INTRODUCTION

The Economic Development Program facilitates private investment in accordance with established economic development priorities and markets the City of Sacramento. This section summarizes the CIPs that support the economic development goals and objectives adopted by the Mayor and City Council in the 2013 Economic Development Strategy.

ECONOMIC DEVELOPMENT PROGRAM CIP GOALS AND SELECTION CRITERIA

Program Goals

- Facilitate the creation of key development opportunities
- Use public funds to assist the progress of private development and leverage new private sector investment
- Attract targeted industries, headquarters, businesses, and commercial/retail uses
- Retain and expand existing industries and businesses
- Provide for appropriate infrastructure to serve the operational and aesthetic needs of the citizens and businesses of Sacramento
- Revitalize blighted areas

Selection Criteria

- Leverage private investment
- Increase public revenues
- Create jobs (includes direct and induced, salaries, and benefit levels)
- Create new businesses
- Improve potential of business areas/corridors
- Conform to the *2030 General Plan*
- Meet health, safety, and welfare legal obligations
- Further economic development goals

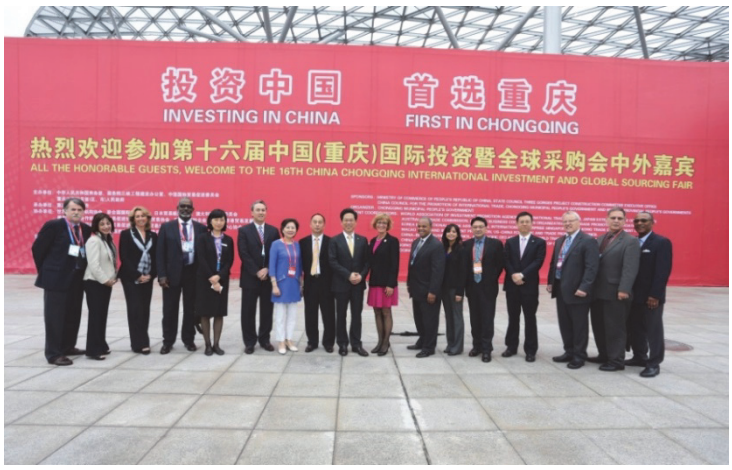
SOURCES OF ECONOMIC DEVELOPMENT CIP FUNDING

The City has two primary funding sources for Economic Development CIP projects: the City's General Fund and remaining redevelopment funds provided through the Successor Agency (as explained below).

The downturn in the economy has dramatically reduced General Fund dollars once available for capital projects. That reduction, along with a long-term lending slow-down by the private sector, has had a severe impact on construction in the city. Historically, the second source of funding was redevelopment funds, but those were eliminated with the dissolution of redevelopment agencies in 2011. A new Economic Development Fund was established from new property tax revenues received as the result of the dissolution of redevelopment and was authorized in Budget Resolution 2013-0198. Guidelines for the new program will be presented in the spring of 2014.

Though there are no new CIPs in the Economic Development Program for FY2014/15, implementing high priority economic development projects and initiatives continues to be a City priority. Some of these projects are described below.

DEVELOPMENT HIGHLIGHTS



International Trade Event in Chongqing, China

The City of Sacramento has invested in establishing an international trade office in China. The new office was opened in May 2013 and is a neighbor to the Chongqing Foreign Trade and Economic Development Commission. An 18-member delegation of Sacramento area business leaders and government officials, led by Economic Development staff, visited China in May and participated in an international trade event that showcased the Sacramento region's economic and cultural assets.

Additional events focused around increasing trade and investment opportunities are planned for 2014.

In support of the Chongqing international trade office, Economic Development is developing a list of projects within the City that offer potential opportunities for foreign direct investment. This list will be a resource to help identify private develop-ment, public development, and cultural amenities for investment capital.

Chongqing, China

Chrysler and Kia

A portion of the once vacant City-owned property adjacent to Mel Rapton Honda, along Business 80, was purchased from the City for $2.3 million and is home to a new Chrysler-Dodge and Fiat dealership. The dealership, approximately 31,000 square feet, opened in April 2012 and has generated additional sales and property taxes as well as 50 new jobs. In addition, a City-owned site was sold to Mel Rapton Honda for $4.3 million. The market rate sale closed in January 2014 and provided one-time revenue to the City, which will be used for repayment of City debt obligations.

The City is anticipated to finalize a lease for a new Kia dealership on Fulton Avenue in the spring of 2014. The new dealership will be located next to the Chrysler dealership and across from Mel Rapton

Honda. The new dealership will result in new jobs and generate additional sales tax revenue for the City.

Chrysler-Dodge and Fiat Dealership

PROJECT HIGHLIGHTS

Township 9 (B18219000) and Township 9 Catalyst (B18219300)

Construction of Cannery Place, a multi-family housing project in the Township 9 development, began in January 2013. This will be the first housing development in the project and the first housing constructed in the River District in decades, providing 180 affordable units on North 7th Street across from the California Highway Patrol headquarters north of Richards Boulevard. The apartments will include underground parking, an internal courtyard, a clubhouse, ground floor retail at North 7th Street and a public plaza/park at the corner. The parking structure for the project is funded by a HCD Proposition 1C infill grant. Cannery Place is an important deliverable in meeting the requirements necessary for the overall $30 million grant for infrastructure development provided by HCD for Township 9.

Cannery Place

SMUD Undergrounding (B18219100 and B18219200)

Economic Development Department coordinated the use of SMUD's Undergrounding System Enhancement Program to underground the electric utilities for the 16th Street corridor (B18219200, 16th Street Undergrounding, and B18219100, Richards Boulevard Undergrounding). This undergrounding compliments other efforts to enhance the streetscape and aesthetic appeal of the 16th Street corridor, a major thoroughfare in the Central City and home to new residential projects such as Legado de Ravel, a new 84-unit project and 16 Powerhouse, a new 45-unit project.

16 Powerhouse & Legado de Ravel Development Projects