



DEPARTMENT OF  
PLANNING AND DEVELOPMENT

CITY OF SACRAMENTO  
CALIFORNIA

1231 I STREET  
SACRAMENTO, CA

May 29, 1987

ADMINISTRATION  
ROOM 300  
95814-2987  
916-449-5571

Budget and Finance Committee  
Sacramento, California

ECONOMIC DEVELOPMENT  
ROOM 300  
95814-2987  
916-449-1223

Honorable Members in Session:

NUISANCE ABATEMENT  
ROOM 301  
95814-3982  
916-449-5948

**SUBJECT: TARGETED INDUSTRY STUDY**

SUMMARY:

The City Council has directed the Economic Development Office to determine why city industrial property is not competitive and develop a strategy to make this land more competitive. Staff is recommending that Fantus Corporation conduct this study for \$30,000. Funding will be from current fiscal year Planning and Development appropriations.

BACKGROUND:

Need for Study: In 1986, SACTO informed the City Council that the reason the City was not acquiring industry was that its land was not competitive. The Council approved funding for this study in the current year budget.

Scope of Study: The focus of the study will be on several factors:

- 1) Why the property is not competitive
- 2) Factors which need to be changed to make it competitive, i.e. incentive programs, increased marketing, needed infrastructure.
- 3) What clean industries look for when expanding
- 4) What will be realized from the attraction of such industries, eg. increased jobs, increased tax base, increase in income
- 5) Sacramento's chances in attracting clean industry

Results: This study will provide insight to the reasons(s) why the City's industrial inventory is not competitive. Approximately 60% of the City's industrial zoned property is vacant and, therefore, unproductive from the standpoint of tax generation and jobs. Further analysis will illustrate what needs to be corrected or done to make us competitive for "clean industry."

Lastly, a recommended strategy presented to Council for review to determine what steps need to be taken to attract and/or keep clean industry in Sacramento. The study is expected to be completed in September 1987.

Selection Process: The Economic Development Office distributed 170 RFP announcements. Three proposals were received. Staff attributes this low response to the qualification criteria placed on the RFP. Primarily, many firms do not have experience siting both domestic and foreign firms, nor do they possess experience formulating economic development strategies for cities/counties or areas with populations of 200,000 or larger.

The selection committee was comprised of John Roberts, Executive Director, SACTO; Dennis Clark, Port Director, Port of Sacramento; Cynthia Shallit, Enterprise Zone Coordinator, Sacramento Housing and Redevelopment Agency; and Tim Johnson, Economic Development Specialist, City of Sacramento. The committee found that one proposal did not meet the minimum requirements of the qualification criteria. After reviewing the other two proposals, based upon experience and bid, the committee is recommending Fantus Corporation be selected for \$30,000.

FINANCIAL ANALYSIS:

Funding for this contract is included in Planning and Development's 1986-87 Budget. No additional appropriation is required.

RECOMMENDATION:

It is recommended that the Committee recommend that the City Council adopts the Resolution authorizing a contract with Fantus Corporation.

Respectfully submitted,



Leslie B. Palmer  
Economic Development Coordinator

RECOMMENDATION APPROVED:



Jack Crist  
Deputy City Manager

June 9, 1987  
All Districts

## RESOLUTION No.

Adopted by The Sacramento City Council on date of

A RESOLUTION AUTHORIZING THE CITY MANAGER  
TO EXECUTE A PROFESSIONAL SERVICES CONTRACT FOR  
THE TARGETED INDUSTRY STUDY

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

That the City Manager and City Clerk are hereby authorized and directed to execute on behalf of the City of Sacramento a consultant services agreement with Fantus Corporation to conduct the Targeted Industry Study for an amount not to exceed \$30,000.

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MAYOR

ATTEST:

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Deputy CITY CLERK