

## 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
- Support growth of existing businesses
- Improve potential of business areas/corridors
- Conform to the *2035 General Plan*
- Meet health, safety, and welfare legal obligations
- Further economic development goals

## SOURCES OF ECONOMIC DEVELOPMENT CIP FUNDING

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

The downturn in the economy dramatically reduced General Fund dollars once available for capital projects for priority economic development projects. That decline, along with a long-term lending reduction by the private sector, had a severe impact on construction in the city. With an improving economy, Sacramento is beginning to experience an increase in development activity. Historically, the secondary source available to the City for construction of priority projects was redevelopment funds, but those were eliminated with the dissolution of redevelopment agencies in 2011. An Innovation and Growth Fund (Fund 2031, formerly named 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.

The May 27, 2014, City Council adopted policy for the fund includes supplementing the fund with additional unobligated revenues for economic development purposes. Unobligated revenues include proceeds from surplus City land sales and lease revenues. Guidelines for the use of these funds were approved by the City Council in June 2015 (Resolution 2015-0172).

Though there are no new CIPs in the Economic Development Program for FY2015/16, implementing high priority economic development projects and initiatives continues to be a priority. To date, City Council has approved funding from the Innovation and Growth Fund for the 700 Block of K Street and Powerhouse Science Center as well as committed funding for the Downtown/Riverfront Streetcar project. Three of these projects are described below.

## **DEVELOPMENT AND PROJECT HIGHLIGHTS**

### **700 Block of K Street**

In October 2014 Council approved the final funding for the 700 Block of K Street project. This long-awaited project will bring 137 residential units and approximately 70,000 square feet of commercial activity to the historic buildings between 7th and 8th Streets on K Street. The \$52 million project will create over 240 jobs and add new vitality to Downtown. The opening is anticipated by the end of 2016.



*Artist renderings of the 700 Block project*



*Cannery Place*

**Township 9 (B18219000) and Township 9 Catalyst (B18219300)**  
Construction of Cannery Place, a multi-family housing project in the Township 9 development, was completed in the fall of 2014. This is the first housing development in the Township 9 planned unit development 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 include 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 and adjacent plaza were funded by a Housing and Community Development (HCD) Proposition 1C infill grant. Construction of Cannery Place is an important milestone in meeting the requirements necessary for the overall \$30 million grant for infrastructure development provided by HCD for Township 9.

### **Powerhouse Science Center**

The Powerhouse Science Center at 400 Jibboom Street, north of Old Sacramento along the Sacramento River, will be the new home of the Discovery Museum. With the recent financial commitment made by the City and County, project construction funding of \$48 million for Phase 1 of the new facility is almost complete. Phase 1 consists of the new building adjacent to the historic Power Station building with a planetarium, exhibit space, classrooms, and a café. This new facility is projected to more than double annual attendance at the current museum and will be a regional draw for tourists and school groups.



*Artist rendering of the Powerhouse Science Center*