A Message from the City Manager and the Inclusive Economic and Community Development Investment Committee

As the global economy undergoes a dramatic transformation, cities and regions need to analyze and identify what will make them sustainable and competitive in the future. They also need to outline a clear pathway for future economic growth that includes all residents, businesses and neighborhoods.

Sacramento represents a clear example of this scenario – as well as a huge opportunity.

As Sacramento moves beyond primarily a government-based economy, our “next economy” is already showing signs of its arrival. From gene therapies to autonomous vehicles, Sacramento is emerging as a center for new ideas, technologies and entrepreneurs.

To grow the economy, Sacramento must move from conception to production, from being a birthplace of ideas to also being the place where leading firms and industries thrive. To do this, we must identify and invest in our key assets – which include our residents. In other words, the City needs to maximize the employment, ownership, access and participation of communities and groups that have traditionally been left out of the region's growth.

If Sacramento simply pursues economic growth, but that growth is not inclusive and equitable, then we have not succeeded.

To help forge this new pathway toward economic opportunity for all, the City of Sacramento has developed ScaleUP Sacramento: An Inclusive Economic Development Action Agenda. ScaleUP Sacramento provides in-depth analysis of the forces that drive the Sacramento region's growth. It also articulates priority strategies built around the region’s unique assets and identifies promising initiatives to begin implementing those strategies.

ScaleUp Sacramento offers a fact-based, implementable action agenda to build on the enormous amount of previous work and current activities from organizations across the region. It is a living document, meant to be continually updated as it helps enable coordinated, strategic investments.

This action agenda was largely developed before the onset of the COVID-19 pandemic, which has disproportionately affected people, businesses and communities of color. Like most governments across the country, Sacramento has aggressively been working to protect and support its citizens and businesses. These immediate responses have been necessary but are not sufficient: ScaleUP Sacramento’s strategic investments look to rebuild and transition the city to the next economy – strengthening existing businesses, creating new ones, expanding employment and building community.

This strategic action agenda builds upon past Council actions, including the Inclusive Economic Development Principles that were adopted in July 2018 and the Inclusive Economic Development Investment Guidelines adopted in September 2019. The document and the
process that created it are intended to be the continuation of the even broader, inclusive collaboration to enhance our city’s and region’s economic future. To further the City’s inclusive economic development goals, in 2019, the City Manager appointed the Inclusive Economic Development Investment Committee to advise staff on inclusive economic development projects, programs, policies and initiatives. The Investment Committee was integral to the development of ScaleUp Sacramento and identifying next steps toward the city’s inclusive economic growth.

Executing ScaleUP Sacramento will require on-going stakeholder commitment, accountability and coordination across strategies and initiatives. We offer the recommendations below as suggested next steps to ensure that Sacramento’s economic growth includes our residents, businesses and neighborhoods that have experienced the greatest disinvestment:

1) **Analyze and Prioritize the Initiatives through an Equity Lens.** ScaleUp Sacramento offers nine proposed economic growth strategies. These should be further analyzed through an equity lens to determine which initiatives will have the most impact. This work should be informed by the current Citywide Racial Equity Initiative and done in coordination with an equity expert and the community.

2) **Engage the Community.** Pairing market analysis with community and stakeholder input will be critical to successfully growing an inclusive economy. It is essential to engage the community to understand their concerns with the next economy, what economic growth and success looks like to them, and what barriers they have experienced with participating in economic opportunities. Given the complex set of opportunities presented, the city, partners and consultants must also use creative platforms to inform, engage, and empower the community. Similar to what was done with the CARES funding, using technology, print, radio, ambassadors, and other such platforms will be important.

3) **Coordinate with Other City Initiatives.** The implementation of ScaleUp Sacramento needs to fit seamlessly with other current initiatives, namely the work of the Citywide Racial Equity Initiative and the green economy portion of the Climate Implementation Work Plan.

4) **Set Measurable Goals.** To evaluate, track, and demonstrate the success of the city’s inclusive economic development efforts, we must set clear, specific goals and identify what exactly will be measured so we know whether there has been progress on reaching those goals. The City should set both immediate actionable goals and longer-term goals that may take several years to realize. Our goals must include specific measures focused on inclusion, equity and narrowing skills gaps - all of which are central to the success of ScaleUp Sacramento.

5) **Build Upon CARES Investments.** Although the CARES funding had a very specific purpose of addressing the impacts of the COVID-19 pandemic, key learnings from the city’s investments in digital equity, workforce and small business technical assistance will inform future inclusive economic development investments.
6) **Coordinate with Regional Partners.** The city’s economic success is inextricably linked to the economic achievement of the region. For optimal economic success, the city, neighboring jurisdictions, businesses, educational institutions and local communities must be aligned in our strategic initiatives and inclusive growth goals.

7) **Leverage Corporate and Philanthropic Resources.** The City should not view its strategic investments for this agenda in isolation. There are a host of corporate and philanthropic resources with mission-aligned objectives that can serve as partners to help the City accomplish its broad and bold mission. The City could create a mechanism to inform and invite these entities into a collaborative to co-invest capital and/or other resources with the City for areas they historically have deemed hard to reach or unprepared to manage alone. With recent announcements by these entities in equity and inclusion for small businesses and entrepreneurship in communities of color, the City may be able to expand its resources and hence, impact on its inclusive economic development goals.

8) **Identify Implementation Roles.** Achieving inclusive economic growth and the success of ScaleUp Sacramento must be a collective effort with shared accountability. Although the city led in the development of the ScaleUp document and will continue to be integral to the implementation, it is also essential to identify roles for the community and other public, private and civic sector partners.

We welcome your input and participation as we work together to drive ScaleUp Sacramento’s strategies and move our region’s economy forward in a way that benefits all residents.

*Howard Chan, City Manager*

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