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SECTION – 13 **Economic Development**

Economic Development

Building On Our History - Creating The Place To Be

The role of the **Economic Development Department** is to retain, attract, and grow businesses and jobs in the City of Sacramento. The department promotes and facilitates investment and development opportunities within the city to revitalize targeted commercial areas. It is essential to retain, attract, and grow businesses and jobs that contribute positively to the local economy.

The Economic Development Department is focused on:

- Business recruitment, retention, and expansion
- Business assistance
- Revitalization of targeted areas
- Economic development policy and legislation
- Development project management
- International trade investments

INNOVATION, INFRASTRUCTURE, AND INCLUSION

Below are recent accomplishments and current initiatives that meet the requisite characteristics of a 3.0 city: innovation, infrastructure improvement, and/or inclusion.

INNOVATION

- Deliver access to international partnerships and direct foreign investment and trade activity through the City's international trade office in Chongqing, China.
- Invest in strategic programs with Innovation and Growth Fund resources to support and advance innovation, economic development, and job growth in Sacramento.
- Work with CSUS to identify and secure federal EDA grant funding to produce a plan that will guide the development of the university's 25 acres, advancing investment opportunities and development within the SCI.

INFRASTRUCTURE

- Pursue grant dollars for key infrastructure projects that advance high priority economic development projects including business expansion, retention, and attraction.
- Leverage public investment to promote economic vitality and stimulate new investment in local businesses and development.

- Utilize the Department’s website as a key tool to promote Sacramento as a prime business location by adding or updating information to keep it relevant, useful, and easy to navigate.

INCLUSION

- Work with Greater Sacramento to act on and pursue our greatest strengths and opportunities. These efforts will make the Sacramento region a premier business location in California and the model region for California.
- Partner with the multiple local business assistance service providers to implement a fee for service program that outlines specific criteria, eligibility, business resource programs and support services, deliverables, and measurements to demonstrate local economic growth.
- Partner with several Chambers to increase and promote diversity and equity.
- Coordinate with Community Development to implement policies and processes that remove economic and regulatory barriers in order to make Sacramento a first choice for business.
- Support the emerging Riverfront.

BUDGET CHANGES

Program	Description	Fund	Revenue/ Offset Adjustment	Expenditure Change	FTE Change
Citywide Development	Add a Staff Aide (classification to be studied) to support the City's efforts to revitalize and develop the City's riverfront.	General	-	181,732	1.00
Citywide Development	Add one-time funding for feasibility work on SEED Corp.	General	-	150,000	0.00
Citywide Development	Increase funding to \$100,000 for additional Chamber participation.	General	-	60,000	0.00
Total Change			\$ -	\$ 391,732	1.00

Department Budget Summary

Economic Development Budget Summary	FY2013/14 Actuals	FY2014/15 Actuals	FY2015/16 Approved	FY2015/16 Amended	FY2016/17 Approved	Change More/(Less) Approved/Amended
Employee Services	1,288,799	1,341,189	1,516,690	1,576,989	1,842,628	265,639
Other Services and Supplies	1,357,211	1,153,442	515,701	515,701	702,894	187,193
City Property	21,885	3,529	2,000	2,000	2,000	-
Transfers	5,494	21,770	-	-	-	-
Labor and Supply Offset	(10,375)	(6,796)	2,856	2,856	2,856	-
Operating Transfers	(118,883)	(159,480)	-	-	-	-
Total	2,544,130	2,353,653	2,037,247	2,097,546	2,550,378	452,832

Department Budget Summary (continued)

Funding Summary by Fund/Special District	FY2013/14 Actuals	FY2014/15 Actuals	FY2015/16 Approved	FY2015/16 Amended	FY2016/17 Approved	Change More/(Less) Approved/Amended
General Fund	2,605,513	2,513,133	2,037,247	2,097,546	2,550,378	452,832
Innovation and Growth	(111,383)	(159,480)	-	-	-	-
Parking	50,000	-	-	-	-	-
Total	2,544,130	2,353,653	2,037,247	2,097,546	2,550,378	452,832

Division Budget Summary

Economic Development Division Budgets	FY2013/14 Actuals	FY2014/15 Actuals	FY2015/16 Approved	FY2015/16 Amended	FY2016/17 Approved	Change More/(Less) Approved/Amended
Citywide Development Division	1,661,691	1,342,606	926,270	956,566	2,550,378	1,593,812
Downtown Development Division	529,956	662,198	776,540	802,202	-	(802,202)
Economic Development Admin Division	352,483	348,849	334,437	338,778	-	(338,778)
Total	2,544,130	2,353,653	2,037,247	2,097,546	2,550,378	452,832

Staffing Levels

Economic Development Division Budgets	FY2013/14 Actuals	FY2014/15 Actuals	FY2015/16 Approved	FY2015/16 Amended	FY2016/17 Approved	Change More/(Less) Approved/Amended
Citywide Development Division	5.00	5.00	5.00	5.00	12.00	7.00
Downtown Development Division	4.00	4.00	4.00	4.00	-	(4.00)
Economic Development Admin Division	2.00	2.00	2.00	2.00	-	(2.00)
Total	11.00	11.00	11.00	11.00	12.00	1.00

PERFORMANCE MEASURES

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Target	FY17 Goal
Number of businesses in the city ¹	33,620	19,787	19,885	20,084

The Economic Development Department promotes a “business-friendly” environment and provides assistance to encourage business growth and development. Tracking the number of businesses located in the city is a good indicator of a business-friendly environment. *Source: ESRI Business Analyst²*

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Target	FY17 Goal
Number of jobs in the city	314,373	288,509	291,394	294,307

In supporting the growth of business activity, Economic Development seeks to increase the number of job opportunities available to city residents. Tracking the total number of jobs in the city is a good indicator of increased opportunity for employment. *Source: ESRI Business Analyst²*

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Target	FY17 Goal
Employment rate	92.3%	93.7%	94.2%	94.4%

Changes in employment rates that correlate with job growth indicate job creation that is in harmony with the workforce needs. *Source: State of California Employment Development Department, Labor Market Information Division*

Key Measure	FY14 Actuals	FY15 Actuals	FY16 Target	FY17 Goal
Total investments made in Sacramento, by building permit valuation	\$362.1 million	\$546 million	\$650 million	\$683 million

The department promotes and facilitates investment and development opportunities within the city to revitalize targeted commercial areas. Continued physical development and investment in the City remains essential to create jobs, improve quality of life, and provide the necessary infrastructure to attract development and businesses. Tracking building valuation and monitoring its trend line is an indicator of economic growth.

¹Number of businesses in the city could be tracked by new versus renewal, gross receipts, and gross payroll if the City's BOT processing system and software is updated.

²ESRI is an international supplier of geographic information system software, geodatabase management, and business analytics data. ESRI extracts its business data from Dun & Bradstreet.