

ECONOMIC DEVELOPMENT DEPARTMENT

CITY OF SACRAMENTO

May 31, 2005

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: FY2005/06 PROPOSED BUDGET – ECONOMIC DEVELOPMENT DEPARTMENT**

**LOCATION AND COUNCIL DISTRICT:** Citywide

**CONTACT PERSONS:** Wendy Saunders, Econ. Dev. Director, 808-8196  
Katherine Robbins, Administrative Officer, 808-1562

**FOR COUNCIL MEETING OF:** June 7, 2005

**RECOMMENDATION:**

This report provides information on the FY2005/06 Proposed Budget (Exhibit 1) for the Economic Development Department and requests an intent motion to approve.

**SUMMARY:**

This report provides information on the FY2005/06 proposed budget for the Economic Development Department. It includes a department description, budget summary and organizational assessment projects to create efficiencies and improvements within the Department.

**COMMITTEE/COMMISSION ACTION:** N/A

**BACKGROUND INFORMATION:**

*Building on Our History ~ Creating The Place to Be.*

The primary role of the Economic Development Department is to market, facilitate and financially assist targeted private investment and development within the City of Sacramento in accordance with established economic development priorities and adopted land use plans and policies. The Department also provides significant redevelopment financing within the Merged Downtown Redevelopment Project Area and manages the Richards Boulevard Project Area.

A list of Economic Development Department accomplishments is attached as Exhibit 2. Several highlights include:

- Establishment of the Downtown Sacramento Revitalization Corporation
- Facilitation of two successful economic development tours (Districts 2 and 8)
- Submission of a bid for the California Institute for Regenerative Medicine
- Facilitation of Sutter Medical Facility expansion review, including B Street Theater
- Commencement of construction of several major projects including the 9<sup>th</sup> and J Lofts and the Railway Express Annex adaptive reuse

#### Organizational Change

The Economic Development Department was created as a new department separate from the Development Services Department for FY2005/06.

#### **FINANCIAL CONSIDERATIONS:**

The FY2005/06 proposed budget for the Economic Development Department includes 15 full-time equivalent (FTE) positions. The Department has a total budget of \$2.46 million.

#### Recommended Augmentations

Two additional staff positions are recommended to address the workload associated with the Council strategic objectives and to meet the administrative requirements associated with the new department. New staff positions will include 1-Administrative Officer and 1-Economic Development Manager (=2.0 FTE+ \$262,649). Tax-increment funds will be received to offset the cost of the additional two staff positions.

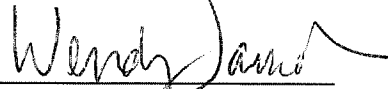
**ENVIRONMENTAL CONSIDERATIONS:** None

#### **POLICY CONSIDERATIONS:**

Council directive from the Strategic Plan Exercise is to expand Economic Development activities throughout the city. Positions requested through budget augmentation are critical to meeting Council directives.

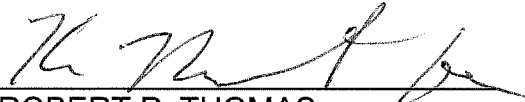
**ESBD CONSIDERATIONS:** None.

Respectfully submitted,



Wendy S. Saunders  
Economic Development Director

**RECOMMENDATION APPROVED:**

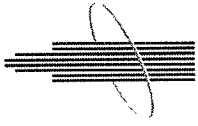


ROBERT P. THOMAS  
City Manager

Table of Contents:

Exhibit 1 – Presentation Materials, p. 4 - 9

Exhibit 2 - FY 2004/05 Accomplishment, p. 10 - 11

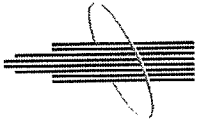


Economic Development

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# **Economic Development Department**

**FY2005/06  
Proposed Budget**

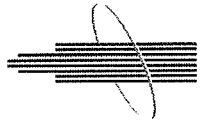


# **Economic Development Current Situation**

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Economic Development

- **FY2005/06 - Economic Development Department created.**
- **Council directive from Strategic Plan: Expand Economic Development activities throughout the city.**



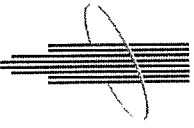
# **Economic Development FY2004/05 Accomplishments: District Initiatives**



Economic Development

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- **Reinstated Richards Blvd Eminent Domain Powers**
- **Began Construction on REA Building**
- **Provided Financial Assistance to Phoenix Park**
- **Completed SacSites Website Update**

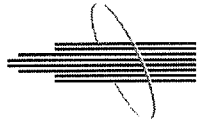


# **Economic Development FY2004/05 Accomplishments: District Initiatives**

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Economic Development

- Kicked off ED Strategy
- Lead City Effort for CIRM Headquarters
- Coordinated District 2 and 8 Tours
- Continued Raptor Negotiations
- Completed Frito-Lay Agreement
- Facilitated Sutter Health Expansion Process



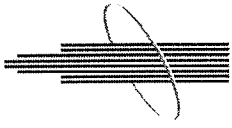
# **Economic Development FY2004/05 Accomplishments: Downtown**

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Economic Development

- **Extended Redevelopment Area by 10 Years**
- **Continued JKL Strategy**
- **Completed Wayfinding Signage Project**
- **Established DT Sac Revitalization Corp**
- **Assistance to 12<sup>th</sup>/K Housing and Retail Project**
- **Continued 9<sup>th</sup>/J Construction**





# Economic Development Department FY2005/06

Economic Development

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- **Reorganization:**
  - Improved internal/external communication
- **Augmentation:**
  - 2 Full-Time positions are requested to assist in meeting critical Council directives.
  - Tax-increment funds will be received to offset the cost of the two staff positions

## ACCOMPLISHMENTS IN FY2004/05

### Merged Downtown Redevelopment Area

- Adoption of the 3rd Amendment to the Merged Downtown Redevelopment Project Area, extending the time limits of the Project Area for 10 years
- Adoption of the Educational Revenue Augmentation Fund (ERAF) Extension for Merged Downtown Project Area, extending the plan effectiveness by one-year
- Completion of the Old Sacramento Retail Study
- Opening of the 16<sup>th</sup> & J Street Lofts with P.F Chang's and Mikuni's on the ground floor
- Opening of the Wells Fargo Pavilion at 15<sup>th</sup> and H Streets
- Successful J-K-L Community Process which helped to identify priorities and an action plan for revitalization of the corridor
- Completion of the Wayfinding Signage Project
- Executed OPA and began construction on the REA Building Project
- Approved an OPA and began construction on the Old Sears Building at 12th & K Streets
- Established the DT Sac Revitalization Corp
- Completed a parking structure feasibility study
- Completed negotiations to bring a major retail tenant to the Elks Building
- Approved the DDA for the Lords/Magnolia site
- Completed the Old Sacramento Strategic Plan
- Completed the Old Sacramento Retail Strategy
- Developed a facade rebate program for Old Sacramento
- Approved a facade rebate program for historic buildings
- Successful community input process for Bridging I-5 project; development of initial concepts
- Completed infrastructure and development constraints analysis of the Docks Area
- Started community process of Docks Planning Effort

## **Richard Boulevard Project Area**

- Completed all Blue Diamond obligations of the Agency
- Adopted Third Amendment to Richards Boulevard Redevelopment Plan extending eminent domain authority for an additional 12 years
- Commenced negotiations for development of the Old City Incinerator site
- Executed OPA and began construction of the REA Building Project
- Commenced Richards Boulevard Combined Sewer finance strategy
- Commenced Dos Rios Light Rail Station Feasibility Study
- Commenced Gateway Streetscape Master Plan study
- Assisted in financing the Phoenix Park Housing project
- Provided local funding for the Sacramento Intermodal Transportation Facility project
- Completed studies for the new Downtown Sports and Entertainment District, including a downtown Kings arena
- Funded ongoing operations of the Detox Facility
- Commencement of the Two Rivers Trail environmental review process

## **Citywide Economic Development**

- Retained the Little League field and required the purchase of the Depot at one time
- Helped Vanguard locate at the an old portion of the Procter and Gamble site that was vacant for over 10 years
- Continued to guide resolution of Trap Shoot environmental issues and to direct negotiations with Rapton Honda
- Conducted analysis related to a new Sacramento Sports arena
- Helped facilitate the application submittal for a new 80,000 sq. ft. retail center at Mack and Franklin (Hong Kong Plaza)
- Continued to facilitate Sutter Hospital expansion
- The Sutter Medical team, in conjunction with the Children's Theater and the Trinity Cathedral, completed their joint planning, filed an application with the City Planning Department, which is now under environmental review
- Commenced feasibility studies for B Street Theater
- The first new office building in the Point West area is a 3-story, 70,000 square foot building, accommodating the expansion of Nationwide Insurance, the parent company of Allied Insurance, and will house 450 new employees in the area
- Coordinated the District 8 and 2 Economic Development Tour
- Updated SacSites GIS-based website
- Facilitated technical review and community outreach for Mercy Hospital expansion
- Provided financial assistance and facilitation for Arnold Brothers Building mixed-use project
- Assisted with site search and community outreach for Sacramento School District's Health Professions High School