



CITY OF SACRAMENTO

DEPARTMENT OF PLANNING AND DEVELOPMENT

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Budget and Finance Committee
Sacramento, California

August 15, 1986

Honorable Members in Session:

SUBJECT: 90-Day Report Back on Priorities for Economic Development and
Timeline for Accomplishment

SUMMARY:

The enclosed report provides a status of the recommendations for the Economic Development Program made at the April 2, 1986 special meeting of the Transportation and Community Development Committee and in conjunction with the 1986-87 budget hearings of the Budget and Finance Committee. The report also discusses program priorities and a timeline for accomplishment.

RECOMMENDATION:

This report is for information and discussion.

Respectfully submitted,

Leslie B. Palmer
Economic Development Coordinator

For Budget and Finance Committee Information:

Solon Wisham, Jr.
Assistant City Manager

REPORT ON THE STATUS
OF THE CITY OF SACRAMENTO
ECONOMIC DEVELOPMENT PROGRAM

This report provides the status of the recommendations of the Transportation and Community Development Committee. The report also provides a listing of priorities and a timeline for accomplishment.

STATUS OF TRANSPORTATION AND COMMUNITY DEVELOPMENT COMMITTEE RECOMMENDATIONS

1. A confederation of economic development organizations be formed to meet on a regular basis over a specified action agenda.

Accomplished. An Economic Development Confederation has been established comprised of the following:

- City of Sacramento
- County of Sacramento
- Sacramento Housing and Redevelopment Agency
- Sacramento Employment and Training Agency/
Private Industry Council
- Metropolitan Chamber of Commerce
- Black Chamber of Commerce
- Hispanic Chamber of Commerce
- Sacramento Area Commerce and Trade Organization

Later this year two additional members may be added representing women's business groups and the neighborhood business districts.

The Confederation meets once a month and has already met three times. In addition, members have taken later actions based on issues raised at the meeting. For example, SHRA and the Metropolitan Chamber of Commerce have developed a marketing plan for the commercial revitalization target areas and the City, County and SHRA are considering a new approach to our mutual Industrial Development Bond Program activities.

The 1986-87 Confederation agenda is included in this report as Attachment 1.

2. A request for two technical and one clerical staff members be included in the 1986-87 proposed budget.

Accomplished. City Council approved this staffing pattern in the 1986-87 Budget. The clerical position has been filled by Ms. Shirley Reese, effective August 11, 1986. Job specifications for the two technical staff have been drafted and are presently being reviewed by the Civil Service Board. The specifications are for a new classification of Economic Development Specialist I and II, the intent being to attract candidates with related business and development experience. The salary range is proposed to be equivalent to the Planner Associate/Assistant range, approximately \$25,000 to \$35,000. This is being proposed with the understanding, and at the suggestion of the Personnel Department, that in the event the salaries are too low to attract the candidates we seek, we

will stop the hiring process. We will then prepare a salary survey for all three professional positions in the Economic Development Office. The Personnel Department expects to have a certified list developed by December 1986 if the salaries are not an issue.

3. The feasibility of a one-stop permit and licensing center for business be investigated.

Scheduled to be completed for discussion in the preliminary 1987-88 budget hearings January through March 1987.

The feasibility analysis will include a review of current steps involved in the permit and licensing process; the numbers, types and locations of new and closed businesses; and proposed improvements ranging from printed handout explaining the City system to computerization of elements of the system, to physical changes in the Revenue Collection Office or other points of contact.

4. Basic economic research and analysis be conducted.

Scheduled to be initiated by June 30, 1987. The first analysis to be conducted will be an economic base analysis. The conduct of the analysis is dependent on identifying a reliable data source that is expected to be maintained in future years. The federal data source used in such analysis is no longer available to the same extent it was prior to 1981, so a new source will be sought, probably through the State Employment and Development Department.

Other economic data will be added to our program as it becomes available and necessary. This will include our analysis of new business being established in the City, as per the Tax Certificates and taxable retail sales trends from the State Board of Equalization.

The salient market data will be packaged in an attractive format to be given to businesses interested in starting up here.

5. An active committee of City Department representatives involved with economic development and merchant associations be formed.

Scheduled for establishment in December 1986. This committee is proposed to be a subcommittee of the Economic Development Confederation. The merchant associations would be asked to select a representative who would serve on the Economic Development Confederation. To date, an informal group of the merchants associations has already participated in several program discussions.

6. The confederation explore the potential for developing venture capital for small business.

In process. The Economic Development Confederation will discuss venture capital in Sacramento at its August 21 meeting. Discussion will cover the purpose and membership of the Sacramento Valley Venture Capital Forum; Metropolitan Chamber of Commerce recruitment efforts to attract venture capital companies to Sacramento; small business incubators and industrial

attraction and venture capital; and public venture capital funds. This is to be an introductory discussion for planning a venture capital event tentatively scheduled for April or May 1987. The event would be co-sponsored by the Sacramento Valley Venture Capital Forum, the Metropolitan Chamber of Commerce, the City and possibly others of the Confederation. The research on a public venture capital fund for Sacramento will be prepared for the 1987-88 budget hearings.

7. The Economic Development function be located in the City Manager's Office.

The start-up location for the Economic Development function will continue to be the Planning and Development Department. Once the new technical staff are hired, the Coordinator will be able to become more active in the business community and to meet more frequently with City Council members and City administrators on economic development matters.

8. City staff prepare a strategy for approaching the County staff to develop better coordination.

Two actions already accomplished have begun to lay the groundwork for this. The first is the formation of the Economic Development Confederation which has the County as one of its eight members. The Confederation agenda includes two topics in which County economic development issues will be the focus. The December 1986 meeting will be to review City and County Capital Improvement Programs and the January 1987 meeting will be to hear County Economic Development issues. It is expected the involved County staff will participate in the presentations and discussions.

The second action is that the preparation of the Overall Economic Development Plan (OEDP) for the U.S. Economic Development Administration is now being prepared by the City Economic Development Office. While discussion on this year's plan was minimal, it provides a starting point for the preparation of the 1987-88 plan which could include more detailed discussion of major economic development issues that effect both the City and the County. (This is assuming EDA receives future federal budget appropriations.) The 1987-88 OEDP is due June 30, 1987 so preparation will begin in March 1987.

9. The current policy for MBE/WBE be refined.

Accomplished. The MBE/WBE policy pursuant to City Council Resolution 85-328 has been refined and implementation is underway. A handbook, "How to do Business with the City of Sacramento," and a card insert, "Opportunities for Minority and Women Business Enterprises," are being printed in final form for mass distribution. The Department Directors have been briefed on the implementation format. Departmental purchasing staff and those responsible for implementation are requested by the City Manager to attend an orientation workshop August 18. The January 1987 Report Back to City Council will focus on the Departmental budget baselines covered by the program. The June 1987 report will focus on Departmental and vendor performance.

10. Alternative financing sources, such as the diversion of certain fees and charges, be explored.

Scheduled to be accomplished in conjunction with financing proposals which may be needed for the One-Stop Business Assistance Center and the public venture capital funds. This will be for the January/March 1987 budget presentation.

11. Staff prioritize workplan elements to be implemented in the event of a shortage of funding for the Economic Development Program.

Accomplished. This was done during the 1986-87 budget hearings on the Economic Development Program. The City Council did approve the full funding level requested for this fiscal year with modest additional funds to be used to implement the MBE/WBE Procurement Work Plan.

12. Staff develop a phased program for economic development beyond the first year.

The following is proposed as a very general phasing program:

- | | |
|-----------------|--|
| Year 1, 1985-86 | Hire Coordinator
Draft Economic Development Program
Form Economic Development Confederation |
| Year 2, 1986-87 | Hire 3 staff to implement Economic Development Program
Implement Phase 2, One-Stop Business Assistance Center
Implement MBE/WBE Procurement Work Plan
Evaluate Confederation
Set up Industrial Inventory and Property Upgrading Program |
| Year 3, 1987-88 | Consolidate City/County Economic Development Resources as needed per Federal cutbacks
Implement Final Phase, One-Stop Business Assistance Center
Implement Venture Capital and Local Public Works Programs |
| Year 4, 1988-89 | Implement additional local economic development finance programs |
| Year 5, 1989-90 | Implement Full Spectrum Economic Development Program: Able to provide financing, conduct state-of-the-art economic research including for diversification and commercial in-fill; marketing of City Economic Development incentives; business expansion and retention assistance |

These items are listed as examples of key proposed accomplishments. The phasing of the program will stress implementation of those actions that will make us competitive with programs offered by other cities with which we

compete for commercial, office and industrial development. These actions will be tempered by the continual need to match local unemployed and underemployed to the benefits to new business development.

Attachment 2 shows the proposed priorities and timeline for accomplishment for the 1986-87 year.

13. Staff study the potential for industry-specific development in new areas

Scheduled to be completed by June 1987. The economic base analysis, industrial property inventory and upgrading, and working relationship with SACTO will have bearing on this study. The Coordinator attended a seminar in May, 1986 on Bio Technology and Economic Development in anticipation of further work in that direction.

The 1986-87 Budget includes \$30,000 for consultant work to follow up on legal issues related to the employment and other exactions related to North Natomas and development proposals like it. A report will be prepared to discuss this or other use of the funds. Other use could include a match to a public/private industrial market analysis.

Attachment 2

PRIORITY

TIMELINE FOR ACCOMPLISHMENT

Major 1985-86 Accomplishments

1. Prepared the North Natomas Employment and Economic Opportunity Plan
2. Prepared Economic Development Program Organization Structure, Work Program and Staffing Plan
3. Established Economic Development Confederation
4. Refined MBE/WBE policy and began implementation of Procurement Work Plan
5. Completed Transition of the U.S. E.D.A. Overall Economic Development Program from the County to the City

PRIORITY - Actions are listed in proposed priority order

T I M E L I N E F O R A C C O M P L I S H M E N T

July-86 August September October November December January-87 February March April May June

	July-86	August	September	October	November	December	January-87	February	March	April	May	June
1. Economic Development Confederation	*----- Evaluation -----*											
			David Martinez will convene during Sept., Oct., Nov.									
2. Staffing - Typist Clerk III 2 Economic Development Specialists		Completed										
		Proposed job specs completed; Civil Service Board review	City Council Approval Required		Testing; Certified List Developed		Interview and Hiring		Training for Specialists			
3. MBE/WBE Procurement Work Plan	Advertising and outreach begun	Orientation for Departments	Display at Minority Business Development Conference			Certifications conducted; Computer capacity developed	First report to City Council		Procurement Workshop			Second Report to City Council
4. One-Stop Business Assistance			Data compilation				System analysis recommendations, financing plan					
5. Merchant Association, City Department Committee						First meeting						
Review Community and Redevelopment Plans to begin implementation of economic development actions; On-going problem solving for Merchant Associations									Review plans; Establish priorities such as Franklin Blvd. Capital Improvements or Downtown Office Marketing			
6. Venture Capital			Economic Development Confederation Discussion				Proposal for a public venture capital fund	Planning for Event				Venture Capital Event
7. Alternative Financing sources; first two will be for One-Stop Business Assistance and Public Venture Capital Fund							Proposals prepared for 1987-88 Budget Hearings					

July-86 August September October November December January-87 February March April May June

8. Industrial Market Analysis

Report regarding use of consultant money; RFP consultants

Begin industrial inventory, computer capacity

Structure Industrial Property Upgrade Program, complete consultant report

9. Economic Base Analysis and other research

Identify data source

Complete analysis

Structure additional research items

10. County Coordination (to include strategic vision framework for City Economic Development Program)

Economic Development Confederation discussions on City/County Capital Improvements Program and County Economic Development Issues

1987-88 OEDP Development

11. Promotional Pieces

Letter of introduction to Sacramento business regarding economic development thrust

Begin preparation of piece that reflects economic development incentives and local market

Prepare cover letter and package from Mayor and City Manager to inquiring companies to complement SACTO material

Promotional piece complete