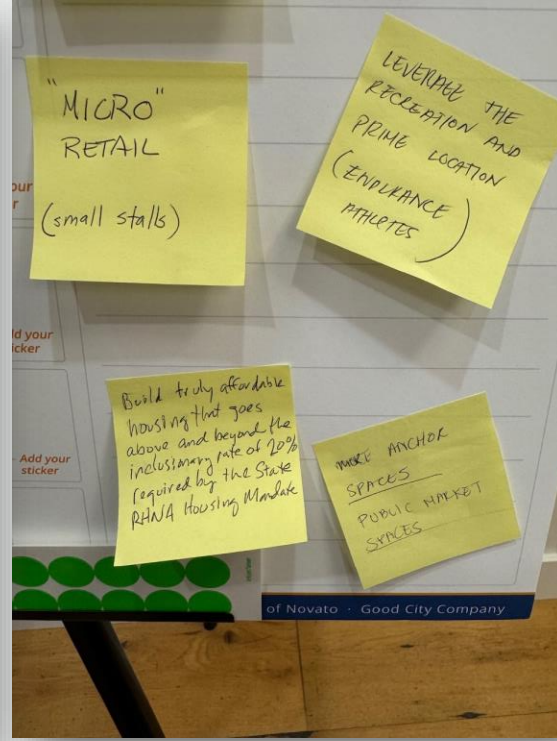
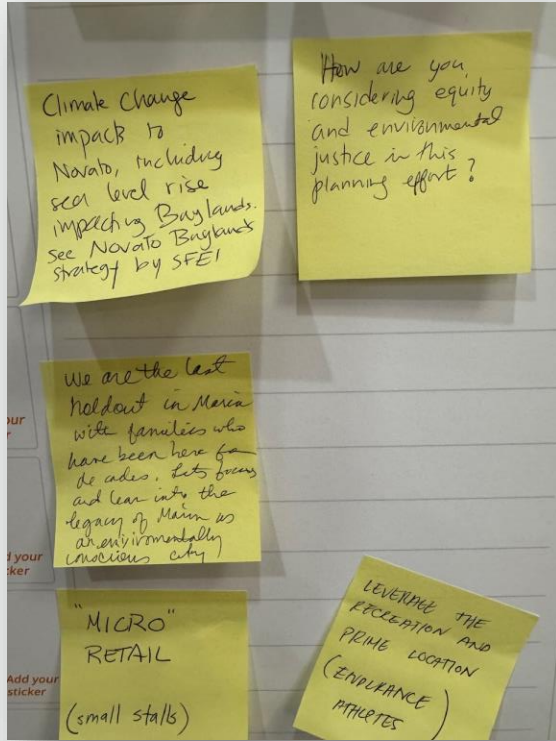
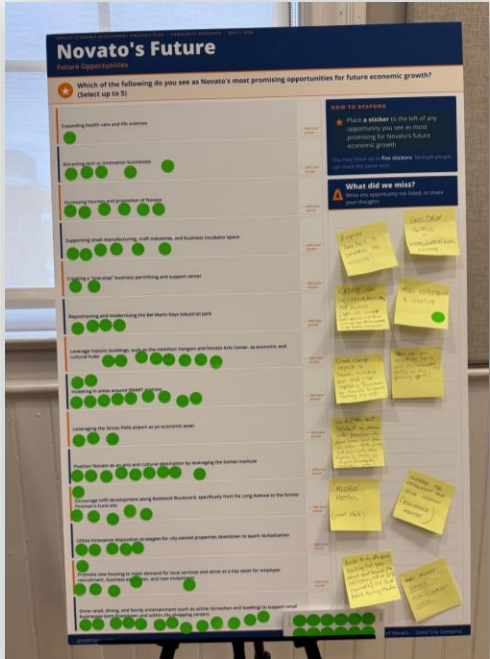
- SALES TAX REVENUE:** Increased from \$1.2 billion in 2012 to \$1.5 billion in 2022.
- HOSPITALITY:** Increased from 1,200 jobs in 2012 to 1,800 jobs in 2022.
- LOCAL REGIONAL INDUSTRIES:** Increased from 1,500 jobs in 2012 to 2,200 jobs in 2022.

**3. Mixed Signals Across Sectors**

- RETAIL:** Increased from 1,500 jobs in 2012 to 1,800 jobs in 2022.
- OFFICE:** Increased from 1,200 jobs in 2012 to 1,500 jobs in 2022.
- INDUSTRIAL:** Increased from 1,000 jobs in 2012 to 1,200 jobs in 2022.

**THE BIG PICTURE:** Novato has the ingredients of a thriving regional economy — a growing workforce, a strong local economy, and emerging consumer strength. The question is how we build on it.

# Community Workshop & Farmers Market Tabling



## What do you know about

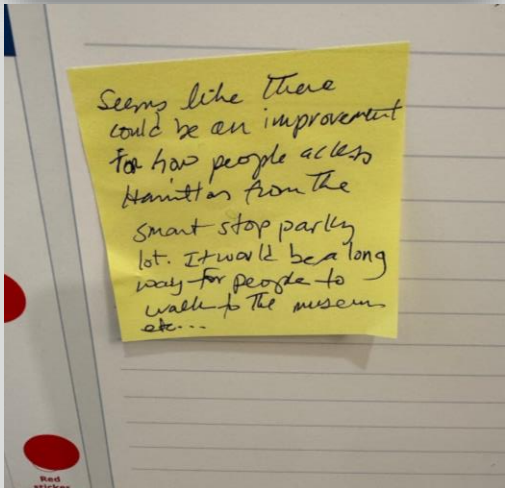
THE CITY SHOULD USE THE VACANT PROPERTY IT OWNS AS SPACES FOR CREATIVES ~~THIS~~ THIS WOULD PROMOTE THE CONNECTION TO THE CULTURE WE NEED TO ESTABLISH IN RELATIONSHIP TO THE GAMES MUSEUM

## Your comments

What do you know about

Have you just analyzed the DATA on the Smart train? Eg.

- 1) How many people actually use SMART to commute?
- 2) How many visit from South Marin or Sonoma?
- 3) Does state legislation incentivize? →



# Community Survey

A snapshot of who responded to the community-wide survey and how long they've been part of Novato.

**800+**

Survey Responses  
*Total participants*

**94%**

Novato Residents  
*Live in the city*

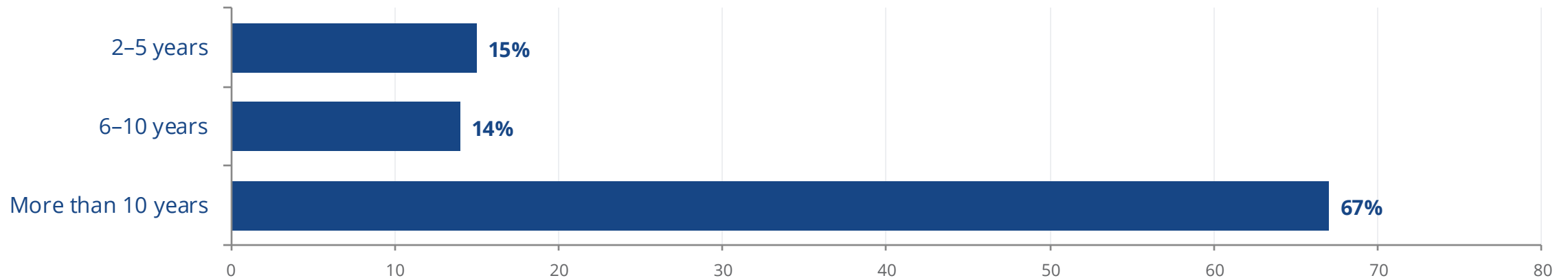
**26%**

Work in Novato  
*Local employees*

**105**

Business Owners  
*Operate a business in Novato*

## How Long Have You Lived in Novato?



# Community Engagement

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## What We Asked

Community members shared input on the issues, places, and priorities that matter most:

- Their vision for Novato's economic future
- Citywide strengths, challenges, and opportunities
- Strengths and challenges of the initial list of focus areas
- Themes that should guide the strategic plan

## What We Shared

We presented context and findings to ground the conversation in shared information:

- What a strategic plan is — a roadmap for the City to guide priorities that affect the local economy
- Existing conditions findings on population, jobs, real estate, and economic trends
- The preliminary list of focus areas being considered
- How community input shapes the plan's next phases

## Putting it all Together

# Major Themes from Analysis & Community Input

REVITALIZE SHOPPING  
CENTERS

ACTIVATE DOWNTOWN

MODERNIZE BUSINESS  
CLIMATE

REPOSITION VACANT SPACE

BUSINESS ATTRACTION  
AND RETAIL

HOUSING FOR WORKFORCE  
& ECONOMIC VIBRANCY

ARTS & CULTURAL  
DESTINATIONS

INFRASTRUCTURE &  
PLACEMAKING

NOVATO'S IDENTITY &  
PROMOTION



## SECTION FIVE

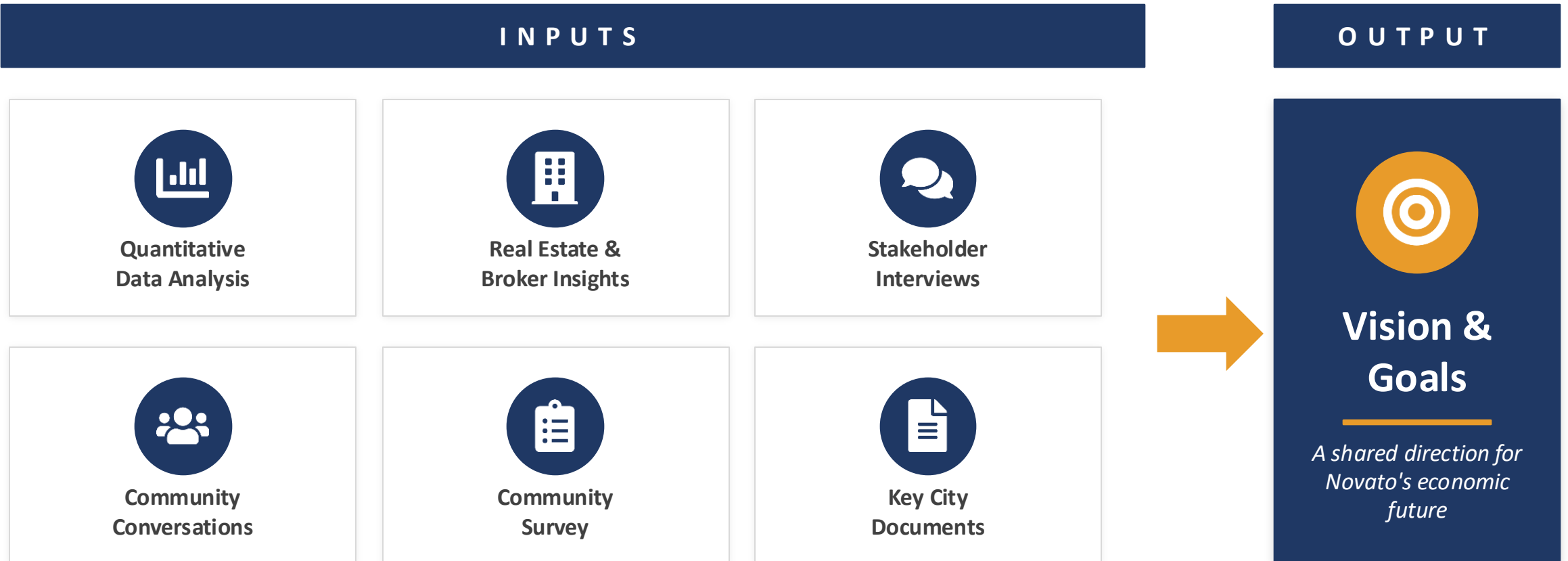
# Draft Vision & Goals

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What themes resonate the most with your vision for Novato's economic future?



# Building the Vision and Goals



*Vision and goals are grounded in data, shaped by community voices, and informed by business owners who live, work, and invest in Novato.*

# Drafting an Economic Vision

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*Novato's economy will strengthen what we already love about our city — natural beauty, high quality of life, and a welcoming community where everyone can contribute and belong.*

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## WE VALUE

a local economy that serves people first, where small businesses flourish and where a diverse business mix fills attractive business districts and provides a strong job market for our region.

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## WE CELEBRATE

our arts, culture, and creative economic resources — by adding vibrancy for residents, shared with visitors, and a growing source of economic activity that also builds community pride.

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## AND WE SUPPORT

our local government to create a welcoming policy and regulatory environment where businesses and entrepreneurs can create, grow, and thrive.

# Six Draft Goals to Guide Novato's Economic Future

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Each draft goal is grounded in the community survey and the existing conditions analysis, and works together to advance a thriving, inclusive local economy.

## GOAL 1

**Activate and Revitalize Novato's Commercial Centers and Major Corridors**

## GOAL 2

**Strengthen Downtown Novato as the City's Economic and Cultural Heart**

## GOAL 3

**Support Reinvestment in Novato's Key Industrial Areas to Retain Businesses and Expand Jobs in Industries Vital to the Local and Regional Economy**

## GOAL 4

**Position Novato as Open for Business**

## GOAL 5

**Facilitate Housing as Economic Infrastructure**

## GOAL 6

**Leverage Novato's Natural Setting and Strategic Location, as well as its Cultural, Historic, and Artistic resources as Economic Assets**



## SECTION SIX

# Plan Development

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Drafting objectives and actions



# Example Goals & Actions

## Draft Goal

Position Novato as Open for Business

## Example Actions

Zoning Modernization — Review zoning and regulations to add flexibility and ensure unnecessary barriers to development are addressed.

Streamlined Permitting — Publish clear timelines, checklists, and expectations for common permits so businesses can plan with confidence.

Digital Tools — Modernize online permitting, licensing, and business resource portals so applicants can more easily track progress and access information.

## Draft Goal

Activate and Revitalize Novato's Commercial Centers and Major Corridors

## Example Actions

Public Realm — Improve the physical environment and public roadway by evaluating public realm and street improvements along the corridor.

Facilitate Development — Identify and address barriers to development and help identify funding sources and cultivate partnerships.

Vacant Properties — Create incentives or programs to address long-term vacancies, such as requiring window coverings, façade improvement grants, pop-up retail pilots, or facilitating connections between property owners and prospective tenants.



## Requested Feedback

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- Questions on the data
- What is most important to you as we move into drafting actions

### **Next Steps:**

- Draft plan this summer
- Consideration by City Council — Fall 2026
- Ongoing Implementation & Metrics Tracking

## Stay Connected

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**City of Novato Economic Development**  
**[Novato.gov/Economic Plan](https://www.novato.gov/EconomicPlan)**

*Your feedback shapes Novato's economic future.*

